



Notes for Testimony for H.187 to VT House General
15 February 2022

As a tiny local producer, I am very much in favor of modernizing our alcohol laws, and I generally approve of the direction this bill is going. However, there are a couple of details which I think need to be changed to make this bill simpler and fairer to smaller local producers:

- 1) What ingredients are allowed by definition
- 2) Packaging requirements: (a) can mandate, (b) volume requirements

Allowed Ingredients

The current wording mandates that the low-alcohol beverage category must be a combination of spirits (distilled alcohol) mixed with non-alcoholic beverages or flavorings. This wording does not allow beverages that contain wine or fortified wine (because those are fermented alcohol not distilled alcohol). For example, some products that would not be allowed with this wording include:

- a canned Vermouth and soda: contains wine
- the popular Negroni, or classic Manhattan: no nonalcoholic ingredient and contains vermouth/wine

I suggest that you amend the definition (25) in two ways:

- 1) Add fermentation as a source or alcohol. This would allow the inclusion of wine/fortified wines)
- 2) Add “potentially” (or something similar) to the phrase “and mixed with”, resulting in “and potentially mixed with nonalcoholic beverages” to allow for mixing of alcoholic beverages together into a low alcoholic beverage (provided the final product meets the other requirements).

Can Mandate

Limiting the packaging to cans is a bad idea. It seems that the can mandate is written into the bill because the current products on the market are “mostly” in cans. But this does not account for innovation in future products nor for innovation in packaging. The can mandate will restrict this category to only the existing products and will be biased heavily against small local producers.

Cans are difficult and expensive for small producers. Currently there is an aluminum can shortage nationwide. This is a large strain on small producers as they try to get the cans they need already. There are only a few can producers in the country and the huge beverage producers (of beer, soda, energy drinks, etc.) buy up the stock very quickly and in large quantities that small beverage manufacturers cannot compete with. A mandate for cans is thus biased against these small producers who will have difficulty getting cans.

Additionally, the equipment needed for canning is also expensive, which is another problem for small businesses. The cheapest professional model canner I can find is in the range of \$20,000, and that’s not including any additional equipment like pneumatic systems that many of these run on.¹ On the other hand, bottling

¹There are cheaper tabletop canners / crowler machines, that you may have seen at your local brewpub to package product to-go. But these are not professional level; The seams from those tabletop machines not rated to hold up for long-term storage or distribution. They are intended for to-go items that will be consumed shortly after purchase. This is different from professional grade seamers which are designed to have cans last for several years and stand up to the rigors of market distribution.

equipment is much cheaper, lower tech, and more readily available.

I urge the committee to remove the can mandate to keep small businesses competitive with large beverage corporations by allowing the possibility of other packaging formats.

Size Requirements

In the discussions of this bill, there has been a big deal made out of the difference between 24oz cans and so-called “large format” 750ml bottles. However, 750ml is only about 25oz, so there is actually very little volume difference between these size categories. It is unclear why 24oz of a product would be “low alcohol” while 25oz of the same product would be a “spirit”.

At wine stores or even grocery stores, customers buying wine can buy 750ml bottles (25oz), or 1.5L magnum bottles (50oz) or even 3L boxes (100oz). So clearly the volume in and of itself is not the issue. We are not restricting customers to only buying 24oz of wine, even if the wine is upwards of 16% abv.

The size requirements and can mandate will lead to the strange situation where the same product in a 24oz can will be a “vinouse beverage” distributed by the private sector but in 25oz bottle will be a “spirit” under control of the state. I think it would be much simpler for producers, distributors, regulators, and consumers if we regulate the product and not the packaging.

I urge the committee to remove the size restriction and simply treat all alcoholic beverages by the product itself (manufacturing method and/or ABV) and not by the packaging.

Summary

I support the change to allow low-alcohol products to be distributed in the private sector, but I urge the committee to

(1) amend the allowed ingredients to include alcohol from fermentation (wine) and to not mandate the inclusion of non-alcoholic ingredients.

and

(2) to regulate based on the product, not the packaging, especially by removing the can mandate but also by considering removing the size requirements, and regulating based on the specifications of the product itself.

Thank you,

A handwritten signature in black ink, appearing to read 'Kobey Shwayder', with a long horizontal flourish extending to the right.

Kobey Shwayder
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Brattleboro, VT