



## Brewers Association Export Development Program ISSUES REVIEW

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### U.S. Breweries Continue to Achieve Global Recognition

In 2009, as in past years, the EDP supported its members' participation in a few renowned international brewing competitions. These included the European Beer Star Awards, the Australian International Beer Awards, and the Stockholm Beer Competition. For the first time, this year the EDP also added Brew New Zealand to its event schedule.

The awards have been announced for a few of these competitions. The BA assisted 30 breweries with their submissions to the European Beer Star Awards. In total, 109 brands were submitted and of those, 26 received an award. Deschutes Brewery, Caldera Brewing Company, Left Hand Brewing Company, and Boston Beer Company were all awarded gold medals. Deschutes was the only multiple gold medal winner. Silver medals were won by Lakefront Brewing Company (2), Firestone Walker Brewery, Flying Dog Brewery, Uinta Brewing Company, Ballast Point Brewing Company, Rogue Ales, Dogfish Head Craft Brewery, Boston Beer Company, Deschutes Brewery, and Alaskan Brewing Company.

Bronze medals from the European Beer Star Awards were won by Boston Beer Company (2), FX Matt Brewing Company, Caldera Brewing Company (2), Lagunitas Brewing Company, Eel River Brewing Company, Great Divide Brewing Company, and Firestone Walker Brewing Company. These awards will be formally handed out during in Germany later this year. Mark Snyder, Brewers Association, will be on hand to accept awards for breweries not planning to attend.

The Stockholm Beer Competition winners were also announced at the conclusion of that show in October. EDP members received 10 awards including a clean sweep of the British Ale 4.8% - 5.9% abv category.

Deschutes Brewery, Lagunitas Brewing Company and Odell Brewing Company all received two awards at the competition this year. Boston Beer Company, Flying Dog Brewery, Shipyard Brewing Company and Victory Brewing Company rounded out the winners for EDP members. In total, 120 beers from EDP members were submitted for consideration.

Winners of the 2009 Australian International Beer Awards (AIBA) were announced in March. The US craft beer industry performed exceedingly well, winning a total of 114 awards in 27 different categories.

Results from the AIBA competition represent a significant achievement for the EDP. There were 25 US craft breweries that entered the competition, enabling the US industry to have far greater representation than ever before. Overall, the AIBA received 1,140 entries from 39 countries around the world.

Brew New Zealand: 50 brands from 17 different Export Development Program member breweries were submitted for that competition through the Export Development Program. Of particular interest is the Champion International Brewers trophy which was awarded for the first time this year. This award was added to the competition to reward entrants whose beers are not commercially available in New Zealand at this time and are therefore ineligible for some of the other trophies handed out at Brew New Zealand. Deschutes Brewery won the "Class B: Champion International Brewery". Overall 12 EDP members won awards for their beers at this year's competition.

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### **EDP Activities in China Extend to Shenzhen and Hong Kong**

October 8-18, Bob Pease (BA Vice President) and Eric Rosenberg (Bryant Christie Inc.) visited China for American craft beer school seminars in Shanghai (2), Beijing, and Shenzhen. From Shenzhen, the two stopped through Hong Kong prior to departing for the United States. The visits to Shenzhen and Hong Kong marked the first time that the BA's EDP reached those cities. In Shenzhen, a seminar for trade and media was conducted at the Shangri-La Hotel. Shenzhen is the headquarters for Sam's Club in China and that retail chain appears on the cusp of handling a few American craft beer brands. In Hong Kong, no seminar was held. Instead, BA representatives met with two import companies interested in carrying American craft beers for the Hong Kong and southern China markets. It is likely that representatives from these companies will visit Chicago in April for the Craft Brewers Conference.

Activities conducted during this visit to China were a success. In Shanghai, the BA, for the first time, held a seminar for an audience largely of Chinese restaurateurs. This was organized in conjunction with the Shanghai Restaurant Association and was held at the site of the Shanghai Gourmet Food Show. Sixty-two trade contacts attended. For many, it was their first exposure to American craft beers. Two days later, a similar event was held at the Shanghai Four Points by Sheraton targeting more of a western audience. At that event, nearly 50 trade and media contacts attended. Following the event, Bob Pease conducted separate interviews for a number of media contacts including ICS television, Shanghai Daily, Food and Life Monthly and Travel & Leisure magazine. The BA anticipates significant press coverage from these events.

