



## Brewers Association Export Development Program ISSUES REVIEW

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### **Growing International Attendance at GABF EDP Discussion**

For the fourth year in a row, the Brewers Association (BA) held an Export Development Program (EDP) discussion during the Great American Beer Festival (GABF). In year's past, the BA has used EDP funds to bring importers or media contacts to the GABF, to attend the session and to meet with US industry members. Notably, this year the EDP discussion had significantly greater participation from international buyers and media with EDP funds only used to cover speaker costs.

Leading off the discussion, Nigel Stevenson (James Clay & Sons) and Glenn Payne from (Beer2Love) provided an update on developments in the British market for US craft beer imports. Since speaking at GABF 2006, James Clay & Sons has added three US craft beers to their portfolio and those brands are performing well. The company is now interested in adding more and was hoping to use the EDP session to speak with industry members interested in exporting their products to the UK. Glenn Payne is helping this process by identifying EDP subscribers that would be a good fit for the Clay portfolio and advising those breweries on the labeling changes necessary for exports to the UK. Barry Fitzgerald (Underdog Marketing) rounded out the discussion with a focus on the Irish market. Barry has handled a number of US craft beers and is a leading importer in Ireland for European specialty beers, primarily those from Belgium. Barry is also part of a cooperative with importers in Spain and Germany. The cooperative combines their orders for specialty beers from around the world, filling full or half containers.

The objective of these discussions was to inform EDP subscribers about ongoing opportunities for them in the UK and import options available. The session was also designed to introduce EDP members to interested trade contacts from other markets. Guests this year included buyers from Singapore, Japan, Mexico, Israel, Canada, and Sweden among other markets. Media contacts from the Associated Press and from *Brauwelt* also attended. A reception following the discussions provided a chance for EDP subscribers to meet these trade contacts.

Admittedly, the presentations could have been stronger but industry members and trade contacts alike appeared to get a lot out of the reception that followed. The BA anticipates more export deals to be arranged over the next year as a result of this GABF session.

Importantly, James Clay & Sons is looking now to reach agreements with US breweries looking to export to the UK. EDP members interested in speaking further with Nigel, Glenn or Barry are encouraged to contact them directly. By email they can be reached respectively at [nigel.stevenson@virgin.net](mailto:nigel.stevenson@virgin.net), [Enyapag@aol.com](mailto:Enyapag@aol.com), and [barrypfitz@eircom.net](mailto:barrypfitz@eircom.net). EDP members should also feel free to contact Bob Pease (BA Vice President) at [bob@brewersassociation.org](mailto:bob@brewersassociation.org) for more information on these or other markets of interest.

### **Liquor Control Board of Ontario Interested in Larger US Craft Beer Selection**

At the invitation of the Boston Beer Company, Leeann Rhee, Category Manager for the Liquor Control Board of Ontario (LCBO) attended the GABF and the EDP discussion (see related story). Eric Rosenberg

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(Bryant Christie Inc.) met with Ms. Rhee following the EDP session to learn about the LCBO's plans to add new US craft beer listings and to exchange information about the EDP and BA funds that could be available to help promote US craft beers in Ontario. The LCBO is the provincial government's alcohol import and retail monopoly. Ontario is Canada's most populated and largest beer consuming province.

Ms. Rhee indicated that the LCBO has identified the addition of an assortment of US craft beers as a top priority for 2008. Tentatively, the LCBO would like to roll out new brands in May 2008 with additional seasonal roll outs in the summer and winter. A number of targeted brands have already been identified. Ms. Rhee's visit to the GABF was specifically to help identify others. The BA has offered assistance in helping the LCBO reach out to EDP subscribers and has already extended an invitation to Ms. Rhee to speak at the Craft Brewers Conference in San Diego. That visit would be timely in light of the LCBO's plans for a US craft beer portfolio.

