

House Human Service Committee Chairman Ruby and Committee Members,

I am writing in support of HCR 3031. As a brewery owner, we've seen a lot of ups and downs in the industry. Changing consumer habits and market trends have led to a declining craft beer industry in recent years. North Dakota alone has seen three closings in the last three months, with another closing announcement for March. There are a lot of reasons that factor in that, aging people drinking less beer, younger people not drinking beer, and many people in general changing lifestyle habits practicing Dry January and Sober October or turning to alternative products. The rise of Ready-to-Drink (RTD) cocktails and Hemp-derived THC beverages has forced many breweries to become beverage companies.

Hemp-derived THC beverages are available for sale in every state that borders North Dakota. North Dakotans are traveling across borders to buy these beverages. Local breweries are unable to compete in our own markets, unless we contract-brew out of state, for products that could be sold to those markets, which doesn't make us competitive on pricing. There are wholesalers in our state currently warehousing Hemp-derived THC products for sale in out-of-state markets. Our wholesale partners are on board with us in getting these products to our local markets. As a brewery owner, we are looking for every source of revenue we can find in today's climate.

Breweries are a large part of our North Dakota communities across the state. They provide gathering places, live music venues, restaurants, places for community events and much more. The economic benefits of allowing manufacture of these products include increased state tax revenue, increased sales for breweries, wholesalers and retailers alike. North Dakotans are traveling across borders to buy these beverages. North Dakotans should benefit from the products being manufactured locally. I would urge your support for HCR 3031.

Sincerely,

Mike Frohlich
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