

**Artisan
Distillers of
Kansas**

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Testimony on SB 358
Senate Federal & State Affairs

Chairman Brungardt and Senators of the Committee

We support SB 358 and urge you to pass this measure. This measure allows the licensee to serve a limited sample to visitors of their business. Those limitations;

- Free of charge
- On the premise
- Liquor manufactured by the licensee
- No more than 1/2 ounce per sample
- No more than four samples in one day per individual
- Served by the licensee, or an employee or agent thereof
- No be of age
- Must stay on premise
- No Sales
- Provided the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed D.E.

You have passed tasting for most other licensees and are considering more this session. This is a tourism enhancement and is allowed in all states that are developing the craft distilling industry. Several item are attached for you information.

Thank you for your time and service,

Philip Bradley
Representing the
Artisan Distillers of Kansas

ADK - Artisan Distillers of Kansas:

Are practitioners of the Art of Craft Distilling: An emerging movement, craft distilleries are small scale operations similar to a microbrewery. Also called micro-distilleries, these hands-on operations make spirits in small batches, often producing less in a year than larger distilleries bottle in an hour. The large continuous stills used by major producers are eschewed for hand-operated pot stills. Pot stills require more labor but allow the craft distiller fine control over flavors and give broad room for experimentation. This allows craft distillers to focus on local ingredients and unusual techniques to make small volume batches of high-quality spirits.

Sn Fed & State
Attachment 7

2-8-12

County	Owner	Business Name	Street	City	State	Zip	License Type	License Number	License Effective From	License Effective To
	Process Agent (PA)		PA Address		PA City	PA State	PA Zip			

Atchison	HIGH PLAINS INC	HIGH PLAINS	1700 ROOKS RD	ATCHISON	KS	66002	Spirits Manufacturer (27)	27015001200	06/13/2011	
	06/12/2013	FOX,SETH F	1800 ROOKS RD	ATCHISON	KS	66002				

Atchison	MGP INGREDIENTS INC	MGP INGREDIENTS	1300 MAIN ST	ATCHISON	KS	660020130	Spirits Manufacturer (27)			
	27015056301	08/11/2010	PAGE,SANDY	100 COMMERCIAL	ATCHISON	KS	66002			

Johnson	DARK HORSE DISTILLERY LLC	DARK HORSE DISTILLERY	11740 W 86TH TERR	LENEXA	KS	66214	Spirits Manufacturer (27)			
	27019311007	04/05/2011	HENNESSY,KRISTINA	8740 CHEROKEE SHAWNEE	KS	66206				

Johnson	GOOD SPIRITS DISTILLING LLC	GOOD SPIRITS DISTILLING	2019 E SPRUCE CIRCLE	OLATHE	KS	66062	Spirits Manufacturer (27)			
	27019168601	09/18/2010	FORDHAM,CHAD C	18355 W 116TH ST	OLATHE	KS	66061			

Johnson	SHARKBITE COCKTAILS LLC	SHARKBITE COCKTAILS	1150 W 151ST STE A&B	OLATHE	KS	66061	Spirits Manufacturer (27)	27019177201		
	06/17/2011	06/16/2013	DICKSON,BRAD A	16379 S BRENTWOOD	OLATHE	KS	66062			

Local Liquor: Small Distilleries Find Their Niche

by Megan Verlee



Jason Lipka fires up the still at Stranahan's distillery. The whiskey maker is one of Colorado's most established craft distilleries.

December 31, 2010 from [CPR](#)

For those who like a cup of holiday cheer, the rum in your eggnog is likely Caribbean, and the whiskey in your toddy is probably from Tennessee. But more and more small distilleries are hoping you'll look closer to home when you make that toast.

Craft distillers are catering to drinkers who have a taste for the regional and the unique. They're still just a fraction of the market, but more small-batch spirits are showing up on liquor-

store shelves, next to pints of Jack Daniel's and Everclear.