Though the LCBO's plans are still being finalized, there is a desire to distinguish US craft beers in all LCBO outlets by offering separate shelving for the category. The BA is also discussing ideas including articles/advertisements in the LCBO's retail magazine (*Food and Drink*), beer and food pairing demonstrations in LCBO demo outlets, and cooking classes focused on US craft beers. EDP subscribers will be notified of any trade leads that develop with the LCBO. However, breweries interested in exporting to Ontario should know that an agent representing your brand in that market is a requirement to doing business with the LCBO. The BA has a list of some Ontario-based agencies. EDP subscribers should contact Eric Rosenberg at [ericr@bryantchristie.com](mailto:ericr@bryantchristie.com) for this information.

For more information on the LCBO itself, please visit <http://www.lcbo.com/main/en.shtml>.

### **Systembolaget to Expand US Craft Beer Portfolio**

Staying on the topic of retail monopolies, Sweden's Systembolaget is also interested in launching additional US craft beer brands in 2008. In the interest of exposing Swedish consumers to a wider range of US brands, Systembolaget is working with importers in the country to identify brands for short term product launches almost on a monthly basis for 2008. New US brand launches are already in the works for February, March and May 2008. There are no product launches in April. Jorgen Hasselqvist (Oliver Twist) is the BA's main point of contact in Sweden regarding the Systembolaget's plan. However, all Swedish importers would be able to submit brands in response to these Systembolaget product tenders. EDP subscribers interested in a list of Swedish importer contacts are encouraged to call Bob Pease (303) 447-0816 ext 101. or email [bob@brewersassociation.org](mailto:bob@brewersassociation.org). Breweries are also welcome to contact Jorgen Hasselqvist directly at [jugge.hasselqvist@comhem.se](mailto:jugge.hasselqvist@comhem.se).

### **Swedish Interest in US Craft Beers Fueled by Stockholm Beer and Whisky Festival**

As reported above, Sweden's retail monopoly Systembolaget remains interested in adding new US craft beer brands to its portfolio. Should the monopoly indeed launch new brands from the US in 2008 it would mark the fourth consecutive year for such launches. North Coast Brewing Company, Left Hand Brewing Company, Boston Beer Company, Rogue Ales and Great Divide Brewing Company are some of the EDP subscribers that have benefited from Systembolaget's interest of late.

Systembolaget's demand for US brands coincides with the BA's EDP efforts which have specifically targeted that market for four years. In September, the BA sponsored a generic US craft beer booth for the fourth time at the Stockholm Beer and Whisky Festival. EDP funds were also used to ship samples to Sweden for the booth and to enter US brands into the show's competition. Beer from 18 companies was showcased at the booth and submitted to the competition. Mark Snyder (BA) attended the festival to represent the EDP.

Consistent with its past performance, US craft beers did well in the competition. Despite record entries this year, US breweries came away with eight medals including:

**Category: Well Hopped Lager max 5.9% ABV**  
Silver-Boston Lager, Boston Beer Company

**Category: Ale 4.8% to 5.9% ABV**  
Gold-Harpoon IPA, Harpoon Brewing Company  
Silver-Red Seal Ale, North Coast Brewing Company  
Bronze-5 Barrel Pale Ale, Odell Brewing Company

**Category: Porter/Stout to 5.9% ABV**  
Gold—Porter, Sierra Nevada Brewing Company  
Silver—St Bridgets Porter, Great Divide Brewing Company

**Category: Strong Beer 6.0% ABV and above**  
Gold—Shakespeare Stout, Rogue Ales

**Category: Strong Beer 8.0% ABV and above**  
Gold—90 Minute IPA, Dogfish Head Brewery

Each brewery will be presented their award(s) during an award ceremony at the Craft Brewers Conference in April.

### **EDP Members Garner Awards in European Beer Star Competition**

The Stockholm Beer and Whisky Festival competition is not the only international event in which EDP subscribers recently came away with awards. Eleven EDP members also won awards in the European Beer Star Competition. The European Beer Star Awards has developed into one of the industry's most coveted awards recognizing original, innovative beers. The 2007 competition included a record 575 entries from breweries in 28 countries.

For the first time, the BA included this competition as part of its EDP subscriber package. The BA paid for shipping samples to Germany for the judging in September and covered the entry cost for up to two brands per brewery. A special rate was negotiated with the competition at 150 Euros per entry.

