



Massachusetts Package Stores Association, Inc.

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JULY 2018 NEWSLETTER

MESSAGE FROM THE MASSPACK PRESIDENT

Dear MassPack Members,

As President of the Massachusetts Package Stores Association, I feel that it is important to inform the membership of recent actions taken by the Board of Directors in addressing the touchy issues connected with quantity discount purchasing. The board recently voted on two amendments to the omnibus Economic Bill that is currently before the MA Legislature. The intent is to provide a legislative fix that can benefit retailers both large and small.



The first amendment has been submitted with the approval or acceptance by the major wholesalers, the ABCC and a number of retailers. Essentially, if incorporated into the Economic Bill and passed, this amendment would restore the industry to where it had been in until the ABCC ruling of last year. The ABCC change in policy has narrowly determined that each license is its own buying group. The concept of owning multiple stores to increase buying capabilities, which would result in lower costs, is not unique. In fact, this custom of trade practice is allowed in most states. Massachusetts is now the exception. To date, the current ABCC determination has not been challenged in the courts, as a legislative fix is preferable.

In recognizing passed practices and customs within the industry, MassPack has also introduced its own amendment to the Economic Bill. The MassPack amendment would explicitly allow for cooperative buying by as few as three and as many as the current legal maximum limit allows of independently owned Section 15 licensees. Cooperative purchasing is also a common practice throughout the United States.

It is hard to predict if either of these amendments will get incorporated into the Economic Bill, but MassPack, as a state association, must take a stand on legislation that impacts our business operating processes. ***(READ MORE... for the full article contact MassPack.)***

Sincerely,

Ben Weiner, President
Massachusetts Package Stores Association

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear MassPack Members,

In late June, Governor Baker signed the "Grand Bargain" bill that will raise the state's minimum wage to \$15 an hour, implement a guaranteed paid family and medical leave program, and establishes a permanent sales tax holiday. It also includes a new payroll tax to finance the new paid family and medical leave program. Described by many legislators, the media and union

groups as a "grand bargain," the new mandates on businesses that include package stores is more of a compromise.

With the Millionaire's Tax finally off the table due to a successful Supreme Judicial Court challenge, MassPack along with partner business associations collectively pushed for a compromise on the remaining issues. Non-action meant that Massachusetts voters would get to decide on a \$15 Minimum wage with future increases indexed to inflation and a paid family and medical leave program that mandated all employers to pay into the system. What follows is how the new employment laws may impact package store retailers.

Regarding the minimum wage, the law incrementally raises the current \$11-an-hour minimum wage to \$15 an hour by 2023. The increases begin in 2019, when the state minimum wage will go up to \$12 an hour and continue in 75-cent increments each year from then on: \$12.75 in 2020, \$13.50 in 2021, \$14.25 in 2022, and \$15 in 2023. **(READ MORE... for the full article contact MassPack.)**

Respectfully,
Rob Mellion, Esq.
Executive Director and General Counsel



Massachusetts: No THC with ABV: Commission Blocks Marijuana in Alcoholic Beverages

The Alcoholic Beverages Control Commission of Massachusetts (ABCC) recently issued an advisory regarding the use of marijuana in alcoholic beverages. Although the sale of marijuana for recreational use is slated to become legal in the Commonwealth on July 1, 2018, the ABCC announced that infusing marijuana or extracts derived from the plant into alcoholic beverages will not be permitted, even after legalization is fully implemented.

The ABCC emphasized that marijuana is still considered a Schedule 1 drug by the U.S. Drug Enforcement Agency. As many commentators have noted with respect to other states that have already legalized the drug, federal law trumps conflicting state law under the Supremacy Clause of the U.S. Constitution. Therefore, if federal authorities saw fit, they could begin prosecuting individuals or businesses for the sale of marijuana, even if it is permitted under their respective states' laws. This is particularly problematic in light of Attorney General Jeff Sessions' announcement in January that he was withdrawing federal guidelines that limited such prosecutions, effectively leaving the decision up to individual U.S. attorneys.

