



SB 788 – Cider and Perry Manufacturing

Allows craft brewers to manufacture beer and cider simultaneously

SUMMARY

SB 788 creates parity in the production of beer, cider, and perry across both large and small manufacturers by allowing small manufacturers to produce cider and perry with just their beer license, just like large manufacturers can currently do.

BACKGROUND

Cider and perry are considered a form of wine, and even though the process for manufacturing is identical to beer, all beer manufacturers were initially required to also obtain a winegrower's license to manufacture cider or perry. Therefore, any licensed beer manufacturer who wanted to produce cider or perry in California needed to obtain a winegrower's license to then legally produce cider or perry.

To address this, Assemblymember Raul Bocanegra authored AB 779 in 2014, to allow Type 01 licensed beer manufacturers to also manufacture cider or perry at their licensed premises. However, Type 01 licensed manufacturers are manufacturers that produce *more* than 60,000 barrels of beer per year, so AB 779 only applied to large beer manufacturers.

Because of this, Type 23 licensed beer manufacturers (manufacturers that produce *less* than 60,000 barrels of beer per year) were left out of this change, even though these smaller manufacturers have the same capacity, technology, and trained workforce as the large manufacturers.

SB 788 seeks to address this discrepancy in current law by allowing small manufacturers to produce beer or cider with only a beer license, similar to the process for large beer manufacturers.

THE PROBLEM

Because larger licensed beer manufacturers are able to manufacture beer and cider or perry concurrently at their premises, they are able to save time and money, and produce more of their product more quickly by holding just one license.

However, smaller manufacturers, including thousands of craft breweries, are inexplicably forced to operate under a different set of rules, hindering their business opportunities.

There are more than 1,100 craft breweries across California that are losing out on the growing cider market, especially as we saw a slight slowdown in beer and hard seltzer sales. In 2020, despite the pandemic causing bars and restaurants to shut down, cider sales still grew 9%, with regional cider brands seeing sales rise as much as 33% over previous years.¹

THE SOLUTION

SB 788 creates uniformity in current law for both smaller and larger licensed beer manufacturers by removing the 60,000 barrel threshold to allow small manufacturers to also produce cider and perry with their beer license. This will allow small manufacturers to produce beer and cider or perry concurrently, in the same way that large beer manufacturers are able to do.

SUPPORT

California Craft Brewers Association (sponsor)

FOR MORE INFORMATION

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¹ <https://bevzero.com/the-cider-market-at-all-time-high/>