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California craft distillers face losing direct shipping rights on Jan. 1

Wine groups, wholesalers and the Teamsters opposed a bid to make the pandemic-era policy permanent before an Aug. 31 deadline

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California’s small distilleries could lose the right to ship bottles directly to customers’ homes at the end of this year, after a push in Sacramento to make the policy permanent ran into opposition from wine interests, the Teamsters and major alcohol

wholesalers.

The current law, which lets craft distillers send spirits to California consumers through private carriers, expires on Dec. 31. Unless lawmakers act before the Legislature adjourns on Aug. 31, the deliveries that began under an emergency pandemic order will end after six years.

The fight has become a clear test of how alcohol policy is made in California, where well-funded industries often shape legislation through private talks long before a bill reaches a public vote. In this case, a proposal to preserve shipping rights for craft distillers never even made it into print as a formal amendment, despite months of discussion.

“I don’t have a lot of hope that we’re going to be able to salvage this,” Assemblymember Josh Hoover, a Republican from Folsom, said of the effort to keep the deliveries in place.

During the Covid lockdowns, Gov. Gavin Newsom issued an executive order allowing distilleries to ship directly to customers at home. Lawmakers later extended that authority through temporary legislation. The rule applies to craft distillers, defined in California as producers making up to 150,000 gallons a year.

Hoover tried this year to add permanent direct-to-consumer shipping language to Assembly Bill 2211, a separate measure that would expand where craft distillers can hold tastings and sell spirits. The bill has moved through the Legislature without a formal vote against it and is now before the full Senate. But the shipping amendment was blocked before it could be added.

Lobbying records filed with the California secretary of state show that at least six groups, including some of the country’s largest alcohol distributors, reported lobbying on Hoover’s bill this year. Together, those groups spent more than $1 million on lobbying in California in 2026, according to the filings. State disclosure laws do not require them to say how much of that money was tied to this specific issue.

Campaign finance records compiled by Digital Democracy show that the same interests, along with the International Brotherhood of Teamsters and the Wine Institute, have given at least $11 million to California politicians and campaign committees since 2000. Since the start of the current legislative session in 2025, those groups have contributed at least $738,000.

By contrast, the craft distilling industry reported spending $54,000 on lobbying this year. Over the past decade, it has made only a handful of reported political gifts and donations. They included a $42 bottle of whiskey to former state Sen. Bill Dodd in 2022, $215 in tequila to Assembly Speaker Robert Rivas in 2023 and a $1,300 campaign donation to Adam Gray in 2016, before he was elected to Congress.

Craft distillers say the imbalance in money and access has shaped the outcome.

“They went directly to legislators’ offices and basically torpedoed any effort we came up with,” said Cris Steller, acting executive director of the California Distillers Association and owner of Amador and Dry Diggings Distillery in El Dorado Hills.

Opponents reject the idea that they are trying to crush smaller competitors. They say the issue is public safety, legal consistency and the structure of California’s alcohol distribution system.

The Teamsters, which represent truck drivers and warehouse workers, say they are not against direct shipping by small distillers if deliveries are handled by established carriers with employees, including unionized workers at companies such as UPS. Matt Broad, a lobbyist for the union, said those companies have clearer standards for checking age and clearer legal responsibility if something goes wrong than contractor-based delivery models.

“We are absolutely not opposed to the little guys being able to ship directly to consumers,” Broad said, adding that the union wants “meaningful guardrails that protect our members and protect the public.”

Federal law bars the U.S. Postal Service from shipping most alcohol to homes. In California, some alcohol producers and sellers can use private carriers instead. Wineries have long had the right to ship directly to customers in the state. Breweries cannot. Distillers were allowed to do so only under the pandemic-era exception and later extensions.

That difference has drawn the wine industry into the dispute. Steve Gross, president and chief executive of the Wine Institute, said his group is not broadly opposed to direct shipping. But he said allowing small distillers to ship while larger spirits companies remain shut out would create a new inequality in a system that wine producers have spent years trying to standardize.

The Wine Institute represents more than 700 wineries and wine businesses, including both small producers and large companies such as E. & J. Gallo Winery in Modesto. Gross said distillers could seek a broader bill that covers large and small spirits producers alike, but that has not been the approach this year.

The wholesaler groups have taken an even harder line. In a joint statement, the Wine & Spirits Wholesalers of America, the California Beer & Beverage Distributors and the California Family Beer Distributors said they oppose making direct-to-consumer shipping for spirits permanent. They argued that the policy was intended only as temporary pandemic relief and that consumers can still have liquor delivered from local retailers through services such as DoorDash after the law expires.

The issue comes as alcohol sales are slowing across the country. Distillers and their allies say that makes direct shipping more important for small producers that depend on tasting room visitors and loyal online customers. Opponents say that downturn does not justify changing long-standing rules that separate producers, distributors and retailers.

Dodd, the former Napa-area state senator who now lobbies for the craft distillers, said the wholesalers are protecting their market position at a time when overall demand is weakening. He said the small producers have tried to negotiate and address concerns but have not been able to reach a deal.

The fate of the proposal now rests largely with Democratic leaders who control the Legislature's final agenda in the closing days of session. Rivas declined to be interviewed about the issue. Records show he has received at least $108,000 over the years from groups opposing the shipping expansion. Senate President Pro Tempore Monique Limón, who has received at least $33,000 from those interests, said in a statement that she was aware of the deadline and that the bill would "continue to work its way through the legislative process as intended."

Two other lawmakers have played key roles. Sen. Susan Rubio and Assemblymember Blanca Rubio, sisters who chair the committees overseeing alcohol regulation in their respective chambers, could have allowed Hoover's bill to carry the shipping language. It never happened. According to Digital Democracy, Susan Rubio has received at least $65,000 in campaign support from groups opposing the direct-shipping plan, and Blanca Rubio has received at least $129,000.

A spokesman for Sen. Rubio said she had supported four previous extensions of the craft distiller shipping law and said it would be wrong to claim she had blocked a renewal this year because no amendment was formally before her committee. Assemblymember Rubio did not respond to interview requests.

For distillers, the uncertainty is already affecting business decisions. Steller said he has begun scaling back the program at his family-run distillery because he does not want to invest in a sales channel that may disappear in a few months. His company produces whiskey, brandy, vodka and gin and has used home shipping to reach customers who first found the brand at tastings or while traveling through the Sierra foothills.

If no bill emerges before the end of the month, California consumers who have been ordering spirits directly from small distilleries since the pandemic will lose that option on Jan. 1, and the state's craft producers will go back to relying on tasting rooms, retailers and distributors to reach buyers.