BREWERS ASSOCIATION®

STATE *of the* INDUSTRY

Paul Gatza
Senior Vice President
of Professional
Brewing Division

Bart Watson
Chief Economist

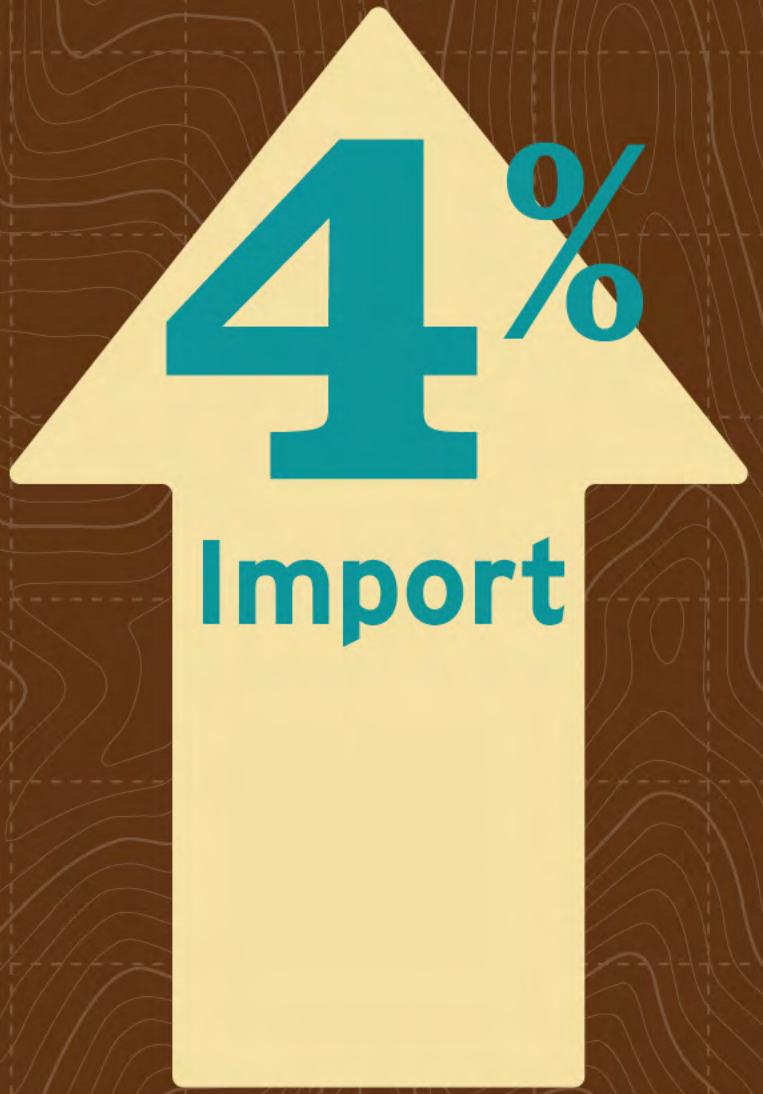
196
195

Small Independent Brewer

- Important to continue to show numbers based on health of small & independent brewers
- Important to beer drinkers

