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## **Local craft brewer, distributor work together to grow state's beer industry**

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By Jim Holton and Joe Fabiano

Like many local businesses, Mt. Pleasant Brewing Co. grew from humble beginnings.

The very first batch of beer from what is today Mt. Pleasant Brewing began life in a college dorm room, and has grown, over the past 3 years, into an acclaimed Michigan craft beer.

This summer, as adults raise a toast to friends and family with mugs of cold Michigan beer, we'd like to tell the story of what helps make Michigan the Great Beer State.

It's a story of innovation and entrepreneurship. It's also a story about building partnerships and how our separate businesses - a craft brewer and a beer distributor - can thrive under a pro-growth alcohol distribution system in Michigan that balances business needs with public safety.

One of the first things Mt. Pleasant Brewing did three years ago when it was time to reach a wider market was find a distributor. Fabiano Brothers, which distributes to retailers and taverns in more than 30 counties, was a natural choice. And for Fabiano, supporting a local hometown brewery that made quality products made sense.

Fabiano Brothers' network covers a region stretching from Midland to Mackinac Island, from Caro to Kalkaska. A fourth-generation company with roots dating to the late 1800s, Fabiano Brothers employs more than 300 people in highly skilled, good-paying jobs.

At Mt. Pleasant Brewing, growth has also been a theme. From two employees when the brewery started, Mt. Pleasant Brewing today employs 12 people and recently added new fermentation units to keep up with demand - and demand, as other Michigan craft brewers know, is growing.

Michigan's craft beer industry as a whole grew an impressive 21 percent from 2009 to 2010. Sales of Michigan craft beer almost doubled from \$11.2 million in 2007 to \$22 million in 2010.

Much of that growth is the result of Michigan's beer distribution system, which consists of three separate, independent tiers - brewer, distributor and retailer. Each segment of the beer sector is distinct and independent. Brewers like Mt. Pleasant Brewing Co. do what they do best -- make beer. Distributors like Fabiano handle the logistics of reaching new markets and maximizing distribution. And stores and restaurants sell a wide range of beer without undue outside influence.

For craft brewers and their fans, Michigan's beer distribution laws ensure that small brewers can compete with large, out-of-state beer conglomerates. That means more competition, more choices and ultimately, more jobs.

The alternative would be what Scottish craft brewer BrewDog complained about in the June edition of Beverage World. In Britain, large corporate breweries own bars and restaurants. Small independent beer-makers must sell their products through these large breweries, which have little incentive to sell craft beers and instead, step up sales of their own products in bars they own to consumers who have fewer choices.

Not good for consumers or independent craft brewers.

Michigan, on the other hand, has more than 80 craft beer-makers, ranking our state fifth nationally, with at least three more planning to open this year, according to the Associated Press.

Mt. Pleasant Brewing and Fabiano Brothers are like family today, investing in the future together and growing, thanks to Michigan's beer distribution law. We're proof that the partnership between small brewer and distributor results in growth and success.

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