The awards were announced earlier this month and will be presented at the Brau Beviale trade show in Germany in mid-November. BA staff will attend Brau and accept awards on behalf of EDP members. Congratulations are in order for the following winners:

#### **GOLD MEDAL WINNERS**

##### **Brewery Ommegang**

Hennepin Farmhouse Saison

##### **Boston Beer Co**

Samuel Adams Cream Stout  
Samuel Adams Holiday Porter  
Samuel Adams Brown Ale

##### **Deschutes Brewery**

Obsidian Stout  
Bachelor ESB  
Abyss

##### **Harpoon Brewery**

Harpoon Octoberfest  
Harpoon IPA

#### **SILVER MEDAL WINNERS**

##### **Boston Beer Co**

Samuel Adams Black Lager  
Samuel Adams Pale Ale  
Samuel Adams Old Fezziwig

##### **Deschutes Brewery**

Black Butte Porter

##### **Great Divide Brewing Co**

Titan IPA  
Oak Aged Yeti Imperial Stout

##### **Left Hand Brewing Co**

Milk Stout

##### **Victory Brewing Co**

Victory Prima Pils

#### **BRONZE MEDAL WINNERS**

##### **Boston Beer Co**

Samuel Adams Boston Ale  
Samuel Adams Honey Porter

##### **Alaskan Beer Co**

Alaskan Smoked Porter

##### **Rogue Ales**

Shakespeare Stout

##### **Victory Brewing Co**

Victory Storm King Stout

The winning beers will be featured at the European Beer Star Award booth at Brau Beviale. The BA will also present these awards to breweries at a ceremony during the Craft Brewers Conference in San Diego.

Each year, the BA EDP funds the participation of members in three or four international competitions. For more information on the EDP and participating in these competitions, please contact Mark Snyder (BA) at 303-447-0816 ext. 137 or [mark@brewersassociation.org](mailto:mark@brewersassociation.org).

### **BA and Hop Growers of America to Co-host US Craft Beer Tasting at Brau Beviale**

On November 15, 2007 the BA will co-host a tasting of US craft beers at the Brau Beviale trade show in Nurnberg, Germany. Brau Beviale (from November 14-16) is one of the world's largest trade fairs for the beverage industry. Charlie Papazian, BA President, attends the event every year to generate interest in the BA's World Beer Cup and increase awareness of the BA and the US craft beer industry among the international beer trade and media.

The Hop Growers of America (HGA) similarly attends this fair with regularity to promote US hops and strengthen linkages with international breweries and the media. For the first time ever, the two organizations will join in hosting a tasting/seminar of US craft beers made exclusively with US hops. Last month a solicitation went out to EDP members to nominate brands for this tasting. Ultimately, five beers were selected including Alaskan Pale Ale (Alaskan Brewing Company), Mirror Pond Pale Ale (Deschutes Brewing Company), Snake Dog IPA (Flying Dog Brewery), Big Swell IPA (Maui Brewing Company), and India Pale Ale (Odell Brewing Company).

Charlie Papazian will lead the tasting with assistance from Doug Odell (Odell Brewing Company), Eric Warner (Flying Dog), and representatives from the US hop industry. Invitations were mailed to international brewers, trade contacts and the media to attend the seminar. RSVPs for this seminar at Brau are due by November 8. If interested in seeing a copy of the invitation, please contact Eric Rosenberg at [ericr@bryantchristie.com](mailto:ericr@bryantchristie.com).

The seminar is a perfect example of cross-promotional opportunities available for the BA with other US industry organizations that also receive USDA export assistance grant funds. The USDA encourages such cross-promotions as a way to stretch limited marketing resources while increasing exposure for like commodities. In this case, the seminar is being paid for entirely by the HGA with beer samples provided at no charge by participating breweries. The brands being used in the tasting, along with all others nominated, will also be showcased at the HGA booth on the show floor.

