

FOR IMMEDIATE RELEASE

Calgary, 28 April 2013

Craft beer has always been a great way of lifestyle, especially in the past years in Alberta. Several Alberta based importers, agents as well as retailers and bars and restaurants have set their focus on craft beer from around the globe, in order to bring the consumer a wide variety of craft beer. However, their businesses are at great risk due to some proposed changes. Not only that, also consumer's ability to make their own choices will be impacted but also leaving some consumers without their favourite suds.

In the past few months, there has been a debate about the "taxpayer funded subsidy" for beer that is produced outside of Alberta. A secretly put out lobbying campaign and signed letters addressed to Deputy Premier Thomas Lukaszuk demanding an end to beer tax loopholes that is allegedly putting Alberta based brewers at a competitive disadvantage. The Deputy Premier publicly committed to rectify this issue – and changes are about to be made.

In the years that followed the privatization of the liquor market in our province, Alberta has been on the forefront of the craft beer industry. True enough, not so much in terms of its own produced craft beer, however on the availability of non-Alberta produced and imported craft beer. No other province in Canada rivals the availability of different craft beers in this province. Even some states south of the border have way fewer choices for their consumers on the store shelves than Alberta has to offer. The AGLC contracted warehouse currently lists stunning 2791 beers registered for sale in Alberta! Compare our province's selection to what is available in other provinces markets. Manitoba's Government controlled market currently lists 660 beer products. British Columbia's "BC Liquor Distribution Branch" has 546 products listed in their stores. Not even the largest liquor buyer in the world, the LCBO in Ontario, rivals Alberta's selection - it carries currently 967 products.

The problem on hand is that the great selection of hundreds of craft beer might disappear very soon. Why? In a nutshell, here's what has been proposed to the Alberta Government: To eliminate the "Small Brewers Markup" structure, which would mean for the Alberta consumer a markup increase to at least 90% of all craft beer that are currently sold in Alberta. The markup is currently based on the worldwide production that the brewery has. If the "Small Brewers Markup" structure is eliminated it would result in an automatic price increase for beers that are currently priced under that program. On an average 6-pack of craft beer, this would mean that consumers would have to reach deeper in their pockets. We're not just taking nickels and dimes here. A regular 6-pack of craft beer could cost you soon up to \$2.50 more. If you think about going for an

after work drink with some colleagues or friends, the price for a standard 16-oz. pint in your friendly neighbourhood pub would increase by up to \$1.50 per pint.

Would Alberta consumers accept these price increases? We are very confident that they would not.

The changes have been proposed by Alberta beer producers that feel that they are at a great disadvantage on the free Alberta beer market and that they do not benefit by producing in Alberta. Certainly, everyone would agree that Alberta producers should have some kind of home advantage. But not to the disadvantage of the consumers ability to make choices and certainly not to the extent where the consumer has to pay excessively more for his choices. No doubt, these choices would without disappear within months due to declining sales and would non-Alberta based and beers from foreign breweries would thriving seek markets elsewhere.

This would leave several thousand Albertans at a great risk of losing their jobs, from a truck driver that delivers the beer to and from the warehouse to the waitress that serves you the delicious cold pint at the pub, and many more jobs in the entire supply chain.

The "Alberta Craft Beer Alliance" as well as several retailers and restaurants and bars have jointly drafted a letter to the Deputy Prime Minister Thomas Lukaszuk and addressed their concerns about any upcoming changes. The outcome has yet to be seen.

For further information and media inquiries, please contact the members of the "Alberta Craft Beer Alliance":

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