



STATE *of the* INDUSTRY



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BEER HEADLINES | 2013

- **Craft is the Story**
- **Micros Continue to Grow Share within Craft**
- **Brewpub Openings Triple Digits**
- **Regional Breweries Continue to Grow and Expand Territories**
- **Capacity Expansions Keeping up with Craft Growth**
- **Style Trends: IPAs are Hot, Variety Packs Grow**
- **Large Brewers: Is Beer Broken?**

Volume Growth

18%

CRAFT

-2%

**OVERALL
BEER**

CRAFT BEER NEWS

**15.6 MILLION
BBLS SOLD IN 2013**

**2013 Volume Grows
2.3 Million bbls**

CRAFT BEER NEWS

2.3%

**CRAFT
PRICING UP**

\$.77

**/CASE IN
SCANS**

Craft Brewer Definition

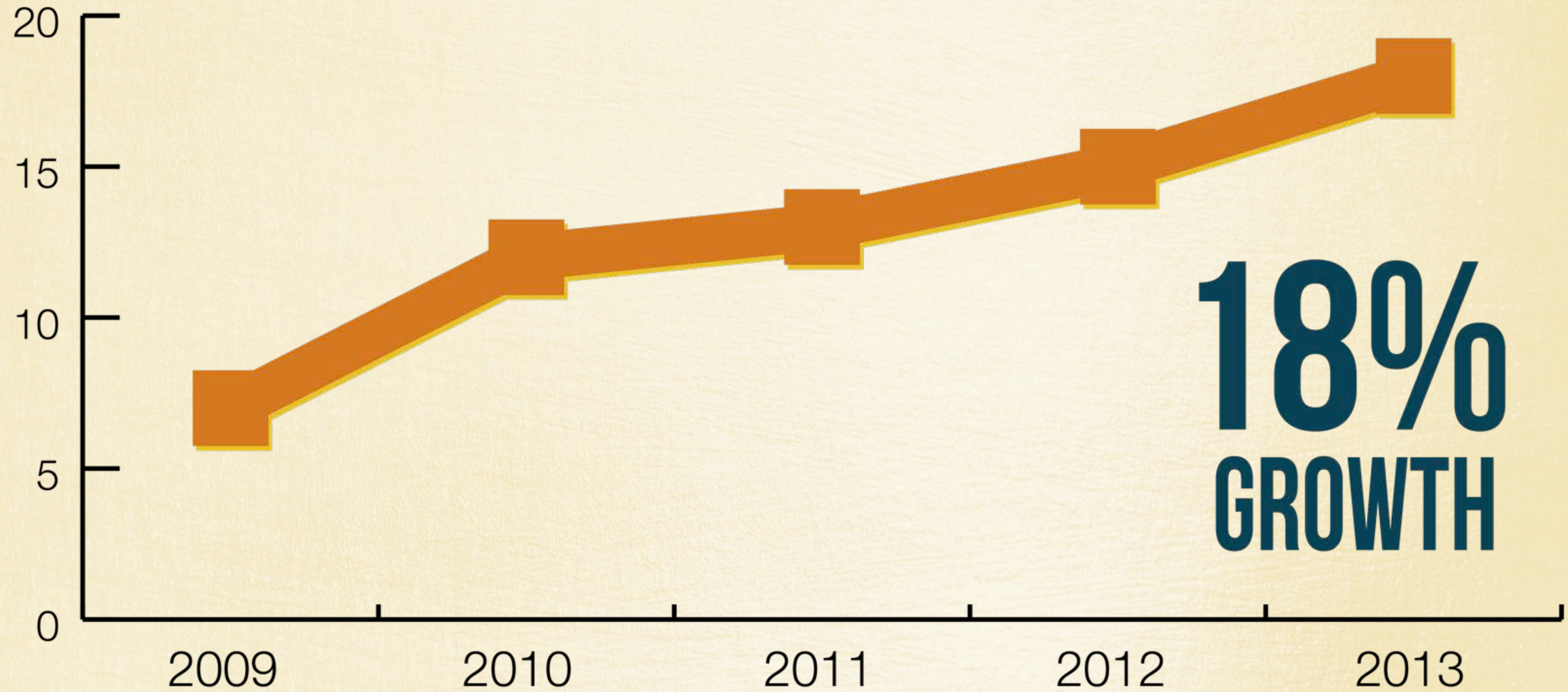
Craft Brewer: An American craft brewer is small, independent and traditional.

Small = Annual production of beer less than 6 million barrels. Beer production is attributed to a brewer according to the rules of alternating proprietorships. FMBs are not considered beer for purposes of this definition.

Independent = Less than 25% of the craft brewery is owned or controlled (or equivalent economic interest) by an alcoholic beverage industry member who is not themselves a craft brewer.

