

New Mexico Brewers Guild

New Mexico Economic and Rural Development Committee

8 August 2014

Definition of a Craft Brewer (Brewers Association)

An American Craft Brewer is small, independent and traditional.

- **Small:** Annual production of 6 million barrels of beer or less (approximately 3 percent of U.S. annual sales). Beer production is attributed to the rules of alternating proprietorships.
- **Independent:** Less than 25 percent of the craft brewery is owned or controlled (or equivalent economic interest) by a beverage alcohol industry member that is not itself a craft brewer.
- **Traditional:** A brewer that has a majority of its total beverage alcohol volume in beers whose flavor derives from traditional or innovative brewing ingredients and their fermentation. Flavored malt beverages (FMBs) are not considered beers.

Other Definitions

- **Barrel:** A barrel of beer is 31 gallons of beer, the equivalent of 13.8 case equivalents or 442 standard 16 ounce pints
- **Case Equivalent:** A case of 24 bottles of 12 ounce containers, the equivalent of 2.25 gallons

Industry Structure

- **Brewpubs:** Breweries that brew and sell beer on-premise as draught. These are usually associated with a full restaurant and do not “package” their beer in bottles or cans for sale outside of New Mexico.
 - There are 27 active brewpubs in New Mexico
 - There are an additional 17 brewpubs “in planning” or opened since April 2014 in New Mexico
- **Packaging Breweries:** These are the five large breweries that primarily package for sale outside of New Mexico, and also operate on-premise taprooms. The packaging breweries in New Mexico are:
 - Marble Brewing Company – Albuquerque, NM
 - Santa Fe Brewing Company – Santa Fe, NM
 - Sierra Blanca Brewing Company – Moriarty, NM
 - La Cumbre Brewing Company – Albuquerque, NM
 - Abbey Brewing Company – Abiquiu, NM

Packaging Breweries are classified by size:

- Micro Brewery – Less than 15,000 barrels of production/year – all New Mexico packaging breweries
- Regional Brewery – Between 15,000 and 6,000,000 barrels of production/year
- Large Brewery – Over 6,000,000 barrels of production/year

Key National Legislative Issues

- **Federal Excise Tax Reduction (S-917 and HR-494)** – for breweries producing less than 60,000 barrels/year reduce from \$7.00/barrel to \$3.50/barrel
- **Regulation of Spent Grain (FDA)** – has a significant impact on both brewers and ranchers

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Key State Legislative Issues

- **Definition of Drink Size** – define for beer a standard drink size of 16 ounces versus 12 ounces as currently defined
- **Self-Distribution** - for brewpubs holding both a Small Brewers License and restaurant license allow self-distribution
- **Growler Filling** – clarify and update current legislation to clearly define, allow, and build-in safety measures (e.g. require tamper-proof seals)
- **Equity with Wine Producers** – allow a third off-premise location for a holder of a Small Brewers License
- **Festivals & Public Celebrations** – allow consumer identification and age verification at point of entry and simplify permit process
- **Alternating Proprietorships** – bring New Mexico statutes in line with federal law and regulation and allow for co-ops
- **Agricultural Grants** – support for NM Dept. of Ag. And NMSU to research and help to establish viable sectors for barley and hop production

Presenters:

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