



Circular Letter  
19-03

**To:** All Brewery Licenses

**Subject:** Manufacturing on Brewery Premises

**Purpose:** The purpose of this Circular Letter is to clarify for licensees the Authority's interpretation of the Code of Virginia regarding "manufacture", as that term is used in recently amended legislation that deals with the percentage of beer that must be produced on a brewery's licensed premises to continue to qualify for retail privileges.

**Background:** During the 2018 session of the Virginia legislature, bills were passed that amended § 4.1-208 of the Code of Virginia dealing with the retail privileges of a brewery license. HB422 and SB306 were passed with a delayed effective date of January 1, 2019 and "...provided that not less than 20 percent of the volume of beer sold for on-premises consumption in any calendar year is manufactured on the licensed premises."

Virginia ABC has received a number of inquiries since the effective date concerning the agency's definition of "manufactured" as used in the newly amended legislation. The Authority has long held that any of the following activities constitute brewing and requires a brewery license –brewing, blending, fermenting, finishing, aging or packaging. Performing any of these processes requires that a brewery license be obtained. Accordingly, the same interpretation of brewing will be utilized to determine if a licensed location is producing not less than 20 percent of the volume of beer sold for on-premises consumption at the licensed premises.

**Held:** For the purposes of implementing § 4.1-208 of the Code of Virginia, "manufacture" includes, but is not limited to, beer brewed, blended, fermented, finished, aged or packaged on the licensed premises. Performing any of these processes will constitute "manufacture" in determining if 20% of the volume of beer sold on the licensed premises is produced on the premises.

Should you have questions regarding conducting tastings on retail establishments or in conjunction with a retailer, please contact Compliance at (804) 213-4632 or [compliance@abc.virginia.gov](mailto:compliance@abc.virginia.gov)