Total U.S. Beer

-1%

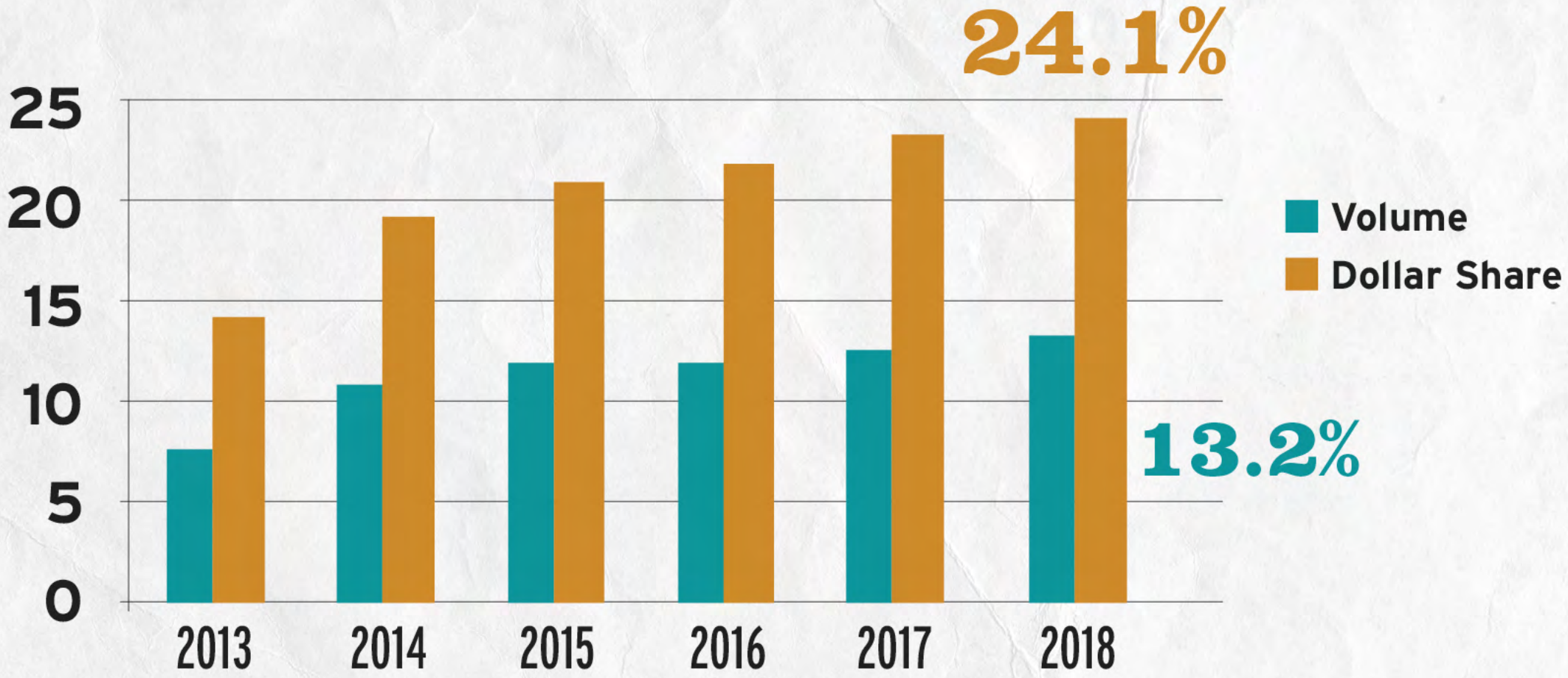


- High end where growth is occurring...period.
- Beer industry investing in lots of directions
- New Drink opportunities

