



Brewers Association Export Development Program ISSUES REVIEW

736 Pearl Street
Boulder, Colorado
80302 USA
303.447.0816
www.beertown.org

Another Successful Year at the Stockholm Beer and Whisky Festival

BA Vice President, Bob Pease and Export Development Program (EDP) coordinator, Eric Rosenberg (BCI), attended the Stockholm Beer and Whisky Festival (SBWF) this month. Objectives in visiting the show this year included:

- Supporting US craft beers already in the market
- Promoting the introduction of new brands to the market
- Determining the need for future marketing activity in Sweden, and if warranted, identify options to enhance the BA's market presence beyond the SBWF

Supporting Brands Already in the Market

The BA had its own booth at the SBWF with beer from over twenty breweries on display, including brands already available through Sweden's retail monopoly Systembolaget. The US booth received by far the most traffic among trade and consumers, providing thousands of visitors the opportunity to sample a full range of premium US craft beers.

Promoting New Brands

The BA again covered the cost of submitting each brand to the SBWF competition. Congratulations are in order to the following winners:

Category: Dark Lager max 5.9% ABV

Silver-Boston Beer Company, Black Lager

Category: Porter/Stout max 5.9% ABV

Bronze-Sierra Nevada, Porter

Category: Strong Beer 6.0% to 7.9% ABV

Gold –Stone Brewing Company, Stone IPA

Silver- Oskar Blue's, Dale's Pale Ale

Bronze-Great Divide, Titan IPA

Category: Strong Beer 8.0% ABV and above

Gold-North Coast Brewing Co, Old Rasputin Imperial Stout

Silver-Flying Dog Ales, Gonzo Imperial Porter

Bronze-Dogfish Head Craft Brewery, 90 Minute IPA

Category: Other Beer Category

Bronze-Rogue Ales, Chipotle Ale

Each brewery will be presented their award(s) during an award ceremony at the Craft Brewers Conference in April. Competition medals help raise awareness of new brands among Systembolaget buyers and can be influential in their decisions to add specific new products.

OCTOBER 2006

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Bob Pease and Eric Rosenberg also met with Dan Ihrelius, beer purchaser for Systembolaget for an annual update on the performance of the US category. US beer sales are up 41% through Systembolaget this year with craft beer driving this growth. For the bottled ale category alone, US sales are up 123.4% for September (compared to September 2005) with the category up 61.2% year to date. As a result of these impressive figures, Systembolaget intends to add other US brands next year.

Future BA Activities

With continued interest among the trade and consumers in US craft beers, further activity in this market is certainly justified so the BA began exploring ideas that would give US craft beers a boost beyond the SBWF. The BA identified potential partners and is considering a schedule of beer dinners in multiple cities in the spring possibly coinciding with attendance at the Copenhagen Beer Festival in May. The BA is also cultivating a relationship with a Scandinavian magazine publisher that has expressed interest in creating a new beer publication for the Scandinavian market. He would like to focus the entire first edition on the US craft beer industry. These concepts will be explored further in the coming months.

EDP Hits on Right Format at 2006 GABF

A special export seminar and reception was held Friday, September 29 at this year's GABF. But unlike previous EDP events at the GABF, this year's format appeared to more effectively meet the expectations of all parties. The seminar component consisted of brief presentations by three companies now working to introduce a variety of US craft beer brands to Europe and China. Following the presentations a more open reception provided an opportunity for the international guests to sample beer and meet representatives from breweries interested in exports. Feedback received from participants about this event has been very positive.

The seminar and reception was not the only EDP-sponsored activity for international guests at the GABF. On Thursday, international trade and media toured New Belgium Brewing Company and Odell Brewing Company in Fort Collins with lunch at CooperSmith's Pub. The tours are an outstanding way for international trade and media to gain a better understanding of the US craft beer industry, while sampling products from breweries that are actually subscribers to the EDP program. The BA anticipates good media coverage from these tours (particularly in the UK).

