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March 19, 2024

Chair Klein and Members of the Senate Commerce and Consumer Protection Committee:

Thank you for hearing SF 3396, a bill allowing Minnesotans to purchase full-strength beer, including Minnesota-produced beers, where they can buy 3.2 beer today. In 2022, Minnesota took some steps to modernize our liquor laws, including a recognition that Minnesotans want better and local beer when the Legislature allowed the sale of full-strength beer at town baseball games where 3.2 was previously the only option. It's time to modernize our liquor laws where 3.2 beer is sold today!

Minnesota is far behind the rest of the nation with our 3.2 beer licensing law--a relic of the era of prohibition. Chair Klein's bill brings clarity, convenience, and consistency to our marketplace. We are the very last state to separately license 3.2 products, and many consumers purchasing those products do so thinking they are purchasing full-strength beer.

Also, nearly all beer makers have responded to changing consumer demand and discontinued 3.2 products. States around us and much of the nation have caught up with today's consumers, but we have not.

It's hard to live in the past. It's hard to see Minnesota as last. It's hard to see convenience limited and consumer demand dismissed. And it's hard to have rules that stifle innovation and opportunities for local breweries and retailers. But it doesn't have to be that way, and we don't need to disrupt the current three-tier system to make consumer-friendly changes. We support the Klein approach that leaves municipalities in control of licensing and the system of getting products in the cooler or on the shelf unchanged.

Allowing consumers the option to purchase full-strength beer at convenience and grocery stores just makes sense and it's what the public wants. It's time to modernize our liquor laws and give busy Minnesotans clarity, convenience, and consistency where they shop.

Let's modernize together,

Tim Gross
Fueling Minnesota

Lance Klatt
MN Service Station & Convenience Store Association

Tony Kwilas
Minnesota Chamber of Commerce

Bruce Nustad
Minnesota Retailers Association

Jamie Pfuhl
Minnesota Grocers Association

Angie Whitcomb
Hospitality Minnesota



March 5, 2021

Carla Cincotta, Director
Minnesota Department of Public Safety
Alcohol and Gaming Enforcement
445 Minnesota Street, Suite 1600
St. Paul, MN 55101-2156

CC: The Honorable Melissa Hortman, Minnesota Speaker of the House & the Honorable Paul Gazelka, Senate Majority Leader

Dear Director Cincotta,

As you may be aware, over the past decade the states of Oklahoma, Colorado, Kansas and Utah have elected to transition out of 3.2% ABW/4.0% ABV strength beer to regular, full strength beer. Minnesota is the only state left in the country that requires 3.2% strength beer.

These changes in other states mean that Molson Coors Beverage Company's **total** 3.2% ABW/4.0% ABV business volume decreased over 98% through January 1, 2021. In 2020, Molson Coors had only eleven (11) 3.2% beer package options for Minnesotans, or less than 1% of our national offering. Additionally, 2020 was a difficult year as the company further reduced skus in Minnesota due to production constraints across our entire portfolio. This reduction in 3.2% beer production has now come to a head as it continues to be a significant financial loss for Molson Coors. After May 31, 2021, it will no longer be economically viable for Molson Coors Beverage Company to place 3.2% ABW/4.0% ABV beer on shelves in Minnesota. Therefore, Molson Coors will cease production specifically of 3.2% ABW/4.0% ABV beer this May.

Fortunately, Molson Coors will have some nationally produced product options for Minnesota customers of beers that fall below the 3.2 ABW/4.0% ABV including:

- Blue Moon Light Sky,
- Blue Moon Honey Daze,
- Coors Pure,
- Hamm's Special Light,
- Miller 64,
- Leinenkugel's Session Helles,
- Sol Chelada, Sol Chelada Limon y Sal,
- Molson Canadian 67, and
- Non-alcoholic beer offerings of Coors Edge and Miller Sharps.

However, we will no longer produce popular brands like Miller Lite, Coors Light and Blue Moon in their 3.2% form. I wanted to alert you right away to our production stoppage.

Please do not hesitate to contact Molson Coors Senior Director of Regional Government Affairs Matt Swentkofske at 414.931.3129 or matthew.swentkofske@millercoors.com regarding this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andrew McGuire", written over a horizontal line.

Andrew McGuire, Regional Vice President; Great Lakes Region
Molson Coors Beverage Company



Constellation Brands

November 26, 2019

Mr. Lance Klatt
Executive Director
Minnesota Service Station & Convenience Store Association
2886 Middle Street
Little Canada, MN 55117

Dear Mr. Klatt,

I am writing to you today with a sense of urgency regarding the sale and distribution of 3.2% alcohol by volume (ABV) beer in the state of Minnesota. Constellation Brands is a long-time partner with the state of Minnesota, our loyal distributors and retail partners, and valued consumers. Our beer portfolio ranges from our flagship brand family, Corona, to Modelo Especial, Pacifico, Victoria, and many craft brands from our Ballast Point Brewery.