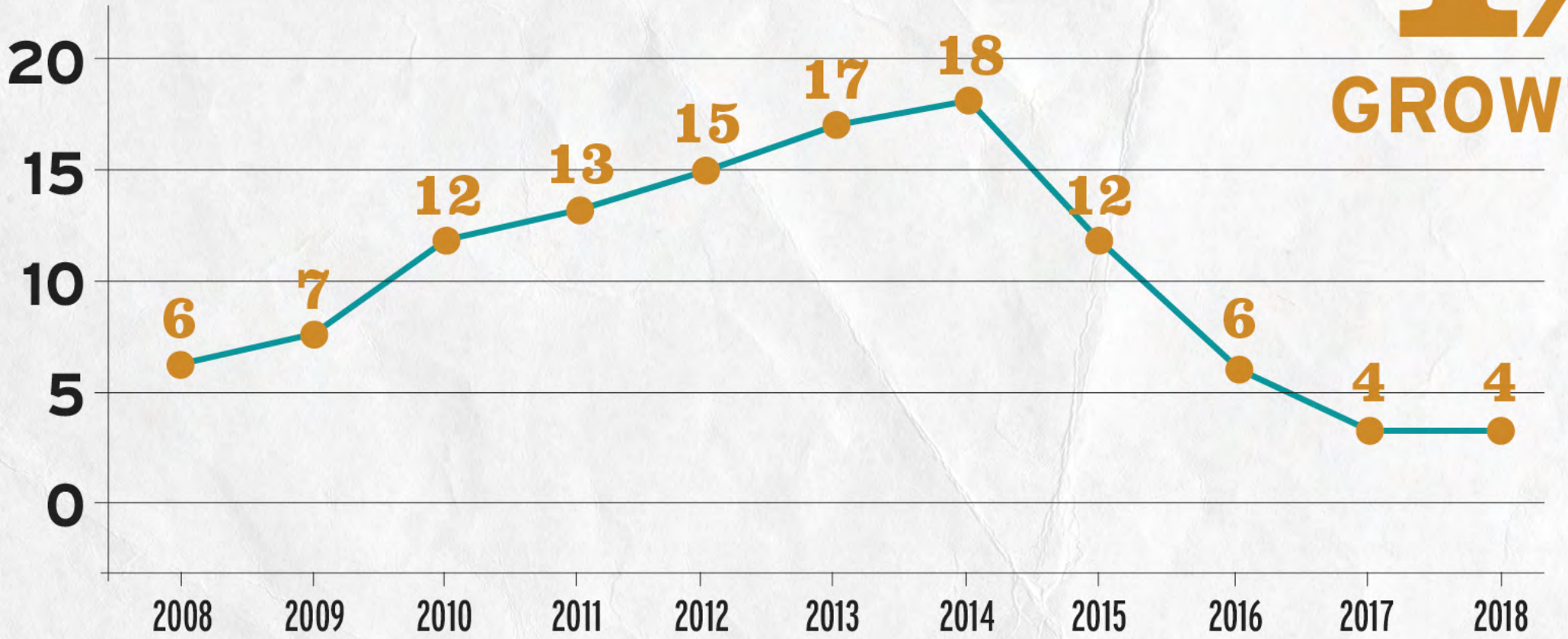
CERTIFIED
BREWERS ASSOCIATION
INDEPENDENT CRAFT

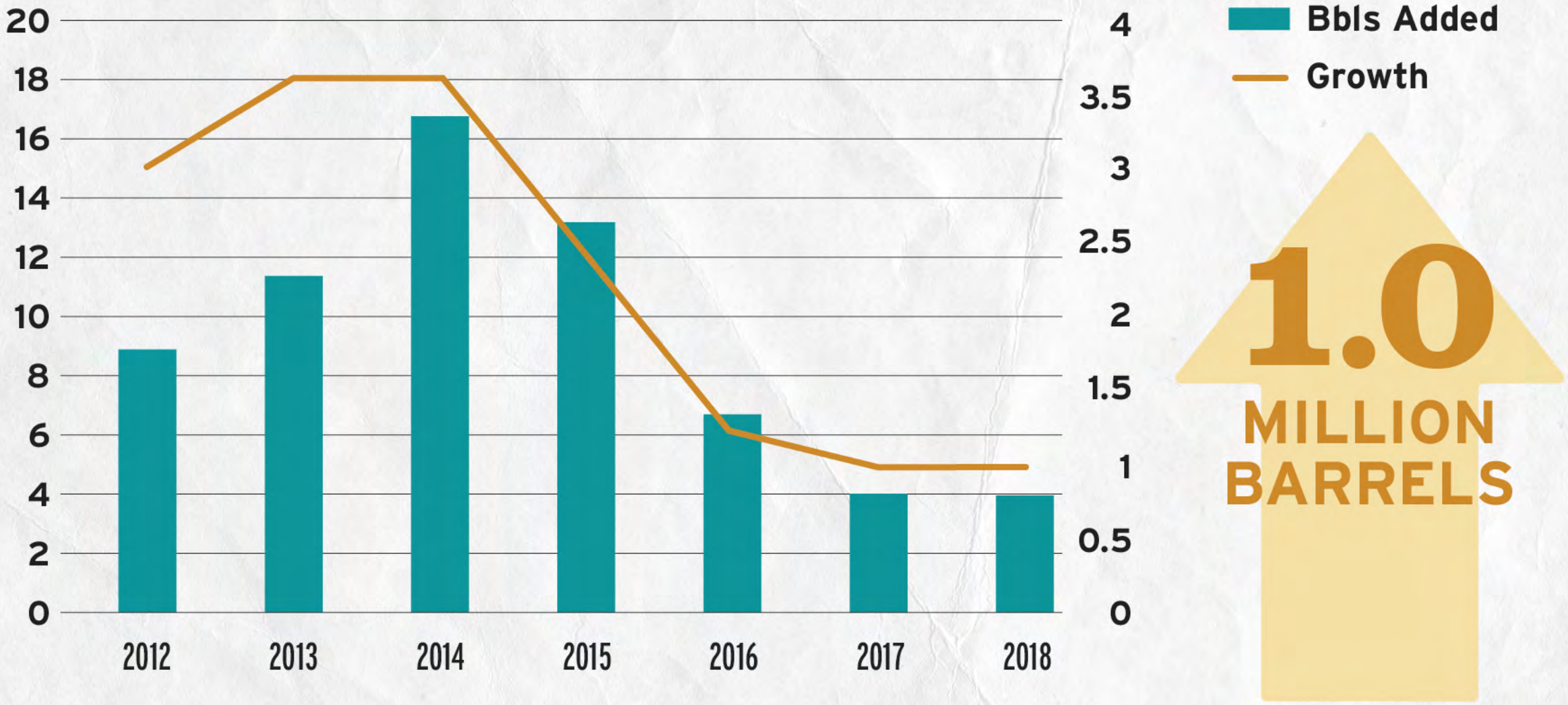
7 Million

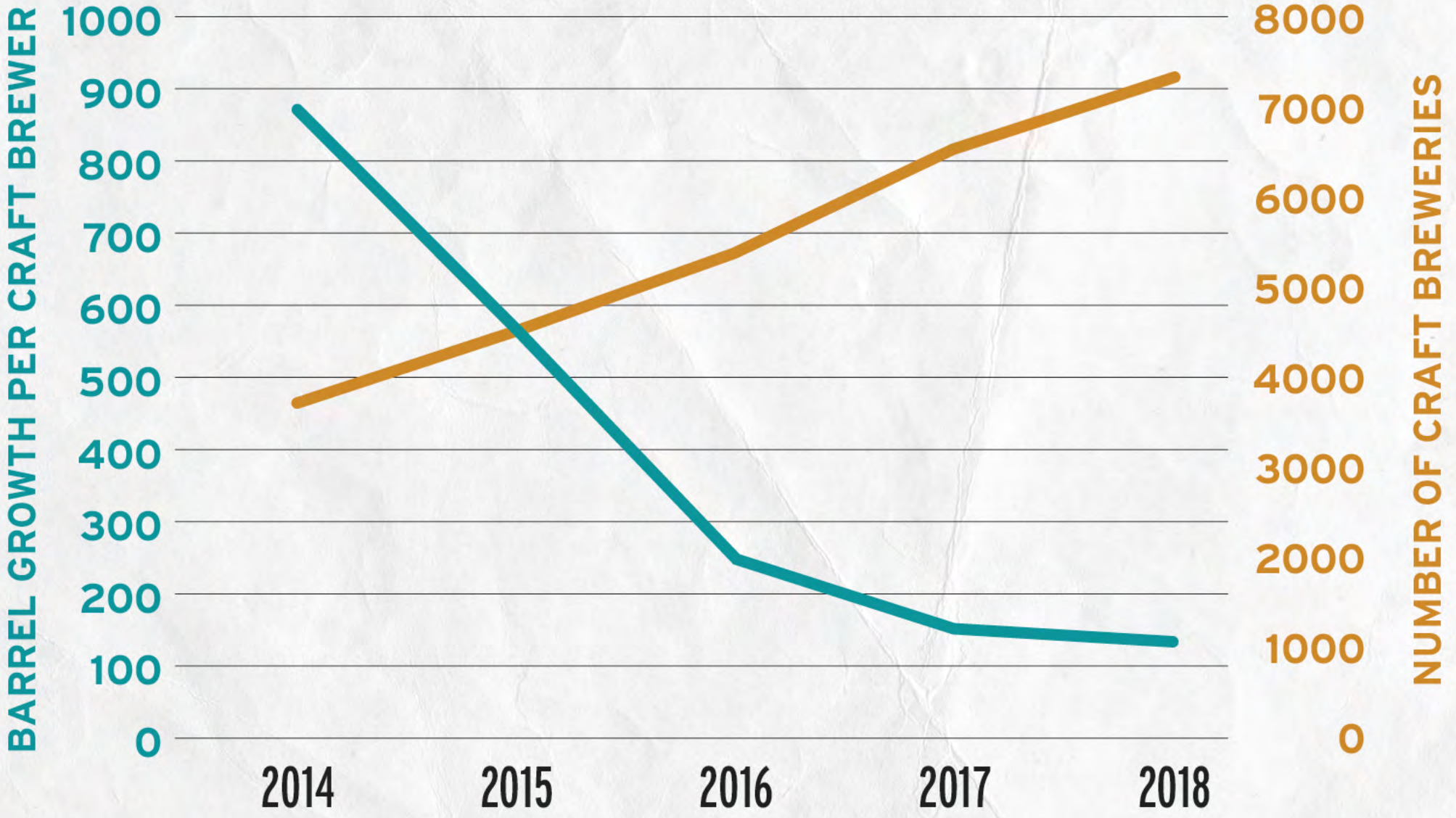
MORE CRAFT DRINKERS


24.1%
25
20
15
10
5
0
13.2%
Volume
Dollar Share
2013
2014
2015
2016
2017
2018

4% GROWTH


20
15
10
5
0
6
7
12
13
15
17
18
12
6
4
4
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018


Bbls Added
Growth
20
18
16
14
12
10
8
6
4
2
0
4
3.5
3
2.5
2
1.5
1
0.5
0
2012
2013
2014
2015
2016
2017
2018
1.0
MILLION
BARRELS


BARREL GROWTH PER CRAFT BREWER
1000
900
800
700
600
500
400
300
200
100
0
NUMBER OF CRAFT BREWERIES
8000
7000
6000
5000
4000
3000
2000
1000
0
2014
2015
2016
2017
2018

