



Brewers Association Export Development Program ISSUES REVIEW

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International Trade and Media Visit GABF

The Brewers Association hosted influential international trade and media on tours, receptions, and seminars in conjunction with the **Great American Beer Festival® (GABF)** from September 28-30, 2005. Participants included beer writers from the UK and Germany, the leading craft beer expert from Italy's craft beer association, and importers from Denmark and the UK. Two days of tours to local breweries in Longmont, Boulder, and Denver were designed to provide **exposure to the US craft beer industry, education about the growth and objectives of the industry, and an understanding of the quality of diversity of beer produced in this country.** Participants unanimously expressed amazement at the tastes, character, and quality of beer sampled during the visit.

Following the tours, guests were invited to attend an **informal reception** with representatives from US breweries interested in the export marketplace. Although unfortunately many of the international guests were delayed by their GABF judging responsibilities, the reception ultimately provided an opportunity for the trade and media to speak directly with brewery representatives about their ambitions in entering the international market.

The BA has already achieved favorable results from this program. Ina Verstl, a leading beer journalist from Germany has already published a four-page article on the **US craft beer industry and GABF in the October 5 edition of *Brauwelt International*** and **Ben McFarland (UK's 2004 Beer Writer of the Year) has already published a piece on his visit to GABF in *The Publican* newspaper**, which is distributed to the UK's 65,000 bars and pubs. A copy of the *Brauwelt* article is available from the BA and readers interested in *The Publican* piece may find it at www.thepublican.com. The BA will continue to collect coverage generated from events at the GABF and will notify members of the export development program (EDP) distribution list, if interested.

Importantly, the GABF also targeted importers. **Importers from Denmark and the UK** attended the events and indicated significant interest in handling additional brands in their markets. The BA is now working with those importers to help put them in touch with breweries wishing to export.

BA Attends the Stockholm Beer and Whisky Festival

In early October (4-8), Bob Pease, BA Vice President, and Eric Rosenberg, export development program consultant, attended the second weekend of the Stockholm Beer and Whisky Festival. The event's first weekend conflicted with GABF. Using US Department of Agriculture grant funds, the BA had a **US craft beer booth** at the show and hosted **three elevated tastings of a variety of US craft beers for trade and consumers.** The BA, with the assistance of the US Embassy, also hosted a beer and food paired dinner for over forty trade and media. **US Ambassador to Sweden, Mr. M. Teel Bivins and his wife attended the dinner to show their support for the BA's efforts.** Following this event Bob Pease was presented a prestigious award for the "advancement of beer" in Sweden. Marianne Wahlberg, organizer of the Stockholm festival, presented the award, one of only nine that have been presented previously.

The dinner featured four different US craft beer brands and styles paired with prawns, tandoori pork tenderloin, an assortment of Swedish cheeses, and chocolate soup. **Garrett Oliver from Brooklyn Brewery** was instrumental in helping to design the pairing and the BA certainly appreciates his assistance. The evening was well received with importers and media alike expressing surprise by the quality and diversity of US craft beer and interest in the export promotion activities of the association and its members. There was general agreement that US craft beer such as those showcased at the dinner would find enthusiastic consumers in the Swedish/Scandinavian markets.

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Mr. Pease and Mr. Rosenberg also used their visit to Sweden to meet with importers and with the head beer purchaser for the country's monopoly retailer, the Systembolaget. These meetings were also encouraging. **Systembolaget reported a significant increase in US beer sales over the past year**, including increases for all five US craft beer brands now carried by the retailer. This growth, reflecting the interest among consumers in US beers, has motivated the Systembolaget to place calls for other US brands. Brands from Rogue and Brooklyn will launch this year, and the BA is optimistic that North Coast's Red Seal Ale will launch in half of the country's top stores within months.

Importantly, a number of importers met during the event expressed an interest in adding at least one US craft beer brand to their portfolio. EDP members wishing to obtain a copy of the BA's trip report for this event or the contact information for importers in Sweden, can do so by contacting Bob Pease at (303) 447-0816 ext. 101.

Next Up – Rimini and CBC

Two other key activities that make up the BA's EDP effort will be upon us shortly. For the second consecutive year, the BA will participate in the **Pianeta Birra trade show in Rimini, Italy** in early February 2006. This show is strictly for the beer trade and is one of the largest beer exhibitions in the world. It attracts exhibitors and buyers from the world, but with a heavy concentration from Europe.

The BA will build on its partnership with the Italian craft beer industry (Union Birrai) by sharing adjacent booth space at the show. An announcement of the event, and request for beer samples and promotional literature from industry will be distributed in the coming days. Interested breweries are encouraged to participate in person, but may also send samples to showcase. Bob Pease and Eric Rosenberg will attend this event to promote the US industry. Similar to activities in Sweden, a beer tasting/seminar is being organized for Rimini and the BA is in early discussions with Union Birrai on co-hosting a trade dinner or other event to generate greater awareness of the BA's presence and industry's interests in the market.

