

MLBA Opposition to House Bills 5426 & 5427

Good morning,

Mr. Chairman, members of the Committee, thank you for allowing me to speak today.

My name is Brittany Mackey, Member Relations Coordinator of the MLBA, and with me is Ronnie Polad, the MLBA Liquor Regulations Consultant. We are here today in opposition of House Bills 5426 and 5427. The MLBA opposes these bills because we believe they will harm the local retailers that have been loyally promoting microbrewed products by taking them out of the distribution loop.

As of December 2013, there are 118 microbrewers in Michigan. Legislation that became effective earlier this year allowed microbreweries to double the amount of their production, thus allowing them to open more locations. Also, "qualified" microbreweries that produce 1,000 barrels or less are allowed to self-distribute to on-premises establishments. This allows microbrewers to get their product to more people by working with the local bars, restaurants and small stores to help promote their product.

The sale of draft beer growlers by on-premises establishments with take-out licenses have helped promote microbrewed products in Michigan by making their products more available to the public.

The MLBA has supported all of this recent legislation, which was passed in order to promote the microbrew industry in Michigan. The bars and restaurants have been instrumental in this promotion by carrying local products and making them available in their establishments. Most local merchants are proud to offer locally made products because the number one way for people to taste Michigan beer is at a bar or restaurant.

Many of the microbreweries have restaurants that compete with on-premises licensed bars and restaurants in the state. House Bills 5426 and 5427 propose to amend the current statute [MCL 436.1415] to allow microbreweries to both sell and sample their products at farmer's markets, which would give them an unfair advantage over local bars and restaurants.

The current statute allows "qualified" small wine makers that produce 5,000 gallons or less per year to obtain a permit to sell their products at farmer's markets. With the proposed new language, there is no limit to the amount of beer that can be sold at farmer's markets. Large microbreweries that brew tens of thousands of gallons of beer will be able to sell cases of their products at the farmer's markets, which are designed to promote small local businesses. This will bring undue harm to the local retailers who have done so much to promote the sale of Michigan microbrewed products.

I'd like to thank you, Mr. Chairman and Committee members, for taking the time to listen to us today.