

POLITICS UNDER THE INFLUENCE

Examining Political Campaign Contributions
and Lobbying Expenditures
In the American Alcohol Industry

2017 – 2020

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Introduction

It should be no surprise that the alcohol industry has long been a political player given that since the birth of the country alcohol has been a significant source of revenue for both the federal government as well as the state governments. Moreover, since the end of Prohibition in 1933, the U.S. Constitution has granted the states the primary power to regulate the sale and distribution of alcohol. The involvement of the alcohol industry in politics, then, has largely been an effort to avoid excessive taxation and see regulatory favor bestowed on one part of the industry or another.

It is also true that for decades, and particularly since the creation and implementation of a “three tier system” of alcohol regulation following repeal of Prohibition, the political involvement of the alcohol industry can be broken down and viewed from the perspective of each “tier” (producer, wholesaler, retailer), then further examined through the lens of type of alcohol producer (winery, brewer, distiller).

Any effort like this one to measure the involvement of the alcohol industry in domestic politics must take birds eye view of the matter. That view, inevitably, involves money, time and context.

This report attempts to measure the money spent on state and federal campaign contributions and on state and federal lobbying by various sectors of the alcohol industry for the two election cycles covering 2017-2020. This is in fact the easy part. Various databases exist that record exactly these figures. The hard part is drawing conclusions concerning the intent of the campaign contributions and lobbying efforts, let alone identifying any success in achieving specific goals.

In large part I’ll leave the effort of drawing conclusions to the reader. However, the lopsided nature of the data that follows is hard to ignore. Accounting for the way by which wholesalers so completely outspend every other sector of the alcohol industry when it comes to campaign contributions must motivate any attempt to interpret the data collected in this report. I’ll make my own attempt in the conclusion to this report.

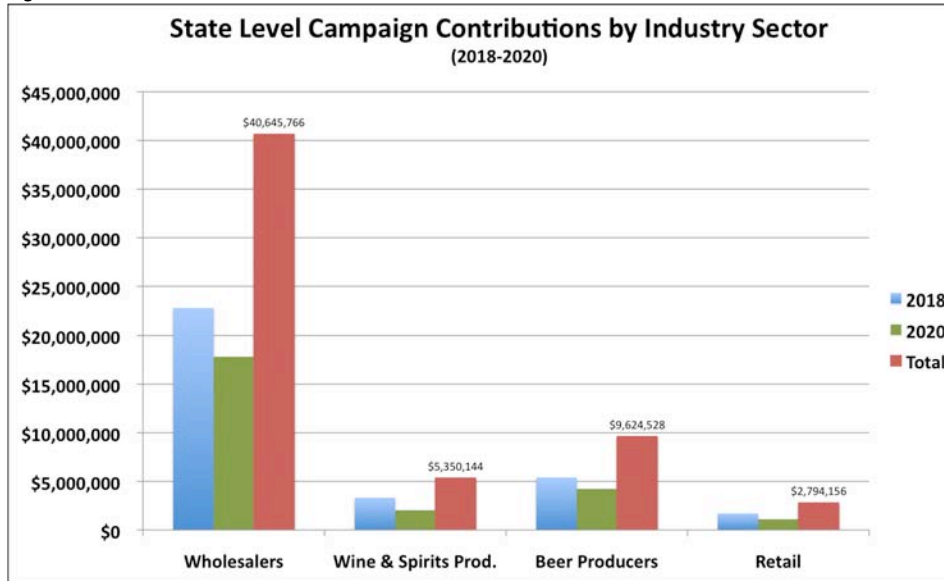
A few notations on the data and how it is presented:

1. Election cycles are defined by two consecutive years ending in the even year.
2. The National Institute on Money in Politics database of campaign contributions lumps together contributions by wineries and distillers, while breaking out contributions for brewers. Wholesaler and retailers are broken out separately also.
3. At the time of publications of this report, data on state-based lobbying expenses for 2020 had not been published by The National Institute on Money in Politics. As a result the totals account only for 2017 through 2019.

STATE-BASED CAMPAIGN CONTRIBUTIONS AND LOBBYING (2017-2020)

STATE-BASED CAMPAIGN CONTRIBUTIONS BY INDUSTRY SECTOR

Figure 1



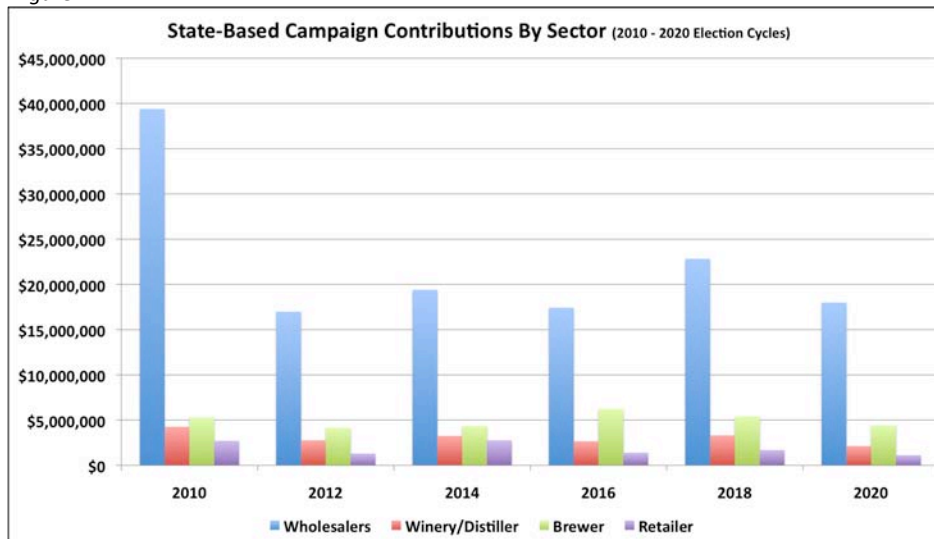
The \$40.6 million dollars in campaign contributions delivered from wholesalers and their state and national trade associations in the past two election cycles is more than double the amount contributed by wineries, distilleries, brewers and retailers in the same four year time period.

