



## Brewers Association Export Development Program ISSUES REVIEW

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### **BA Leads Trade Mission to London**

From June 12-17, the BA led a trade mission of US craft beer industry representatives to London, England. Bob Pease (Brewers Association), Eric Rosenberg (Bryant Christie Inc.), Eric Wallace (Left Hand), Bill Covaleski (Victory), Adam Lambert (Rogue), and Doug Odell (Odell) attended the mission. Fred Mendes (Boston Beer) was in town and also attended a trade and media dinner organized as part of the trip.

The visit was designed to educate US industry representatives and BA staff on opportunities for US exports to England, review specific venues for future promotional activities, and generate press coverage and importer interest in US craft beer brands. The week-long mission included meetings with importers, a tour of Imperial Wholesalers, retail and on-trade visits, discussions with specialty beer shop owners, and attendance at the Taste of London. The trip culminated in a trade and media beer-paired dinner at the White Horse Pub on Parsons Green. Fifty key trade and media, including Michael Jackson, Ben McFarland and Larry Nelson filled the venue to capacity.

The trade mission was a success by all accounts. In follow-up surveys sent to brewery representatives, all responses indicate strong satisfaction with the educational nature of the trip, information provided about the market, and the outstanding turn-out of key trade and media to the dinner event. Brewery representatives all felt the trip and dinner were precisely the activities most useful to breweries considering exporting but wishing to learn more about a market. Representatives particularly appreciated the opportunity to speak at the dinner to answer questions about the industry in general and specific beer pairings during the four-course meal. As stated by Bill Covaleski, "That was a great event as we really sucked the media in to understanding our culture. First, it required diligence on the PR front to assemble such a qualified group. Then, the dinner was highbrow and delicious enough to maintain the aspect of high quality that we wanted to reveal. Then, we got to roll up our sleeves and talk shop candidly with the media and the intermediaries (wholesalers, importers and retailers). It was a real positive experience for all."

Based on information obtained during the trip, Adam Lambert and Eric Wallace have volunteered to develop a business plan/marketing strategy to introduce new US brands and develop the market further for US exports. An update on that plan will be included in this newsletter as it develops. Copies of the BA's trip reports from this trade mission, including the dinner menu, guest list, and brewery representative surveys will be emailed to EDP subscribers separately. A similar mission including industry representatives is being considered for Stockholm in October. Please contact Bob Pease at 303-447-0816 ext. 101, [bob@brewersassociation.org](mailto:bob@brewersassociation.org) for more information about the trip to England or to express interest in participating in future missions.

### **Developing Trade Lead for Holland/Europe**

Bob Pease, Eric Rosenberg and Eric Wallace met recently with representatives of Bier & Co. at the company's headquarters in Amsterdam, Holland. The meeting provided an opportunity for BA representatives to advance discussions of a mixed container of US craft beer brands that Bier & Co. is eager to begin importing to Europe.

Bier & Co. is the largest specialty beer importer in Holland and remains independent from any breweries. The company handles over 750 different brands from around the world with an admitted hole in its portfolio of US beers. The company only currently represents Anchor Brewing Co. While Bier & Co. have succeeded in establishing Anchor brands throughout Europe, the company subscribes to the concept that

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**INSIDE THIS ISSUE:**

- **BA Leads Trade Mission to London**
- **Developing Trade Lead for Holland/Europe**
- **US Craft Beer Exports to China – Maybe Soon**
- **US Craft Beers Selected Among Best in the World**
- **Next Up – Salone and Stockholm**
- **EDP Generating Press Coverage for the BA and US Craft Beer Industry**
- **Eastern Europe Research Studies Now Available**
- **EDP Committee Meeting and Database Project**

increased availability in Europe for an assortment of US craft beer brands will ultimately support sales increases for the entire US craft beer category.

With this goal in mind, Bier & Co. is in position to pre-sell an array of US brands in Holland and elsewhere in Europe through partnerships in Scandinavia, Italy, Belgium, and Ireland. Bier & Co. is looking to the BA to help reach out to EDP subscribers with details of this trade lead and to assist in coordinating the consolidation of beer from interested breweries prior to shipping. A background piece describing Bier & Co., its mission, and this trade lead will be issued to EDP members this month. Importantly, other European importers are also seizing upon the mixed container concept and a similar lead is developing in the UK.

### **US Craft Beer Exports to China – Maybe Soon**

In April and May, the BA worked with American Craft Beer Partners (ACBP), a Pittsburgh and Shanghai-based company on its business plan to export US craft beers to China. The complete business plan was sent to all EDP subscribers and ACBP has since been working directly with breweries that expressed interest in this trade lead. This export lead is a product entirely of the EDP. ACBP relied heavily on the BA's 2005 market research study of China and then visited the Craft Brewers Conference in Seattle for initial meetings with industry members. If you did not receive the business plan or would like more information, please contact Bob Pease.