Walk into Mondo Vino, a liquor store in one of Denver's trendier neighborhoods, and you're not likely to recognize many of the bottles on the liquor shelves. Here, Jack Daniel's and Absolut take a back seat to small-batch spirits.

"We've got whiskeys from Tuthilltown Spirits out of New York [to] the Whippersnapper out of Oregon," says employee Matthew Burger. He says that drinkers in Denver have long demanded variety in their beer, and more and more of them want it in their spirits, too.

"Our customers are already looking for those things when they walk in the door," Burger says, "because they want something a little more unusual, or something a little more artisanal."

Big companies still produce the vast majority of spirits sold in the United States, but craft distilleries have taken off at the margins. This year, the federal government permitted 149 new distilleries — three times the number of just a few years ago.

One of those new permits went to [Syntax distillery](#), in northeastern Colorado.

Jeff Copeland and Heather Bean opened their distillery and tasting room just a few weeks ago. They have one product — a vodka — and Bean says it's been selling as fast as they can make it.

"Right now, it looks like we have exactly seven bottles on hand," she says, "because we sold out completely last weekend, down to having a third of a bottle in the fridge that we were mixing drinks with."

For Bean and Copeland, this is a second chance to follow a long-held dream. They made beer as a hobby for years, but the microbrewery market is pretty saturated. Then they started hearing about micro-distilleries.

"So we thought that was just a cool thing," Bean says, "that we could get in on the ground floor of another wave of interesting craft beverages."

Like any dream business, craft distilling comes with its own nightmares. In this case, it's paperwork.

Bean and Copeland spent two years filing applications before they ever tasted their first batch of vodka. They keep a running count of all the various federal, state and local agencies they've had to register with — so far, the number is 13.

"Every once and a while, a new one pops up that we weren't aware of," Copeland says.

"Yeah, that's always an exciting e-mail to get: 'You're in violation of the whatever,'" Bean says. "And then you talk to everyone else and go, 'Do these people regulate you?' And mostly they say, 'Oh, I've never heard of that, either.'"

"And then," Copeland says, "two weeks later they call and say, 'Oh, they found us, too.'"

The Distilled Spirits Council, a trade group for liquor companies, created a craft membership this year in part to help small producers navigate the regulatory labyrinth. After all, home distilling is still a federal felony.

The Council's Frank Coleman says that craft spirits usually cost a good bit more than their mass-produced competition.

"They're finding niches where they're not playing against the big guys," he says. "So it's a little bit of, sort of marketing jujitsu, if you will."

Exhibit A in that regard may be Stranahan's whiskey. In six years, the Denver-based spirit has almost become a Colorado institution, tapping into the local food movement and the region's Old West heritage.



[Enlarge](#) Megan Verlee/Colorado Public Radio

Stranahan's 1,000th barrel of whiskey awaits bottling. After six years, the company's entire output barely equals a day's production at one of the big whiskey makers.

