Testimony Before the General Law Committee, March 4, 2015

SB No. 977, An Act Concerning Craft Manufactures of Alcoholic Liquor

Good afternoon Senator Leone, Representative Baram and Members of the General Law Committee. My name is Jack Baker and I am here today in my capacity as an owner of Hardscrabble Distillery. In June of last year we purchased a 15,000 sq ft building on RT 202 in Litchfield, CT. Since then we have been busy rehabilitating the building and installing distillation equipment. Thus far we have invested well over $1,000,000, much of it going to local trades' people and local suppliers. In mid December we began distilling. Hardscrabble Distillery is dedicated to distilling fine spirits from locally sourced grains. We are using 600 lbs of local corn every day. For this coming growing season a local farmer has agreed to plant rye as well. We are excited to be entering the market under the brand name KROFTERS in the next few weeks.

Thank you for raising SB No. 977, An Act Concerning Craft Manufactures of Alcoholic Liquor. This bill will authorize small manufactures to sell alcoholic liquor that has been manufactured on premise at retail for consumption off premise. This would be consistent with CT breweries and wineries. Selling on premise is an important marketing channel to introduce our products to visitors who will ultimately seek them out at their local liquor stores and restaurants and bars.

All of our neighboring states allow on premise sales. Having talked to many distillery owners in our surrounding states, I have learned how important on premise sales have been to their success. Much of their overhead and labor costs are offset by these sales. Connecticut distilleries need parity to be price competitive. Connecticut needs this bill to attract Craft Distilleries that will create manufacturing jobs, support local agriculture and attract tourist.

Benefits of Craft Distilleries to the State of Connecticut:

Economic

Participate in an emerging growth industry

- Create manufacturing jobs
- CT liquor stores will profit from a new sales category of CT Sprits.
- Restaurants and bars will attract customers with CT sprits and CT cocktails.
- Increased tax base
- Increase exports
- Startup distilleries may seek to occupy vacant and distressed real estate

Agriculture

- CT distilleries will source CT grown grains
- Distilleries will partner with local farmers to develop grain and mash bills to create uniquely CT spirits
- Distilleries are purchasers of corn, a traditional CT crop
- Distilleries will present new crop opportunities with the need for grains such as rye and barley.
- Spent grains are distributed to local farms for feed and fertilizer

Tourism

- Distilleries attract visitors to both rural and urban sites
- Distilleries attract out of state visitors
- Distilleries will partner with wineries and breweries to enhance the CT wine trail experience