2014: 87

2015: 104

2016: 117

2017: 195

2018: 219

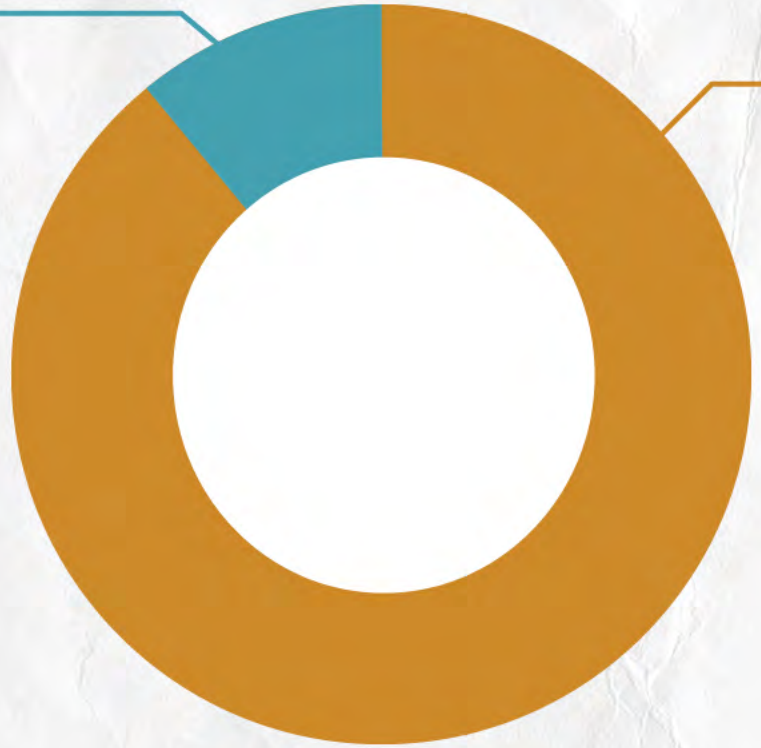
- 2018: **1049 openings**
- How many in the room opened in the last three years or are still in planning?
- Last three years, **3,194 openings**