The advisory from the ABCC further indicated that adding marijuana extracts to alcohol would violate state law as well. Under G. L. c. 270, § 1, it is illegal to sell alcohol that has been "adulterated" with a number of substances that are "poisonous or injurious to health." In the view of the ABCC, brewing a beer with tetrahydrocannabinol (THC), for instance, would be considered adulteration, and individuals charged with doing so could be subject to imprisonment for up to 3 years. **(READ MORE... for the full article contact MassPack.)**

How Can Grocers Drive Alcohol Sales in an Ecommerce World?

Source: <https://progressivegrocer.com/>

By Bourcard Nesin

07/02/2018

Something strange is happening when consumers move their grocery spending online: They don't buy alcohol.

In a brick-and-mortar supermarket, around 5 percent of consumer spending goes to alcohol, according to data from Progressive Grocer. When a consumer shops for groceries online, however, only 0.7 percent of every dollar goes to the alcohol aisle.

In other words, alcohol's share of grocery spending is 85 percent lower online than in brick-and-mortar stores.

If alcohol sales continue to underperform online and if online grocery sales grow as fast as analysts expect, then supermarkets could lose \$3.9 billion in annual alcohol sales per year by 2022. That's an astounding turnaround, considering that between 2011 and 2016, alcohol was the fastest-growing category in grocery. So what can retailers do to fix this problem?

(READ MORE... for the full article contact MassPack.)

OFFER ALCOHOL ONLINE

Many retailers just don't sell alcohol online, including Costco, which is the largest wine retailer in the U.S. Alcohol, of course, is more heavily regulated and requires more attention than other categories. In this hectic time of change, many retailers simply haven't settled down enough to focus on it. They should start soon.

Bill adding third gender choice for licenses, IDs nears passage

Boston Herald

By Brian Dowling - Friday, June 29, 2018

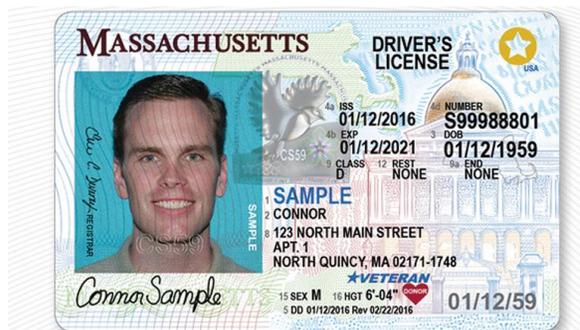
A bill directing the Registry of Motor Vehicles to let people choose "X" for a gender instead of male or female passed the Senate nearly unanimously and could bring the change to state-issued IDs as soon as November.

The option — already available in Oregon, California, Maine and Washington, D.C. — addresses concerns by people who don't identify as solely male or female and consider themselves non-binary, meaning neither one nor the other gender.

While the bill flew through the Senate and headed to the House, the RMV said it is already in the process of adding the third gender option.

"The Registry of Motor Vehicles' new ATLAS system will be able to offer customers the option of selecting a 'non-binary' marker and the Registry will phase in the new marker after the initial rollout when the system is fully implemented," MassDOT spokeswoman Jacquelyn Goddard said in a statement.

A spokeswoman said Gov. Charlie Baker will review the bill if it makes it to his desk.



The bill's sponsor, state Sen. Karen Spilka, said she filed the measure after a constituent wrote about the stress of having to choose a gender for a driver's license. **(READ MORE... for the full article contact MassPack.)**

People Aren't Super Excited About Beer Right Now

And wine sales are catching up!

Source: <https://www.foodandwine.com/>

MIKE POMRANZ

July 03, 2018

In one sense, the beer market can't grow forever: At some point, everyone in America would be too tipsy to get anything done. But all joking aside, for much of the past decade, regardless of the ebbs and flows of the beer market as a whole, craft beer had carved out an aggressively growing niche, encouraging beer lovers to trade in their standard suds for something more upmarket. But recently, even that growth has slowed - a potentially troubling sign for the beer biz across the board - and midway through 2018, this year isn't looking any better.

For the first half of 2018, the sales volume of craft beer at large-scale retail stores is up just 1.7 percent according to data from market research firm IRI Worldwide. Yes, that represents growth, but it points towards what could be some of the craft beer industry's slowest growth in a long time. By comparison, when the Brewers Association released its midyear growth numbers for 2017 last August, production volume was up 5 percent - which was still the lowest midyear growth since 2004. Obviously, retail sales volume and overall production are different metrics, but those numbers usually mirror each other pretty closely. And IRI Worldwide's news gets even worse: For the most recent four-week period, craft beer sales volume was up just 0.2 percent from the year before. **(READ MORE... for the full article contact MassPack.)**

Alabama: Alcohol delivered to your car? Alabama could have curbside beer, wine service

Source: <https://www.al.com/>

Jun 29th



Unless lawmakers intervene, Alabamians later this year could get their beer and wine without having to enter a store.