Total Contributions (2018-2020 Election Cycles)

Wholesalers:	\$40,645,766
Wineries & Distilleries:	\$5,350,144
Brewers	\$9,624,528
Retailers	\$2,794,156

Source: National Institute on Money in Politics

Figure 2



Over the past six election cycles the amount of contributions by each sector has stayed relatively stable with only minor anomalies. But what is clear from looking at state-based contributions over the long term is that the domination by wholesalers is consistent.

Total Contributions (2010-2020 Election Cycles)

Wholesalers:	\$134,022,209
Wineries & Distillers	\$18,406,597
Brewers	\$29,819,063
Retailers:	\$11,011,059

Source: National Institute on Money in Politics

STATE BASED WHOLESALER CAMPAIGN CONTRIBUTIONS BY STATE (2017-2020)

Table1

	2020	2018	Total	\$/Capita
TX	\$3,415,306	\$4,992,273	\$8,407,579	0.29
VA	\$2,158,464	\$1,414,150	\$3,572,614	0.42
IL	\$1,413,843	\$1,815,059	\$3,228,902	0.26
FL	\$1,580,438	\$1,350,685	\$2,931,123	0.13
CA	\$808,971	\$1,333,894	\$2,142,865	0.05
GA	\$617,170	\$1,308,560	\$1,925,730	0.18
MI	\$570,005	\$1,089,280	\$1,659,285	0.17
NY	\$648,163	\$815,464	\$1,463,627	0.08
IN	\$736,505	\$659,647	\$1,396,152	0.21
OH	\$561,476	\$830,720	\$1,392,196	0.12
TN	\$399,150	\$878,300	\$1,277,450	0.19
NC	\$652,502	\$522,021	\$1,174,523	0.11
MA	\$388,195	\$670,650	\$1,058,845	0.15
OR	\$441,248	\$452,061	\$893,309	0.21
WI	\$353,190	\$426,440	\$779,630	0.13
NJ	\$248,335	\$368,692	\$617,027	0.07
WA	\$253,925	\$349,750	\$603,675	0.08
AL	\$49,750	\$528,334	\$578,084	0.12
SC	\$364,750	\$199,655	\$564,405	0.11
IA	\$242,550	\$240,825	\$483,375	0.15
MO	\$168,410	\$294,293	\$462,703	0.08
LA	\$361,209	\$94,955	\$456,164	0.10
MD	\$39,196	\$407,518	\$446,714	0.07
OK	\$202,573	\$163,188	\$365,761	0.09
PA	\$121,240	\$147,370	\$268,610	0.02
KS	\$97,916	\$153,378	\$251,294	0.09
NV	\$37,500	\$210,750	\$248,250	0.08
WV	\$127,150	\$85,850	\$213,000	0.12
NE	\$38,408	\$139,032	\$177,440	0.09
KY	\$89,500	\$79,050	\$168,550	0.04
AZ	\$31,350	\$132,477	\$163,827	0.02
NM	\$44,876	\$118,219	\$163,095	0.08
MS	\$152,150	\$1,000	\$153,150	0.05
AR	\$49,980	\$101,745	\$151,725	0.05
MN	\$65,550	\$86,060	\$151,610	0.03
CT	\$59,145	\$80,480	\$139,625	0.04
ME	\$12,412	\$73,302	\$85,714	0.06
UT	\$62,850	\$19,408	\$82,258	0.03
ID	\$36,550	\$45,100	\$81,650	0.04
RI	\$29,650	\$37,675	\$67,325	0.06
CO	\$40,400	\$15,950	\$56,350	0.01
DE	\$35,972	\$18,900	\$54,872	0.06
NH	\$20,850	\$25,050	\$45,900	0.03
MT	\$22,220	\$9,879	\$32,099	0.03
SD	\$13,950	\$18,000	\$31,950	0.04
VT	\$9,560	\$11,920	\$21,480	0.03
ND	\$1,500	\$7,475	\$8,975	0.01
HI	\$1,151	\$6,172	\$7,323	0.01
AK	\$300	\$550	\$850	0.00
WY	0	0	\$0	0.00

Source: National Institute on Money in Politics

A few things stand out in the above chart of wholesaler donations for the two election cycles, 2018 and 2020. First, Texas wholesalers far and away are the most active and generous contributors to state election campaigns during these election cycles. This is not entirely surprising given that Texas is among the most populated states.

But it's also notable that on contributions per capita basis, Texas wholesalers remain among the most generous of all the states' wholesalers. Take note of the per capita campaign contributions for other populous states such as California, Florida and New York. Each fall well below Texas as well as the overall average for all the states in campaign contributions per capita. It is not the rule that the larger the population of a state, the more lavish the wholesaler contingent is in its giving.

The contributions per capita is a reasonable proxy for assessing the power of wholesalers to get their way from lawmakers in a given state.

Top 30 Wholesaler Campaign Contributors to State Political Campaigns (2017 – 2020)