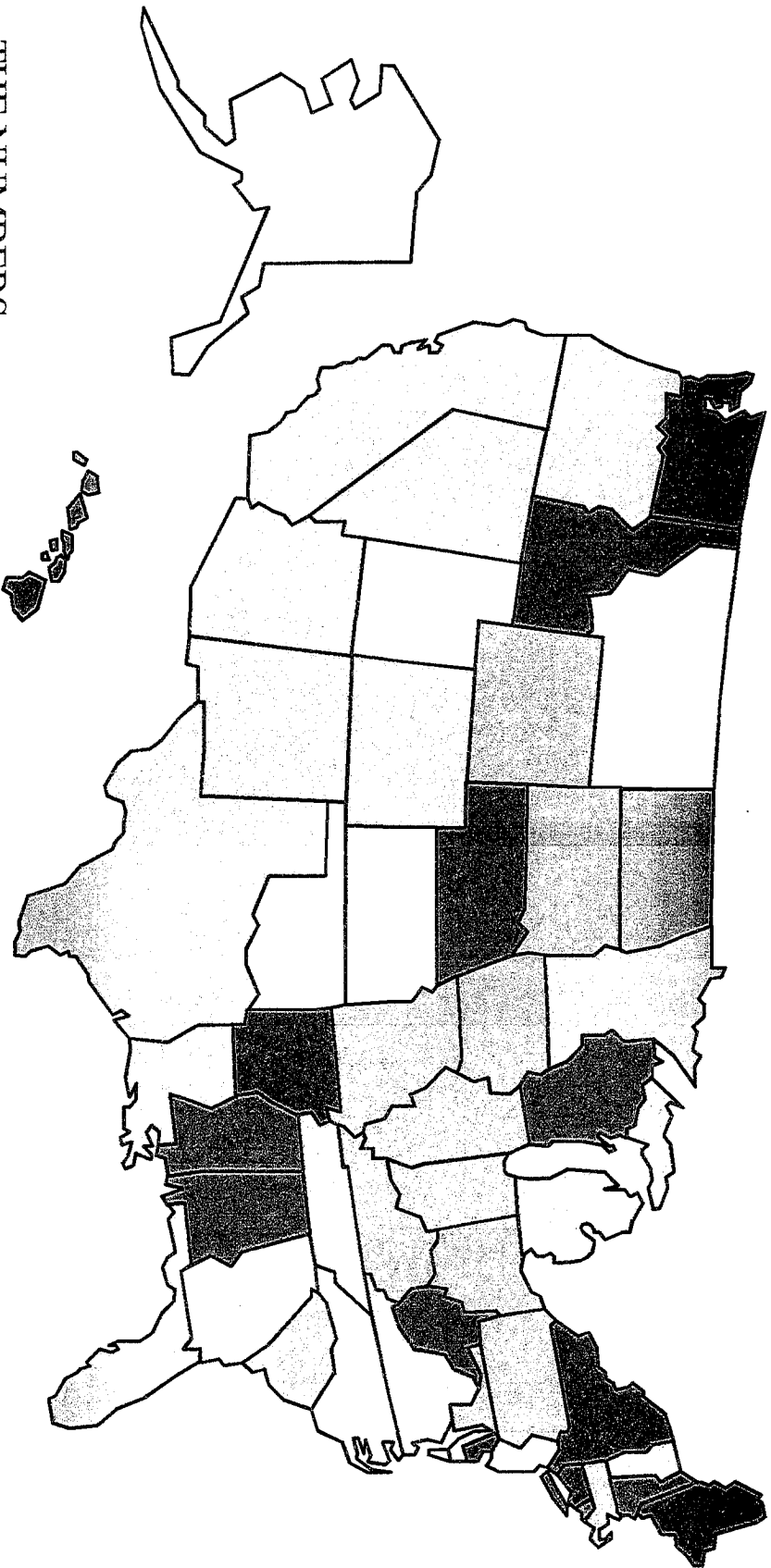
But standing in the distillery's cavernous barrel room, business manager Jason Lippa says that in this case, success is relative.

"We look around, and to you or I, this is a lot of whiskey," Lippa says. "In about six years, we've made about 1,600 barrels. And for someone like Jim Beam, that would take about

six to eight hours of production time."




Craft distilleries aren't any real competition to the big guys yet, but their numbers keep growing. Lippa says he often fields calls from people who are trying to figure out how to start their own distilleries.

States Allowing Consumer Tastings of Distilled Spirits



THE NUMBERS:

- 43 have some form (on/off)
- 37 on-premise
- 35 off-premise
- 29 both on- and off-premise
- 7 have no spirits tastings
 - AK, GA, KS, NC, MT, OK and UT

	On premise tastings permitted (bars, restaurants, etc.)
	Off-premise tastings permitted (package stores)
	On and off-premise tastings permitted (Ohio permits only 21% ABV or lower)

DISCUS -2011

