

STATE OF NEW YORK  
LIQUOR AUTHORITY

TO: Brewers and cider producers

SUBJECT: Contract brewing and contract cider production

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The Alcoholic Beverage Control Law allows distillers, farm distillers, wineries, farm wineries, farm breweries and farm cideries to manufacture product on behalf of other manufacturers. The law refers to the sale by these manufacturers of the alcoholic beverages they produce “in bulk” to other manufacturers and, in the case of wineries and farm wineries, specifically provides for the operation of a “custom crush facility.” However, there is no similar language in the law allowing a brewery to produce beer for another brewery (also known as contract brewing).

The Members of the Authority are aware that the industry has received conflicting guidance from agency staff on the issue of whether brewers can be engaged in contract brewing. Since language allowing the activity is not expressly included in the brewery license statute, a reasonable interpretation of the law is that contract brewing is not permissible. However, the Members of the Authority are also aware that some brewers are engaging in the practice based on guidance offered by agency staff in the past.

In the view of the Members of the Authority, it would not be appropriate to interfere with existing business operations that have relied on that past guidance to engage in contract brewing. Nor would it be appropriate to prevent other brewers from commencing contract brewing when other brewers are already offering the service. Accordingly, the Members of the Authority, through this advisory, find that any licensed brewer can engage in contract brewing on behalf of another brewer.

As with other manufacturers who are subject to a cap on production, micro-brewers are reminded that any beer manufactured on their behalf by another brewer shall be included in determining the micro-brewer’s total production. Likewise, beer manufactured by a microbrewer on behalf of another brewer shall be included when determining the microbrewer’s total production.