Table 2

JOHN NAU (EAGLE DISTRIBUTORS—TX)	\$3,297,408
SOUTHERN WINE & SPIRITS	\$3,265,896
ASSOCIATED BEER DISTRIBUTORS OF ILLINOIS	\$2,152,254
BARRY ANDREWS (ANDREWS DISTRIBUTING—TX)	\$1,563,172
MICHIGAN BEER & WINE WHOLESALERS ASSOCIATION	\$1,478,984
VIRGINIA BEER WHOLESALERS ASSOCIATION	\$1,304,492
WHOLESALE BEER & WINE ASSOCIATION OF OHIO	\$1,001,442
WHOLESALE BEER DISTRIBUTORS OF TEXAS	\$923,705
OREGON BEER & WINE DISTRIBUTORS ASSOCIATION	\$853,420
BEER ALLIANCE OF TEXAS	\$758,131
NEW YORK STATE BEER WHOLESALERS ASSOCIATION	\$739,800
CALIFORNIA BEER & BEVERAGE DISTRIBUTORS	\$737,051
FLORIDA BEER WHOLESALERS ASSOCIATION	\$686,514
VIRGINIA WINE WHOLESALERS ASSOCIATION	\$675,837
WINE & SPIRITS WHOLESALERS OF TENNESSEE	\$656,450
REPUBLIC NATIONAL DISTRIBUTING CO	\$638,596
ALAN DREEBEN (REPUBLIC NATIONAL)	\$541,500
NORTH CAROLINA BEER & WINE WHOLESALERS ASSOCIATION	\$536,200
WINE & SPIRITS WHOLESALERS OF GEORGIA	\$513,080
MANHATTAN BEER DISTRIBUTORS	\$447,500
WISCONSIN BEER DISTRIBUTORS ASSOCIATION	\$426,750
YOUNGS MARKET CO	\$411,900
WINE & SPIRITS DISTRIBUTORS OF ILLINOIS	\$409,484
INDIANA BEVERAGE ALLIANCE	\$393,972
VIRGINIA BEVERAGE ASSOCIATION	\$361,671
WASHINGTON BEER & WINE DISTRIBUTORS ASSOCIATION	\$346,500
IOWA WHOLESALE BEER DISTRIBUTORS	\$297,850
DONALD LOFFBERM (GEORGIA CROWN DISTRIBUTING)	\$269,800
WINE & SPIRITS WHOLESALERS ASSOCIATION OF SOUTH CAROLINA	\$266,500

Source: National Institute on Money in Politics

Top 10 Wine & Spirit Producer Contributors to State Political Campaigns (2017 to 2020)

Table 3

DIAGEO	\$863,976
WINE INSTITUTE OF CALIFORNIA	\$801,868
E & J GALLO	\$685,547
CALIFORNIA ASSOCIATION OF WINEGRAPE GROWERS	\$326,240
JACK DANIEL DISTILLERY	\$226,750
KENTUCKY DISTILLERS ASSOCIATION	\$184,906
RICHARD SANDS (CONSTELLATION)	\$134,212
WILLAMETTE VALLEY VINEYARDS	\$100,081
TENNESSEE DISTILLERS GUILD	\$92,000
OREGON WINEGROWERS ASSOCIATION	\$81,747

Source: National Institute on Money in Politics

Top 10 Brewer Contributors to State Political Campaigns (2017-2020)

Table 4

ANHEUSER-BUSCH CO	\$7,032,447
MILLERCOORS	\$999,910
PETER COORS (MILLERCOORS)	\$190,147
KIMBERLY JORDAN (NEW BELGIAN BREWING)	\$183,500
BELLEAU FARMS (ANHEUSER-BUSCH CO)	\$125,000
CHARLES KOCH (BOSTON BEER CO)	\$108,450
TEXAS CRAFT BREWERS GUILD	\$100,010
AUGUST BUSCH III (ANHEUSER-BUSCH)	\$81,200
ROGER WORTHINGTON (WORTHY BREWING)	\$57,422
LARRY BELL (BELL'S BREWERY)	\$29,650

Source: National Institute on Money in Politics

Top 10 Retail Contributors to State Political Campaigns (2017 – 2020)

Table 5

ABC FINE WINE & SPIRITS	\$773,709
METROPOLITAN PACKAGE STORE ASSOCIATION-NY	\$374,350
ROBERT TRONE (TOTAL WINE)	\$290,650
JUNE TRONE (TOTAL WINE)	\$172,600
TENNESSEE WINE & SPIRITS RETAILERS ASSOCIATION	\$146,500
TEXAS PACKAGE STORE ASSOCIATION	\$114,668
NEW JERSEY LIQUOR STORE ALLIANCE	\$104,200
MARYLAND STATE LICENSED BEVERAGE ASSOCIATION	\$79,311
LEES DISCOUNT LIQUOR—NV	\$52,500
GEORGIA ALCOHOL DEALERS ASSOCIATION	\$45,225

Source: National Institute on Money in Politics

STATE-BASED CAMPAIGN CONTRIBUTION RECIPIENTS BY SECTOR

Table 6

Top 20 Recipients of State-Based Wholesaler Contributions (2017-2020)

ABBOTT, GREG	TX	GOVERNOR	\$1,450,172
PATRICK, DAN GOEB	TX	LIEUTENANT GOVERNOR	\$710,958
CAGLE FOR GEORGIA, INC	GA	GOVERNOR	\$246,240
CUOMO, ANDREW M	NY	GOVERNOR	\$216,397
PAXTON JR, W KENNETH	TX	ATTORNEY GENERAL	\$202,000
SASLAW, RICHARD	VA	SENATE DISTRICT 035	\$196,211
KEMP FOR GOVERNOR	GA	GOVERNOR	\$182,350
CROUCH, SUZANNE M	IN	GOVERNOR	\$159,944
DAVID SHAFER	GA	LIEUTENANT GOVERNOR	\$155,588
BONNEN, DENNIS H	TX	HOUSE DISTRICT 025	\$151,282
BAKER, CHARLES D	MA	GOVERNOR	\$151,150
LAROSE, FRANK	OH	SECRETARY OF STATE	\$151,030
NORMENT JR, THOMAS K	VA	SENATE DISTRICT 003	\$141,677
CULLERTON, JOHN J	IL	SENATE DISTRICT 006	\$126,752
ED GILLESPIE	TX	GOVERNOR	\$126,000
GAVIN C NEWSOM	CA	GOVERNOR	\$121,200
HEGAR JR, GLENN	TX	COMPTROLLER	\$120,695
COX, M KIRKLAND	VA	HOUSE DISTRICT 066	\$116,150
MCDUGLE, RYAN T	VA	SENATE DISTRICT 004	\$104,693
WILLIAM D SCHUETTE	MI	GOVERNOR	\$103,850

Source: National Institute on Money in Politics

The majority of these top 20 recipients of wholesaler contributions function in an executive capacity, rather than in the legislature. Also notable is the extraordinary amount of campaign contributions that were extended to both Texas Governor Greg Abbott as well as Lieutenant Governor Dan Patrick.