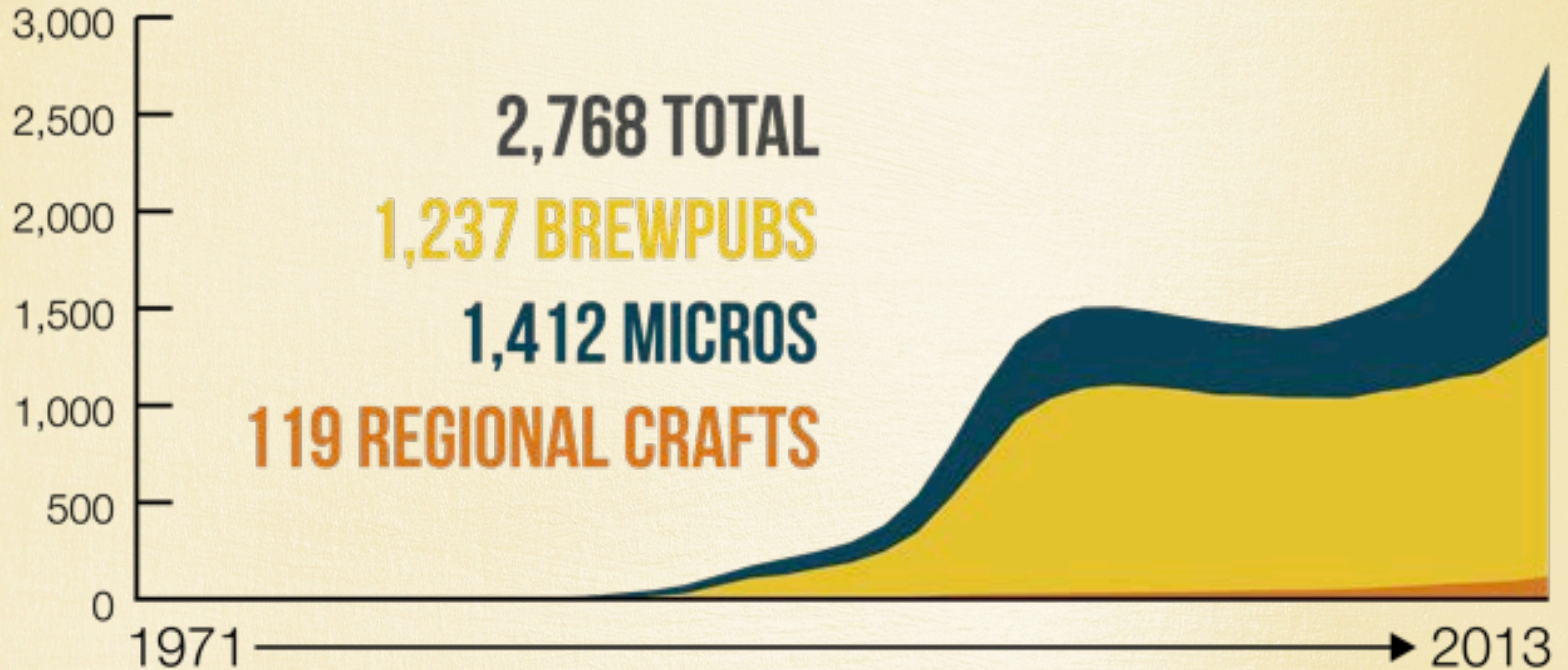
Traditional = A brewer who has either an all malt flagship (the beer which represents the greatest volume among that brewer's brands) or has at least 50% of its volume in either all malt beers or in beers which use adjuncts to enhance rather than lighten flavor.

