

HIGH PLAINS INC.

HAND CRAFTED SPIRITS

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Testimony to the House Committee on Commerce, Labor and Economic Development 2/14/2017

Do not pass HB 2282 as it is the nose of the camel under the tent.

My name is Seth Fox and my Family and I run High Plains Inc. and produces many spirit products under the Brand "Most Wanted" and Fox. We have been in this business now for 12 years.

High Plains Inc has grown our home state volume of spirits well beyond any other distillery in the nation. We sell more local state brand spirits than almost any small distillery anywhere else yet we are still small. We have grown and survived because of the enormous support of the Kansas people and retail liquor stores and the way in which Kansas is set up for spirits and would have not likely had happen from the large chain stores. HB 2282 causes our family and company great concerns, in many ways. We would have to start all over again building our brand as though we just started, giving up any ground we have gained just for the big national brands to swoop it up with unfortunate ease. The total volume of alcohol sold among wine, beer and spirits would stay the same and would only be diluted over an ocean of unenforceable number of permits for a state of our size. There will be more under aged purchases and there will be more theft.

Do not pass HB 2282. If we had to grovel to the big chain stores to grant us the favor in bringing our products in and selling them then we would probably still be only 2 people and barely pay the water bill. If this Pandora's box is opened, then you will not be able to close it and it will grow into something I do not think conservative Kansans would like. It would kill almost all Kansas wineries, breweries and eventually distilleries. Kansas would have to increase the tax on spirits many times and could get out of hand very quickly. If anybody thinks alcohol beverages are a little higher here than just a handful of states, then if this bill is passed, just wait. I have seen this many times in other states as this death spiral starts for the small guy and where only the large brands win. Just imagine you going into a large corporate chain store and competing against multiple billion dollar companies that show up in a private jet and you showing up in a Chevy trying to convince that your product and brand has some of the same merits that the nationals do, verses going to a smaller family owned store and getting them to do the same. Which do you think that you will have a chance at? Nor do i think that Kansas could afford this in the aspect of properly inspecting without a large increase of funds and growing the team of inspectors/investigators beyond what our small populations state could bare. If it is about the Taxes, then unfortunately they might have to go up and the small guys would still survive where if HB 2282 passes and you still will need to take them up and the small producers market will collapse. Again, do not pass HB 2282. we are a proud state with deep conservative values and are not hesitant to stand by them.

Thank you for your time and attentions to our concerns. I would look forward to the opportunity for any call or visit about our stance on this matter. Please feel free to contact me at 913-773-5780.

Sincerely,



Seth Fox