



March 18, 2024

Members of the Senate Commerce Committee,

We are writing on behalf of the Minnesota Craft Brewers Guild to voice our opposition to SF3396. Although the intent of this bill may seem to benefit the small producers of beer in Minnesota, we strongly believe that the outcome will prove much different. Craft producers historically have had difficulty competing for shelf space in all retail channels, however we have built good relationships with our independent liquor store operators over the course of the past 30+ years. We have made personal connections with consumers and retailers across the state in ways that would not be possible in large grocery and convenience retailers.

We have seen how these channels have impacted craft producers in other states, including recently in Colorado which passed a similar bill in 2019. A study conducted by the University of Colorado showed that sales of smaller craft brewers were down both on shelves and in tap rooms following the passage of that bill. Not only were sales less for all but the largest regional craft producers, but the study also indicates that small producers are thereby forced to spend much greater dollars on marketing simply to compete in grocery settings, instead of investing in growth or consumer experiences.

As the Craft Brewers of Minnesota, we take exceptional pride in our work that we pour from our taps and into our cans. It is that pride that connects us as producers to those who sell our products and, ultimately, to the consumer. It is our belief that that pride is lost on all stakeholders when our products are forced to compete with so many other products. It is in that spirit of craft and independence that we ask for your opposition to SF3396. Thank you for your time and consideration.

Sincerely,

Robert Galligan

Director of Government and Industry Relations

MINNESOTA CRAFT BREWERS GUILD

807 BROADWAY ST. NE, STE 14 • MINNEAPOLIS, MN 55413

612.486.2752 • WWW.MNCRAFTBREW.ORG • INFO@MNCRAFTBREW.ORG