### **Generic US Craft Beer Mixed Six-Pack to Hit Store Shelves in the Netherlands**

The BA is excited about a retail promotion made possible by the EDP in the Netherlands. Through Bier & Co., the leading specialty beer importer and distributor in that country and a European partner for many US craft beer brands, the BA was presented an opportunity to design a generic mixed six-pack carton for one of the Netherlands' leading off-trade chain stores, Mitra. Mitra has over 300 store outlets in the Netherlands. The company will re-pack the cartons with six different US craft beer brands for a featured month-long display and promotion. If successful, the chain would likely run similar promotions in the future with seasonal selections and rotating brands. All parties anticipate the promotion will significantly expand US craft beer sales in the Netherlands. Already, the BA has been approached by retailers in the UK and Canada, and importers in China about a similar promotion in those markets. The Mitra promotion is scheduled for November. Details on the success of this promotion will be provided in the next *Issues Review*.



### **BA to Participate in Foodex Japan**

In March 2008, the BA will participate in Foodex Japan, the country's leading food and beverage trade show. The BA has already reserved two booth spaces in a corner location from which to generically represent US craft beers. EDP subscribers with beer already available in Japan will be given the opportunity to have their importers represent the brands at the BA's booth. Brewery officials themselves are also encouraged to attend and the BA is considering funding an industry delegation to this show. Foodex takes place in Makuhari (outside of Tokyo) from March 11-14. If you would be interested in attending as part of a BA delegation, please notify Bob Pease.

As has been done in other cities, the BA also intends to host a beer and food paired dinner in Japan for trade and media. Such dinners have been successful in London, Shanghai, and Stockholm. The dinner and other components of the BA's participation in Foodex are in the initial planning stages. More details and a request for samples and materials will follow over the next few months.

### **EDP Continuing to Receive Press Attention**

Following press releases on recent EDP successes in Europe and China, Bob Pease, BA Vice President was contacted for a number of interviews regarding US craft beer exports. The August 3 edition of the *Portland Business Journal* did a nice feature on Rogue Ales and that company's success as part of the EDP effort in China. The article can be accessed at: <http://portland.bizjournals.com/portland/stories/2007/08/06/story4.html?b=1186372800^1500895&surround=etf>. A related television segment also ran that month on KGW-TV out of Portland, OR

Also responding to the Export Development Program press release on China was Beer Advocate. In their September issue *Beer Advocate* ran a short article that captured the core message of the Export Development Program: increasing sales domestically for all American Craft Brewers and helping create the image of a world class brand for American Craft Beer.

### **BA Receives Increased Funding from the USDA's Emerging Markets Program**

In May, the BA submitted its annual proposal to USDA for grant funds for export promotion, requesting \$350,000 from the Market Access Program (MAP) and \$67,000 from the Emerging Markets Program. These requests represent sizable increases from the amounts received previously from both programs.

The BA is pleased to report that it was awarded its full request from the Emerging Markets Program. The \$67,000 allocation is more than double the amount previously received. These funds were provided to the BA for specific activities in China for 2008. Based on success in that market to date, the USDA awarded these funds to the BA to hold tastings and educational seminars about the US craft beer industry. The BA anticipates holding seminars in Beijing, Shanghai, and Guangzhou as a means to expand distribution for craft beers just now establishing a foothold there. Currently, US craft beers from five different breweries are available in Shanghai through two separate retail chains and in a handful of expatriate bars and clubs.

Planning for these seminars has not yet commenced, but the BA anticipates using the funds to cover the cost of brewery representatives to attend. More information on these activities will be provided over the next few months.

The BA has not yet received word from USDA on its application for MAP funds. MAP provides the bulk of the EDP's funding. An increased allocation from that program would enable further expansion to the program. At this time, the MAP allocations are delayed by the Congressional budget and appropriations process.

### **EDP Steering Committee Meeting**

The BA continues to encourage members to provide input regarding the EDP program, markets and activities of interest. The EDP committee is chaired by Jack Joyce (Rogue) 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), Ken Grossman (Sierra Nevada), and Mattson Davies (Kona). If you are interested in participating in EDP Committee meetings, please contact Mark Snyder (BA) at (303) 447-0816 ext. 137.