Barrel Growth by Founded Date

2014 or earlier

105,000 bbls

Growth: 0.5%



2015-2018

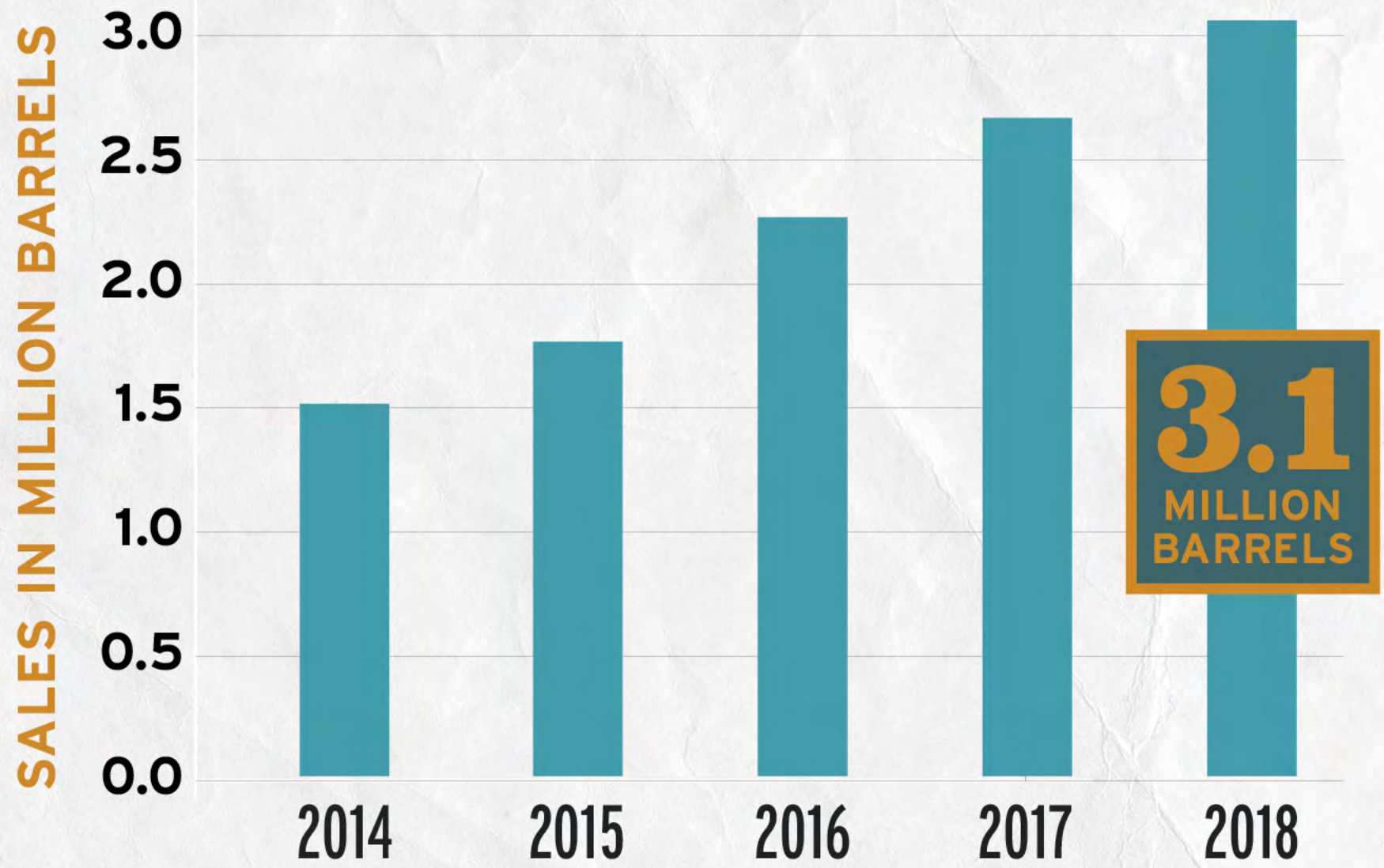
872,000 bbls

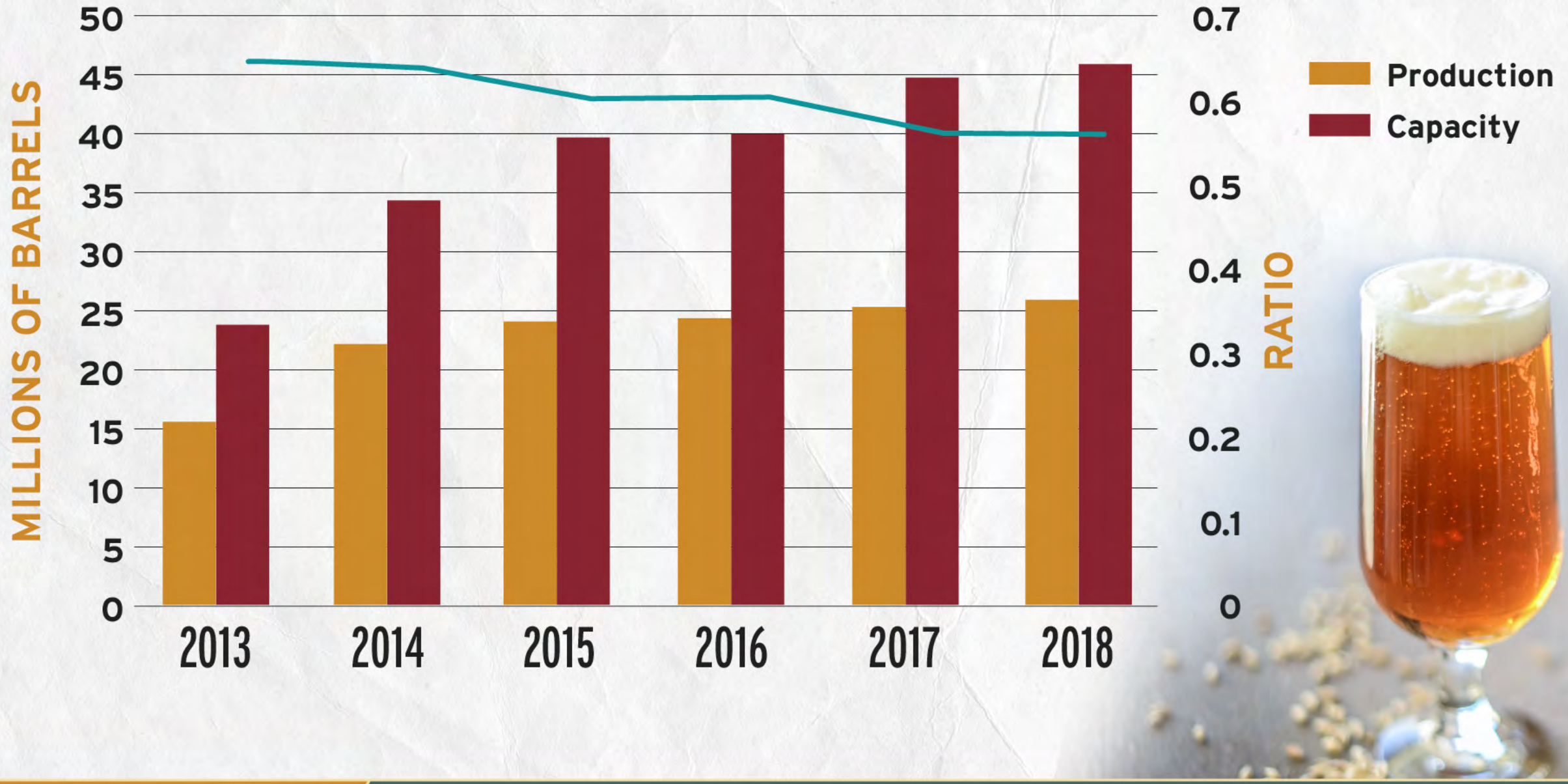
Growth: 53.2%

More are coming!

