

FREE THE GRAPES!

# Wineries & Retailers

## WINE INDUSTRY CODE FOR DIRECT SHIPPING

Free the Grapes! developed a code of guidelines for direct shipments of wine to adult consumers for personal use. The purpose of the voluntary code is to provide shippers with a framework which, when adopted, will ensure that direct shipment orders and deliveries are completed in a manner consistent with appropriate laws, satisfies consumer demand, and supports the tenets of Free the Grapes!:

- support legislative provisions that satisfy tax payment provisions and reporting procedures
- protect against sales to minors
- respect state and local Prohibition laws (e.g., "dry" laws)
- support a vibrant national marketplace for the responsible enjoyment of wine

Introduced on January 12, 1999, several of these principles were taken from the [model direct shipment law](#), which was proposed by the Coalition for Free Trade, Family Winemakers of California, Wine Institute and American Vintners Association (now WineAmerica), and recommended for adoption by the National Conference of State Legislatures, Task Force on the Wine Industry, on November 5, 1997.

### Wine Industry Code for Direct Shipping

1. Out-of-state licensees may direct ship wine sold to adult consumers, for personal use, only in states where it is legal to do so.
2. Out-of-state licensees must not ship to an address in an area identified by an appropriate state department of alcohol beverage control as a "dry" or local option area for such shipments.
3. Cartons used to direct ship wine to adult consumers must be conspicuously labeled with a minimum notification "signature of person age 21 or older required for delivery" and must include a return address and other language required by specific state laws. Licensees may opt to further identify the contents, including words such as "wine enclosed" or "contains alcohol." Free the Grapes! recommends that wineries support shippers, fulfillment companies and freight consolidators who utilize this labeling procedure.
4. Licensees must verify the purchaser's age at the point of online purchase before completing any transaction. Some state laws now require age verification using a state-approved vendor, or by receiving a copy of the purchaser's drivers license, prior to the completion of the transaction. Additionally, licensees must notify purchasers that the recipient will be asked to show identification upon delivery.
5. Wineries must comply with all anti-spam legislation. For example, some states have enacted laws designed to prevent wine-related emails that might be unintentionally sent to underage consumer who have registered on a "do not email" database, and requires

- wineries to have their email lists scrubbed against a database of “do not email” lists.
6. Free the Grapes! encourages licensees to contract only with shippers who check the identification of recipients at the time of delivery to ensure that the recipient is 21 years of age or older.
  7. All out-of-state licensees must report to the appropriate state authority the total of wine shipped into the state the preceding calendar year, as required by state law. Additionally, as required by state law, out-of-state shipper licensees must pay the appropriate state agency sales and excise taxes due on sales to residents of that state in the preceding calendar year.
  8. Out-of-state licensees should offer consumers resources for answering their questions about direct shipping, including Free the Grapes! ([www.freethegrapes.org](http://www.freethegrapes.org)), Wine Institute ([www.wineinstitute.org](http://www.wineinstitute.org)), Family Winemakers of California ([www.familywinemakers.org](http://www.familywinemakers.org)), WineAmerica ([www.wineamerica.org](http://www.wineamerica.org)), and Specialty Wine Retailers Association ([www.specialtywineretailers.org](http://www.specialtywineretailers.org)), among other resources.
  9. Free the Grapes! encourages wineries to conspicuously post this code and train employees, to increase the knowledge of and appreciation for, the industry's responsibilities in direct shipping.
  10. Wineries, their agents, retailers, fulfillment companies, freight consolidators and other shippers who do not abide by this voluntary code of business practices are not in compliance with wine industry sanctioned standards. Non-compliance undermines the wine industry's desire to: a) fulfill consumer demand, b) comply with government regulations and controls, and c) support a dynamic distribution system which embraces both the efficiencies of the traditional three tier system, and the evolution of a dynamic, direct-to-consumer marketplace.

**Code Updates:**

December 2006: added provisions on anti-spam laws, age verification.