

October 26, 2021

Members of the House Commerce & Consumer Protection Finance and Policy Committee:

Thank you for hosting an informational hearing on a number of alcohol modernization bills. With century-old liquor laws, it is long past time to catch Minnesota up with what consumers want and expect—choice and convenience.

We are proud to launch Red, White & Brew MN as a movement of consumers and retailers dedicated to modernizing our alcohol laws and allowing more freedom where Minnesotans shop. We support HF 1597 (Daudt), a bill creating a new license category allowing consumers to purchase full strength beer and wine at convenience and grocery stores within our existing 3-tier system while maintaining local control over licensing.



In Minnesota, consumers ask why they can't get full strength beer and wine where they shop for food. And consumers from out of state think our restrictions are ridiculous. Why?

As you know Minnesota has a system of alcohol regulation that separates manufacturing, distribution and sales. Liquor stores in Minnesota can hold a full liquor license, while other retail stores can hold a 3.2 license, limiting the products that can be sold. In many states—including those around us—consumers have access to more products where they buy their food, but not Minnesota. By law consumers are not allowed the convenience of picking up a bottle of wine or full-strength beer when visiting their favorite store.

Minnesota is the very last 3.2 licensing state in the nation and 3.2 product availability is an issue. How did we get here?

In short, a quick lesson in history traces Minnesota's 3.2 beer law all the way back to 1933 and prohibition. While other states have modernized their laws to meet consumer demand and declining 3.2 product offerings, Minnesota keeps its prohibition-era restrictions in place.

Retailers selling 3.2 products have reported a drastic reduction in options for customers as manufacturers cut back on production. One retailer has seen a 73 percent drop in 3.2 beer products over two years, going from 51 SKUs to only 14 today. And even fewer options are on the horizon as Molson Coors announced an elimination of 3.2 products this past May. It should not be a surprise. Why would manufacturers make 3.2 for just Minnesota? Even Utah dumped 3.2 in 2019 citing a lack of consumer demand and availability.

See all the manufacturer letters on ceasing 3.2 offerings at www.redwhiteandbrewmn.com.

Minnesotans and the guests of our state really do want more choice and convenience. How do we know?

Customers tell us! Minnesota opened up Sunday sales a few years ago because consumers asked for it. The option to pick up a six pack of their favorite beer or a local wine when shopping is another common consumer request that just makes sense.

Sales data from the National Association of Convenience Stores shows that consumers nationwide appreciated the option as beer purchases accounted for 6.8 percent of in-store sales during pandemic year 2020.

Finally, consumers can buy just about anything online today, but they cannot get the wine or beer they want at a grocery or convenience store? That makes no sense!

As legislators we encourage you to do your own research. Just ask a friend or neighbor if they would like the convenience of buying full-strength beer and wine where they buy groceries or gas.

Would more choice where consumers shop harm our liquor stores?

Consumer purchases in other states show that while people pick up a bottle of wine or beer at a grocery or convenience store, they still visit their local liquor store for their regular alcohol purchases. There is room for liquor stores alongside retail stores as demonstrated in other states.

There is an opportunity for local brewers and wineries.

Minnesota's craft breweries and wineries are creating jobs in our communities. And food retailers represent a great opportunity for those entrepreneurs to get their local products in front of consumers in order to earn repeat purchases. Many Minnesota stores are eager to sell local brews and wines to their customers. In fact retailers are experts at crafting visualizations, leading consumers to try new products paired alongside others in the store. This creates a great opportunity for Minnesotans to discover and develop new local favorites.

The bottom line—our alcohol laws are out of sync with consumers.

Minnesota is one of the few states that restricts beer and wine sales to just liquor stores, and the VERY LAST state where 3.2 beer is licensed. We have fewer options than our neighboring states and most of the rest of the nation. And while consumers lose out on selection and competition, our local breweries and wineries miss out on the opportunity to showcase their products to more customers.

We know change is difficult, and decisions should not be made without considering all sides of the debate. But it seems clear, it is time to modernize Minnesota's outdated alcohol laws and allow our friends and neighbors to purchase full-strength beer and wine in grocery and convenience stores.

It's time to Red, White & Brew Minnesota!

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