



CRAFT DISTILLING

Value Added Agriculture for Washington's Family Farm

Senate Bill: 6496

House Bill: 2959

The significant items in the bill are:

- Reduction in license fees for craft distillers to \$100
- Allow on-site tasting of product up to two ounces per day
- Allow on-site sales of up to 9 liters per person per day for off-site consumption
- Distilling in WA is an agricultural practice

A craft distiller would be defined as:

- Less than 20,000 gallons of production per year
- Pot still production
- More than 51% of the raw materials used are grown in Washington, including Neutral Grain Spirit

A recent Time Magazine article says, "small farm distilleries have begun to make liquor out of all kinds of fruits and grains that are distinctive in taste, creatively bottled and fit the trend for locally produced food."

Small batch distillation is occurring throughout the U.S. -- in Iowa, Indiana, Michigan, Oregon, California, Maine, New York, and most recently Nebraska. There are nearly 100 independent producers in the U.S. and Canada today.

There is only one (1) licensed distillery in WA.

Proposed legislation -- SB 6496 & HB 2959 will help support a renaissance of handcrafted artisanal American spirits in Washington State and provide Washington's growers with a new value-added product opportunity.

The Northwest Agriculture Business Center (NABC) supports craft distilling in WA because:

- ✓ It creates a new high-end product
- ✓ Provides new revenue(s) for small farms
- ✓ Uses local produce
- ✓ Saves shipping costs and keeps money local
- ✓ Utilize crops not suitable for retail
- ✓ Agri-tourism
- ✓ Higher profit margin
- ✓ Higher return per acre

Small batch distillation is viewed as a new and viable means to add value to Washington's family farms that are growing tree fruit, potatoes, berries, wheat and grains.

Small batch distillation is oriented to family-owned farms and businesses and is an alternative to mass produced commodities -- offering a new type of agriculture that is smaller with a sophisticated farm gate retail side. Hand-crafted spirits can be produced in 40 gallon hammered copper pot stills -- so small you can literally wrap your arms around this unique value-added product.

OPPORTUNITY: Washington is one of the largest agricultural producers in the U.S. Apples, peaches, pears, plums, grapes, and potatoes ranked at the top of Washington's \$6.8 billion agricultural production list for 2007.

According to Don McMoran, Extension Educator at WSU, "an example of how distilling could help potatoes growers is that on average 22 tons of potatoes per acre are being produced in Western WA, of which 20% is waste. This represents almost 4 tons per acre of potatoes that could be turned into value-added products, such as vodka. Unused fruit and potatoes -- all add up to the difference between profit and loss for Washington's growers."



The NABC is a five-county organization that contributes to the sustainable, environmentally, and economically sound agricultural industry thereby preserving our region's farming heritage for future generations.