“PROMOTE AND PROTECT AMERICAN SMALL BREWERS”

Craft Brewers’ Conference 2010 in Chicago

2,500 to 3,000 brewing industry attendees will probably enjoy the 2010 Craft Brewers Conference & Brew Expo America from 7th to 10th April in Chicago. The World Beer Cup Gala Awards Dinner will close the conference and event as another highlight. “The BrewExpo America trade show will have approximately 200 exhibitors with lots of new products and new ideas to expose to craft brewers”, Paul Gatza, Director of Brewers Association added in the conversation with BREWING AND BEVERAGE INDUSTRY INTERNATIONAL. Also Bob Pease, Brewers Association VP, described the export support activities of the Brewers Association. (eis)

BREWING AND BEVERAGE INDUSTRY INTERNATIONAL:
Paul, the 2010 Craft Brewers Conference & Brew Expo America will take place in Chicago from April 7 to 10. Are there innovative highlights the visitors should be looking for?

Paul Gatza: The Craft Brewers Conference will have lots of information on the latest brewing developments and management and marketing trend information. One person from outside of our direct network is Dr. Ann Thrup, who was a key player for the wine industry’s development of best practices for sustainability.

One of the talks I am looking forward to is Dr. Michael Lewis discussing the double-edged sword of “drinkability.” Craft brewers are seeing growth in hop-emphasized brews, and how does that play to a belief that balanced brews are important to brand success.

BBI: Could you briefly describe any especially noteworthy program highlights for Chicago? Are there changes compared to last year in Boston?

Gatza: The most exciting new addition to me is four seminars covering craft beer and artisanal food. There is also a new mini-track on Trends this year to cover demographics of the craft brewed beer drinker and data on sales.

BBII: How many visitors do you expect will attend the CBC this year? Do you see an impact on attendance from the current global economic crisis?

Gatza: I think 2,500 to 3,000 brewing industry attendees will enjoy the CBC. We saw strong attendee growth in 2009 even with the economic circumstances, as the conference is a key element of training for brewery employees and is very important for vendors, wholesalers and the media. We also have hundreds of people who are looking at getting into the industry.

These budding entrepreneurs in many cases saw the problems with the old economy and are looking to take control of their work situation and strike out boldly in their passion (brewing). Additionally brewery membership in the association is over 1,300 worldwide, and our network continues to grow each month. So, we are expecting continued attendee number growth and great networking opportunities.

BBII: 2010 is a World Beer Cup year. For our readers, could you briefly tell me what the WBC is all about and why it is internationally important?

Gatza: The World Beer Cup is a biennial competition that continues to grow in prestige each cycle. The entry count is over 3,400 from 45 countries and 656 breweries. Judges who work in blind panels of six or seven at a table, come from over 20 countries. It is a truly international competition. The judging happens right before the conference, with the World Beer Cup Gala Awards Dinner as the closing conference event on 10 April.

BBII: Could you briefly describe any especially noteworthy program highlights for Chicago?

Gatza: The Craft Brewers Conference will have lots of information on the latest brewing developments and management and marketing trend information. One person from outside of our direct network is Dr. Ann Thrup, who was a key player for the wine industry’s development of best practices for sustainability.

One of the talks I am looking forward to is Dr. Michael Lewis discussing the double-edged sword of “drinkability.” Craft brewers are seeing growth in hop-emphasized brews, and how does that play to a belief that balanced brews are important to brand success.

BBII: How many visitors do you expect will attend the CBC this year? Do you see an impact on attendance from the current global economic crisis?

Gatza: I think 2,500 to 3,000 brewing industry attendees will enjoy the CBC. We saw strong attendee growth in 2009 even with the economic circumstances, as the conference is a key element of training for brewery employees and is very important for vendors, wholesalers and the media. We also have hundreds of people who are looking at getting into the industry.

These budding entrepreneurs in many cases saw the problems with the old economy and are looking to take control of their work situation and strike out boldly in their passion (brewing). Additionally brewery membership in the association is over 1,300 worldwide, and our network continues to grow each month. So, we are expecting continued attendee number growth and great networking opportunities.
**BBII: What is the position, in terms of importance, of the CBC&BrewExpo relative to the overall annual event calendar of the Brewers Association and why?**

**Gatza:** The CBC and BrewExpo America are the internal counterweight for staff operations to the annual Great American Beer Festival (GABF). The GABF, which drew attendance of 49,000 in 2009, is every fall and the CBC is every spring. We do other, smaller events during the year too, such as SAVOR – a Craft Beer and Food Experience and the National Homebrewers Conference, attended by 1,200 of our 19,000 American Homebrewers Association members.

