



EXHIBIT 21
DATE 3/26/13
HB 616

Date: March 26th, 2013
To: House Business and Labor Committee
RE: Opposition Testimony, HB 616

Mr. Chairman and members of the committee my name is Jason Goeltz, and today I proudly represent Bitter Root Brewing, a family owned and operated brewery in Hamilton, Montana. Thank you for the opportunity to address our opposition to HB616.

Long before we shoveled spent grains from our mashtun and delivered them to local farms, we had written a business plan, a business plan that included distribution and a commitment to our trade partners within the three tiers. We are now nearing our fifteen year anniversary, and from the day we began our operations in 1998, we have embraced our state's distributors as well as our on and off premise retailers. As of today we proudly hold contracts with eight distributors in three states and provide our product in draft and package to hundreds of retailers. This having bee said, we have a considerably informed understanding of the distribution climate within Montana and two neighboring states. And it is this understanding that raises concerns with the 40/60 metrics that are currently present within the language of HB616 as it relates to mandatory distribution volumes.

Given the ever increasing competitive nature of the Montana, national, and imported craft beer markets, the distribution climate is not one that affords all that enter "build it and they will come" success. There is ever increasing pressure on the limited tap handles and shelf space in the state today. Our concern about the 60/40 provision is less about our business, and more to the freshman breweries. Whereas they may wish to willingly distribute their product, these percentages will likely be hard to achieve with the additional saturation in the market that HB616 would incubate.

While we see a good foundation within the framework of HB616, this is an example of the many complex elements that haven't been afforded an opportunity to be fully vetted by all of the industries that would be affected. We feel these discussions deserve the time and attention required in order to institute the appropriate changes in code and avoid unintended consequences for any of the tiers. HJ18 provides that opportunity and we look forward to continuing these conversations and working towards solutions with our industry partners during the interim.

Thank you again for your time and considerations,

Jason Goeltz
Bitter Root Brewing