

Comment Report

HF 2108

A bill for an act providing for the direct shipment of alcoholic liquor.(See HF 2525.)

Subcommittee Members: Jones-CH, Nielsen, Sexton

Date: 02/08/2022

Time: 09:00 AM

Location: House Lounge 2

Name: Kristi Brown

Comment: Iowa House State Government Subcommittee Hearing HF2108 Spirits DirecttoConsumer Shipping February 8, 2022 Mr. Chairman and members, I am Kristi Brown, Sr. Director Government Relations for the Distilled Spirits Council of the United States (DISCUS). We are the national trade association representing the leading producers and marketers of distilled spirits sold in the United States.Mr. Chairman, I want to thank Representative Jones for introducing HF2108, which would permit directtoconsumer shipping of spirits. Our organization supports her efforts to bring better access and options for Iowa residents. Spirits directtoconsumer shipping serves as an on ramp for smaller producers. With more than 2,300 craft distillers across the United States and more than 15,000 spirits products, Spirits DTC provides a way for smaller distilleries to develop and showcase a brand following that is critical for the producer to be able to make the economic case for broader distribution. Spirits directtoconsumer shipping can serve as an additional avenue for consumer interaction for larger producers looking to provide their fans with products not geographically available to them, or items limited to distilleryonly bottlings or a unique subscription offering (similar to wine clubs). Spirits directtoconsumer shipping is naturally selflimiting, with consumers only willing to pay these extra costs for products that, for whatever reason, are not available in their local market.Increasingly, though, modernday consumers want enhanced convenience when it comes to purchasing their favorite products, including distilled spirits, whether produced instate or outofstate. How do we know consumers are demanding greater access? DISCUS retained IWSR to poll more than 2,000 American consumers about their interest in being able to have spirits products shipped to them like wine. This survey showed:Nationally, 73 percent of all households surveyed shopped online for groceries, and 47 percent reported they are shopping online more frequently than in the past year. Eighty percent of consumers surveyed nationwide believe distillers should be allowed to directly ship their products to legalage consumers in any state.We believe the shipping requirements in this bill along with the history of successful and safe wine shipping that has occurred for the last 2 decades across the country shows the Direct Shipping of Spirits can be done safely and responsibly.In the last 15 years, the explosive growth in interest in fine spirits has facilitated the number of distilleries to increase from only 70 in 2006 to now more than 2,300 nationwide. Increasingly, consumers want access to the myriad of new and exciting spirits products that are often not available in their state or even in the U.S.Thank you for your time and we ask for your support of HF2108.