



Direct-to-Consumer Shipping Principles

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The Brewers Association (BA) believes that brewery direct-to-consumer (DtC) shipping legislation is good for small brewery businesses, good for consumers, and good for state governments. We urge lawmakers to pass DtC shipping legislation and start expanding access and innovation for small and independent craft brewers.¹

The BA also believes that in order to do this, it must be done right: including safeguards to ward off abuse is imperative, as is regulation and implementation to ensure small and independent craft brewers throughout the country have the same access to the system.

Consumers want more variety, from more producers, whether those producers are in state or out of state. The Sovos ShipCompliant/Harris Poll consumer survey finds that 92% of regular craft beer drinkers would purchase DtC shipped beer monthly if permitted in their state, yet beer DtC interstate shipping is only available to 14.8% of the 21+ U.S. population. The potential of this mostly untapped market is huge. (Regular craft beer drinkers are defined as those who drink craft beer at least once per month.)

Of course, beer is a socially sensitive product, and DtC shipping legislation needs to incorporate appropriate, proven safeguards.

BA supports legislation with the following features:

1. Require regulatory oversight consistent with other sellers of alcohol:
 - a. All sellers must obtain a license, which must be periodically renewed;
 - b. Sellers must subject themselves to the jurisdiction of the state; and
 - c. Sellers must submit periodic reports to the relevant state regulatory body.
2. Guardrails to avoid abuse (this infrastructure already exists for wine):
 - a. Conspicuous labeling that the package contains alcohol;
 - b. Require a signature by a 21+ individual before delivering the product;
 - c. Compulsory ID check for delivery to be completed.

¹ A craft brewer is small (produces less than 6M barrels per year – roughly 3% of the U.S. beer market), independent (of a large brewer or other large alcohol beverage industry member), and brews beer in the U.S.

3. Mechanisms to protect state revenues:
 - a. All sellers must report to state tax authorities and pay the applicable state excise tax on beer; and
 - b. All transactions subject to sales tax if that tax is imposed in other retailer sales of beer.
4. Breweries from both in and out of state must have equal access to consumers to avoid Commerce Clause violations and ensure innovation from craft brewing and selection for consumers in the state.

Overall, DtC shipping gives consumers in a state the ability to seek out and find more variety. It will not replace a regular “beer run” to the store down the street but will be for special occasions – a birthday or anniversary or Super Bowl party – to get something special to share with friends or family. Consequently, brewery DtC shipping of beer will not undermine businesses operating within the three-tier system, as most consumers will continue to purchase widely available products through local retail channels, just as they continue to do for wine.

As breweries make a name for themselves through DtC shipping, the potential exists for wholesalers to find and distribute new products and brands that would have otherwise remained unavailable in their territories.

In sum, legal drinking age consumers should be able to purchase the beers they want from the brewers that can supply them in a regulated and responsible manner.

CONTACT:

Sam DeWitt

State Government Affairs Manager

sam@brewersassociation.org

720.837.6935

