



MICHIGAN HOUSE APPROPRIATIONS

**Subcommittee on Agriculture and Rural
Development and Natural Resources**

April 11, 2023



- Bob Jacobson, President & CEO
 - Testifying on behalf of the Michigan Wine Producers Association
- Family owned and operated since 1974
- Michigan's largest producing winery
- Distributing product in 35 states nationwide



CRAFT BEVERAGE COUNCIL HISTORY

- Previously known as the Michigan Grape and Wine Council
 - Created in early 1980's
- Reshaped and renamed in 2018 to the Craft Beverage Council
 - Expanded to include wineries, brewers, wine makers, distillers and cider manufacturers
 - Takes a holistic approach to the craft beverage industry in Michigan
- Funding for the Council was cut dramatically
 - Previous funding relied on licensing fees from a variety of licensees. Since then, funding from previous sources has been re-routed to other places.
- The intent when re-making the Council was to establish a strong, steady funding source, but that never happened
- Since its founding in the 1980s, funding has never increased.
 - This means that over time, the Council's ability to effectively do its work has diminished (despite much hard work from Council staff)



MICHIGAN AS A CRAFT BEVERAGE PRODUCING STATE

- Michigan is the 6th-highest wine producing state with the 6th largest number of craft breweries in the nation and a growing number of distillers*
- \$6.33 billion in total economic impact
- Responsible for over 600,000 tourist visits annually, with over \$200 million in tourist expenditures
- Over \$2 billion in wages paid annually to over 25,000 people directly. Nearly 10,000 ancillary jobs are also created by the industry
- Over \$400 million in tax revenue created annually



MICHIGAN CRAFT BEVERAGE COMPANIES



392 Breweries



81 Brewpub licenses



515 Wine makers (includes cider)



180 distilleries



WORK OF THE CRAFT BEVERAGE COUNCIL

- Research grants
- Industry promotion
- Industry assistance/education
- Craft Beverage Council budget
 - FY22-23 fund amount was \$926,100
 - \$350,000 of this was used for research grant awards



FUNDING REQUEST

- \$1,000,000 general fund ongoing specifically for marketing and promotion of the craft beverage industry in Michigan
- What would an increase in funding do for the council?
 - Again, entire budget is \$926,100
 - Sending general fund dollars here would allow for actual marketing to be done, on par with other states like New York and Oregon (both spend millions annually to promote just the wine industry)



THANK YOU