- At end of 2018, more than 10,000 active TTB permits
- Suggests at least 2,500 breweries still in planning

Message for Newer/Planning Brewers


SALES IN MILLION BARRELS
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2014
2015
2016
2017
2018
3.1
MILLION
BARRELS


MILLIONS OF BARRELS
50
45
40
35
30
25
20
15
10
5
0
2013
2014
2015
2016
2017
2018
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
RATIO
Production
Capacity

- Average IRI case price in 2018 for BA Craft = **$38.88**
- Up, **1.6%**; **$0.61**
- Nielsen CGA on premise prices for BA craft up only **1.4%**

Brewpubs

13%

GROWTH

1,638,000

BARRELS

Micros

16%

GROWTH

5,835,000

BARRELS

Taprooms

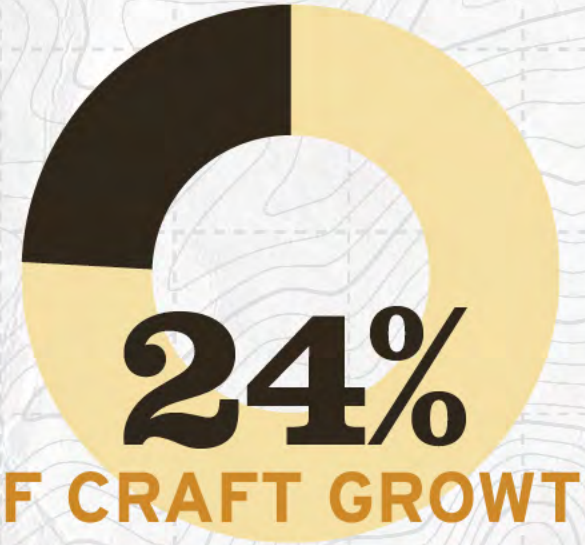
40.2%

GROWTH

809,000

BARRELS

1,000+ self-identified as taprooms



24%

OF CRAFT GROWTH

