

# LUCY & HOWE

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## BREWING COMPANY



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My name is Jesse Cronin. I own and operate Lucy and Howe Brewing Company in Jericho, VT. I am here today to express my strong support for H. 921; specifically section 6, which would allow brewers to distribute up to 3000 barrels of malt beverage annually to their local bars, restaurants, and stores.

The story about how I entered brewing is not unique- I started brewing at home and fell in love with what is basically the art and science of bread alchemy. I needed more experience, so I started work at Magic Hat in 2016, filling kegs from 3pm to 11pm. I shifted to working in fermentation in 2017, and then up to the brew tower in 2018 where I brewed all the Magic Hat classics (#9, Hocus Pocus, Blind Faith, Circus Boy) until 2020. By the time I left I was the lead brewer in charge of wort production and fermentation, which is a very fancy way of saying I was in charge of the first bit of a beers' journey to glass.

Lucy and Howe Brewing Company opened officially in May of 2020 to little fanfare. We were deep in the COVID shutdown. I brewed and packaged beer in an old summer kitchen at our home. Customers would buy beer online, show their ID through the car window, and I would load beer in the trunk. The biggest issue we regularly had to deal with was when my elementary aged children had online classes and I had to brew - there were few places we could point the camera that didn't have stacks of beer cans in the background, raising the eyebrows of many teachers in Jericho.

Now it's 2026. Lucy and Howe Brewing Company remains one of the ten smallest breweries in the state. Every batch I brew is the equivalent of about 30 to 35 cases of beer, and we wind up with the equivalent of about 1200 cases of beer a year. As breweries go, it's tiny. By way of comparison, when I worked at Magic Hat I brewed that same 1200 cases by lunchtime.

*The attached photographs (last page) illustrate this. The first picture is of myself and one day of packaging- about 93 gallons. The second picture is also of myself (inserted for scale), with one day of packaging over at Vermont's second largest brewery, Zero Gravity, approximately 7000 gallons. Fun fact- both packaging days were about the same length. Thank you to Zero Gravity for the picture.*

Currently Lucy and Howe Brewing is limited to selling beer out of our taproom, an old 1850s general store in Jericho that we've converted into a shared coffee/beer space with Brew House Coffee Company. We have our 4th class license (our retail sales) as well as our 1st class license

(our draft pours). We have a small kitchen and provide meal options. We employ 3 part time workers to help staff the taproom. We've created a nice community space that we are quite proud of.

To survive and thrive and grow, Lucy and Howe would benefit from another reliable avenue to get our beer to customers. There are times of the year where the need for this additional revenue source is emphasized by low tourism numbers, or the seasonal ebb and flow of the brewery business.

Distribution has the potential to fill this gap, but not in its current form. There are two roads to distribution - we can find a distributor to take us on or we can decide to self distribute. While both are possible, both have issues which make them unsuitable to pursue.

In regards to finding a distributor - Lucy and Howe Brewing Company was carried and distributed around the state from 2021 to 2025 by Vermont Beer Shepherd. While it lasted this relationship was a positive one - they would tolerate our inconsistent and limited supply and they would carry to stores that are considered out of the way. They did so with pretty favorable terms.

Vermont Beer Shepherd closed suddenly in early 2025, and at that time they offered the brands they carried to other larger distributors. Some were picked up, others (like ourselves) were not. It's hard to overstate how small a brewery of our size is compared to other brands in a distribution portfolio. I literally cannot brew enough beer that would make a partnership with my brewery worth a distributor's effort.

There are also revenue implications to selling to distributors. When we sell a case of beer in the taproom, about 45% of that price goes to the materials needed to make the case. The remaining 55% goes towards all the other costs of the business- rent, payroll, utilities, supplies, etc. Maybe even a little profit. It's pretty straightforward.

Now let's say you go to a retailer and buy that same case of our beer. 45% still goes to the cost of making the beer. The remaining 55% is now split three ways- a tiny slice goes to us to cover other costs, and the remainder is split between the distributor and the retailer. In this scenario the cost of getting beer out to the public is the sacrifice of already slim margins. *See attached pie charts, p. 5.*

In regards to self-distribution, there are a set of roadblocks for a brewery my size simply because of current law. If I would like to self-distribute, I need to form an additional business. I would apply for a distribution license (the most expensive of all the licenses), and set up this new company with its own books, bank accounts, invoicing, all of it. The current law requires me to

sell beer to myself on invoice, and then sell that beer from my new distribution company to retailers. It's an overbearing process, eclipsing any potential reward.

