

National Barley Improvement Committee

March 28, 2017

Mr. Bob Pease
President & CEO
Brewers Association
1327 Spruce Street
Boulder, CO 80302

Dear Bob:

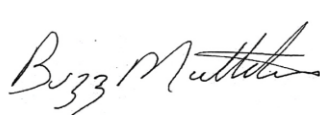
I am writing on behalf of the National Barley Improvement Committee, which represents the U.S. community of growers; researchers; malting, brewing, distilling, and food end-users; and allied industries. Last year, barley was a \$1.2 billion crop of which 65% was used in beer. Large U.S. brewers, maltsters and distillers make up a significant portion of that end-use, and provide a significant contribution to the economy, with the rapidly growing craft industries providing a substantial additional economic boost.

To support the growth of these burgeoning industries, the National Barley Improvement committee endorses the Craft Beverage Modernization and Tax Reform Act of 2017 (S.236/H.R.7.47). The legislation creates a fair, equitable, and comprehensive tax structure for the beer industry. Lowering the federal excise tax bolsters the entrepreneurial spirit of the craft beer sector, which helps small businesses, creates jobs, and incentivizes growth, and yet has no negative impact on the large brewers. Furthermore, the proposed modernization of language supports the innovative culture and collaborative nature of the industry.

The current federal excise tax on beer is a significant burden to the brewer and is significantly higher than that charged on other consumer products. The proposed tax revision will level the playing field and enhance competitiveness between U.S. businesses and their international competitors. Congressional support of this legislation helps 5,200+ U.S. breweries, and ultimately, the potential addition of 9,000 jobs in the first 12-18 months within the American small brewing sector alone.

This legislation is extremely important to the interests of the National Barley Improvement Committee as we seek to increase the competitiveness of U.S grown, high-quality malting barley destined for the domestic beer industry that currently generates \$253 billion annually in economic activity. Craft beer, which uses a high ratio of barley malt in their products, is experiencing the greatest growth across the industry. Comprehensive support of this legislation across the entire industry shows that all brewers and those who supply them stand to benefit.

Sincerely,



Buzz Mattelin
Chair



Ashley McFarland
Vice Chair



Mike Davis
Executive Secretary