**BBII: Tell us more about the Brewers Association activities.**

**Gatza:** The Brewers Association is an interesting organisation in that we do a lot of different things. We publish two magazines, we publish brewing books, we plan industry conferences and competitions and have a public events focus, we work with the media to promote craft brewing. Government affairs work with regulators and legislators on behalf of small brewers is aimed at the “protect” side when small brewers need to speak with one voice.

We launched three new, state-of-the-art interactive websites in 2009 (www.craftbeer.com; www.brewersassociation.org and www.homebrewersassociation.org). All of these activities are aimed toward our purpose: to promote and protect America’s small brewers, their craft beers and the community of brewing enthusiasts.

**BBII: In 2008, the American craft beer segment grew by more than 6 per cent and now occupies more than 4 per cent market share ... and the positive trend seems to continue. What, in your opinion, are the reasons for this remarkable position of the craft brew sector in the mind of the American consumer? Would you venture a prediction about future developments?**

**Gatza:** There are a couple of big ideas here: one is that craft brewers put out great, flavourful, interesting beers in a variety of styles. The American beer drinker is increasingly attracted to small, independent and traditional brewers. They feel good about themselves when they drink craft beer and they feel they are a part of the reason for the success.

As we have seen the number of breweries grow from under 100 still 30 years ago to over 1,500 today, many people know people who work in breweries or know people who know people in breweries. Brewing has come much closer to home and craft brewers are easier to identify with than large corporations.

The success of craft brewers in this recession is an anomaly to other parts of the economy because it is a growth area not built around a lower price point. It makes me wonder how fast craft brewers would be growing today if the economy was cranking on all cylinders.

**BBII: Bob, for about three years now, the Brewers Association has supported a special craft brew export program. What are the main components of that program and which role do (or will) exports play for American craft brewers?**

**Bob Pease:** Main components include trade shows, educational seminars, developing educational materials, entering American Craft Beer into international beer competitions, beer and food dinners and media outreach incorporated into each of these. The goal is to raise the image of American Craft Beer and to promote American Craft Beer as a global brand.

The role exports play for American craft brewers likely varies by brewery. For some, they genuinely look to the business opportunity to expand sales into international markets. For others, they see the export program as a way to further develop their brand (for example by participating in competitions that gain them exposure) and support their domestic sales.

I don’t think there is any doubt that the demand for American Craft Beer will continue to grow in the international market place. American Craft Beer and American
Craft Beer culture are developing the reputation of producing some of the finest beers in the world resulting in the development of American Craft Beer culture.

BBII: Are there countries on which you focus your export support activities, and if so, why?

Pease: Focus for the Brewers Association’s Export Development Program is on Western Europe, mostly Scandinavia, Canada and the UK where there are strong beer cultures and the demand for something new. Also focus on Asia where there is great potential from large populations and a large expatriate community eager for products from home. In Asia, focus is on Japan, China, Singapore, Taiwan. The top export markets for American Craft Beer based on our 2008 survey data were (in order): Sweden, UK, Canada, Japan and then other.

BBII: Which role does or will Europe play in the export aspirations of American craft brewers?

Pease: As above, Europe plays a large role. Europe has knowledgeable beer consumers but also a latent demand for new products and beer styles offered by America’s craft breweries. Our largest export markets are all in Europe and there are good growth opportunities. Our program has until now stayed away from Germany and Belgium but has focused on the UK.

European countries whose beer culture has in recent years been dominated by larger brewing companies making homogenous beer styles have proven to be fertile ground for American Craft Beer due to the flavor and diversity of American Craft Beer.

BBII: In which part of the globe do you see the greatest difficulties for American craft brewers trying to export their beers? I am thinking, of for instance, local distribution issues, among other potential obstacles.

Pease: The biggest obstacle for export growth is shelf life and inadequate distribution infrastructure in many markets. Craft beers are for the most part not pasteurised and they can have a short shelf life depending on style. The key to building a global brand is ensuring the end product received by consumers is a good one. In many countries, the infrastructure is not there to store and distribute craft beers properly. The BA works very hard to identify trading partners that care deeply about the quality of these products.

BBII: What are your long-term goals for your export support program?

Pease: The long-term goals are to continue using the program to develop the global brand of American Craft Beer which includes support for sales in the United States. We will likely increase our presence at trade shows that have a dual domestic and international focus. We will likely further incorporate food and beer pairing education into our activities. We will continue to emphasise trade and consumer education about what makes American craft beers different and better.

BBII: Thank you very much for this interview.