Table 7

**Top 20 Recipients of State-Based Brewer Contributions
(2017-2020)**

CUOMO, ANDREW M	NY	GOVERNOR	\$77,600
GAVIN C NEWSOM	CA	GOVERNOR	\$52,800
XAVIER BECERRA	CA	ATTORNEY GENERAL	\$43,800
CULLERTON, JOHN J	IL	SENATE DISTRICT 006	\$35,500
PETE RICKETTS	NE	GOVERNOR	\$26,500
BILL DODD	CA	SENATE DISTRICT 003	\$23,800
BROWN, KATE	OR	GOVERNOR	\$23,567
HOCHUL, KATHY C	NY	LIEUTENANT GOVERNOR	\$23,500
MCLANE, MICHAEL R	OR	HOUSE DISTRICT 055	\$23,500
COOPER III, ROY ASBERRY	NC	GOVERNOR	\$22,100
NORMENT JR, THOMAS K	VA	SENATE DISTRICT 003	\$20,800
DAY, GARY W	PA	HOUSE DISTRICT 187	\$20,000
MADIGAN, MICHAEL J	IL	HOUSE DISTRICT 022	\$19,000
ALEC ROSS	MD	GOVERNOR	\$17,600
ROB BONTA	CA	ASSEMBLY DISTRICT 018	\$17,600
RUDY SALAS	CA	ASSEMBLY DISTRICT 032	\$17,600
TOM DALY	CA	ASSEMBLY DISTRICT 069	\$17,600
AUTUMN BURKE	CA	ASSEMBLY DISTRICT 062	\$17,200
MICHELLE LUJAN GRISHAM	NM	GOVERNOR	\$17,000
ERIC HOLCOMB	IN	GOVERNOR	\$17,000

Source: National Institute on Money in Politics

Table 8

**Top 20 Recipients of State-Based Winery/Distiller Contributions
(2017-2020)**

GAVIN C NEWSOM	CA	GOVERNOR	\$199,432
BROWN, KATE	OR	GOVERNOR	\$111,892
BILL DODD	CA	SENATE DISTRICT 003	\$102,681
CUOMO, ANDREW M	NY	GOVERNOR	\$97,400
JOHN COX	CA	GOVERNOR	\$88,750
MIKE MC GUIRE	CA	SENATE DISTRICT 002	\$44,624
GRAY FOR ASSEMBLY 2018	CA	ASSEMBLY DISTRICT 021	\$35,691
WINTERS, JACKIE	OR	SENATE DISTRICT 010	\$31,753
LAXALT, ADAM	NV	GOVERNOR	\$29,500
TRAVIS ALLEN	CA	GOVERNOR	\$29,200
ALEX PADILLA	CA	SECRETARY OF STATE	\$27,950
CECILIA AGUIAR-CURRY	CA	ASSEMBLY DISTRICT 004	\$25,779
RICARDO LARA	CA	INSURANCE COMMISSIONER	\$25,620
GRAY, ADAM	CA	ASSEMBLY DISTRICT 021	\$24,900
STEVE POIZNER	CA	INSURANCE COMMISSIONER	\$23,900
FIONA MA	CA	TREASURER	\$22,250
JIM COOPER	CA	ASSEMBLY DISTRICT 009	\$22,200
TONI ATKINS	CA	SENATE DISTRICT 039	\$20,426
STEVEN GLAZER	CA	SENATE DISTRICT 007	\$20,354
FRANK BIGELOW	CA	ASSEMBLY DISTRICT 005	\$19,950

Source: National Institute on Money in Politics

Given the dominance of California-based wineries, it is not surprising that the majority of these top-20 recipients of winery/distiller donations go to California candidates.

Table 9

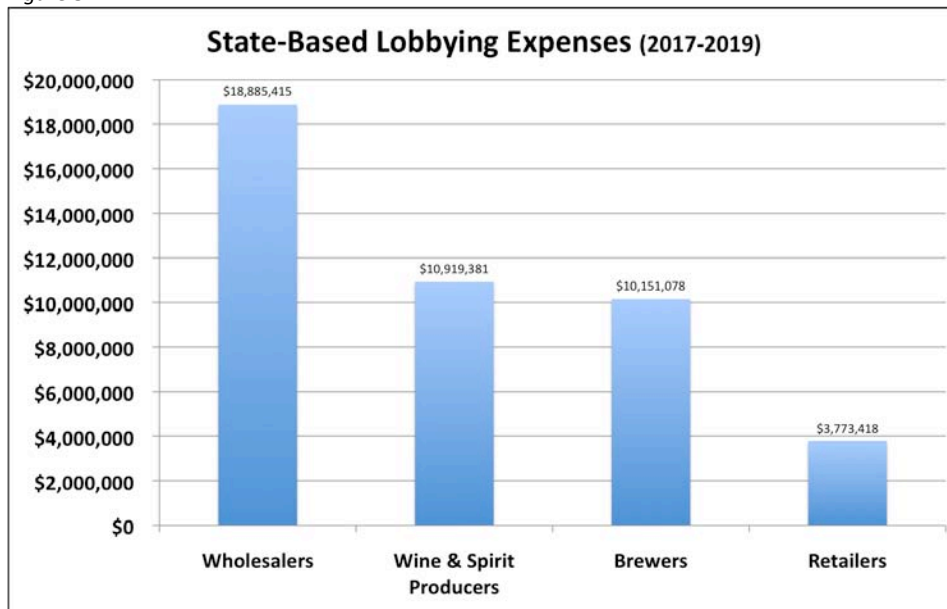
Top 20 Recipients of State-Based Retailer Contributions (2017-2020)

