

# Proposed Wine Deal in Tenn. Draws Criticism

ERIK SCHELZIG, Associated Press



In this Nov. 30, 2012 file photo, a sign in a Kroger supermarket in Nashville, Tenn., urges shoppers to sign up for a group urging lawmakers to change state law that limits wine sales to liquor stores. State lawmakers on Tuesday, Jan. 21, 2014 reconvened the 108th Tennessee General Assembly in a legislative session that is expected to feature debates over creating a school voucher program and whether to allow supermarkets to sell wine. (AP Photo/Erik Schelzig, file)

NASHVILLE, Tenn. (AP) — A proposed deal to allow supermarket wine sales in Tennessee is drawing criticism for trying to exclude big box retailers and convenience stores.

Supporters of the measure seeking to authorize cities and counties to hold referendums on supermarket wine sales have been heartened by the liquor industry lobby for the first time engaging in serious negotiations over the perennial bill.

But a proposal to require a minimum percentage of sales to be made up by groceries in order to gain a license to sell wine has drawn the ire of big retailers such as Wal-Mart and smaller convenience stores.

Wal-Mart spokeswoman Anne Hatfield said in an email that company is calling for legislation that "does not arbitrarily limit our ability to offer customers the convenience and product assortment they want."

Rep. Jon Lundberg, R-Bristol and a main sponsor of supermarket wine sales, said Tuesday that he's wary of setting up free market barriers.

"Wal-Mart is the biggest grocery chain in Tennessee," he said. "So do they have a valid point of having wine on their shelves? Sure they do."

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"But again, it's all part of the process of what the final legislation looks like," he said.

David McMahan, a lobbyist for the Tennessee Wine and Spirits Retailers Association, said restricting wine sales to traditional supermarkets would fulfill the public demand for picking up a bottle while grocery shopping while at the same time keeping state's about 600 liquor stores from being driven out of business.

"The groups I represent for the first time in eight years are willing to find a solution to create a business environment they can continue to prosper in," he said.

Randy Stepherson, a board member of the Tennessee Grocers & Convenience Store Association, issued a statement lauding the ongoing negotiations. But the owner of Memphis-based Superlo Foods stressed that the talks "remain fluid at this time."

"We believe that retail food stores come in many different shapes and sizes, each dedicated to serving their customers," he said. "Customers win with more choices within a vibrant free market."

The association cites data compiled by the Shelby Report of the Southeast that shows Wal-Mart has a 44 percent market share of grocery sales in Tennessee, followed by 25 percent for Kroger, 10 percent for Food City and 5 percent for Publix.

Tennessee Fuel & Convenience Store Association Executive Director Emily LeRoy said she supports last year's Senate version of the bill that would include her members. That version of the bill would have established that wine could be sold during the same hours of beer sales, allowed for lower licensing fees for smaller stores and allowed high-gravity beer alongside wine.

Keeping the convenience stores out of the measure "doesn't impress me as something that would get more votes," LeRoy said.

Under current law, supermarkets and convenience stores can sell beer containing up to 6.5 percent alcohol by volume. Anything stronger can only be sold in package stores, which can't sell anything beyond booze and lottery tickets.

The proposed law change would allow liquor stores to sell a variety of other items like cigarettes, beer and food.

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