Total Craft Industry % Volume Growth

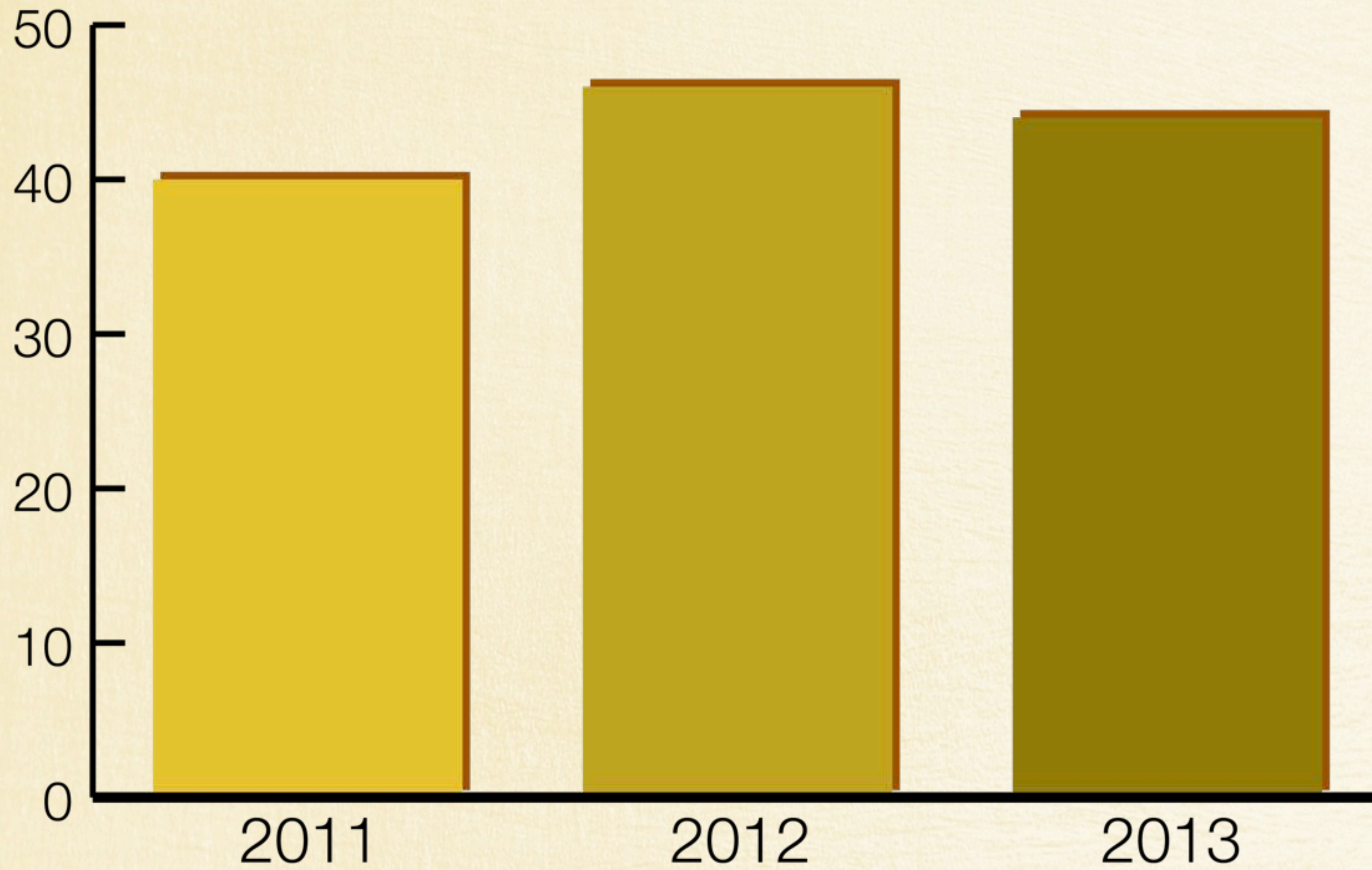


18%
GROWTH

Number of Craft Breweries

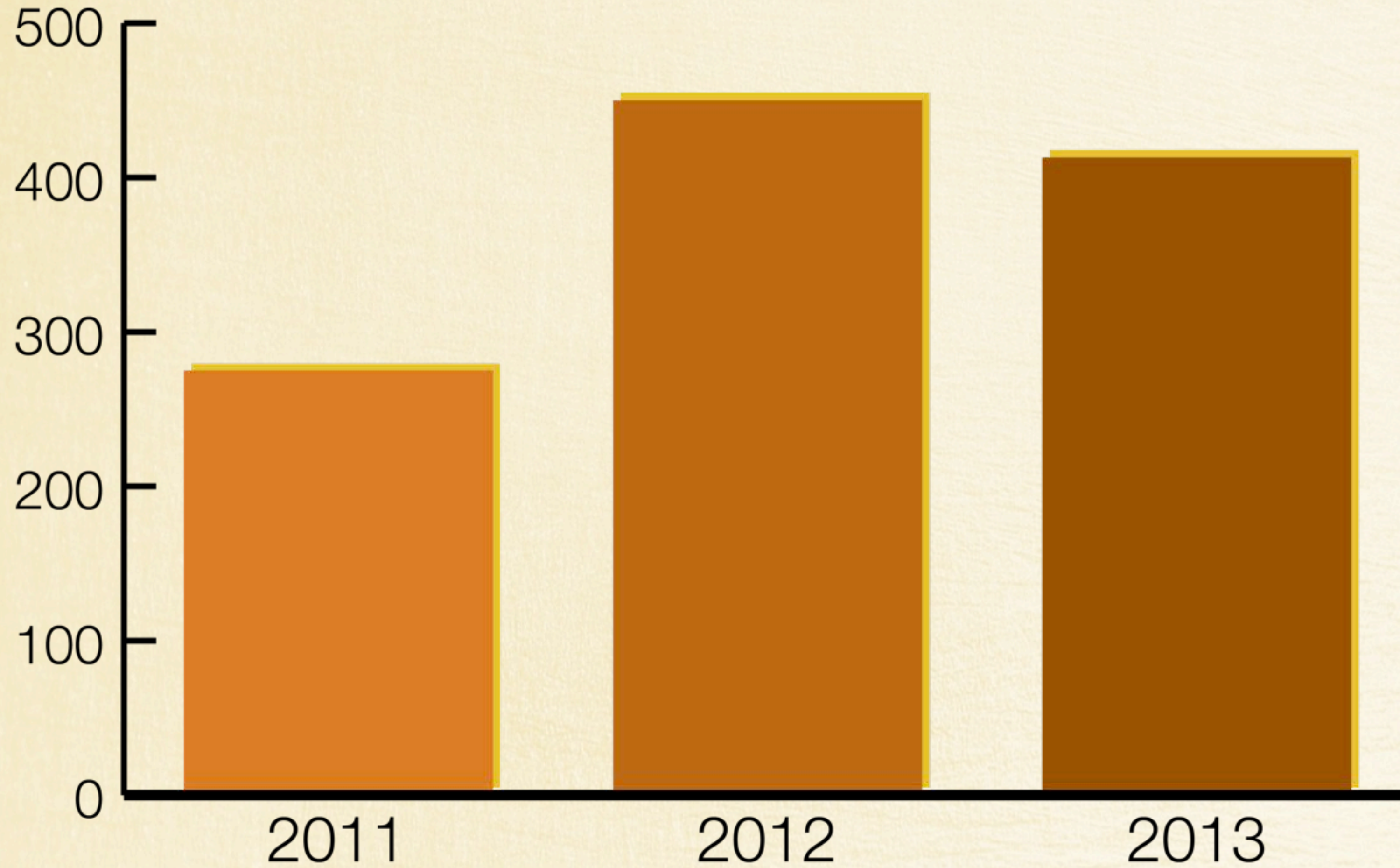


Total Craft Brewery Closings



