

Miss. Craft Breweries Seek Permission for On-Site Sales

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JACKSON, Miss. (AP) — Mississippi lawmakers are considering whether to take sides in a beer battle that pits small breweries against big distributors.

The state's eight craft breweries — seven that are already open and one set to open this summer — want permission to sell some of their beer where it's made. Under current state law, craft brewers can provide samples on-site after people take brewery tours, but they can't sell cans or bottles of their beer there. The products can only be sold in restaurants or stores.

"Our current structure puts local Mississippi breweries at a competitive disadvantage," Quinby Chunn, owner of Southern Prohibition brewery in Hattiesburg, told a House Ways and Means subcommittee Thursday at the Capitol.

Craft brewers are seeking a change in state law to allow the sale of canned or bottled beer at the breweries, but distributors say the current system works fine. Some of the companies distribute beer for the craft breweries as well as for big, out-of-state corporations.

Ann Magruder told lawmakers that her family's distribution company on the Gulf Coast spends thousands of dollars on marketing for its craft brewing clients.

For 80 years, Mississippi has had a "three-tier system" for getting beer from brewers to customers. The first tier is the brewery, the second is the distributor and the third is the store or restaurant that sells the beer. Magruder said that before Prohibition, there were only breweries and retailers, and retailers were often subject to intimidation. She said the three-tier system helps ensure a wide variety of beer is available.

Brian Drennan of Capital City Beverages said his company distributes in 18 counties and its client list includes four Mississippi breweries along with larger ones from out of state. Drennan said the distributor spends "a disproportionate amount of resources" on the small breweries to help them put their products into more stores and restaurants.

"We want them to be successful and want them to grow," said Drennan, who also advocates keeping the three-tier system.

Rep. Toby Barker, R-Hattiesburg, said he's considering filing a bill that would make the changes the small breweries want. He said craft brewing has helped revitalize downtown Hattiesburg.

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"It represents the best of Mississippi's youth and potential and entrepreneurial spirit," Barker said.

Mississippi law also allows brewpubs to operate, but they can only sell their beer at the restaurant. Brewpubs cannot bottle or can their beer and sell it in stores.

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