



Brewers Association Export Development Program ISSUES REVIEW

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US Craft Beer Exports Increase 14% over 2004

The BA recently concluded its annual export survey in preparation for submitting the organization's 2006-07 application for USDA export assistance grant money. The survey revealed that for the third consecutive year (the only years for which data has been collected), US craft beer exports increased substantially. Exports over 2004 increased by 14% with sales to Western Europe showing the greatest growth. Moreover, these statistics do not include recent sales to Sweden resulting from Systembolaget's addition of two US brands (see related story). Those sales will show up in next year's survey. As such, the BA anticipates a solid increase again for 2006.

The BA would like to thank all breweries that responded to the survey. The data is compiled and only distributed in aggregate, but the information is critical to the BA's effort to secure additional USDA grant funds.

Recent US Craft Beer Launches in Sweden

In late 2005, North Coast's Red Seal Ale was awarded a tender from Sweden's retail monopoly, Systembolaget. As a result, Systembolaget has guaranteed placement for Red Seal Ale in the retailer's top 100 stores throughout Sweden. The brand will hit the shelves in April 2006. This listing is expected to also drive sales in Sweden's hotel and restaurant sector.

Rogue Ales was also awarded tenders recently with Systembolaget for seasonal offerings. These victories for US craft beers are a direct result of BA efforts in that market over the past two years to cultivate relationships with Systembolaget and generate awareness of US craft beers. With the help of USDA export assistance funding, the BA has participated in the Stockholm Beer and Whiskey Festival the past two years and has visited with Systembolaget's beer buyer, Dan Ihrelius, each time.

Mr. Ihrelius has accepted a BA offer to speak at the 2006 Craft Brewers Conference in Seattle. This reflects favorably on his interest in US beers, as this trip will be the first for Systembolaget staff since a bribery scandal plagued the retailer a few years ago. Mr. Ihrelius will speak on Wednesday, April 12 from 2:15 – 3:15 pm. His visit presents a good opportunity for brewers interested in exports to Sweden to meet with the top buyer for that country.

Brewers Association Participates in Pianeta Birra Trade Show in Italy

February 4-7, the Brewers Association participated in the Pianeta Birra trade show in Rimini, Italy. The show is one of the largest trade-only beer exhibitions in the world and attracts importers from throughout Europe. For the first time, the BA had its own booth at the show. The BA booth was adjacent to Italy's craft beer association, Union Birrai, and Union Birrai graciously provided the BA with translators and bartenders for the entire event. Nine breweries sent beer for display, including five kegs. Bob Pease (BA Vice President), Eric Rosenberg (Bryant Christie Inc.) and Eric Wallace (Left Hand Brewing Company) attended the show to represent the US craft beer industry generically, to generate interest in US beer among importers, and to conduct a tasting of select US craft beer styles.

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The tasting was held on February 4 with over 70 trade and media contacts in attendance. Eight different beers were sampled for the tasting ranging in style, flavor and alcohol content. Feedback from the event was excellent with importers and the media expressing surprise at the outstanding quality and diversity of the US beers. Numerous importers immediately inquired about the availability of the beer in Italy and how they could acquire the featured brands. The BA is following up with these trade contacts to ensure their legitimacy before forwarding leads on to the breweries themselves.

The BA's presence at Pianeta Birra also generated significant media attention. Conrad Siedl of *Brauwelt* attended the tasting and immediately posted a blog about the event on his website. And one of Italy's national television stations, Odeon TV, filmed an interview with Eric Wallace in Italian after the tasting. The interview aired one week later and a copy of the footage is available from the BA. Other print media coverage is anticipated from the event as well.

Of particular note was the presence of importers from European markets outside of Italy. Importers from Finland, Belgium, Switzerland, Denmark, the UK, Sweden, and France all visited the BA booth and expressed interest in US craft beers. Again, the BA is maintaining communication with these trade contacts in an attempt to further define their objectives (see related story on Switzerland).

