



**Friday, March 1<sup>st</sup>, 2024**

10:00am

Senate Hearing Room, 250 Broadway, 19th Floor, New York, NY 10007

**Testimony for Public Hearing**

Senate Standing Committee on Corporations, Authorities and Commissions and  
Senate Standing Committee on Investigations and Operations Public Hearing.

**Subject:** Public hearing on State Liquor Authority and ABC Law

**Purpose:** To examine and evaluate the procedures and practices of the of the State Liquor Authority, assess the effects of recently enacted Alcoholic Beverage Control laws, and gather recommendations.

**NEW YORK CIDER ASSOCIATION TESTIMONY 03.01.24**

Thank you to both Senate Committees for the opportunity to appear before you on these very significant issues. I'm Scott Ramsey, the Executive Director for the New York Cider Association and we are the singular trade association in New York State focused on cultivating what is universally recognized as the world class New York Hard Cider Industry. The New York Cider Association represents small and large farms, growers, producers, manufacturers, and entrepreneurs across the state, many of whom produce hard cider from 100% New York State apples.

When the New York Cider Association was founded in 2015, there were only a handful of cideries in the state. I'm proud to tell you that our Association now supports over 125 licensed hard cider producers across the state who have a total economic impact of over \$1.7 billion for New York State's agricultural economy. That is a remarkable industry growth rate of over 2400% in just under ten years. Also in 2015, we aligned our mission with the amendments that were added to New York's Alcoholic Beverage Control Law for the express purpose of promoting agritourism in New York State.

Recently, our Government Affairs Committee and I had a very encouraging meeting with the newly appointed New York State Liquor Authority Commissioner Lily Fan and her team. It was clear, that we have a shared understanding of the potential for this industry to connect to responsible consumers and to bring more growth and more economy to New York while still maintaining sensible regulations that are needed with any sale of alcohol. And we have been encouraged by Governor Hochul's inclusion of certain updates to the Temporary Beer, Wine, and Cider permit that are included in her budget for 2024.

However, the New York Cider Industry, and all it brings to this state's economy, continues to be stunted by the inability to allow our small producers to ship directly to their customers and build their businesses within the context of the 2024 contemporary marketplace.

And we've understood this to be our biggest challenge to our industry's growth for years. We've been fortunate to have the robust legislative support for several years, even before the Pandemic, of Senator Rachel May and Assemblywoman Patricia Fahy with their "Direct-to-Consumer Cider Shipping Bill" and their bill has been introduced again into the 2024 session. It is expected to pass the Senate again but consistently gets held up in the Assembly Economic Development Committee and has never been elevated to the agenda for a vote on the Assembly floor. And, of course, we also fully support Senator Skoufis' bill which allows for direct-to-consumer shipping of all alcohol because all craft beverage producers should have the same economic opportunities to flourish and to represent the best of New York State.

During last year's Commission to review the ABC Law, our Government Affairs Committee Chair, Sonya del Peral, presented these same arguments concerning the necessity to be able to ship cider directly to consumers. The data from that Commission report shows that the arguments made by retailers and distributors against cider having parity with wine and being directly shipped to customers don't hold up.



## **NEW YORK CIDER ASSOCIATION TESTIMONY 03.01.24 (continued)**

During the pandemic, when the Governor's Executive Orders allowed for the direct shipment of cider via the "drinks to go" order, there were no major issues with underage recipients of alcohol or delivery via a common carrier as suggested by the retail and distribution industries. Nor did cideries having the privilege of direct shipping negatively affect the bottom line for retailers and distributors. In fact, the numbers in the report show that distributors did exceedingly well during the same period in which direct shipment was available to craft producers.

Without the ability to ship directly to their customers, New York Cider producers are faced with an antiquated distribution structure designed only for large scale producers that can afford to participate in a system that inhibits the potential of small businesses growing their brands, building their customer bases, and increasing the economic impact to their communities. In addition, retailers have limited shelf space available, and distributors can only focus on limited supplier base.

And as referenced before, the ability for New York Cider's farm manufacturers to ship directly to their consumers is in full support of the amendments made in 2015 to the ABC Law to "support economic growth, job development, the state's alcoholic beverage production industries, and its tourism/recreation industry as well as the conservation and enhancement of state agricultural lands."

Interestingly, the Commission's final vote for recommendation of direct-to-consumer shipping was tied 8 to 8, indicating that there is a well-developed understanding of the need for this opportunity for New York Cider and all craft beverage manufacturers in New York.

What we are seeking is simple: to have parity and provide for the New York Cider Industry the same economic opportunity that New York State affords its Wine industry. New York is the second largest apple producing state in the U.S. and ranks No. 1 in the U.S. for most apple varieties. Cider is an agricultural product just like wine. Wine is fermented from grapes and cider is fermented from apples. Even at the federal level, the TTB classifies cider as an apple wine. And yet New York cidemakers do not have the same opportunity that New York winemakers have had for over 30 years in being able to build their businesses, ship directly to their customers, and bring tremendous value to the agricultural and agritourism industries of this state.

With more active cideries than any other state, and the largest variety of apples available to them, New York Cider growers and producers have tremendous potential by showcasing our state's world class products. If the New York Cider industry is to maintain its leadership, stay competitive, and respond to overwhelming consumer interest, ABC laws must be passed to create parity with the wine industry and to allow our small growers and producers to compete in today's contemporary marketplace. I appreciate your consideration and support for the New York Cider Industry and most importantly, New York State's cider growers, farmers, and producers.

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