vinetur

Delaware’s New Wine Shipping Law Faces Backlash Before It Takes Effect

Critics say wholesaler ties, steep fees and the absence of UPS and FedEx could sharply limit consumer access

Monday, July 20, 2026



Delaware is set to allow direct-to-consumer shipments of wine from out-of-state wineries in August, ending one of the nation’s last absolute bans on the practice. But before the law has even taken effect, it is drawing sharp criticism from winery groups, retailers and shipping advocates who say the measure is so restrictive that it may block much of the access it was meant to create.

The law was approved last year after years of debate in a state that had long resisted opening its alcohol market to direct shipping. Supporters described it as a compromise that preserved Delaware’s three-tier system of producers, wholesalers and retailers while giving consumers a legal path to buy wine directly from wineries outside the state. Critics now argue that the compromise came with conditions that could keep many wineries, and most consumers, from benefiting.

One of the main objections centers on which wineries are allowed to ship. Under the law, an out-of-state winery cannot ship directly to Delaware consumers if it already has a relationship with a licensed Delaware wholesaler. Industry critics say that rule reaches far beyond large brands already sold in local stores. It can also affect smaller labels owned by larger wine companies if another brand in the same corporate family is distributed in Delaware.

Terri Beirne, eastern counsel for the Wine Institute, said the restriction is unusually severe compared with direct-shipping laws in other states. She described it as a “poison pill” and said the group has advised its members not to participate. In her view, the rule will confuse consumers who may find one wine from a producer on store shelves in Delaware but be unable to order other wines from that same winery online or through a wine club.

That issue could be especially important for wineries that rely on club memberships and limited releases rather than broad wholesale distribution. A consumer who visits a winery while traveling and later wants to order bottles not sold through Delaware’s retail network may find that option blocked if the winery, or its parent company, already works with a wholesaler in the state.

The National Association of Wine Retailers also opposes the law, though for a different reason. The measure does not lift Delaware’s ban on direct shipments from out-of-state retailers. Tom Wark, the group’s executive director, said Delaware wholesalers carry only a small share of imported wines available in the broader U.S. market and sold by retailers elsewhere. For consumers seeking rare or highly allocated bottles, that means the new law may still leave many wines out of reach.

Wine Spectator reported that it contacted seven of Delaware's 23 licensed wholesalers and that all either declined to comment or did not respond. Delaware's Office of the Alcohol Beverage Control Commissioner also declined to comment on criticism of the law. State Rep. Michael Smith, the chief sponsor of the legislation, did not respond to multiple requests for comment cited in that report.

Some opponents of the measure have pointed to organized labor as one force behind its limits. The Teamsters union represents many workers employed by wholesalers, including drivers and warehouse staff. Critics say any expansion of direct shipping can be seen as reducing business handled through the traditional distribution chain and therefore threatening jobs tied to that system. The union did not respond to requests for comment cited by Wine Spectator.

Another major problem involves delivery itself. The law depends on common carriers to bring wine to consumers' homes, but UPS and FedEx have both declined to participate under the current rules. In statements reported by Wine Spectator, UPS referred to unspecified legal requirements in the statute, while FedEx cited certain provisions in the new law.

Industry critics say two requirements appear to be central obstacles. One requires carriers not only to verify age at delivery but also to retain identification information. That goes beyond standard adult-signature procedures used in many states. Critics note that both UPS and FedEx have corporate policies against storing private customer identification data in this way.

The second issue is training. The law requires carriers to complete age-verification training approved by Delaware alcohol regulators. Opponents say that may be manageable for local operators but creates a difficult burden for national and international shipping companies with large workforces and standardized compliance systems across many states.

Without participation from major carriers, wineries could face a basic logistical problem: even if they qualify for a permit, they may have no practical way to send wine into Delaware at scale. That concern has added to doubts about whether many producers will apply at all.

The cost structure is another source of concern. The permit fee is $400 every two years for wineries shipping into Delaware. If a winery ships more than 200 cases into the state during that period, the fee rises sharply to $3,600. The law also limits shipments to three 9-liter cases per household each year and caps total shipments by any producer at 1,800 cases annually statewide.

For large wineries, those limits may make Delaware too small a market to justify separate compliance efforts. For small wineries, critics say the fees and paperwork may outweigh potential sales in a state with fewer than 1 million residents. Jim Law of Linden Vineyards in Virginia, which attracts visitors from Delaware, said in a statement reported by Wine Spectator that his winery would look into shipping there but questioned whether the permitting process and fees would make economic sense given the state’s size.

The debate reflects a broader national tension over alcohol regulation. Nearly every state now allows some form of direct shipment from wineries after years of court fights and legislative changes tied to consumer demand and e-commerce growth. Delaware had remained one of the last holdouts. Its new law formally opens the door, but only under conditions that many in the wine business see as among the toughest in the country.

The measure also includes built-in uncertainty about its future. Delaware’s Office of the Alcohol Beverage Control Commissioner must submit a report to the governor in 2028 evaluating how direct shipping has affected retail stores in the state. The law also contains a sunset clause after five years unless lawmakers renew it.

That means wineries considering whether to enter Delaware are weighing not only fees, restrictions and shipping barriers but also whether the legal framework will remain in place long enough to justify compliance costs. For consumers who hoped the end of Delaware’s long-standing ban would quickly expand access to wines from around the country, the result may be far narrower than expected once the law takes effect in August.