European Importers Moving Forward with Mixed Container Purchases

Two of the companies that presented at the GABF export seminar recently worked through the BA to release trade leads to industry. The trade leads outlined their interest in importing mixed containers of beer from multiple US craft breweries. A partnership between Vertical Drinks and James Clay & Sons issued one of those leads for beer to be distributed in the UK. The other lead was issued by the Dutch company Bier & Co., which has plans to distribute US craft beers throughout Europe.

Both companies are now closer to finalizing their beer selections. In the next week, breweries wishing to participate in the mixed container to Bier & Co. will receive additional instructions from the BA on submitting samples; while it is our understanding that James Clay & Sons will be contacting breweries directly to obtain additional samples, label sets, and product information. The BA will continue to facilitate discussions where appropriate. Representatives from both companies attended the Salone del Gusto in late October in Italy with the intention of discussing these leads further with interested breweries also in attendance.

Next up – Salone del Gusto, Australia International Beer Awards, Trade Database

October 26-30, 2006, Charlie Papazian (BA President) and Nancy Johnson (Events Director) led a delegation of US craft brewery representatives to the Salone del Gusto (Slow Food) show in Torino, Italy. Representatives from nine US breweries attended the show to support the slow food movement while showcasing the quality and diversity of US craft beers. As mentioned, representatives from both companies interested in importing a selection of US beers to Europe also attended Salone, enabling the BA to move forward with trade discussions with both parties. Though the show is now over, results from this event are still being compiled and will be provided in the next *Issues Review*.

Two other EDP activities remain this calendar year. In December, the BA will consolidate beer samples from breweries wishing to submit their products to the Australian International Beer Awards (AIBA). As has done with other international beer competitions, the BA will consolidate and ship samples and cover the cost of entry into the competition for a limited number of brands from each brewery. The competition itself does not take place until March. EDP subscribers will receive more information about the AIBA competition and sample consolidation instructions shortly.

The BA is also moving forward with the initial phase of developing an online trade and regulatory database with information to help breweries interested in exports. Specifically, the database will contain market information and details on labeling and packaging regulations, trademark registration and regulations, distribution, important contacts (including importers), and more. The plan is to have four countries (Sweden, Denmark, the UK, and Canada) completed by the end of this year and another six (China, Japan, Italy, Korea, Finland, and Mexico) added to the database in 2007. The database will ultimately be available to EDP subscribers through the BA's www.beertown.org website.

Recent EDP Press Coverage

The BA's EDP activities continue to generate substantial coverage for the US craft beer industry and in some cases for individual breweries. While the BA does not retain a press clipping service to monitor international journals for this coverage, we make every attempt to obtain copies. The BA's beer dinner at the Whitehorse Pub in London in June resulted in a number of features and press mentions. Specifically, the BA is aware of articles about the US craft beer industry or about that dinner in *The Grocer*, *Off License News*, *The Morning Advertiser*, *Wine & Spirits Magazine*, *Beers of the World* and *What's Brewing*. The BA is also aware of pieces recently published in the Italian journals *Beverage Magazine* and *Birra di Qualite* and Swedish journals *HD* and *Metro* resulting from EDP efforts in those market. Copies of many of these articles are available from the BA. Please contact Bob Pease (303) 447-0816 ext 101 if you would like them. Many of the Beers of the World articles on the US industry are available at www.beers-of-the-world.com/magazine/author/ben_mcfarland.html.

Interestingly, some of the most extensive coverage for the EDP and the US craft beer industry's export growth came right here at home. On July 1, 2006, the Denver Post business section ran a front-page feature on the EDP and efforts by Colorado breweries to export. The article can be found at: www.denverpost.com/search/ci_4001161.

2007 Planning and EDP Committee Meeting

The BA continues to encourage members to provide input regarding 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).

The next meeting (conference call) is scheduled for November 7 at 2:00pm Mountain time (4:00pm Eastern, 1:00pm Pacific). At that time, the BA will be looking for input on EDP activities for 2007 including seminar topics for the CBC, trade shows being considered in China and Europe, beer dinners in Scandinavia and the UK, and more. Please contact Mark Snyder (BA) at (303) 447-0816 ext. 137 if you would like to be added to the EDP committee and to participate in the EDP conference call on the 7th.