

Obamacare Regulations Target Breweries Making Craft Beer

Ali Meyer

November 20, 2015

Obamacare regulations requiring that restaurants post calorie information on menus will make it harder and costlier for breweries making craft beer to comply with the new rules, Watchdog.org <u>reported</u>.

Regulations taking effect next year will require that restaurant chains with more than 20 locations nationwide such as Buffalo Wild Wings and Applebee's post calorie information on all of their menus. For items such as craft beer, which are not made in house, calorie information from the brewery must be shipped to the restaurant.

"Brewers are facing the prospect of spending potentially thousands to determine calorie counts for every variety of beer produced," explains the article. "Unless they spend the money to provide the information, breweries may never get their products into chain restaurants."

Smaller brewers will be more affected by the regulations since they have to decide whether producing the beer is worth the cost of complying with the rules.

"A regional craft brewer or a major brewery can spread the cost over a much larger volume of sales and it's not so unreasonable for them," said Paul Gatza, a former brewer. "Smaller guys that are just trying to sell a keg or two here or there, they have a decision to make on whether it is worth the additional cost to try to get their beers into chain restaurants."

According to the Cato Institute, the regulations will cost between \$49,000 and \$77,000 for each business to comply. For what it costs to update the menus, businesses could afford to hire two to three employees.

"It doesn't make sense for brewers to test every variety of beer they make, spending many thousands of dollars before they even made it onto a chain restaurant's menu," explains Michelle Minton, a fellow with the Competitive Enterprise Institute.

"Restaurants interested in carrying a craft beer may not want to wait for testing to be done and will move on to beers that already have nutritional information," she says. "That means that many craft brewers will miss out on an important opportunity to grow their business."