

# Know the Whole Story on DTC (Direct to Consumer) Distilled Spirits Shipping

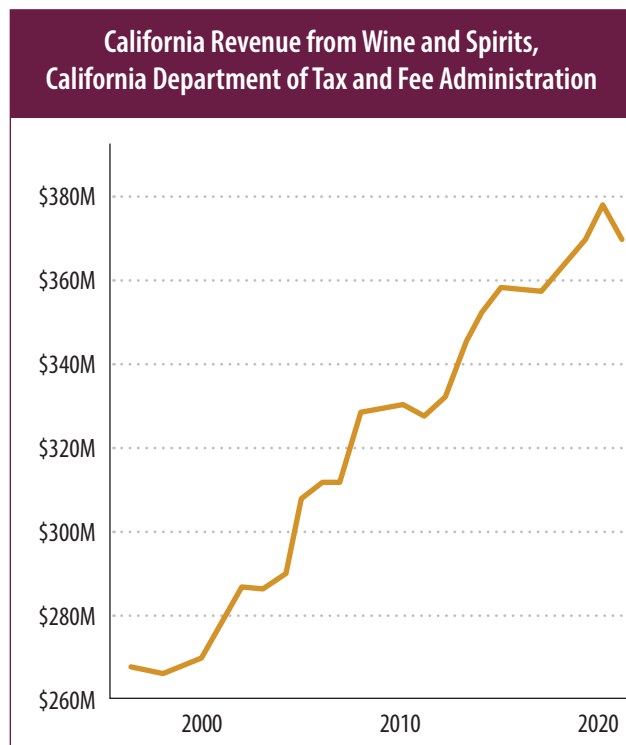
*Protect Revenues and a Well-Regulated Marketplace*



Last year, California Collected \$203.7 million from distilled spirits sales.

Moving to an interstate DTC model for distilled spirits will:

- Decrease revenues to the state by causing difficulties in tax collection. Revenue from alcoholic beverages has increased over \$100 million over the last 25 years while revenues from distilled spirits have also increased.
- Eliminate jobs. Alcohol beverage taxes are paid for by wholesalers and under a DTC system, wholesalers are bypassed, leading to a loss of up to 5,000 jobs.
- Overwhelm the existing regulatory system, adding major costs to the state for compliance and enforcement.
- Increase the unregulated market and lead to growth in the underground economy. According to a 2019 national survey by the Center of Alcohol Policy, 86% of respondents agree that alcohol is a product that needs to be regulated, and 82% agree that alcohol is different than other products and should be regulated differently.
- Undercut legal, compliant, in-state businesses that make up local communities.



## Year to Year Revenue Changes (Last 5 Years)

At FY Ending	Beer Revenue	Still Wines 14% Alcohol or Less Revenue	Still Wines Over 14% Alcohol Revenue	Champagne & Sparkling Wines Revenue	Distilled Spirits Revenue	Total Revenue	Prior Year Revenue	Percent Change
2016	\$136.5M	\$20.0M	\$6.2M	\$3.6M	\$198.7M	\$357.7M	\$358.4M	-0.2%
2017	\$130.3M	\$21.1M	\$5.8M	\$3.8M	\$203.0M	\$364.1M	\$357.7M	1.8%
2018	\$135.4M	\$20.6M	\$6.0M	\$3.9M	\$203.7M	\$369.7M	\$364.1M	1.5%
2019	\$135.2M	\$21.7M	\$7.0M	\$3.8M	\$210.9M	\$378.6M	\$369.7M	2.4%
2020	\$135.0M	\$20.0M	\$6.8M	\$3.5M	\$203.7M	\$369.0M	\$378.6M	-2.5%



**WINE & SPIRITS**  
WHOLESALEERS OF CALIFORNIA  
*Established 1955*