Regionals

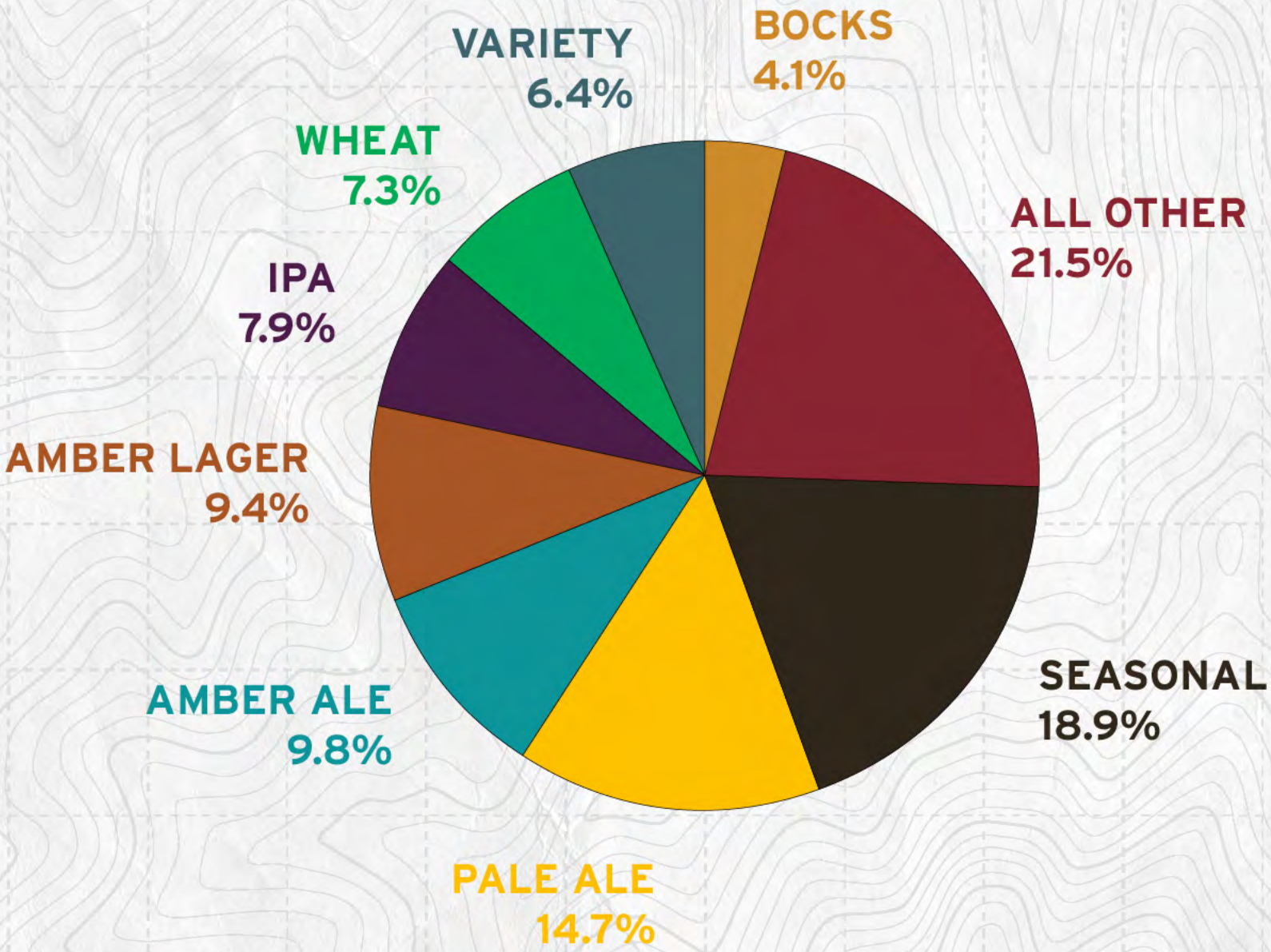
0%

CHANGE

18,120,000

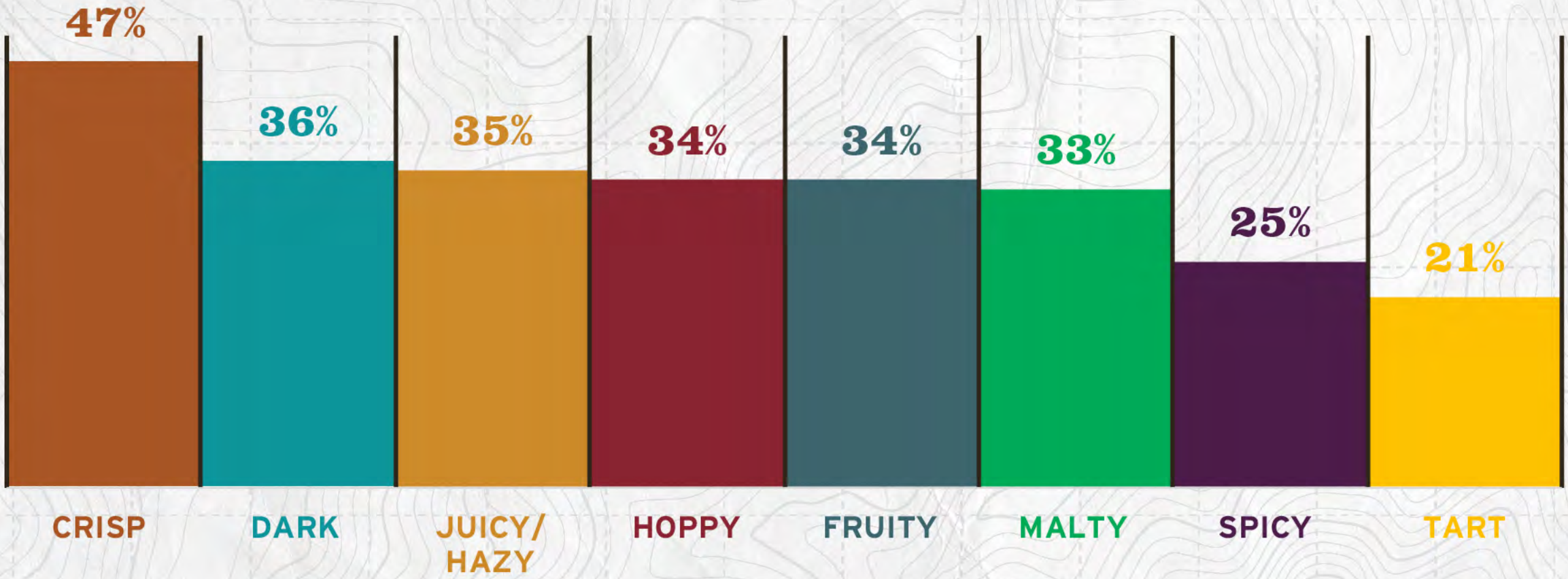
BARRELS

Throwback to 2008...



Flavor Profiles Driving Interest

Q: Compared to a few years ago, are you more or less interested in drinking the following types of craft beer?



SOURCE: Nielsen's Craft Beer Insights Poll (CIP) conducted May 2018 by Harris Poll (n=1,008 Craft Drinkers; n=416 weekly craft drinkers)

Safety

- Three kinds of safety
- Tariffs and trade
- Quality
- Competition
- Capacity
- .05 BAC

- Increasing diversity
- High end growth
- Health and wellnes opportunities
- Franchise reform and retail provisions
- Trade practice enforcement
- Independent Craft Brewer Seal

Craft Beer SALES ARE AT AN ALL TIME HIGH

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