### **US Craft Beers Selected Among Best in the World**

In March 2006, the BA used EDP funds to offset the entry fee and shipping costs for US craft breweries interested in entering their beer in the UK International Beer Challenge. The event is billed as one of the largest international beer competitions in the world with an objective to determine the "World's 50 Best Beers." Beers were judged in terms of taste/quality and packaging. The competition included ten style categories with one trophy winner awarded per category. While no US beers were deemed trophy winners, nine brands were judged to be among the world's best. Congratulations are in order for the following winners:

#### **Strong Ale Category**

- Cinder Cone Red-Deschutes Brewery (10th place)
- Bachelor ESB-Deschutes Brewery (36th place)
- Shipyard Prelude Special Ale - Shipyard Brewing Co (49th place)

#### **Standard Lager Category**

- Kell's Irish Lager - Rogue Ales (14th place)  
Strong Beer Category
- Hercules Double IPA - Great Divide Brewing Co (28th place)
- Hop Henge - Deschutes Brewery (32nd place)

#### **Strong Lager Category**

- Old Scratch Amber Lager - Flying Dog Ales (16th place)
- Brooklyn Lager - Brooklyn Brewery (9th place)

#### **Stouts & Porters Category**

- Stone Smoked Porter-Stone Brewing Co (29th place)

Winners will receive certificates of their accomplishment and the competition's logo is available for their use in marketing/promotions. The BA plans to use EDP funds to help subscribers participate in other international competitions with the Stockholm Beer and Whisky Festival competition and the Australian International Beer Awards next on the list. If you are interested in learning more about this opportunity, please contact Bob Pease.

### **Next Up – Salone and Stockholm**

The BA is now registering breweries that wish to participate with beer and/or in person at the Salone du Gusto (Slow Food) show in Turin, Italy (October 26-30) and the Stockholm Beer and Whisky Festival (September 28-30 & October 5-7). These activities are open only to EDP subscribers. Both shows will provide opportunities for breweries interested in exports to Europe to follow up with importers met during previous visits to the market. The Stockholm show also includes an international beer competition with EDP subscribers allowed to enter the competition through the BA at no cost (see UK Beer Challenge article). Please contact Mark Snyder, Brewers Association at 303-447-0816 ext 137 or [mark@brewersassociation.org](mailto:mark@brewersassociation.org) for more information on either of these events.

## **EDP Generating Press Coverage for the BA and US Craft Beer Industry**

Though only two years young the BA's EDP is already generating substantial media coverage for the US craft beer industry and the export objectives of individual companies. Most recently (July 2), the *Denver Post* business section included a front-page article about the EDP. The article focused exclusively on growth among Colorado's craft beer industry and how the BA's export activities are helping support that growth by raising international awareness of the quality and diversity of US craft beer while generating sales for many breweries.

The BA also already received coverage from its trade and media dinner in London. The June 24 edition of *The Grocer*, London's leading trade magazine covering the food and drink retail sector included a piece by Sonya Hook about the dinner. The article gave prominent coverage to the BA's message that US beer is about more than just mass-produced light lager. The London dinner was also mentioned in the *Denver Post* piece, and additional press coverage was received in *The Morning Advertiser* and *Off License News*. These recent examples of media generated from the EDP, combined with prominent articles published previously in *Brewers' Guardian*, *Brauwelt International*, *The Publican*, Conrad Siedl's beer blog, and others show the success the BA is now having at spreading the gospel of US craft beer internationally.

## **Eastern Europe Research Studies Now Available**

In April 2006, Euromonitor International completed a research study on behalf of the BA of Eastern European markets or US craft beer exports. The study was funded wholly by a grant from the US Department of Agriculture's Emerging Markets Program (EMP).

The project included separate reviews of the Czech Republic, Lithuania, Latvia, and Estonia. As one would expect, these markets are all early in their development for imported craft beers with a few British and Belgian brands now available. However the study noted that the beer culture is strong in the region and growing economies, increased tourism, and stronger ties to Western Europe through the EU should aid in growth for premium imported beer. The premium imported and craft beer segments are already the fastest growing segments in beer sales, albeit from a low level presently. And while lager is certainly the dominant style, growth for ales has been strong particularly in the Baltic states.

Brand and industry recognition are perhaps the greatest obstacles to establishing US brands in these markets. The US is not recognized for its brewing traditions and the trade and consumers in these markets are likely further behind than elsewhere in Europe in understanding the scope of the US craft beer industry. While EDP funds could be used to overcome these challenges it is unlikely that funds will be allocated to this region in the near future at the expense of more immediate sales opportunities in Western Europe and Asia. That said, the research study could be a useful aid to breweries wishing to pursue these markets independently. The research answers key questions regarding labeling requirements, distribution systems, cold storage, price comparisons, and competition.

An electronic copy of all reports and their associated data will be sent to EDP subscribers separate from this Issues Review. Of note, the BA has been awarded another grant for 2007 to complete a study of the Mexican market. The selection process for an in-country research partner has not yet begun.

## **EDP Committee Meeting and Database Project**

The BA continues to encourage members to provide input regarding markets and activities of interest. The EDP committee is chaired by Jack Joyce (Rogue Ales) and includes Bruce Forsley (Shipyard), Fred Mendes (Boston Beer), Eric Warner (Flying Dog), Eric Wallace (Left Hand), Sam Calagione (Dogfish Head), Dan Gordon (Gordon Biersch), Adam Lambert (Rogue Ales), Ken Grossman (Sierra Nevada), and Mattson Davis (Kona). The committee most recently met by conference call on June 6 to discuss upcoming events and to review proposals submitted regarding a regulatory database the BA plans to fund. The committee was very supportive of the database, which would place online (on the BA's website) regulatory and market information on ten key export markets initially. The database would be searchable by topic and market and is designed to serve as a one-stop-shop for breweries wishing to gain information to help make export trade decisions. Topics would cover labeling requirements, distribution, trade mark-ups, importer contacts and more. It is anticipated that the database will be completed before the end of the year. An update on this project will be included in future Issues Review newsletters. The BA thanks the committee members that participated in the June 6 call and appreciates your valuable input. Mark Snyder, BA, already emailed a summary of that meeting but please contact Mark if you missed that email or if you would like to be added to the EDP committee.