



Testimony – Emma Arian, Executive Director
Vermont Brewers Association
Section 6, H.921

Good morning, and thank you for the opportunity to testify today.

My name is Emma Arian, and I am the Executive Director of the Vermont Brewers Association, or VBA.

The Vermont Brewers Association was founded in 1995 to promote and strengthen the culture of craft brewing in Vermont through marketing, education, and advocacy for Vermont-made beer. We are a 501(c)(6) nonprofit trade association, and our vision is simple: to make Vermont the premier beer destination.

The VBA was founded by Greg Noonan, a name that carries a lot of weight in the craft brewing world. Greg was not just a brewer, he was a teacher, an author, and a true pioneer. In 1988, he opened The Vermont Pub & Brewery in Burlington and opened the state's first brewery.

What's especially relevant for today's conversation is that before Greg could open those doors, the law didn't allow manufacturers to sell their beer on site. So Greg partnered with Bill Mares, who was a state legislator at the time, to change that. Together, they rewrote the statute to allow on-site sales of beer made by the manufacturer.

That idea, made its way through the Liquor Control Board, multiple legislative committees, both chambers, and ultimately was signed by Governor Madeleine Kunin Today, every brewery in Vermont that offers a pint across the bar at their own facility owes a debt to Greg Noonan and Bill Mares for doing the hard, careful work of modernizing Vermont's **tied house or 3-tier laws** to reflect how small breweries actually operate.

I share that history because section 6 of H.921 fits squarely in that same tradition. It's not radical. It's not about dismantling the system. It's about making a thoughtful adjustment so Vermont law keeps pace with reality.

Today, the Vermont Brewers Association represents 58 member breweries, which is over 90 percent of the breweries in the state. In 2024, Vermont's craft brewing industry had an economic impact of \$460 million, produced 353,000 barrels of beer, supported 2,800 jobs, and once again ranked number one in the nation per capita for beer production and breweries. We're proud of that, but we're also concerned about where things are heading.

Today we're here to discuss section 6 of H.921, an act relating to alcoholic beverages.

I want to be clear that this bill did not appear overnight. For the past three years, the VBA has been actively discussing self-distribution with our members to understand where the real problems are and where opportunities might exist. We've talked directly with brewers across the state, especially small producers, about what's working, what isn't, and what barriers they're facing getting their beer into the local market.

As part of that work, we met with the Executive Directors of the Brewers Associations in Maine and New Hampshire, where limited self-distribution already exists. We shared our proposal with the Department of Liquor and Lottery, with beer distributors, with the Wine Council, and with the Distilled Spirits Council. This has been a collaborative and transparent process.

What we consistently heard from our smallest members is that they are struggling to get their product to market and a major reason for that is consolidation in the distribution marketplace. Over just the past two years, three Vermont beer distributors have closed: Craft Vermont, Vermont Beer Shepherd, and just last month, Calmont Beverage Company announced its closure. That leaves three players in the state, and I have submitted an article that was published from Brewbound outlining the struggles of the Vermont distribution landscape.

When distribution options shrink, small breweries feel it first. As you will hear from both Jesse and Daren, small producers simply aren't attractive accounts for large distributors when volume is limited. And even when a distributor is willing to take on a small brand, that brand often doesn't receive meaningful attention in an already crowded portfolio.

Under current law, if a small brewery wants to self-distribute to local bars, restaurants, or stores, they have to create a separate distribution company, with separate books, tax filings, insurance, and compliance requirements and pay an annual license fee of about \$1,200, just to deliver a relatively small amount of beer. Waiving the fee alone doesn't solve the problem. The real barrier is the structural burden of creating and operating a second legal entity. For very small breweries, that's simply not realistic.

Section 6 of H.921 addresses that problem in a narrow and practical way by allowing breweries to self-distribute up to 3,000 barrels annually under their existing manufacturer license. This is not about bypassing wholesalers long-term. It's about creating an on-ramp, a way for small breweries to build demand, grow intentionally, and eventually become attractive distribution partners.

It's also important to understand that this proposal is self-limiting by design. Self-distribution takes time, labor, and resources. Approaching 3,000 barrels would be a major operational lift for a small brewery. That number is a ceiling, not an expectation, and most breweries would remain well below it.

Vermont would not be an outlier in adopting this approach. New Hampshire and Maine already allow limited self-distribution under a manufacturer license, and both states continue to have strong

wholesaler networks. Those systems have not been undermined. Allowing Vermont's small brewers to self-distribute up to 3,000 bbl annually ensures that businesses are not placed at a competitive disadvantage in the region.

At its core, section 6 of H.921 is a modest adjustment that reflects the realities of today's market. It gives small Vermont breweries a realistic way to access local accounts, grow their businesses, and remain viable in an increasingly consolidated distribution environment, while preserving the three-tier system.

Vermont has a long history of making smart, careful updates to its alcohol laws to support small, local producers. Section 6 of H.921 continues that tradition.

Thank you for your time, and I'm happy to answer any questions.