CUOMO, ANDREW M	NY	GOVERNOR	\$82,000
PATRICK, DAN GOEB	TX	LIEUTENANT GOVERNOR	\$52,500
BAKER, CHARLES D	MA	GOVERNOR	\$45,550
RUSHERN BAKER III	MD	GOVERNOR	\$37,500
ABBOTT, GREG	TX	GOVERNOR	\$35,000
ERIC HOLCOMB	IN	GOVERNOR	\$22,000
HOGAN JR, LAWRENCE J	MD	GOVERNOR	\$21,265
GOLDBERG, DEBORAH B	MA	TREASURER	\$19,500
FRANCHOT, PETER V	MD	COMPTROLLER	\$16,530
SWEENEY, STEPHEN M	NJ	SENATE DISTRICT 003	\$16,200
BRAMNICK, JON	NJ	ASSEMBLY DISTRICT 021	\$11,100
MICHELLE LUJAN GRISHAM	NM	GOVERNOR	\$11,000
BRAY, RODRIC D	IN	SENATE DISTRICT 037	\$11,000
BRAMNICK, JON	NJ	ASSEMBLY DISTRICT 021	\$10,600
GOLDEN, MARTIN J	NY	SENATE DISTRICT 022	\$10,600
SISOLAK, STEVE	NV	GOVERNOR	\$10,000
GIUNCHIGLIANI, CHRISTINA	NV	GOVERNOR	\$10,000
BONNEN, DENNIS H	TX	HOUSE DISTRICT 025	\$10,000
JAMES SKOUFIS	NY	SENATE DISTRICT 039	\$10,000
GIANARIS, MICHAEL N	NY	SENATE DISTRICT 012	\$10,000

Source: National Institute on Money in Politics

STATE BASED LOBBYING EXPENSES BY SECTOR (2017-2019)

Figure 3



Lobbying by the alcohol industry in the state capitols is carried out by a combination of state-based trade associations as well as individual companies. As the chart here outlines, the wholesaler sector is by far the largest spender on lobbying state lawmakers.

Source: National Institute on Money in Politics

Table 10

Top 5 Wholesaler State Lobbying (2017 - 2019)	
SOUTHERN WINE & SPIRITS	\$2,049,379
WHOLESALE BEER DISTRIBUTORS OF TEXAS	\$1,595,012
CALIFORNIA BEER & BEVERAGE DISTRIBUTORS	\$935,302
CONNECTICUT BEER WHOLESALERS ASSOCIATION	\$879,801
SILVER EAGLE DISTRIBUTORS – TX	\$795,005

Table 11

Top 5 Winery & Distiller State Lobbying (2017-2019)	
DIAGEO	\$4,320,541
WINE INSTITUTE OF CALIFORNIA	\$3,314,728
E & J GALLO	\$564,870
FAMILY WINEMAKERS OF CALIFORNIA	\$293,750
CALIFORNIA ASSOCIATION OF WINEGRAPE GROWERS	\$261,970

Table 12

Top 5 Brewer State Lobbying (2017-2019)	
ANHEUSER-BUSCH CO	\$5,352,638
MILLERCOORS	\$1,266,760
MILLER BREWING CO	\$1,098,348
COLORADO BEER DISTRIBUTORS ASSOCIATION	\$366,545
HEINEKEN	\$362,400

Table 13

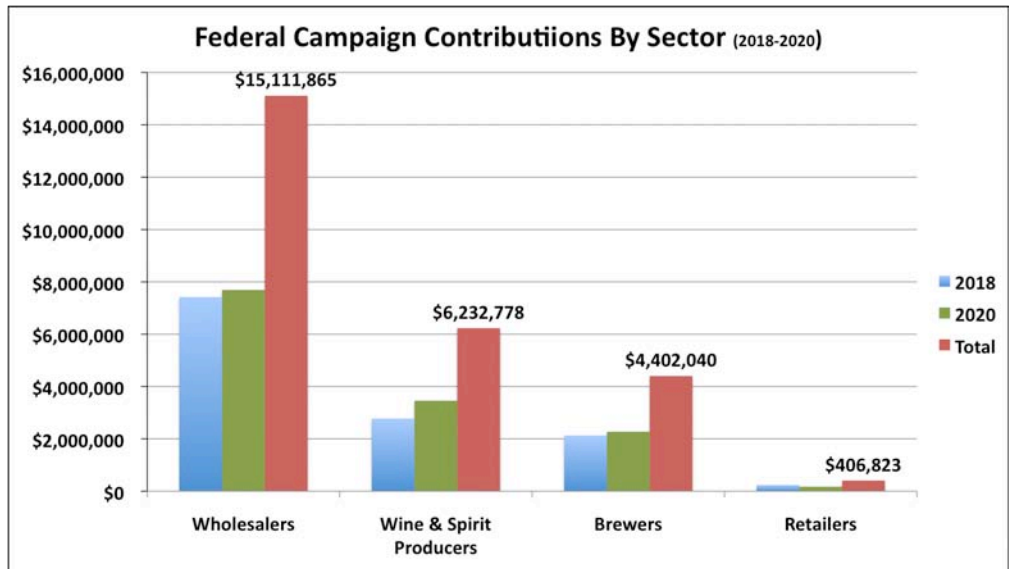
Top 5 Retailer State Lobbying (2017-2019)	
TOTAL WINE & MORE	\$1,997,291
TEXAS PACKAGE STORE ASSOCIATION	\$660,003
ABC FINE WINE & SPIRITS — FL	\$595,000
NEW JERSEY LIQUOR STORE ALLIANCE	\$173,844
METROPOLITAN PACKAGE STORE ASSOCIATION — NY	\$144,000

Source: National Institute on Money in Politics

FEDERAL CAMPAIGN CONTRIBUTIONS AND LOBBYING (2017 -2020)

