

Testimony SB 2321

Mr. Chairman and Members of the Committee,

My name is Eric Johnson and I represent Atypical Brewery & Barrelworks in Minot. While we are in full support of SB 2321 in its entirety and urge a “do pass”. I would like to use my time to focus on the section that would allow for direct to consumer/online sales. As one of the smaller breweries in the state, as well as a brewery that specializes in a relatively niche arm of Craft Beer, this section of the bill would help us tremendously. Allowing for the online sales and direct delivery of product to a person’s home would allow every brewery to expand their customer base in a very meaningful way.

The reasons I believe that you should support this bill are 3-fold. The first reason is based on keeping a level playing field. Currently wineries in the state are allowed direct to customer sales, while breweries are not. This would simply bring this aspect of alcohol sales into alignment across the various alcohol types. We can all agree consistency is most fair.

Secondly, I believe this bill should be passed because it is keeping North Dakota First. As it stands, beer from out of state can be shipped direct to customers within North Dakota. In allowing this influx of outside beer, while simultaneously restricting in state breweries from doing the same thing; It only works to hurt ND breweries by allowing those dollars to go to out of state breweries. There are even apps now that are nothing more than direct to customer beer shipping hubs. If ND breweries hope to compete in this evolving landscape, this aspect of the bill is essential.

Lastly this bill should pass because this section would have very little, if any, impact on the 3-tier system. With the onus of paying shipping costs falling to the customers, we can mostly assume that people will not be purchasing huge quantities of beer by this method. To a distributor, the volume of beer to be moved in such a way will be pittance. But to a brewery, such as ourselves, that is orders of magnitude smaller than a distributor, in terms of barrelage sold, this bill still has the potential to have a big impact for us. A secondary benefit on this line of thought, would be the potential for increased tourism. If out of state customers can try ND beer by ordering it shipped direct, we would hope that there is potential to attract those customers to plan a “Beercation” into the state.

The potential for SB 2321 to benefit ND breweries is immense and presents few, if any, drawbacks. I believe that the clear answer is to vote do pass, in favor of SB 2321. Mr. Chairman and members of the Committee, I thank you for your time. I am happy to answer any questions you might have.