The Alabama Alcoholic Beverage Control Board this week approved a rule change allowing grocery stores that offer online ordering to let customers place an order for beer or wine and have it brought to and loaded into the customer's vehicle.

The board Wednesday made one change to the original proposal, striking a requirement that the grocery be at least 30,000 square feet or more. Now, the curbside pickup rule applies to any size store that offers online ordering and meets other requirements, ABC spokesman Dean Argo said Thursday.

Retail giant Walmart has requested curbside delivery of alcohol in some other states, according to media reports. Its website says the service is available in some locations and store associates will not deliver to anyone who appears intoxicated.

The rule change had been advertised from April through June 5, and the board received 17 comments from the public. Most of those opposed were concerned about the square footage minimum requirement and a "carve out" advantage for big-box retailers, Argo said.
(READ MORE... for the full article contact MassPack.)

Here's where applicants for recreational marijuana licenses are in Massachusetts

By Dan Adams and Saurabh Datar GLOBE STAFF JULY 03, 2018

For more stories on the legal marijuana industry, sign up for our newsletter, [This Week in Weed](#).

According to new data released by the Massachusetts Cannabis Control Commission, 32 companies and individuals have filed 63 completed applications for recreational marijuana licenses.

The table below — based on a list of applications submitted to the commission and released following a public record request from the Globe — show where in the state these prospective operators hope to set up shop and grow, process, or retail cannabis for consumers.

The commission noted it has yet to review all the applications for completeness; some are missing information and will need to be resubmitted. For an application to be complete, the company submitting it must have secured approval from the city or town where it hopes to operate. And before any company can win a state license and open for business, it first needs to show it meets a long list of regulatory

Types of licenses

Cultivation — companies that plan to grow and package cannabis, including craft cooperatives (groups of small-scale farmers that market their products under a single brand)

Retail — marijuana stores that sell flower and related products to consumers

Transporter — companies that will ship marijuana between licensed facilities; for example, from a cultivator to a retailer.

Manufacturer — companies that will process marijuana flower into a variety of products, including concentrates, edibles, lotions, and so on.

Research — organizations that plan to study marijuana, including its medical uses and the plant's properties.

Laboratory — Labs will analyze marijuana and cannabis products for purity and potency

Microbusiness — Small, independent, locally-owned marijuana cultivation and manufacturing companies eligible for reduced state fees.

(READ MORE... for the full article contact MassPack.)

MASSACHUSETTS PACKAGE STORES ASSOCIATION

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for the package store industry in Massachusetts by becoming...**

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Alberta Payments	Lemate of New England, Inc.
American Insulated Panel Co.	Martignetti Companies
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Association Members Insurance	Merrimack Valley Distributing
Atlantic Beverage Distributors	Miller Coors
Atlas Distributing, Inc.	mPower Beverage Software
Atlas Distributing, Inc.	M.S. Walker, Inc.
Bacardi USA	Narragansett Brewing Co.
BayState Business Brokers	Payment Alliance International
Baystate Wine Co. Inc.	PC Solutions
Black Lab Alarm, Inc.	POS Advisors LLC
Burke Distributing Corp.	Protastings
Carolina Wine & Spirits	Quality Beverage Ltd.
Charles River Wine Co.	Retail Control Systems
CheckWriters Payroll	Ruby Wines Inc.
Classic Wine Imports	Seaboard Products Co.
Colonial Wholesale Beverage	Squizzero, Carp & Associates
Commercial Distributing Co.	Summit Ice Inc.
Commonwealth Wine & Spirits	The Business Exchange
ConnectPay Payroll Services	The Tap Brewing Co.
CoveRisk Services, LLC	TOMRA of North America
Craft Brewers Guild	Treasury Wine Estates
Distilled Spirits Council	Tri Wine Company
Drync	Truro Vineyards of Cape Cod
ENVIPCO	Turn-Key Distrib. Systems
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