Federal Campaign Contributions By Sector

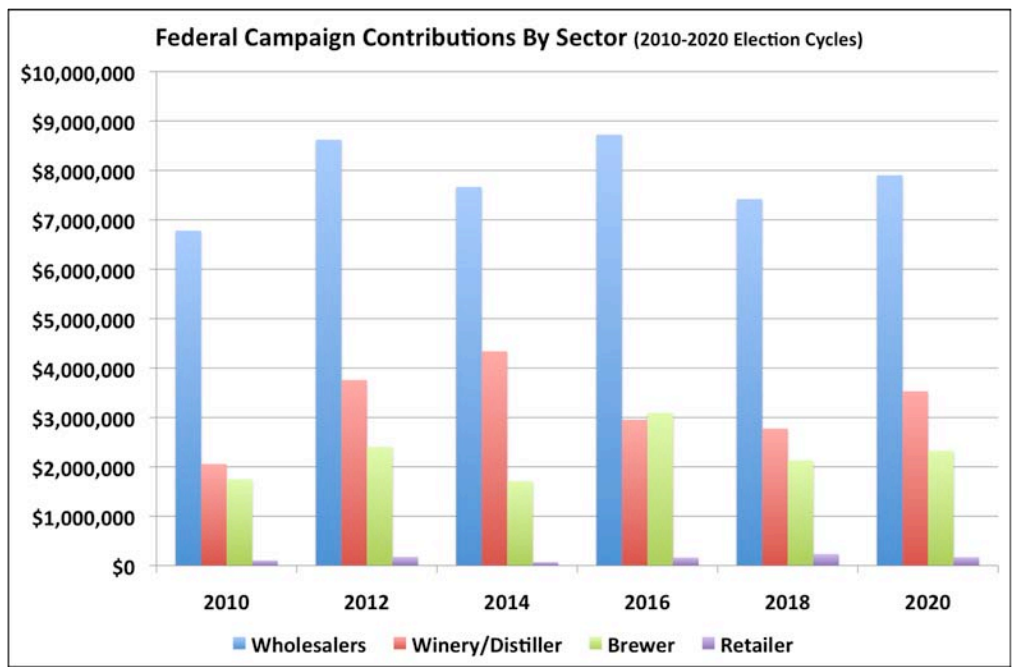
Figure 4



As with state-based campaign contributions, the wholesale tier dominates those aimed at federal candidates. Here again we see that over the past two election cycles, wholesalers contributions were greater than those from wineries, distillers, brewers and retailers combined.

Something to take note of is that total campaign contributions to federal candidates amounts to less than half of the contributions that are given to state candidates. This is the case due to the fact that the vast majority of alcohol-based lawmaking is done at the state level. At the federal level campaign contributors are interested in influencing issues such as excise taxes and tariffs.

Figure 3



Over the long term, total contributions by wholesalers during these six election cycles are more than all three other categories combined.

Table 14

Federal Campaign Contributions By Sector (2010-2020)

Wholesalers:	\$47,111,502
Winery & Distillery:	\$19,411,099
Brewer:	\$13,405,573
Retailer	\$926,499

Source: National Institute on Money in Politics

Top 10 Wholesaler Contributors to Federal Political Campaigns (2017 – 2020)

Table 15

NATIONAL BEER WHOLESALERS ASSOCIATION	\$6,558,000
WINE & SPIRITS WHOLESALERS OF AMERICA	\$2,023,757
NAU III, JOHN LISTON (Silver Eagle Distributors – TX)	\$793,618
FRANCO, ALAN I (Republic National)	\$379,100
SOUTHERN GLAZERS	\$331,200
MERINOFF, CHARLES (Breakthru Beverage)	\$244,200
DREEBEN, ALAN W (Republic National)	\$174,500
STUART, BARKLEY J (Southern Glazers)	\$148,900
STEIN, SHELDON I (Southern Glazers)	\$114,420
DAVIS, JAY (Republic National)	\$113,842

Source: National Institute on Money in Politics

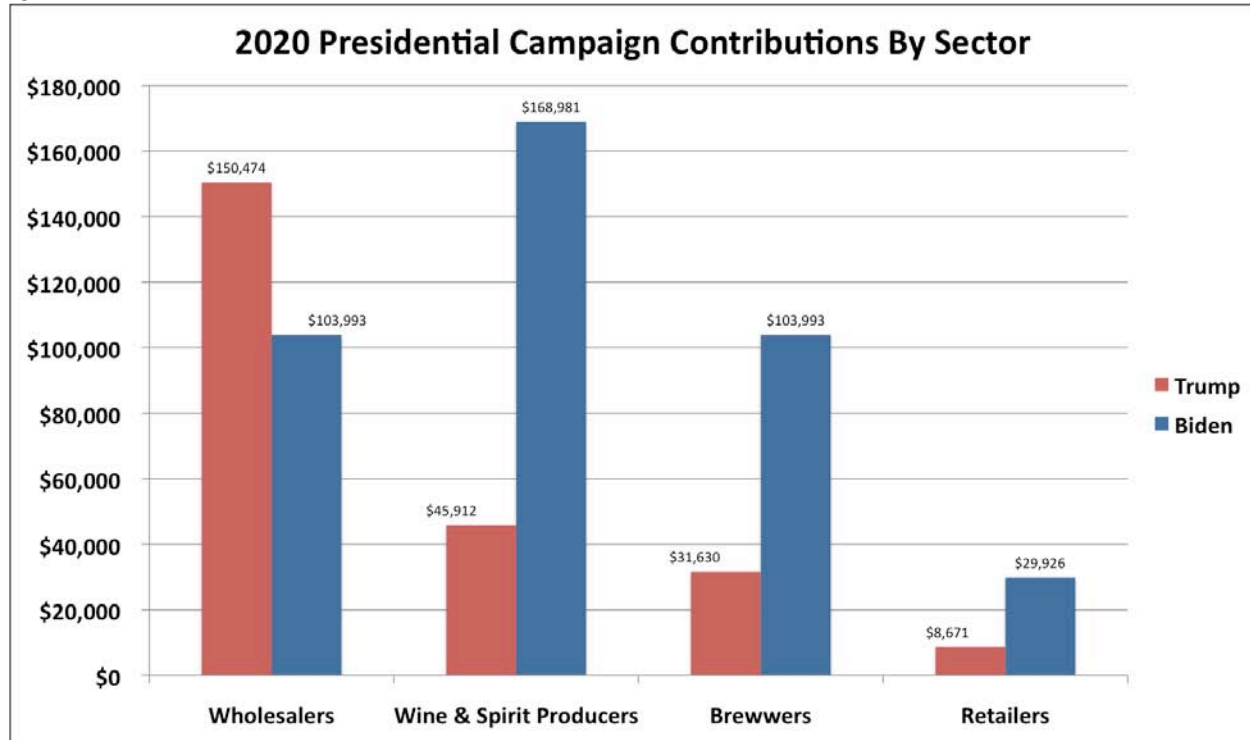
The top ten contributors to federal campaigns from the wholesale tier delivered up nearly \$11 million during the two election cycles encompassing 2017-2020, making up 72% of all wholesaler donations.

