

**March 5th, 2024**  
**SB 511**  
**Proponent**  
**Charles Pippin Williamson**  
**Co-Owner of Sandhills Brewing**

Chairman Thompson and Members of the Committee,

I am one of the owners of Sandhills Brewing and would like to give testimony in support of SB511. These are examples of how the current legal requirements are harmful to our business.

*1. Twice in the last six-nine months I was contacted by the owner/managers of liquor stores/on-premise accounts asking me why we raised our prices without letting them know. This would be understandable if we had actually raised our prices, but in fact our wholesale prices hadn't changed in over 3 years. What actually happened is the distributor our products were sold through raised the price they resell our product for without notice to anyone, and they did this without ever getting a price increase from us. Both times the account owner/manager thought that the brewery was the one raising prices and blamed us for it, yet our price (and thus revenue) never changed.*

*2. More times than I can count, bar/restaurant owners and liquor store owners have shared with us that they'd like more of our beers but that they can't ever get them from the distributors. When the stores/bars try to order our beers, they are told by the distributor that our products are out of stock or that we, the brewery, are unable to supply the beer. This has happened so many times even when we have stacks of cases and kegs ready to be shipped to the distributor. Three different times in the past six months, a liquor store or bar has contacted me to ask about our product available, and they've led with "the distributor said they can't get your beer....". In all three cases, the distributor involved never once inquired about our available inventory, but then when we sent them the beer requested by the bar/store, the distributor went back to the bar/store and told them "look what we managed to get for you!". They take credit for the effort that we and the bar/store owners had to put in.*

*3. Even when we successfully convince our primary distributor to buy product from us, we seriously struggle to get them to ever pick it up. After getting so fed up with their route drivers never coming to pick up the beer, I started delivering it myself directly to their dock. I personally deliver beer, whether it's a single case or fifty cases, to the distributor warehouse every week, at no additional cost to the distributor. I do this because it's the only way we moderately succeed in getting product to bars/restaurants and stores.*

*4. The sales reps for our distributor are practically non-existent. On three separate occasions in the last several months I have asked owners/managers of how their experience is with the sales rep for our local distributor, and every time the response*

*has been "what sales rep? We don't even know how our rep is anymore". So the very people that are supposed to be out there selling our beer aren't even available to the bars and liquor stores. How are we supposed to sell beer through wholesale if the sales staff don't exist?*

*5. Distributors take forever to send payment for any small amount of beer they do buy. We usually have to wait a month or even three before getting a payment, and that payment only arrives after sending multiple reminders.*

*6. After this year's State Fair (we usually supply the beer gardens with one or two different beers), 9 kegs were returned to our distributor's warehouse due to the sales volume being lower than expected during the fair. Those 9 kegs sat in their warehouse untouched for several months. Throughout the month of October and November, the distributor kept bringing it up with me that something needed to be done with those kegs. Finally I had to remind them that their sales staff just needed to actually offer the kegs to tap accounts around the area. It was one of our most popular beers that has never once had difficulty being placed on tap, but these nine kegs sat there getting older and older because the sales staff literally not once offered them to area accounts. Instead of doing what our franchise agreement literally requires them to do (sale our beer), they waited for it to get out of date so we'd have to buy it back. This exact scenario has happened so many times. They buy the beer; they sit on the beer; they never offer it through sales staff; they tell us it doesn't sale; they make us buy it back. Rinse and repeat.*

*7. The distributors tell us they want variety from us and new offerings frequently but then never buy anything except one or maybe two beers on any kind of consistent basis. Even when we show all the beers we can provide and let them know of what's coming, they only buy the same thing over and over. That then results in the bars and stores getting tired of us only having the one beer available. "Why don't you guys make more variety?" is something we get asked frequently. We make dozens of different beers and have tried for years to get those out in the market, but our distributor won't ever buy them. We've resorted to doing the distributor's sales staff jobs for them and going directly to the stores and bars to offer what we have. But even when we do all of the sales and coordination that the distributor is supposed to do, the distributor still gets a significant chunk of the sales dollars with none of the work.*

Charles Pippin Williamson  
Sandhills Brewing