44
CLOSINGS

Total Craft Openings



413
OPENINGS*

U.S. Breweries in Planning

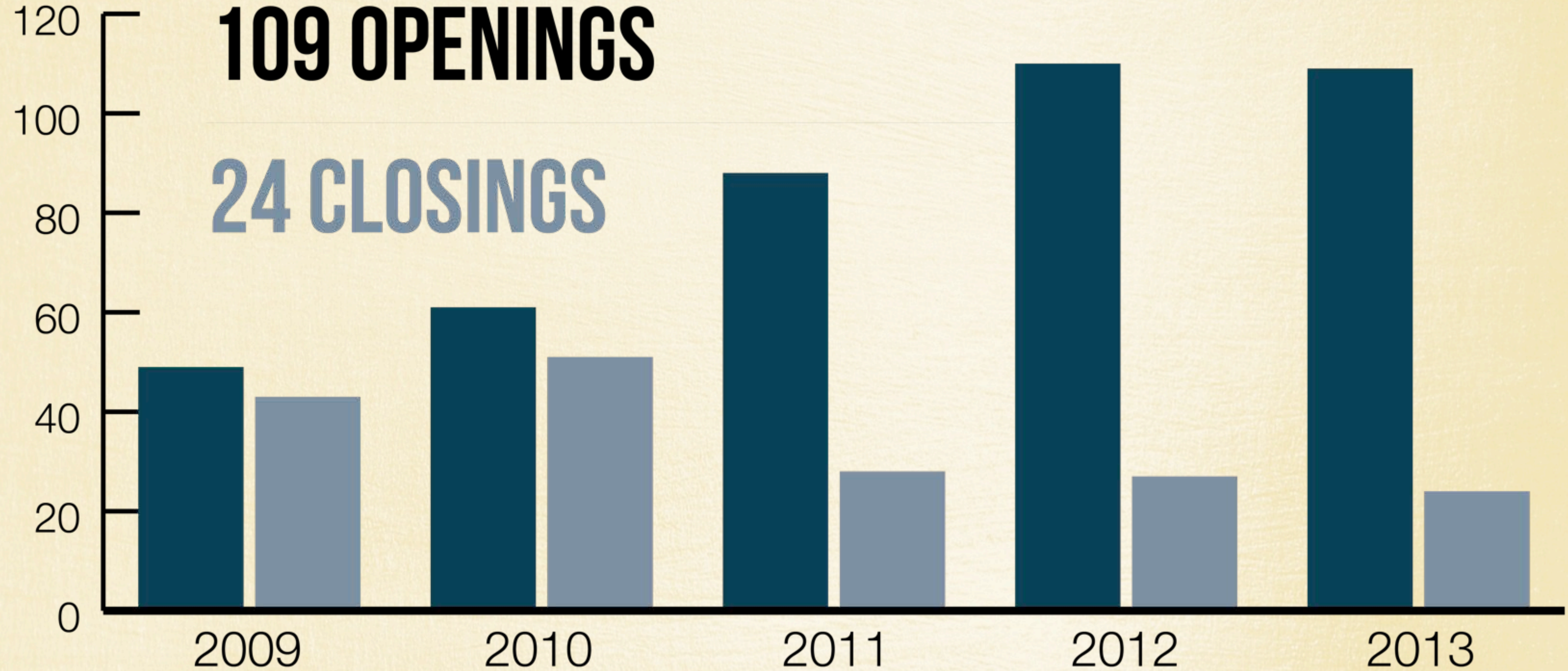


1,744

BREWERIES IN PLANNING

As of December 31, 2013

