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Virginia's Small Vintners Have Little Reason to Toast New Law

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ABINGDON, Va. (AP) - Some small Virginia wine makers are grumbling about a new law that bars them from selling their products to local restaurants and retailers.

Bob Carlson said he wouldn't have invested more than \$1 million in his Abingdon Vineyard & Winery if he knew he'd be unable to sell his products wholesale. Now he and his wife, Janet Nordin, expect it will be eight years before he recoups his investment.

"It's a long time before you start making money, and then they start ripping the law out from underneath you," Nordin said. "All of it sounds pretty un-American to me."

The Supreme Court last year struck down state laws that allowed in-state wineries, but not out-of-state businesses, to ship directly to consumers. The justices voted 5-4 that the practice was discriminatory.

State legislatures had to revise their laws to put wineries on equal footing - either by loosening restrictions to let all wineries sell directly to consumers, or by tightening laws to bar all businesses from doing so. Virginia's General Assembly chose to do the latter.

Under the new law, which took effect Saturday, Virginia vintners must use distributors, who buy wine from vineyards and resell it to retailers. Vintners can sell directly to customers only from their tasting rooms.

Southwest Virginia wine makers claim the law benefits wholesale distributors and hurts small-market vintners.

"We don't have the lobbyists or the money to fund the lawyers that distributors do," said Jack Weaver, co-manager of Dyes Vineyards, a four-acre operation in Honaker. "It sounds like good ol' boys taking care of some good ol' boys."

With self-distribution making up 40 percent of the revenue of small vineyards, some worry vintners will be forced out of business.

The new law runs counter to Virginia farm-winery laws established in the 1980s. Those laws allowed state wine producers to sell their wines independently of distributors, a move that encouraged smaller, family-owned vineyards and boosted the number of Virginia wineries from six in 1979 to 85 in 2004, according to the Virginia Vineyards Association.

"We put the tires on the car and then took the air out of them," said Del. Christopher Saxman, R-Staunton. "Its unfortunate that some of these small wineries might have to close."

Saxman sponsored a bill that would have allowed all small-market wineries to self-distribute, but it died in subcommittee in January. The new law means tourists looking for local wine will not be able to buy it from local restaurants or wine shops.

The Virginia Winery Association will push for self-distribution legislation for all wineries in the next legislative session. Virginia's new law won't have much effect on large-scale vineyards, which already use distributors.

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