

## Karrikin Spirits - HB 669 - Written Testimony

To amend sections 4301.10 and 4303.041 and to enact sections 4303.185 and 4303.252 of the Revised Code to enact provisions of law relative to the sale and delivery of alcoholic beverages by liquor permit holders and to declare an emergency.

### **Karrikin Spirits Background**

Karrikin Spirits was founded by seven partners in December of 2018. As a company, Karrikin makes multiple products for retail - a range of spirits that includes vodka, gin, rum, brandies, etc.; beer; non-alcoholic sodas; sparkling spirits (low proof cocktails); and hand sanitizer. As part of the Karrikin brand, we also operate a restaurant and bar that has been recognized by the Cincinnati community for its flavorful culinary dishes and unique cocktail program. Karrikin's innovative sparkling spirits have been recognized in the City Beat "Best of" competition. Outside of Cincinnati, Karrikin products can be found in Dayton, Columbus and Cleveland as well as the Kentucky market. Karrikin is currently working to launch in additional markets.

### **Difficult Startup**

As with any startup business, there are often challenges in starting your business. And in a heavily regulated and taxed industry, it certainly does not get easier. From the beginning, navigating the waters of obtaining permitting and doing so in a timely manner was certainly not easy. Ohio is state controlled which certainly has some benefits, but can also make it tough to market and promote our locally made products. There has been some progress in that side of things to try and help highlight Ohio made products, but standing out against all the products the international companies produce is tough and any edge the company can get to distinguish the brand and services is beneficial.

### **Pandemic affect**

Since the pandemic started there have been a lot of highs and lows for Karrikin Spirits. The company had to immediately lay off 30+ employees when the shutdown occurred because of the lack of business. The restaurant side of Karrikin shut down and had to release all the kitchen staff, management staff and front of house. The company was able to still carry on (limited) alcohol sales with carry out and delivery, but that was not enough revenue generated to support bringing staff back on the payroll. With bars and restaurants shutting down around the state, Karrikin's total sales dipped and all but 5 of the production staff had to be laid off. Going from a company of 40+ employees to 5 was necessary but also has strained the company.

Moving out of the shutdown and reopening restaurant operations, Karrikin rehired a limited number of staff and has slowly tried to get back to normal. Since Karrikin operates both a restaurant/bar and distillery production, the company sees the effects the pandemic still has on the restaurant industry and the direct effects the decline in restaurant and bar sales has on the manufacturer side of the alcohol industry. Restaurants are down significantly and therefore alcohol sales in these establishments are also down.

## **HB 669 Benefits**

Currently, deliveries of products from wineries and breweries are permitted through Ohio law. Delivery services from companies such as Amazon, Instacart, Kroger, etc. have allowed consumers to order wine and beer with their grocery orders. Passing this bill would put distilleries on a more level playing field with these other alcohol industries. The bill would also allow bars and restaurants to do deliveries of mixed drinks which would directly help the Ohio distillation industry by moving more products through those businesses. Specifically giving distilleries the ability to deliver bottles would allow small independent businesses to drive more revenue and more local economy. Currently, Karrikin buys raw ingredients and packaging materials from Ohio farmers and businesses. Keeping our business dollars within the state only helps to boost the Ohio economy.

With people making more and more alcohol purchases online (some delivery companies have seen over a 350% increase in alcohol delivery sales), it is more important than ever to achieve parity across all alcohol manufacturing industries. House Bill 669 will allow for local Ohio distilleries to achieve the sales increases that the beer and wine industries have realized and gives Ohio distilleries a chance to be more competitive in the spirits industry.

Karrikin Spirits is a proponent of HB 669 and urges the committee and Senate Members to pass the bill.

## **About Jeff Hunt**

Jeff Hunt founded MadTree Brewing in Cincinnati in 2012, Karrikin Spirits in Cincinnati in 2018 and Ministry of Brewing in Baltimore, MD in 2020 and has other projects in the works within the state of Ohio. His roles and responsibilities have included everything from master brewer and distiller to engineering to President. He has won multiple awards for different beers and products, including Happy Amber winning a gold medal at the Great American Beer Festival and Jeff continues to innovate and push the boundaries of the beverage world.