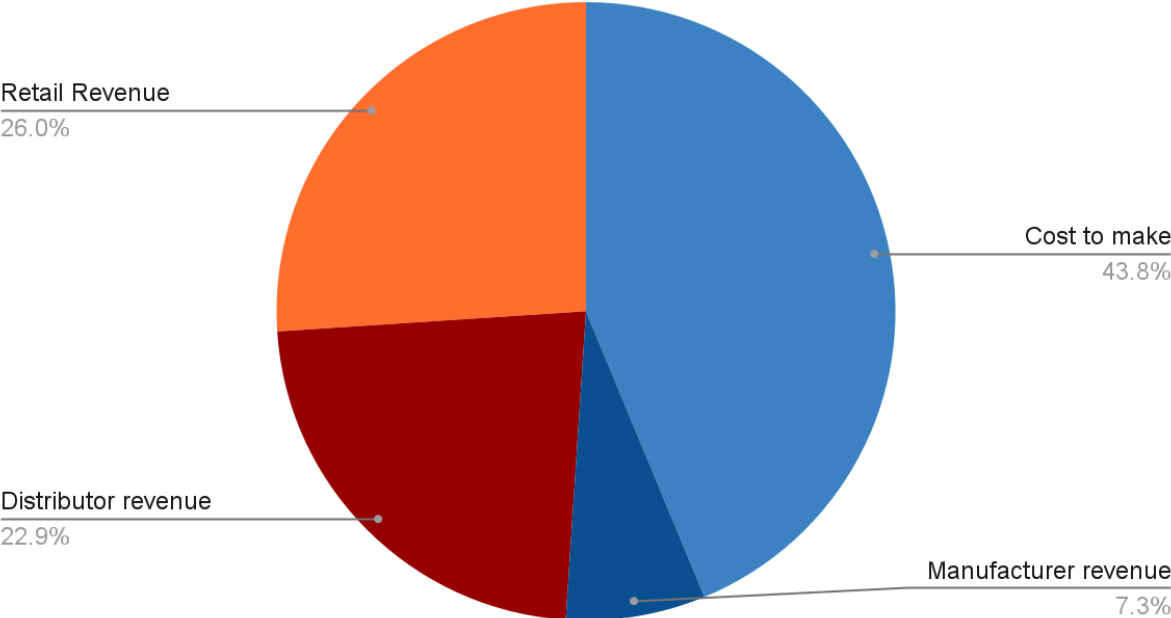
I would encourage you to adjust the system and allow our breweries a distribution path that better suits all sizes while accommodating some flexibility. Allowing us to distribute up to 3000 barrels a year as a part of our manufacturing license would:

- Greatly simplify the system breweries use to get a limited amount of beer to market and in front of customers
- Allow our breweries to deepen and strengthen relationships with retail partners, some of whom are either struggling to meet distributor order minimums or struggling to stock a variety of product
- Direct access to markets would create the opportunity for small brewers to grow their brands, ideally to the point where they would be attractive to one of the larger distributors.
- Provide small businesses with another avenue to increase our cash flow so that we can remain in business.
- It brings us into parity with neighbors Maine and New Hampshire.

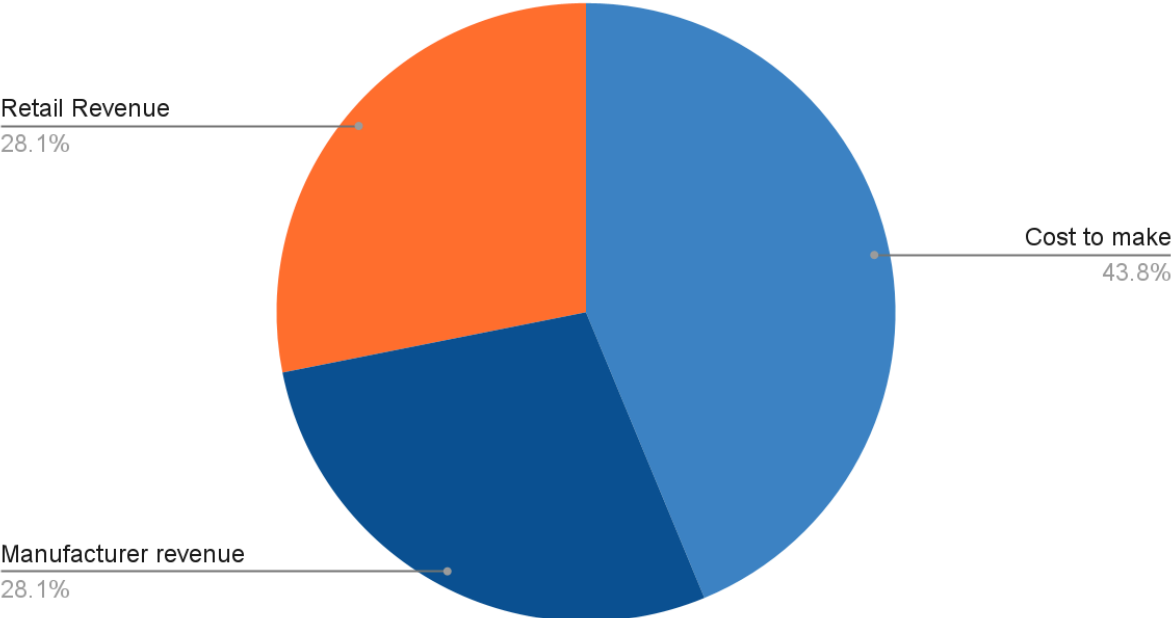
Thank you very much for your time and attention. I will happily answer any questions.

Jesse Cronin  
Owner/brewer  
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### Case Cost Breakdown Through Distribution\*



### Case Cost direct Sale to Retailers\*



\*percentages are based on the average cost for me to make a case, our average sale price, and average MRSP. These numbers are specific to Lucy and Howe Brewing, and are not intended to represent the position of other breweries, local or otherwise.