The National Beer Wholesalers of America's \$6.5 million in campaign contributions alone accounted for 43% of all wholesaler donations during this time period. Add to this the Wine & Spirit Wholesalers of America's \$2 million in federal campaign contributions and the alcohol industry's two most powerful trade associations represented 57% of all campaign contributions.

It bears repeating that the \$15 million in campaign contributions delivered by the wholesaler tier was far and away greater than all the federal campaign contributions from every other sector of the alcohol industry.

CAMPAIGN CONTRIBUTIONS AND THE 2020 PRESIDENTIAL ELECTION

Figure 4



Source: National Institute on Money in Politics

In the middle of 2020, during the run up to the 2020 presidential election, information circulated on social media suggesting that the wine industry was supporting President Trump with their campaign contribution. This assertion caused a great deal of discussion within the industry. With the election over, we looked back to compare how different sectors of the alcohol beverage industry supported the two major party candidates. What's clear from the chart above is that the winery/distillery sector did not favor President Trump over Vice President Biden with their campaign contributions. In fact, the only sector of the alcohol industry that provided greater support for President Trump than Vice President Biden was the wholesaler sector.

Table 16

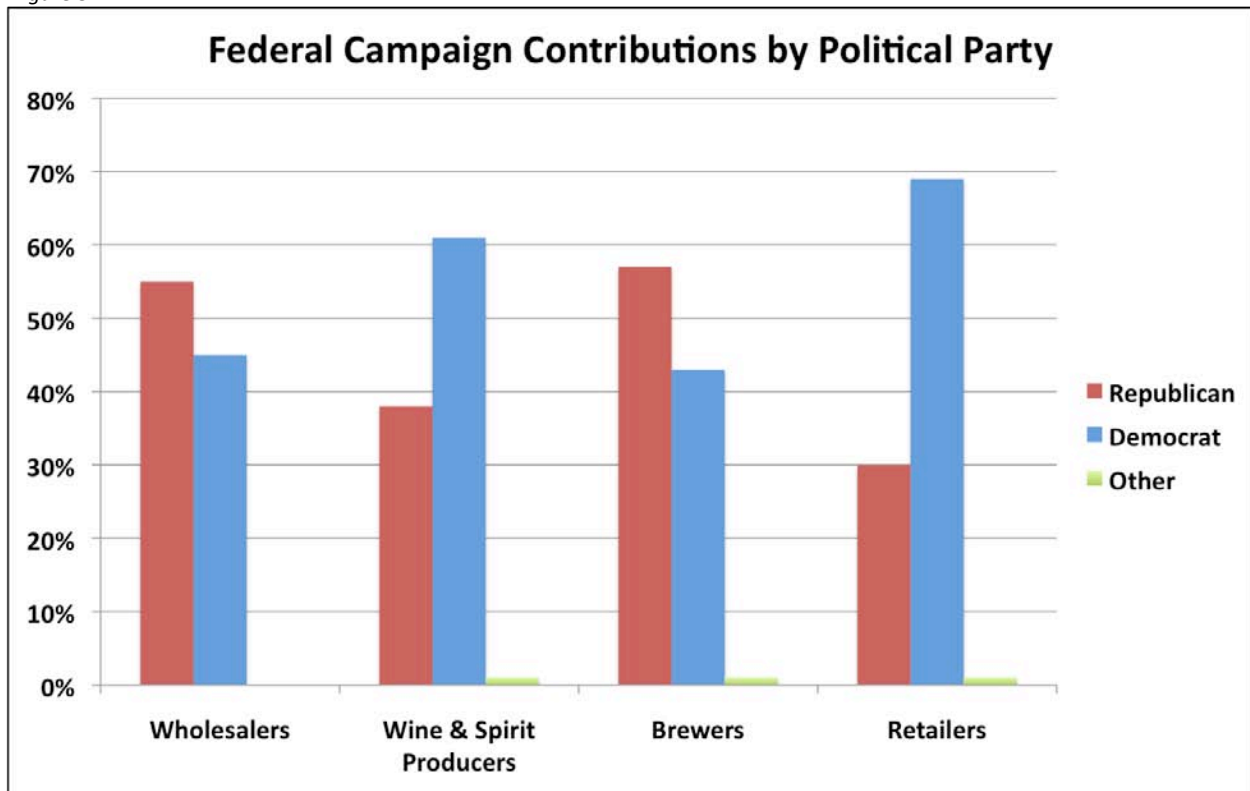
Percent of Contributions to the Two Major Party Candidates for the 2020 Election By Industry Sector

	Trump	Biden
Wholesalers	59%	41%
Winery/Distillery	21%	79%
Brewers	23%	77%
Retailers	22%	78%

Source: National Institute on Money in Politics

Federal Campaign Contributions By Political Party and Sector (2017 -2020)

