Growing Local Beer Jobs

Paul Pisano
National Beer Wholesalers Association
NCSL Annual Meeting
Atlanta, GA
August 13, 2013
80th Anniversary of 21st Amendment

... seeds of today’s industry

PROHIBITION REPEAL NOW UP TO STATES

HOUSE PASSES ON SUBMISSION PLAN, 289-121

Warren Boy Heroes

BOMBERS SHOOT POLAND COP AT SOFRANEC HOME

Many Change Stand Since Prohibition

Wagner Is Wounded.
21st Amendment

- Repealed Federal “One Size Fits All Mandate” of the 18th Amendment
- Section 2 of the 21st Amendment Specifically Empowered the States to Be Primary Regulator
- Alcohol is Different and Only Specific Product Mentioned Twice in U.S. Constitution
Following Prohibition

• To prevent repeat of pre 18th Amendment problems, states adopted policies to separate those who make alcohol from those who sell it to the public.

• This has evolved into today’s three tier system of licensed brewers selling to licensed wholesalers who sell to licensed retailers.

• The United States Supreme Court has repeatedly said “the three tier system is unquestionably legitimate.”
The World’s Best Beer Market
2,400 Breweries in the U.S.
Variety of 550,000 Retailers

COSTCO WHOLESALE

Walmart

Total Wine & MORE

CRAFT BEER CELLAR

CORK KEG & SPIRITS

GRAVITY BEER MARKET

NORM’S BEER & WINE

NEW HAMPSHIRE OUTLET

V.

V.

V.

V.

ABC
3,300 Different Distribution Models

- Some distributors are tiny, some medium, some large, some very large
- Different service models
- Different geographic footprints
- Some distributors have been around since Prohibition, others are brand new
Distributors Grow Brands

- Beer is Costly. It is perishable. It must be kept Cool. A keg of beer weighs 160 pounds. Distribution is a cost.
- Independent Distributors play a key role in building new brands in the marketplace and nurturing goodwill with retailers.
- Without distributors, brands would not be easily accessible for consumers.
- According to Nielsen, there is more consumer choice in alcohol than any other consumer product in USA.
Another Heavy Liquid Product
Marketplace Today
On Premise – Non Alcoholic
On Premise - Beer
3,333 beer distributor establishments

Directly employ 130,152 men & women

Who receive $10.2 billion in wages & salaries
Add $54 Billion to the Nation’s Gross Domestic Product
PROVIDE MORE THAN $22 BILLION

DISTRIBUTORS MAKE INCREASED CONSUMER CHOICES POSSIBLE

in Annual Transportation Efficiencies for the Beer Industry
DELIVER

$175 MILLION

in Annual Economic Impact through Contributions to Community Activities
Pay $10.3 Billion in Federal, State and Local Taxes

$11 Billion in Federal, State and Local Alcohol Excise and Consumption Taxes

NOT INCLUDING
Not the Beer Industry...Yet
Current System Serves Consumers
What Can Legislators Do to Help?

1) Support and Fully Fund Your State ABC
2) Understand That Alcohol Is Not Toothpaste
3) Alcohol is a Regulated Market
4) Understand the Marketplace Before You Start Changing It/Harming Jobs
5) Visit Beer Distributors and Meet Employees
Questions?

Paul Pisano
1101 King Street, Suite 600
Alexandria, VA 22314
(703) 683-4300
ppisano@nbwa.org
@Beerasonian