In Beijing, the BA also partnered with Four Points by Sheraton, taking advantage of the Best Brews program which has been a hit in that city. Sixty-five trade contacts attended the seminar which was followed by a reception featuring four stations of beer and food pairings. Beijing is currently the strongest market in China for American craft beers and, in fact, an importer there had just begun importing from one EDP member brewery. That brings the total of American craft breweries exporting to China to six. While visiting Beijing, BA representatives met with this importer to better understand their structure, their capabilities, and their plans to develop the market. The company is among the largest importers of German beers to China and has been in the beer import and distribution business for over ten years. Company representatives attended the BA's seminar and were surprised by the range of beers produced by American craft breweries. The import company intends to send two representatives to the 2010 Craft Brewers Conference to learn more about the industry and to meet with breweries that might have an interest in exporting to China.

As a final note, this year's seminars enabled the EDP to establish a strong partnership with Four Points properties in China. Four Points is a market leader in China in promoting specialty beers and providing an educational experience for consumers. Four Points is also an entrée into the broader Starwood chain of hotels, which has a large presence in China. On this point, the BA learned of Starwood Asia's plans to create a Beers of the World campaign and general managers of Four Points properties in Shanghai and Beijing have expressed a desire to assist the BA with outreach to Starwood Asia's decision-makers for this program.

### **BA Supports USDA-Organized Retail Promotions in China**

In August, the EDP sponsored a promotion with the City Shop retail chain in China. City Shop has eight stores in Shanghai and one in Beijing, all of which cater to western expatriates. As such, City Shop is known for their selection of imported products. The promotion was arranged by the U.S. Agricultural Trade Office in Shanghai. As sponsor, the BA received booth space in-store to display samples and coverage for American craft beers in the store's magazine Tasting. As a result of the promotion, an expanded list of American craft beers is now available in all City Shop locations.

A second ATO-organized retail promotion takes place this Fall. From November 27-December 10, Sam's Club retail outlets in China will hold an American Food Festival. The promotion will include sampling and signage for American food and beverage products, including craft beers. Depending on consumer responses to the craft beers offered during the event, Sam's Club is expected to add a few of the brands permanently for their stores. This would be significant exposure for American craft beers in China.

The BA hopes that a growing retail presence in Sam's Club and City Shop will increase craft beer awareness in China and help expand on-premise distribution for these products as well.

### **Toronto Beer Dinner an Attraction for Trade and Media**

On October 19, the BA hosted a beer dinner for trade and media at the beerbistro in Toronto. The six course dinner featured beers available on the Liquor Control Board of Ontario's (LCBO) general list and two beers only available in select on-premise locations in the city. An outstanding guest list was compiled through BA contacts and with assistance from Stephen Beaumont, whom also served as co-host for the event. Representatives from breweries whose beers were featured in the dinner were also on hand and joined Mark Snyder, Brewers Association, in representing the BA EDP. In total, 60 guests attended the dinner including top beer category officials from the LCBO, leading licensees in the mar-

ket, and media contacts. Robin Tillsworth, Minister Counselor for Agriculture at the U.S. Embassy in Ottawa also attended on behalf of the U.S. Department of Agriculture.

This event marked the first in-market activity for the BA's EDP program since visiting Toronto in 2005 for the Taste US! culinary festival. Since then, the LCBO has added a number of American craft beers to its general list and still others as seasonal purchases. This has been part of a concerted effort by the LCBO to distinguish these government-run retail stores from competition in the market. Specifically, the LCBO has determined that craft beers help the LCBO reinforce its image as a supplier of a diverse range of value-added products. It is believed the LCBO intends to expand its list of American craft beers further in the years ahead.

The dinner at beerbistro was designed to support the LCBO's efforts by demonstrating the BA's commitment to help develop the market for craft beers in Toronto. Interest generated from the event among licensees, along with media coverage from the dinner, will hopefully encourage the LCBO to continue purchasing American craft beers, while generically supporting the brands already available.

### **USDA Foreign Agricultural Service Administrator Visits BA**

On October 23, USDA Foreign Agricultural Service (FAS) Administrator Michael Michener visited the BA and joined Bob Pease for a tour of the Left Hand Brewing Company and a beer dinner at Boulder's The Kitchen restaurant. The visit was part of a West Coast swing by the Administrator to speak with agricultural trade associations that receive funds from USDA export assistance grant programs. Administrator Michener is the top official within FAS, the agency with oversight for those programs.

