



*The Commonwealth of Massachusetts
Department of the State Treasurer
Alcoholic Beverages Control Commission
Boston, MA 02114*

*Steven Grossman
Treasurer and Receiver General*

*Kim S. Gainsboro, Esq.
Chairman*

THE ALCOHOLIC BEVERAGES CONTROL COMMISSION (“ABCC”) ADVISORY

The Alcoholic Beverages Control Commission (“the Commission”) endeavors to support and enhance the agricultural community, ensure the long-term viability of agriculture, and support farms that protect the common good in many ways including maintaining open spaces in communities. Through the issuance of Farmer-Brewery licenses, the Commission proudly encourages the development of domestic farming and the people who help it thrive.

Each Farmer-Brewer license exists for the specific public purpose of “encouraging the development of domestic farms.” To advance this public purpose, the law requires that a Farmer-Brewer grow cereal grains or hops for the purpose of producing malt beverages. While a licensed Farmer Brewer may import malt, cereal grains fermentable, sugars and hops, this does not eliminate the basic growing requirement. The Commission recently issued a decision relative to Farmer-Brewery licenses. A Farmer-Brewer is any person who grows cereal grains or hops for the purpose of producing malt beverages and who is licensed to operate a Farmer-Brewery.

In its decision, the Commission held that each applicant for a Farmer-Brewery license must document that it grows cereal grains or hops of at least 50%, in the aggregate, of the quantity of cereal grains and hops needed to produce the gallonage of malt beverages estimated to be produced by the applicant during the license term. The Commission also held that when that applicant contracts exclusively for the rights to the yield of cereal grains or hops produced from acreage of domestic farmland that applicant will also be considered to grow “cereal grains or hops for the purpose of producing malt beverages” as required by this law.

For example, if an applicant estimates it will produce “X” barrels of malt beverages in calendar year 2012, and that to produce this volume of malt beverages it will require 200 bushels of cereal grains and 4 bushels of hops, the applicant is required to produce evidence that it grows at least 102 bushels of cereal grains and/or hops used to produce the malt beverages, or that the applicant has exclusive contracts rights to the yield of cereal grains or hops produced from acreage of domestic farmland, or some combination thereof that reaches the “at least 50%” required amount.

The decision dictates compliance with the letter as well as the spirit of Massachusetts General Laws chapter 138, §19C. The Commission put the industry on notice that it will apply this ruling prospectively and, specifically, during the next annual renewal cycle to ensure that every applicant for a Farmer-Brewer license meets the state law definition of farmer-brewer. Moreover, applicants that do not meet the criteria for a Farmer-Brewer license are welcome to apply for a manufacturer’s license. If you have questions concerning this Advisory or would like more information, please call Executive Director Ralph Sacramone at 617-727-3040.

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