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MANITOBA LIQUOR & LOTTERIES INTRODUCES INCENTIVES FOR SMALL PRODUCERS – A BOON FOR CRAFT BREWERS

As of April 1, 2016, craft breweries, craft distilleries, and cottage wineries will have more flexibility to be able to reinvest in and grow their businesses with the introduction of lower markups for small producers.

"The craft brewing strategy is about kick-starting Manitoba's local beer industry," said Ron Lemieux, Minister responsible for Manitoba Liquor and Lotteries. "These changes mean small craft brewers can keep more of their sales revenue and we anticipate small craft producers will reinvest in their businesses, create exciting new job and tourism opportunities right here in Manitoba, where Canada's Heart Beats."

"As a new brewery in Manitoba, these changes will make starting up so much easier," said Tyler Birch, owner of Barn Hammer Brewing. "We will have more freedom to keep our beer interesting and still thrive."

Initiated as part of the Province's *Supporting Manitoba Craft Brewing Strategy*, and developed in consultation with craft brewers from across Canada, the new markup structure means these small producers will now have the flexibility to keep a greater portion of the revenue from sales of their products or to price it competitively and grow their market share. The new markup structure is designed to facilitate the establishment and growth of local craft producers and applies not only to craft breweries but also to small craft-style distillers and cottage wineries.

Minister Lemieux also announced the creation of a new provincial working group to encourage the establishment of craft-style distillers in Manitoba. "The craft brewing strategy has been successful in supporting the local beer industry and we want to ensure our local craft distillers get support as well," said Lemieux. The working group will consult with interested parties in the new year.

Since launching the *Supporting Manitoba Craft Brewing Strategy* in December 2014, a number of successful initiatives have been implemented. They include the establishment of the Manitoba Brew Hub website (manitobabrewhub.ca), a one-stop-shop website designed to provide all the information needed to start a craft

brewery/distillery in Manitoba; amendments to the Small Business Venture Capital Tax Credit Program to ensure eligibility for brewpubs; the expansion of Growler Bars; the licensing of tasting rooms and featuring local craft beers at the recent Grey Cup Festival.

Through innovative initiatives like the *Supporting Manitoba Craft Brewing Strategy*, Manitoba Liquor & Lotteries continually strives to improve and modernize liquor operations in the province, providing excellent value for Manitobans.

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