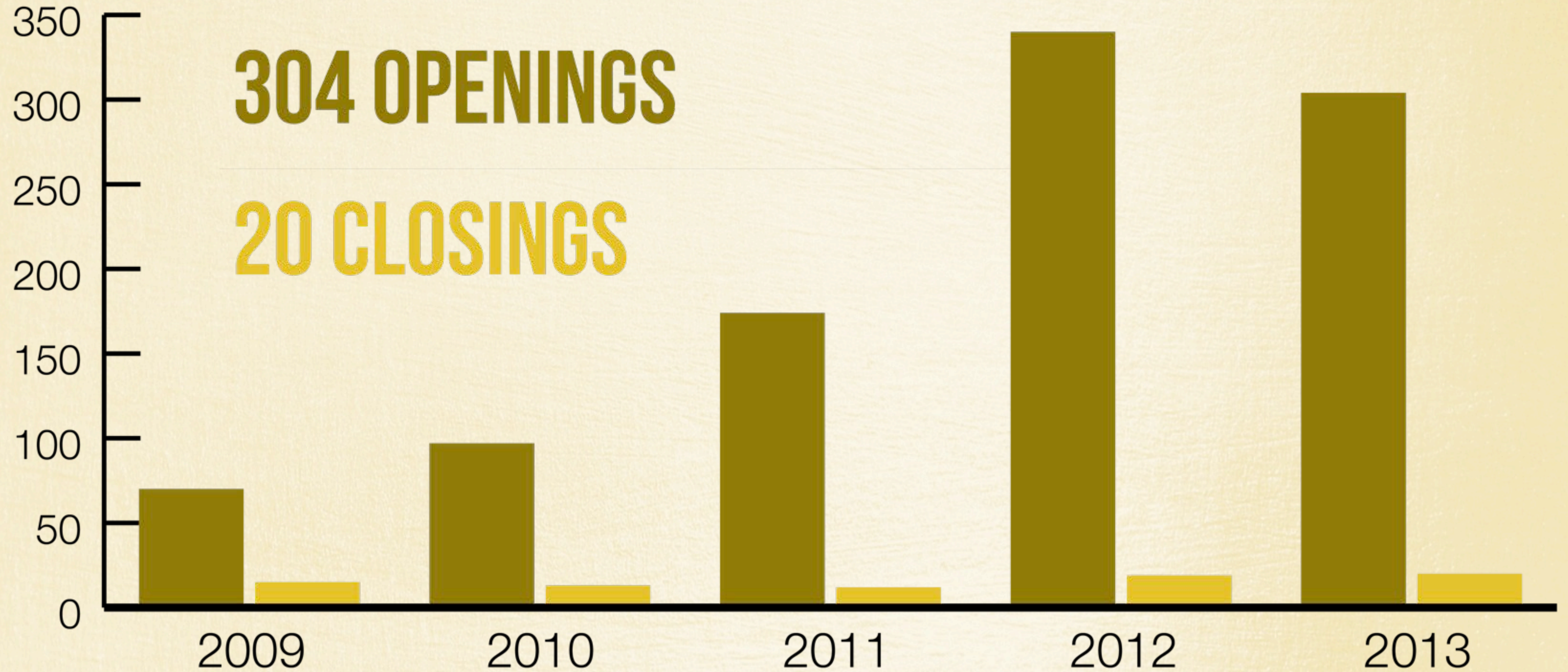
Brewpub Openings & Closings



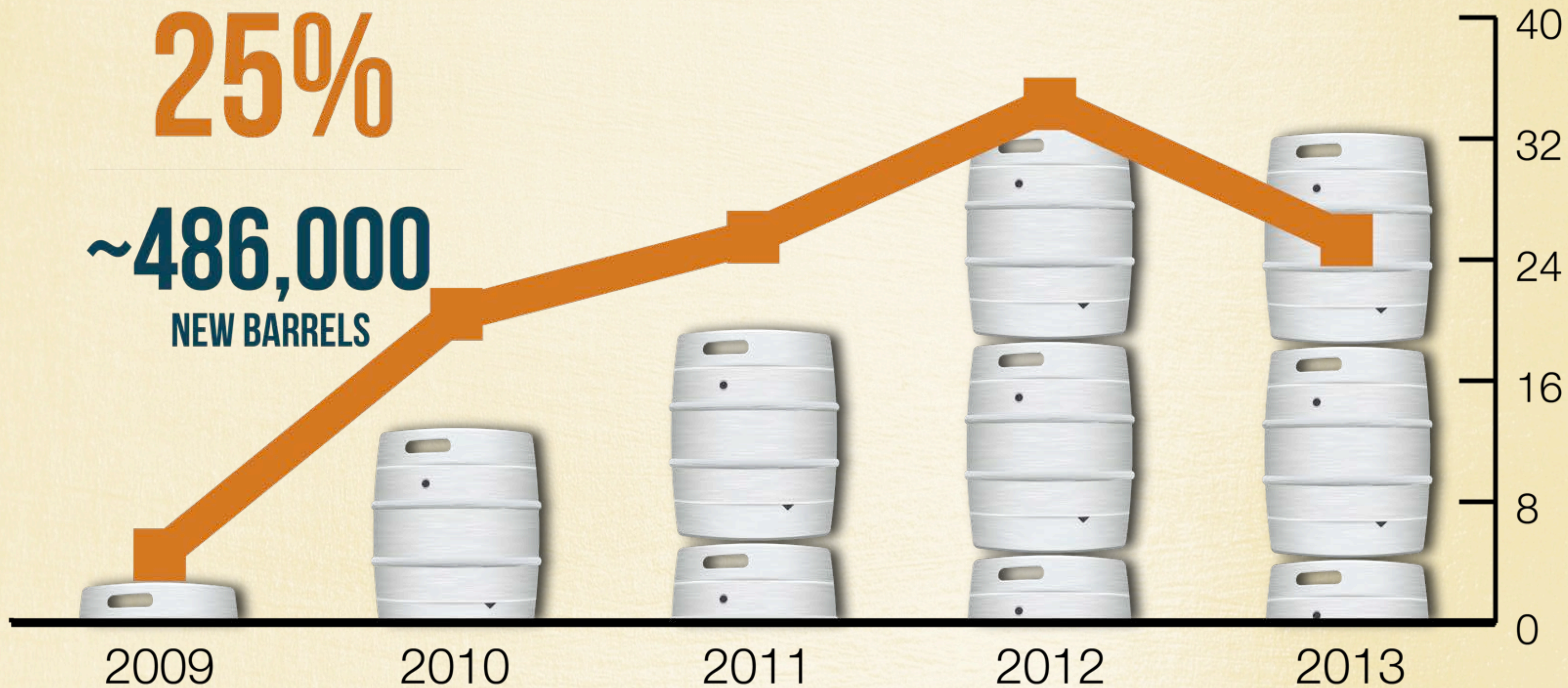
Brewpub Growth



Microbrewery Openings & Closings



Percent Micro Growth [barrels]



