

**Vermont Brewers Association Testimony
House Ways and Means Committee**

H.730 -An act relating to alcoholic beverages and the Department of Liquor and Lottery

The Vermont Brewers Association opposes the proposal in H.730 to move the sale and distribution of ready-to-drink (RTD) spirits beverages from the control of the state to the private sector.

VBA opposes this proposal for 3 reasons:

1. JFO's model assumes rapid growth in RTD market but doesn't include a **corresponding loss in revenue for beer and/or wine sales due to the replacement principal/limited shelf space**. Total beverage alcohol consumption has historically been steady. So, if RTD sales are up, some other beverage sales are down, including potentially in-state craft beer sales. We believe that this proposal could result in significant losses for in-state craft beer sales.
2. JFO's model assumes rapid growth in RTD market, even without changing to a retail model (page 6). This growth was anticipated by the previous Commissioner and was one of the reasons why he opposed **giving away this strong and growing revenue source to the private sector**. We believe that this proposal would result in significant potential revenue loss for the state over time.
3. The March 802 Spirits March 2022 product list shows that **less than 1% of the RTD products currently on the market in Vermont are produced in Vermont**. If these products are largely made by out of state manufacturers, we believe this proposal could effectively take money from local manufacturers and giving it to out of state (and mostly out of country) producers and in-state wholesalers/distributors.

Included with our testimony today are three supporting documents:

1. A copy of correspondence from the prior DLL Commissioner, Patrick Delaney, to Clare Buckley of the VWBA, dated 12/18/19, indicating the **DLL's vigorous opposition to the ready-to-drink spirits beverages (aka low-alcohol spirits) proposal**.
2. A copy of the DLL Board minutes from February 2020 at which the **DLL Board unanimously opposed the ready-to-drink spirits beverage proposal**. We have not been able to identify any formal action by the DLL Board reversing their position from 2020.
3. Vermont 802Spirits Current Complete Price List March 2022 (noting pages 2-4 "cocktails." This document shows that **of the 129 ready to drink cocktails sold in 802 stores in March 2022, TWO are Vermont products**.

Questions? Please contact:

Allen Van Anda, Lost Nation Brewing, 802-760-0278, or
Jessica Oski, Necrason Group, 802-734-1508