During their meeting, Bob discussed EDP's background and the growing interest among American craft breweries to export their products. He stressed the importance of the EDP in furthering the BA's mission to establish American craft beer as a global brand. While touring Left Hand, Administrator Michener was able to hear from one industry member that participates and has benefitted from the EDP. It is hoped the visit also helped the Administrator gain a better understanding of the craft beer industry and its significance to local economies and to the larger U.S. agricultural industry.



### **American "Beer Temple" Opens in Amsterdam**

On September 9, 2009, the U.S. Consul General to the Netherlands, Julie A. Ruterbories, celebrated the opening of a new establishment in Amsterdam specializing in American craft beers. The Beer Temple is widely considered the first bar in Europe with a focus exclusively on American beers. Its location could not be better. The bar is situated almost directly behind the Royal Palace at Dam Square.

The Beer Temple features 50 different American beers in bottle and on draft. Over 150 people attended the opening night. The opening of a bar specializing in American craft beers in one of Europe's brewing capitals is a signature accomplishment and was made possible by the efforts of Amsterdam-based Bier & Co. to promote American craft beers and increase consumer awareness of the quality and diversity of products from our industry. Bier & Co. is one of Europe's largest specialty beer import and distribution companies.



### **GBBF Activities Result in Media Coverage for BA and American Craft Beer**

As reported in the July Issues Review, the BA supported a number of activities designed to showcase American craft beers during the Great British Beer Festival. Like last year, the BA used EDP resources to ship samples of American craft beer for display and tasting at the GBBF's Bieres Sans Frontieres bar. But in addition, the BA hosted a beer dinner at The Pembroke restaurant in London and a reception for trade and media at The Porterhouse. Industry representatives from Stone Brewing Company, Victory Brewing Company, Lagunitas Brewing Company, and Odell Brewing Company attended the events in support of the BA's generic market development efforts. The BA has been tracking media coverage from these activities and is aware of pieces in Off-License News and in The Grocer.

### **Brazil Research Report Now Available**

Earlier this year, the BA commissioned a market research study of the Brazilian beer market. The project was designed in part to assist BA staff identify key trade members with whom to meet during their visit to Brasil Brau in June 2009. In addition, the study serves as a useful guide for BA Export Development Program members interested in exporting to Brazil. The final report is now available. Among other topics, the report cov-

ers the size of the beer market and specialty beer market in Brazil, consumption trends, the state of Brazil's craft brewing industry, and opportunities for craft beer imports from the United States. As an appendix, the report also includes a list of Brazilian specialty beer importers, key trade accounts, beer media and other useful contacts. To obtain a copy of the report, please visit the BA EDP website at [www.brewersassociation.org](http://www.brewersassociation.org) or email Mark Snyder at [mark@brewersassociation.org](mailto:mark@brewersassociation.org).

### **2009 GABF Presentations Cover Brazil, Singapore and Fancy Food**

On Friday, September 25, the BA EDP hosted a seminar at the Colorado Convention Center featuring speakers from Brazil and Singapore. Marcelo Stein, Bier & Wein discussed the Brazilian market for specialty imported beers while Winston Kwang, BeerStyle, covered the market in Singapore and Indonesia. US craft beers are now being shipped to these markets. The presentations are both available for download on the EDP website. EDP subscribers interested in any of these markets are encouraged to review the presentations, contact the speakers directly, or inquire with Bob Pease or Eric Rosenberg for additional trade contacts in these markets.

In addition to presentations on potential export markets, the seminar at GABF offered an opportunity for BA Vice President Bob Pease to discuss EDP plans to participate in the Fancy Food Winter Show in San Francisco from January 17-19, 2010. U.S. Department of Agriculture export assistance grant funds can be used to participate in domestic trade shows that attract a large international audience. Fancy Food shows in New York and San Francisco are among U.S. trade shows approved for EDP expenditure. These events offer a chance for the BA and participating brewers to obtain domestic media coverage while showcasing their products for domestic and international buyers. In January 2010, ten EDP members will participate in the BA's pavilion at the Fancy Food show in San Francisco. The BA is also discussing a media push in advance of that event to maximize coverage. As a new exhibitor with Fancy Food, the BA and the U.S. craft beer industry in general are an attractive selling point for the show's organizers. If this event proves successful, other domestic trade shows will be considered for EDP funding.

Though sign-up for the Fancy Food Winter Show has passed, breweries not currently registered, but that wish to participate, should contact Mark Snyder at 303-447-0816 ext 137.