

ANCHOR HOPE

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Winery Bill Testimony
H-7220

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To Whom It May Concern;

In Rhode Island, there are two licenses for wineries – a Farmer Winery License and a Manufacturer’s License. The Farmer Winery License enables wineries to make wine from grapes that are grown in Rhode Island, and to then sell that wine directly to consumers on site in a tasting room setting, to retailers or to a wholesaler.

The Manufacturer’s License enables wineries to establish and operate a winery, and to sell the wines made at wholesale to license holders, but not directly to consumers on site. Breweries and Distilleries, however, are allowed to sell their products directly to consumers on premise under the Manufacturer’s License (48 oz of malt beverage and 4.5oz of distilled spirits).

We have been operating a winery, Anchor & Hope, for the past 5+ years out of a facility in Rumford, RI. We work with small, sustainable, family vineyards from all over to make delicious wines. We hold both a Farmer Winery License and a Manufacturer’s License. Because Rhode Island is such a small state and there aren’t that many vineyards here, and thus not many grapes for us to purchase, we also buy grapes from surrounding areas as well. Land is expensive and it’s a challenging climate to grow grapes, so establishing our own vineyard and farming grapes would be an enormous capital expenditure. We definitely want to do this down the road, but our business needs to be making enough money for us to make that investment.

Our brand has been well received here in RI and beyond via sales in retail shops and restaurants, and we want to continue to grow our brand and business by opening a tasting room that educates consumers on our wines. However, under the current law, we would not be able to sell any wines that are not grown in Rhode Island out of our tasting room. This is very limiting and would not be sustainable for us.

It seems unfair to us that Manufacturer-breweries and distilleries are permitted to sell directly to consumers in limited amounts, but wineries are not. Wineries should be afforded the same privileges as breweries and distilleries who source their ingredients domestically and internationally. As it currently stands, we are not legally permitted to sell a wine directly to a

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customer that was grown a few miles down the road in Seekonk, MA, or a couple hours away on Long Island, NY, even though the wine was made in RI.

It is important to note that at a federal level and in the eyes of most all other states, we are seen as the producer of our wines and can sell them directly on our website, regardless of where the fruit came from, but we can't in our home state of Rhode Island, even if a person came to the winery to pick the wine up.

Furthermore, the amount that we would be allowed to sell directly is small – a few glasses on premise and 3 bottles to go. If customers like our wine/brand, they would likely then go and buy our wine in their local shop, so it would only help sales in liquor stores and restaurants. This would be good for everyone.

Another important point is that distribution is a huge part of our business model now and moving forward, and we aren't trying to cut out liquor stores, but rather grow our brand that will help brand awareness and therefore sell-through in stores.

We are a small family business. We have invested everything we have to start this business. We employ Rhode Island residents, we use RI vendors for all of our needs, we pay a lot of money in RI wine excise taxes, and ultimately our business is good for the state. However, we need to be able to sell some of our product directly to consumers to keep our business afloat in the long term.

Please don't hesitate to reach out to us with questions. Thank you for your consideration.

Best,

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