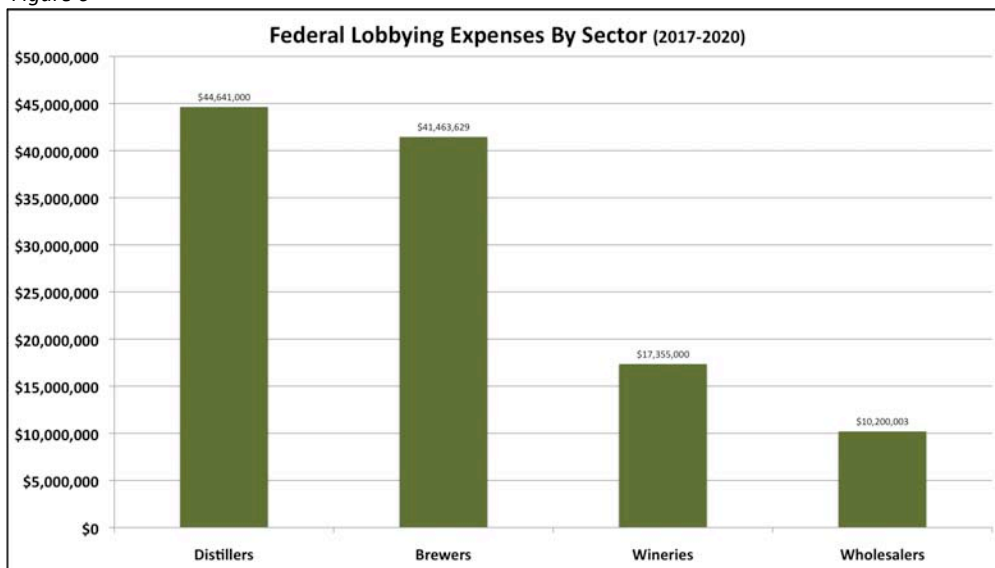
Figure 5



Source: National Institute on Money in Politics

Federal Lobbying by Industry Sector (2017-2020)

Figure 6



Source: Center For Responsive Politics

What's notable in this breakdown of federal lobbying expenditures is the relatively small amount of expenses reported by alcohol wholesalers given their domination in lobbying on the state level and in campaign contributions both at the federal and

state level. That said, both the National Beer Wholesalers Association and the Wine & Spirit Wholesalers of America emerge in the top ten spenders on federal lobbying during this time period.

CONCLUSIONS

Campaign contributions and lobbying efforts by members of the alcohol industry are not an attempt to bring about “good government”. They are an attempt to create advantage for individual members or sectors of the industry. Whether that advantage comes via a unique regulatory carve-out, through lower taxes, by maintaining protectionist laws or regulations or by dismantling archaic laws that hamper commerce, the goal in the end is advantage.

If nothing else this report demonstrates that the various sectors of the American alcohol industry are active to one degree or another in attempting to gain advantage through political giving and lobbying activity. However, one sector of the industry is clearly more active than the others: The wholesalers.

THE DOMINANCE OF THE WHOLESALE TIER

In the two election cycles encompassing 2017 – 2020 the wholesaler tier of the alcohol industry has contributed nearly \$56 million to state and federal political campaigns. This figure dwarfs all other sectors of the industry, accounting for more political giving than the rest of the industry combined.

While it is difficult to specifically identify the various sorts of advantage the wholesaler tier hopes to create with its spending on political donations and lobbying, these large donors have not been shy about their position on issues that come before the various legislatures, executives and congress.

For decades now wholesalers have sought to assure the states’ “three-tier system” of alcohol distribution that mandates all alcohol sales must flow through the middleman is maintained. In this respect wholesalers have consistently opposed changes in laws that allow the direct interstate shipment of all types of alcohol and from all producers and retailers. They have consistently opposed any form of producer self-distribution that allows the sale of products directly from producers to retailers or restaurants. They have largely been successful in this defense of their protected status.

While most alcohol-related legislation occurs on the state level, wholesalers have spent and lobbied at the federal level, often in support of lower excise taxes. However, their efforts have also been aimed at healthcare issues as well as stopping legislation that would allow the United States Postal Service from delivering alcohol — despite the USPS’s desperate need to generate new revenue.

It can be said with confidence that one of the reasons the wholesaler tier has been more active in attempting to gain advantage through campaign contributions is that it has more to lose than alcohol producers and retailers. Only the wholesaler tier is wed to and its profits dependent upon the maintenance of the three-tier system that requires most alcohol sales run through wholesalers. Moreover, the very small number of individual wholesale companies (less than 10) control more than 70% of alcohol distribution in the United States. This concentration of power and profits in a very small group makes the act of political giving in large amounts more easily accomplished and more affordable.

WHOLESALEERS ALONE SUPPORT TRUMP IN 2020

We also draw the reader's attention to campaign contributions to the 2020 presidential race. It is notable that among wholesalers, wine and spirit producers, brewers and retailers, only the wholesaler tier of the industry contributed a majority of their presidential campaign donations to the Republican nominee President Donald Trump. While the other tiers directed their over 70% of their contributions to Vice President Joe Biden, American wholesaler gave 60% of their donations to Trump.

A DEARTH OF RETAILER CONTRIBUTIONS

Finally, I'd like to draw your attention to the retail tier, far and away the least generous when it comes to campaign contributions and the least active of the various industry sectors when it comes to lobbying. For perspective, the entire retailer sector gave less in both state and federal campaign contributions in the four-year period looked at than a single owner of a Texas wholesaler, John Nau of Eagle Distributing.

METHODOLOGY

This report was compiled using the impressive database resources of The *National Institute on Money in Politics* (www.followthemoney.org) and The Center For Responsive Politics (www.opensecrets.org). Both provide publicly available data covering political giving as well as lobbying. This report drew from those two databases between February 5 and February 15, 2021.

ABOUT TOM WARK AND WARK COMMUNICATIONS

Tom Wark is a marketing and public relations consultant that has worked exclusively in the alcohol industry since 1990. In his capacity as a consultant, Wark provides winery and alcohol industry clients with media relations, communications and strategic services. Since 2004 he has published FERMENTATION: The Daily Wine Blog, one of the most closely read alcohol industry blogs. In 2020 Wark was named one of WineBusiness.com's "Wine Industry Leaders", given to individuals "who shape the way the wine industry operates or how people drink wine". Wark has also served as the Executive Director of the National Association of Wine Retailers since 2007. Tom lives with his wife Kathy and son Henry George in Salem, Oregon.

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