Following the Pianeta Birra trade show, the BA will gear up for the **2006 Craft Brewers Conference and World Beer Cup® in Seattle, Washington**. With the event held on the West coast, the BA intends to invite craft beer importers and media in Asia and Western Canada to attend. A series of export market presentations is being planned where brewery representatives can learn more about the opportunities and challenges in some of these key markets. Similar to last year, the CBC will also provide an opportunity for brewery representatives to meet key trade members from these markets and establish relationships that will hopefully result in greater sales down the road. While the focus will be on Asian and Western Canadian trade, the BA will also extend invitations to specific European targets. The BA welcomes input into the selection process for trade members invited to CBC and on presentation topics of greatest interest to industry. Breweries are encouraged to email comments or questions to Eric Rosenberg at ericr@bryantchristie.com or Bob Pease at bob@brewersassociation.org.

New Resources Available to EDP Members

Towards the end of the 2004-05 EDP marketing year, the BA completed two projects of interest to EDP members. Using funds obtained from the USDA's Emerging Markets Program, the BA added a **Chinese translation of the association's American Craft Beer Guide** to the Web site. The translated version can be found at www.beertown.org/craftbrewing/beer_sellers.html. This translated piece is useful to any breweries initiating conversation with potential Chinese importers or media and will be of particular use to the BA as export promotion activities evolve in Asia. As many EDP members may recall, the BA completed an extensive market research study of China last year. That study is available from Bob Pease at the BA for those wishing to receive a copy.

Another valuable resource for craft beer promotion and marketing is now being printed. Using remaining USDA funds from the 2004-05 marketing year, the BA designed an **educational piece specifically about food and beer pairings**. This theme is central to many of the BA's marketing efforts. The piece will provide a valuable addition to domestic and international marketing activities and general education about the diversity of US craft beer with food of virtually any style or origin. An electronic copy of the guide will be available online shortly and EDP members wishing to use the guide are encouraged to contact the BA to receive print copies.

BA Stands to Receive Additional USDA Funds for 2005-06

The BA received its allocation of USDA export development funds in July of this year. However, that allocation was based on a total allocation of funds for the USDA's Market Access Program of \$125 million. The Market Access Program is the primary federal funding program from which US agricultural groups, including the BA, receive their funds.

Earlier this month, Congress passed an MAP budget for the 2005-06 marketing year of \$200 million. USDA therefore now has another \$75 million to allocate to agricultural organizations that participate in this program. While the BA has not yet received its supplemental allocation, it is anticipated that the organization will surpass the \$140 thousand awarded last year. The BA will keep the EDP Committee and members informed of these developments.

BA EDP Membership Fee and Export Survey

In August, BA staff circulated a letter to all breweries on the EDP distribution list announcing the organization's plan to initiate a membership fee for those wishing to actively participate in EDP activities. **The fee is being instituted to ensure that BA dues resources alone do not cover internal and administrative costs.** The BA's vision is for the EDP to become self-sufficient with inputs from the companies making most use of the program to develop their export portfolios. For a \$500 annual fee, breweries are entitled to participate in all EDP events. The fee includes participation in all reverse trade missions, having your beer showcased at international shows and competitions, research, trip reports, and more. Activities can also be selected on an a la carte basis for companies looking to spend less than \$500 but interested in specific activities. Certain activities, such as seminars held at CBC are open to all interested breweries at no charge. While the fee does not include the cost of donated samples, it is hopefully minimal enough so as not to discourage breweries from taking advantage of this valuable new BA program.

The BA continues to accept input on this fee structure and the EDP program in general, so breweries are encouraged to contact Charlie Papazian or Bob Pease with any questions or comments.

Related to the EDP program, the BA's **annual export survey** will commence shortly. Reporting on craft beer export sales is a critical element of the USDA programs from which the BA receives funds. The BA does not report individual company sales, but rather provides aggregate statistics that show any progress being made in developing export markets with USDA funds. Input from BA members is critical in this process. Mark Snyder, BA Executive Assistant, conducts this export survey by email and phone once each year. He will be contacting breweries for this year's survey soon. We would like to thank all breweries that have graciously provided valuable information in past surveys, and again ask that members work with Mark to provide the information needed for our reports.

BA EDP Committee Members

The BA encourages members to provide input regarding markets and activities of interest to them. Currently, the BA's export development program committee consists of Bruce Forsley (Shipyard), Fred Mendes (Boston Beer), Eric Warner (Flying Dog), Sam Calagione (Dogfish Head), Dan Gordon (Gordon Biersch), John Bryant (Odell), Ken Grossman (Sierra Nevada), Robert Widmaier (Briess), and Keith Kinsey (Kona). Please contact Mark Snyder if you would like to be included on the committee.