Less than fourteen months ago, there were five states selling 3.2% beer: Colorado, Kansas, Oklahoma, Utah, and Minnesota. As of today, the one state remaining that mandates that only 3.2% beer be sold to and through certain retail channels is Minnesota. **As a result of this new environment, and as you can imagine the significant reduction in 3.2% volume, Constellation will cease production of all 3.2% brands and packages effective immediately.** Unfortunately, there is just no way our breweries can efficiently produce and package at this reduced volume level. We have seriously and thoughtfully explored different option(s) but have determined none are feasible.

Constellation values all of its business partners, from the large format stores to the small and mid-size retailers that make up "Main Street" Minnesota. We believe this diversity contributes to the overall vibrancy of Minnesota's economy and its communities. But if Constellation (like other brewers that will no longer produce 3.2% beer) is limited to where it can sell its growing portfolio of brands then certain retailers, i.e. convenience, gas, and select grocery stores will be severely disadvantaged. **And ultimately, limiting/reducing brand choices and accessibility for yours and our consumers can and will have an adverse impact across a large part of the Minnesota market.**

You can be assured, Constellation will do its very best to continue to fulfill the needs of its distributors, retail partners, and consumers but would ask for your immediate support to encourage state lawmakers to make full strength beer available to all retailers and accessible to all legal age Minnesota consumers, no matter where they reside in the great state of Minnesota. As we have now experienced in the other four states that have transitioned to full strength beer, this can be a "win-win" environment for everyone.

Thank you for your understanding.

Respectfully,

John P. Utter
Constellation Brands
Senior Vice President, Central Business Unit

Constellation Brands, Inc.
131 S Dearborn St, Suite 1200
Chicago, IL 60603



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November 14, 2019

Lance Klatt
Executive Director
Minnesota Service Station & Convenience Store Association
2886 Middle Street
Little Canada, MN 55117

Dear Mr. Klatt:

Due to Minnesota being the only state to require 3.2 percent beer in specific retail channels, Pabst Brewing Company, LLC ("Pabst") has stopped all production of this product type. All 3.2 products will no longer be available for Minnesota consumers across the state and anticipate the current inventory of this product to be depleted by 12/31/19.

Pabst will continue to work with Minnesota distributors to ensure that our full-strength product will be available across the state.

Sincerely,
PABST BREWING COMPANY, LLC

Brian Smith
Chief Sales Officer

BK: rsm

CC: Patrick O'Dea – RVP North Central
Dan Maley – Area Sales Manager



October 30, 2019

Lance Klatt
Executive Director
Minnesota Service Station & Convenience Store Association
2886 Middle Street
Little Canada, MN 55117

Dear Mr Klatt:

I wanted to reach out to you today regarding the issue of 3.2 beer. We at Mikes Hard Lemonade Company are fully supportive of the effort to eliminate the last of the countries 3.2 regulations. Due to the limited volumes expected, our company has decided to stop production of 3.2 going into 2020 as it no longer makes financial sense. That will unfortunately reduce the products available in Minnesota. Mikes Hard Lemonade company is hoping to be a part of the change in the 3.2 restrictions. We will be working with our retail and wholesaler partners to make full strength beer available in all venues around the country.

Please let me know if we can be of assistance in this moving forward.

Sincerely,

Sergio M Barrios

Mark Anthony Group



HEINEKEN USA
360 Hamilton Avenue, Suite 1103
White Plains, NY 10601
(914) 681-4100

October 8, 2019

Lance Klatt
Executive Director
Minnesota Service Station & Convenience Store Association
2886 Middle Street
Little Canada, MN 55117

Dear Mr. Klatt:

HEINEKEN USA's family of brands includes Heineken, Dos Equis, Tecate, Amstel Light, Red Stripe, Newcastle Brown Ale, and others.

Now that Minnesota is the last state that still limits grocery and convenience stores to selling 3.2 percent beer, our company has stopped new production of 3.2 percent beer and is in the process of depleting our current inventory. Unfortunately, this will mean reduced access to our brands for Minnesota consumers in grocery and convenience stores across the state.

HEINEKEN USA values all of our retail partners, and will continue working with wholesalers to make full-strength beer available in other venues as permitted under state law.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurens van de Rotte".

Laurens van de Rotte
Senior Vice President, Chief Operations Officer
HEINEKEN USA