Craft Breweries Over 15K Barrels

2012

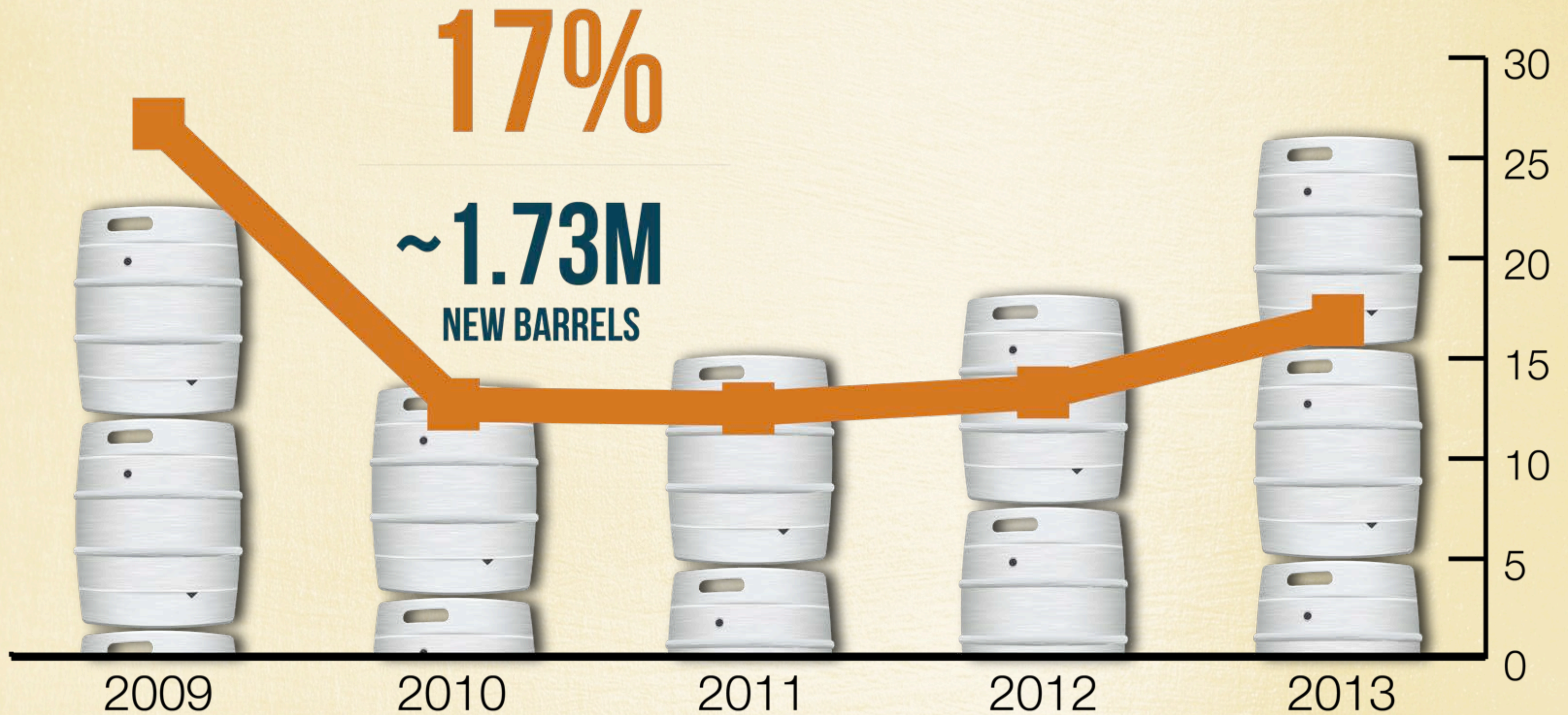
97



2013

119

Craft Regional % Growth



U.S. Craft Brewer Exports

49%

282,526 BBL

Top 7 Craft Beer Styles

SymphonyIRI Data



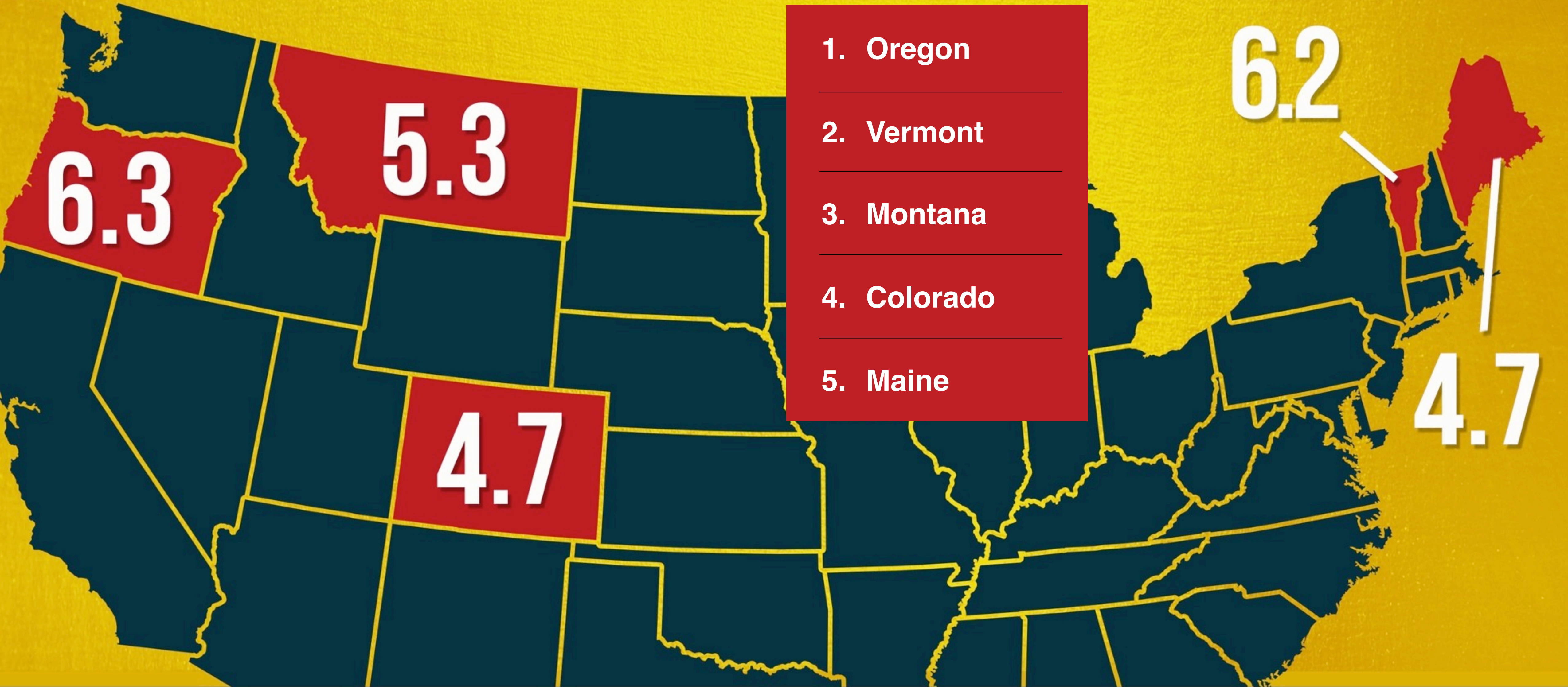
	Dollar Share	Volume Growth %
1. IPA	18.4	41
2. Seasonal	17.8	13
3. Pale Ale	11.5	13
4. Variety	7.7	19
5. Amber Ale	6.1	-2
6. Amber Lager	5.8	11
7. Bocks	4.4	10

Top 5 States for 2013 Brewery Openings



Top 5 States Breweries Per Capita

Breweries per 100,000 21+ adults



Craft Brewing Trends

- **Accelerating growth**
- **The longer, fatter tail**
- **Openings, openings, openings**
- **Continued stylistic innovation – more beers for more occasions ... And IPAs**
- **Beers to go**
- **More beer + food**
- **Craft Beer a part of more lives**

Concerns for Craft Brewers

- **Unfair beer franchise laws**
- **Regulation related to FSMA**
- **Trademark & naming disputes**
- **Competition**
- **Supply & demand**
- **Quality**
- **Quality**
- **QUALITY**

