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MANITOBA LIQUOR & LOTTERIES INTRODUCES LOAN PROGRAM FOR CRAFT PRODUCERS

Incentive program aims to grow Manitoba-based craft brewing and distilling industry

As part of the province's *Supporting Manitoba Craft Brewing Strategy*, Manitoba Liquor & Lotteries is introducing an economic incentive loan program to further support the growth and development of Manitoba's craft brewing and distilling industry.

"When we first embarked on the craft brewing strategy, our main goal was to jump-start our local brewing industry, making changes that would allow new producers to enter the Manitoba marketplace and have a real shot at succeeding," said Ron Lemieux, Minister responsible for Manitoba Liquor & Lotteries. "The introduction of this loan program is one more way in which we can help this exciting industry to thrive, which will in turn resonate throughout the province, creating benefits to Manitoba's economy, agri-producers, hospitality and tourism industries."

The large capital costs required for these small manufacturing businesses are not only barriers to new start-ups but also to the continued growth of existing operations. Up to \$5 million has been allocated to this new incentive program which will issue loans of up to \$250,000 towards the purchase of brewing or distilling equipment for producers just starting their businesses; or towards the expansion of existing production or sales capacity for brewers already in operation. Loans will be required to be paid back over a five year period.

"The capital investment required to open or expand a craft brewery is extremely high," said Nicole Barry, owner, PEG Beer Co. "By having another source of funds to access, it provides some welcome breathing room."

In order to be eligible for the loan program, the craft brewing or distilling operation must be Manitoba-based. Loan approvals will follow an application process based upon criteria that will be developed in consultation with stakeholders. It is anticipated that the loan program will begin accepting applications in late spring/early summer 2016.

Since launching the *Supporting Manitoba Craft Brewing Strategy* in December 2014, a number of successful initiatives have been implemented. They include the establishment of the Manitoba Brew Hub website (www.manitobabrewhub.ca), a one-stop-shop website designed to provide all the information needed to start a craft brewery/distillery in Manitoba; amendments to the Small Business Venture Capital Tax Credit Program to ensure eligibility for

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brewpubs; the introduction of growlers and howlers; the licensing of tasting rooms at breweries; and reduced markup rates for craft producers.

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