



IDAHO BEER & WINE DISTRIBUTORS ASSOCIATION, INC.

407 West Jefferson, Boise, ID 83702 • (208) 345-9929 • www.IBWDA.com

February 26, 2024

Brooke Sherick-Odom
President

RE: S. 1364 -

Annie Pfinsgraff
Vice President

Jeremy Pisca
Attorney with Risch Pisca
Serve as the Executive Director for the Idaho Beer and Wine Distributors Association

Dave Heffner
Secretary

Here in support of S. 1363 - a bill which I helped draft with our industry partners, the Idaho Brewers United.

Jeremy Pisca
Executive Director

Idaho regulates beer and wine products through a three-tier system. That system mandates the independence of each tier, the supplier-brewer, the distributor-marketer, and the retailer who interfaces with the ultimate consumer. The three-tier system, among other things, helps law enforcement enforce the laws and helps ensure an orderly marketplace.

There are just a few exceptions to this three-tier system. One of those exceptions is for "small" brewers brewing under 30,000 barrels of beer.

Though we say "small" it is quite a lot of product.

930,000 gallons

60,000 kegs

420,000 (cases of 24)

That's a lot of beer. If a brewer can sell that much beer, it must be a pretty good product.

Initially, the legislature passed this exemption to the three-tier system to allow "smaller" brewers an opportunity to get to market and build their brand. Below 30,000 barrels a brewer can, in addition to brewing its own beer, distribute its own beer, and be a retailer owning a brewpub and a tap house.

Generally, once a brewer gets to about 2,500 barrels of production, they naturally flow into the three-tier system of distribution, because they are in the business of brewing beer, not necessarily storing it or trucking it all over the state.

At this time, Idaho has only one brewer approaching 30,000 -- Mother Earth Brewing in Nampa, with a tap room in Boise. Mother Earth Brewing does not distribute its beer. It has a local distributor perform that function. It does, however, have a brew pub at its main Nampa brewery and a tap house in Boise.

They have been good and responsible corporate citizens in Idaho, with no administrative violations. They have had a continuous physical presence and have continuously brewed beer in this state for many years. That physical presence is of utmost importance as it ensures that the state police can inspect and enforce the laws and that the state tax commission can enforce tax collections.

Under S. 1363, at 30,000 barrels the brewer will lose its ability to self-distribute (again, most of them voluntarily give that up at about 2,500 barrels), but it will allow them to continue to operate their retail activities at the brewery and tap house.

Very Sincerely,

A handwritten signature in black ink, appearing to read 'JP Pisca', with a stylized flourish at the end.

Jeremy P. Pisca
Executive Director
Idaho Beer & Wine Distributors Association

Risch ♦ Pisca, PLLC
Law and Policy