



2011

Stewardship

Report

One of the Brewers Association's goals is to be a transparent organization. This stewardship report serves as a summary of Brewers Association board, committee, staff and member activities in the 2011 calendar year. The Brewers Association is a 501(c)(6) not-for-profit trade association.

Purpose

To promote and protect small and independent American brewers, their craft beers and the community of brewing enthusiasts.

Mission

By 2013, America's craft brewers will have more than five percent market share, will be recognized as making the best beer in the world, will be able to obtain the ingredients and materials needed and will be politically influential enough to secure fair legislative and regulatory treatment for craft brewers.

As American craft brewers, our commitment to quality, vitality and diversity will continue to invigorate our country's impressive brewing culture. Consumers will understand and support craft beer from true craft brewers. Our efforts will not only aid existing craft brewers, but also those who would come after, ensuring the continuing contribution of new ideas and individuals committed to a living and active beer culture.

Core Values & Beliefs

At the Brewers Association we believe in:

- Promoting and celebrating the small, independent and traditional culture of American craft brewers.
- Vigorously defending our industry.
- Supporting and encouraging the responsible enjoyment of beer.
- Providing stewardship for 10,000 years of brewing history.
- Educating brewers and consumers about the diversity, flavor and quality of beer.
- Improving the economic health of American craft brewers.
- Working to build a community of brewers and brewing enthusiasts to provide them with a unified voice.
- Promoting ethical and legal trade practices.
- Building relationships and collaborating with our industry partners.
- Fostering transparency within our own organization.

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Governance

Brewers Association Board of Directors

February 2011 – February 2012

- Steve Bradt, Free State Brewing Co. (KS)
- Sam Calagione, Dogfish Head Craft Brewery (DE)
- Dick Cantwell, Elysian Brewing Co. (WA)
- Mark Edelson, Iron Hill Brewery & Restaurant (DE)
- Gary Fish, Deschutes Brewery (OR)
- Chris P. Frey, AHA Representative (MI)
- Chris Graham, AHA Representative, Beer, Beer & More Beer (CA)
- Ken Grossman, Sierra Nevada Brewing Co. (CA)
- Steve Hindy, The Brooklyn Brewery (NY)
- Kim Jordan, New Belgium Brewing Co. (CO)
- John Mallett, Bell's Brewery (MI)
- Nick Matt, F.X. Matt Brewing Co. (NY)
- John Pinkerton, Moon River Brewing Co. (GA)
- Rob Tod, Allagash Brewing Co. (ME)
- Eric Wallace, Left Hand Brewing Co. (CO)

Board of Directors Elections

- Eligible brewery members of the Brewers Association elected three packaging brewery board members, one pub brewery member and appointed one at-large position in December 2011.
- AHA governing committee members selected one of their membership-elected representatives in 2011. Approximately one-third of board seats are up for election each year.

Executive Committee

- **Nick Matt (Chair)**, F.X. Matt Brewing Co.
- **Sam Calagione**, Dogfish Head Craft Brewery
- **Mark Edelson**, Iron Hill Brewery & Restaurant
- **Kim Jordan**, New Belgium Brewing Co.
- **Charlie Papazian**, Brewers Association
- Staff Liaison: **Bob Pease**

Government Affairs Committee

- **Sam Calagione (Co-chair)**, Dogfish Head Craft Brewery
- **Jim Koch (Co-chair)**, Boston Beer Co.
- **Sergio Barrios**, Mark Anthony Brands
- **John Carlson**, Colorado Brewers Guild
- **Rich Doyle**, Harpoon Brewery
- **Gary Fish**, Deschutes Brewery
- **Steve Hindy**, The Brooklyn Brewery
- **Kim Jordan**, New Belgium Brewing Co.
- **Tami Kennedy**, Shipyard Brewing Co.
- **Dan Kopman**, Saint Louis Brewery, