

Study Shows That Allowing Grocery Stores to Sell Wine Will Save Massachusetts Consumers \$26 to \$36 Million Per Year

BOSTON, MA – Aug. 23 (SEND2PRESS NEWSWIRE) – A newly released study of the Massachusetts Wine at Food Stores Initiative concluded that updating state law to allow grocery stores to sell wine would save Massachusetts consumers an estimated \$26 to \$36 million dollars each year. The study noted that data from the 34 other states that already allow grocery stores to sell wine show that grocery stores are as good or better than package stores at enforcing minimum drinking age laws and that competition in wine sales from grocery stores does not drive package stores out of business.

Under an existing Massachusetts law enacted in 1934, most grocery stores are unable to get a license to sell wine – giving package stores a virtual monopoly on sales of bottled wine. The Wine at Food Stores Initiative, which will be Question 1 on the November statewide ballot, will give town and city officials the option of issuing “wine-at-food-store licenses” to qualified grocery stores. These wine-only licenses will be available to stores that carry the range of food products “typically found in a grocery store,” including “meat, poultry, dairy products, eggs, fresh fruit and produce, baked goods and baking ingredients, canned goods and dessert items.”

The study released today, titled “Likely Economic and Regulatory Effects of the Massachusetts Wine at Food Stores Initiative” was prepared at the request of the Massachusetts Food Association by the Northbridge Group, a Massachusetts-based national consulting firm specializing in economic, financial, and regulatory analyses.

Among the key findings of the study:

- * Package stores own the majority of the state’s 2,555 existing retail store liquor licenses and currently control over 85% of off-premises wine sales in Massachusetts.

- * Because current state law protects the market power and market share of Massachusetts package stores, they can charge higher prices than stores in other states. The average wine retailer in Massachusetts sells three times more wine than the average retailer in the other 34 states where wine is also sold in grocery stores and the anti-competitive effects of current Massachusetts law increase costs to Massachusetts consumers by \$26 to \$36 million per year.

- * Contrary to claims made by opponents, the data shows that package stores are not driven out of business simply because local grocery stores can sell wine. Other states that allow grocery stores to sell wine currently

have about twice as many retail stores selling alcoholic beverages on a per capita basis.

* In contrast to the common image of the “small local package store,” many Massachusetts package stores are large multimillion-dollar businesses. Several large package store chains have multiple locations. For example, there are 14 Kappy’s liquor stores and seven Blanchard’s stores in the state. In terms of revenues and locations, these large package stores and chains are larger than many grocery stores.

* The total number of wine-at-food-store licenses issued would likely be less than 1,000 statewide. Most convenience stores do not sell the range of food products required to qualify for the new wine at food store licenses. And, it’s unlikely that all of the state’s 1,200 grocery stores and supermarkets would get a license, since some towns are “dry” and others typically do not grant the maximum number of licenses allowed for alcohol sales.

* State and national statistics shows that allowing grocery stores to sell wine does not increase underage drinking violations. The data shows that grocery stores are as good or better at complying with underage drinking laws than package stores. In fact, the 34 other states that allow grocery stores to sell wine actually have no greater incidence on average of underage drinking violations than the states that don’t permit grocery stores to sell wine.

“The liquor lobby and it’s political allies make all kinds of wild claims as part of their scare campaign against the Wine at Food Stores Initiative because they want to protect the current package store monopoly,” said Chris Flynn, President of the Massachusetts Food Association. “But as the Northbridge study clearly shows, there is really no legitimate reason why Massachusetts consumers should not have the option to buy wine at their local grocery store with their meal, just like consumers can in most other states. Voter approval of the Wine at Food Stores Initiative will update our state’s antiquated law, increase consumer choice and convenience – and save Massachusetts consumers an estimated \$26 to \$36 million each year by reducing average prices for bottled wine.”

The complete text of the Wine at Food Stores Initiative and more information, a copy of the Executive Summary of the report, and the complete text of the report is available online at www.WineAtGroceryStores.com.

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