



AT THE BAR WITH BOWDITCH

A Legal Blog for the Craft Brewing Community

Distributors: How AB InBev May be After the Craft Beer Industry

BY LIBBIE HOWLEY • OCTOBER 27, 2015

Anheuser-Busch InBev (“AB InBev”) recently acquired five distributors in three states. These acquisitions are just the most recent in a series of acquisitions of distributors by AB InBev in the last few years that are raising concerns with craft brewers. The U.S. Department of Justice and state regulators are also taking notice. While much attention lately has been given to the AB InBev and SABMiller merger, reports suggest that perhaps the industry’s attention should be refocused to AB InBev’s acquisition of distributors.

As a majority of states require distributors to sell and distribute the products of brewers, craft brewers need and rely on distributors to get their products into bars and restaurants, and stocked on shelves in stores. A growing fear of craft brewers is that distributors owned by AB InBev do not sell, or do not attempt to sell, the products of craft brewers. A further fear is that with AB InBev’s growing presence in the distribution field, AB InBev is using its position and influence to discourage other, non-affiliated distributors from carrying the products of craft brewers. The result: the craft beer industry losing access to markets, growth stopping, and sales dropping.

These concerns are not just troubling to the craft brewery industry. The U.S. Department of Justice and state regulators are concerned and for similar reasons – antitrust laws seek to maintain a competitive marketplace and if InBev continues to acquire distributors, this could result in unfair competition.

As troubling as this news may be for craft brewers trying to grow their businesses, commenters suggest that until AB InBev has a majority of distributors in a region, state and federal authorities may not act.