Swiss Importer Amstein Interested in Mixed Container

One of the more significant trade leads generated during the Pianeta Birra trade show was with Switzerland's largest specialty beer importer, Amstein (www.amstein.ch). Yan Amstein and his father attended the BA tasting and visited the booth. They provided background on their company and acknowledged that they are putting emphasis on adding a number of US craft beers to the company's portfolio in the coming year. The company represents specialty beers from countries around the world, with the notable exception of America.

Amstein suggested working with the BA and its members to identify breweries that would be interested in the Swiss market and consolidating a container of mixed brands for initial trial sale in beer shops throughout Switzerland. The BA expressed a desire to work with Amstein on these arrangements. The BA extended an invitation for Amstein to attend the Craft Brewers Conference but the timing this year did not work out. Nevertheless, the BA has maintained communication with Amstein and will keep BA EDP members informed should this trade lead develop further. If any EDP members are interested in contacting Amstein directly, please feel free to call Bob Pease (303) 447-0816 ext. 101 for more information.

BA Expects Large International Turn-out for Seattle CBC

The Craft Brewers Conference presents an excellent opportunity each year for the BA to advance trade relations for US craft brewers. Based on the interest from last year's seminars in Philadelphia, the BA is again offering four export-oriented discussions. The sessions include:

April 12

- **2:15 – 3:15 pm** – Operations of Sweden's Alcohol Monopoly and Trends for US Craft Beer.
Dan Ihrelius from Systembolaget will speak.

April 13

- **11:15 am – 12:15 pm** – US Craft Beer Sales to Japan: Obstacles and Opportunities.
Andrew Balmuth of Nagano Trading Co. will speak.
- **2:45 – 3:45 pm** – Accessing the Korean Beer Market.
Mr. Myung-Jin Park of beer importer Vintage Korea will speak.

April 14

- **9:00 – 10:00 am** – Denmark – The Fastest Growing Export Market for US Craft Beer.
Anders Kissmeyer of Norrebro Bryghus and Morten Kristoffersen of Danish Beerhouse will speak.

The BA has also extended invitations to many other importers to attend the CBC for meetings with breweries interested in various markets. Eighteen international contacts are expected to participate this year including importers from Korea, Japan, Denmark, Sweden, and the UK. Information about these importers will be provided to EDP members in advance of the CBC in an effort to pre-arrange meetings for those interested in any of these markets. For more information, please contact Bob Pease (303) 447-0816 ext. 101 or Eric Rosenberg (206) 292-6340.

UK Beer Challenge

The BA is using EDP funds to help breweries offset the cost of submitting two brands per company to the UK Beer Challenge. The challenge is one of the largest international beer competitions. It is sponsored by a number of high profile beverage media outlets in the UK including *Off-License News* and *Drinks International*. Thanks to the BA's support, seventeen breweries have signed up to participate. Samples are being consolidated and shipped for arrival in the UK on March 17. More information on the challenge can be found at www.abc-awards.com. Winners will be posted on the event's website once the challenge concludes. The BA will also notify breweries directly and will post results on the BA website.

Eastern Europe Market Research Study Underway

Using funds obtained from the USDA's Emerging Markets Program (EMP), the BA has commenced a research study of the craft beer market in the Czech Republic, Latvia, Lithuania, and Estonia. A few EDP members expressed an interest in learning more about these markets and the EMP program is designed specifically for the purpose of investigating such emerging markets. The study is being conducted by Euromonitor International and is scheduled for completion in May. A summary of the final report will be posted on the BA's website and will be available to EDP members upon request.

For the 2006-07 fiscal year (beginning July 1), the BA has requested funds for a similar study of the Mexican market.

Bryant Christie Inc. to Host Board/EDP Reception at CBC

The BA's export development consultants Bryant Christie Inc. (BCI) will host a reception for BA staff, board members and EDP participants at the company's Seattle headquarters. Invitations to the reception were mailed recently and invitees are asked to RSVP by March 31. The reception will follow the BA board meeting on Wednesday April 12 from 6:30 – 7:30 pm.

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), and Robert Widmaier (Breiss). Please contact Mark Snyder if you would like to be included on the committee.