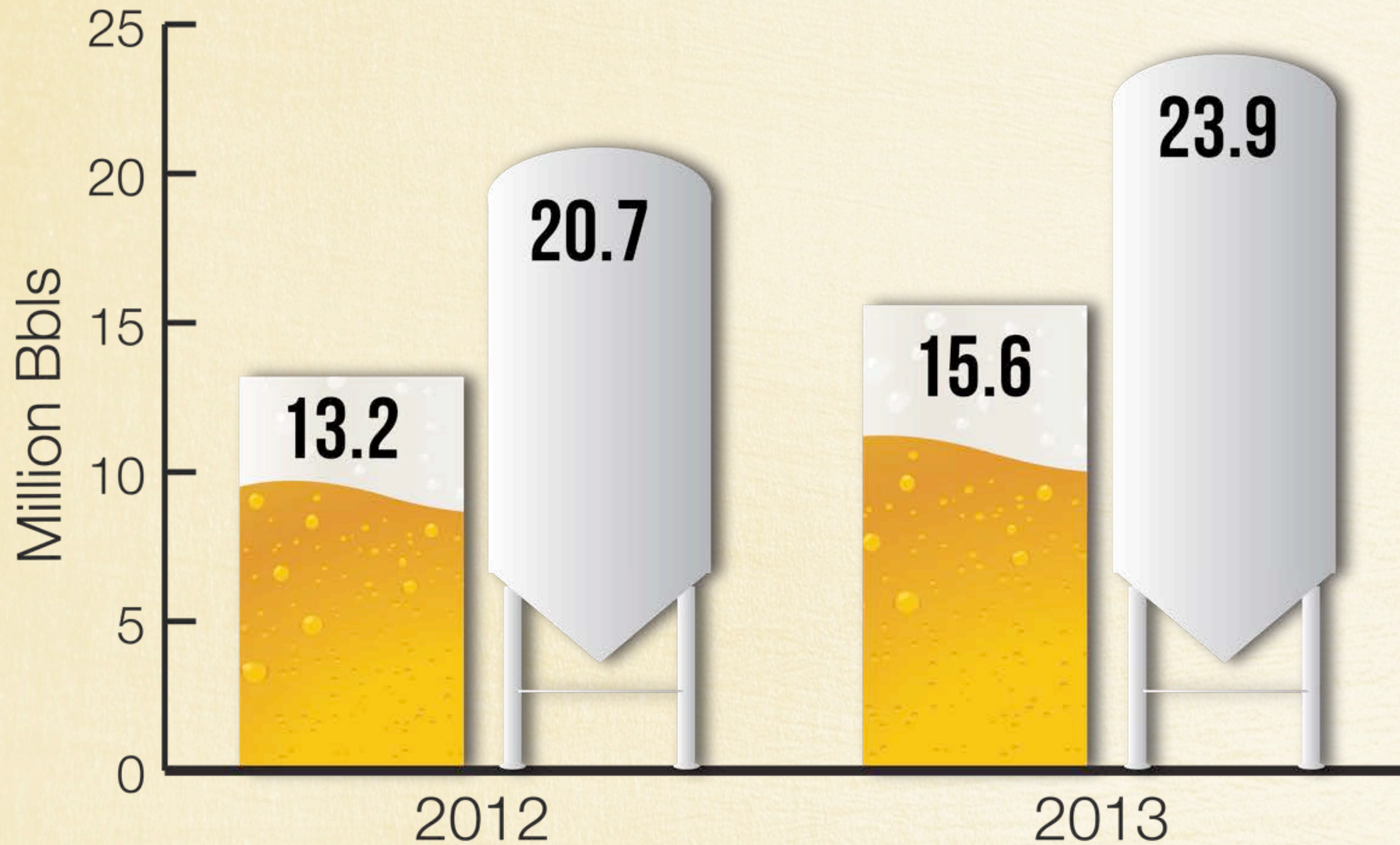


Reasons for Optimism

- **Growth in craft barrels and percentage rapidly accelerating**
- **Large retailers coming around**
- **Legislators recognizing value of local craft breweries**
- **New states discovering craft**
- **Capacity pipeline keeping up with growth**

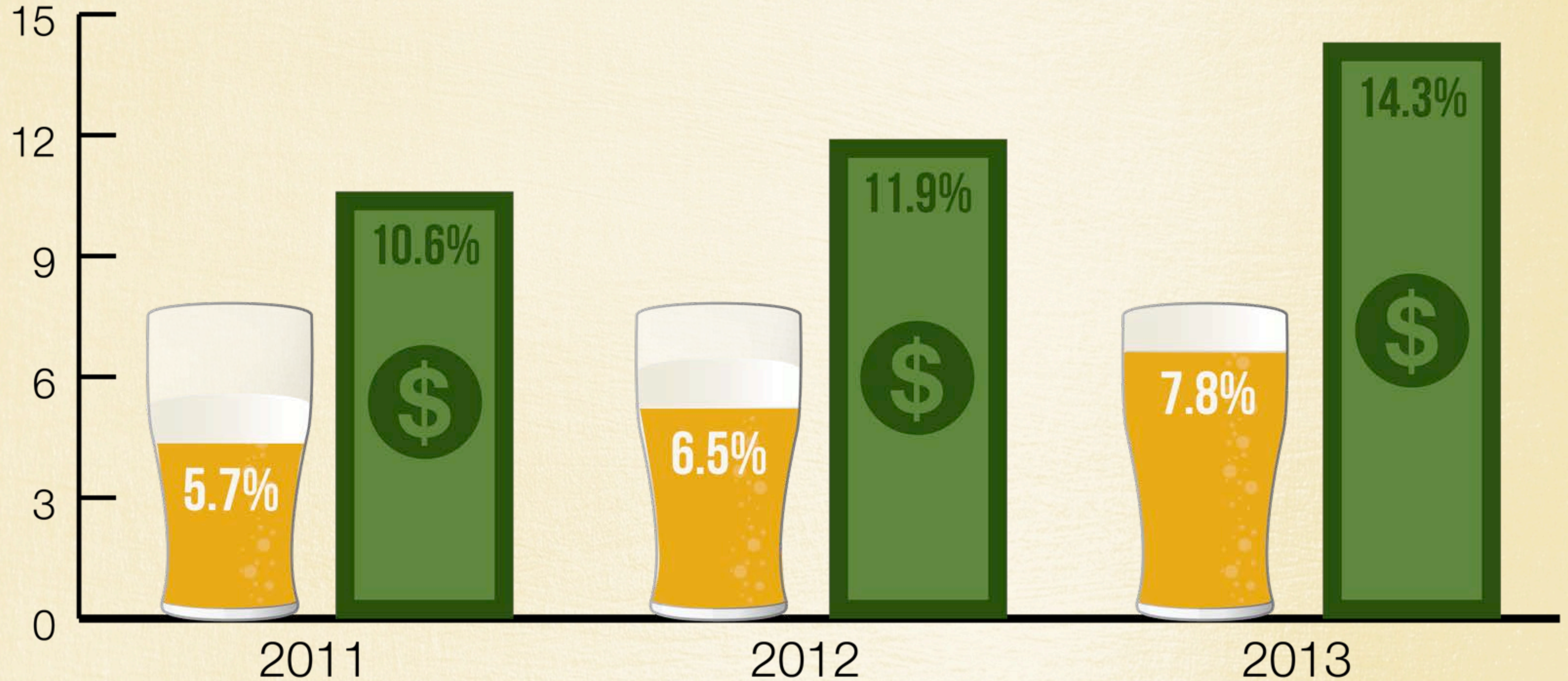


Craft Capacity



**CURRENT PRODUCTION VS.
POTENTIAL CAPACITY**

Craft Share



U.S. Small Brewing Industry Jobs

110,273

TOTAL JOBS

61,697
FULL-TIME JOBS

48,576
PART-TIME JOBS

CRAFT BEER
SALES
ARE AT AN
ALL TIME
HIGH!



STATE OF THE INDUSTRY | BREWERS ASSOCIATION

