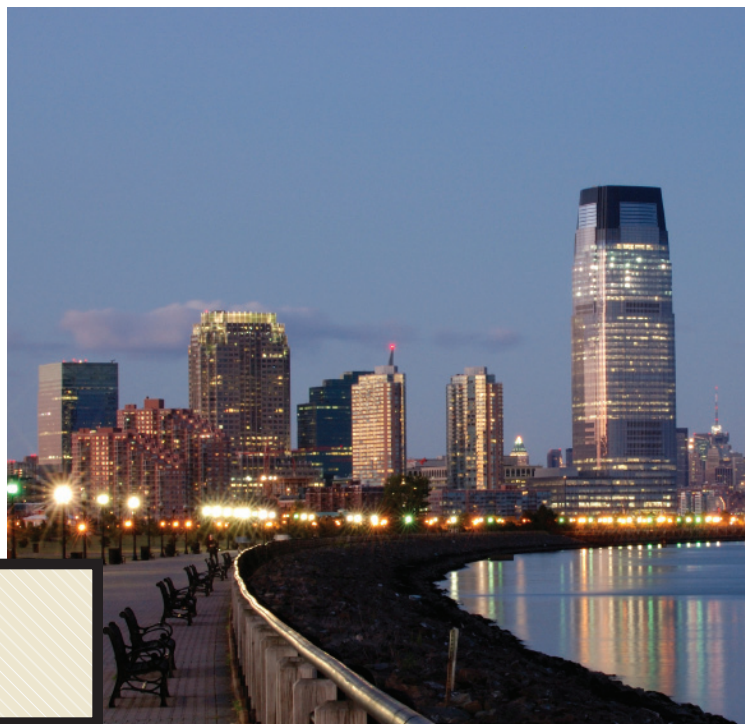


Depending on your state, the changing craft beer landscape is a retail “win”

BY MICHAEL KUDERKA

As state governments around the country search for ways to stimulate their local economies, a few state legislatures have decided that loosening the regulations on craft breweries and brewpubs might be a good way to create new jobs and increase revenues.



For retailers in these states, there couldn't be a better time to stock up on local brands from these local breweries and brewpubs. With restrictions on sales and distribution lifted, brewers will be spending more time pumping up demand and expanding their consumer base, which means these brands should move even more rapidly off your shelves.

The New Jersey approach

Prior to signing Bill A-1277 into law, New Jersey ranked 32nd nationally for craft beer production, while the states' less restrictive neighbors were boasting ranks of number two for Pennsylvania, number seven for New York and seventeenth for Delaware.

“By making these changes to our brewing laws, we can help better promote New Jersey's existing breweries and attract new brewers looking to make their mark on the world of craft beer,” stated Assemblyman Patrick Diegnan (D-Middlesex), a sponsor of the bill, in a story by MaryAnn Spoto/*The Star-Ledger* on NJ.Com, September 21, 2012 at 3:45 PM, updated September 21, 2012 at 4:27 PM.

What do fewer restrictions mean for New Jersey's 16 breweries:

- A brewpubs' annual allowable production moves from 3,000 barrels to 10,000 annually
- A brewpub can now distribute beyond their immediate location or an adjacent building (e.g., to liquor stores and restaurants)
- A brewpub can now have more than one location (up to ten)
- Breweries can now sell beer at their brewery for on-site or for off-site consumption (up to 15.5 gallons)
- Non-brewpubs can now offer samples of their beer on-site and off-site, allowing brewers to participate in promotional and charity sampling events
- Production fees were also reduced from \$625 to \$250 for every 1,000 barrels over their first 1,000 barrels produced

Where New Jersey has gone, other states want to follow

States like Georgia, Colorado, and even Texas are actively discussing changing regulations that have been on the books since the

1930's repeal of Prohibition. Regulations in Colorado restrict the alcohol by weight for beer sold in the state's grocery and convenience stores. In Georgia and Texas, much like had been in New Jersey, capacity, sales, and distribution are at stake.

Fighting hard for breweries in Texas is Scott Metzger, Founder & CEO of Freetail Brewing Company, a brew pub in San Antonio, Texas. “The changes in New Jersey are exactly what we are trying to make happen here in Texas,” said Metzger. “We have cultivated an extremely loyal and passionate customer base here in San Antonio, but as a brewpub we are restricted to doing business within the footprint of this building,” the Freetail founder explained.

“We have retailers visit with us all the time, just wishing that they could carry our brands. They experience the quality of our product, see the demand for the 22oz. bottles here at the brewpub, they want Freetail beer in their stores, and we have to say no,” Metzger continued.

“The reality is that with the national boom in craft beer, Texas is missing out. Allowing brewers to sell beer-to-go and brewpubs to distribute means expansion, jobs, and happy consumers here in Texas. I find it absolutely crazy that a brewpub from out of state can sell into Texas and we cannot let our beer move outside these four exterior walls,” Metzger concluded.

If you want to find out more about brewers activities in your state, contact your local brewers guild.

Are You Thinking Out-of-the-Box?

How innovative is your store at selling beer? We would like to know. If you have promotions that go beyond refilling the cold box, we would like to hear from you and share your “out-of-the-box” thinking with our fellow “Beer Trends” readers.

E-mail me at mkuderka@mcbasset.com with your successful ideas for selling beer, along with your contact information. If we write about your program in our column we will send you a free copy of *The 3rd Edition of The Essential Reference of Domestic Brewers and Their Bottled Brands*.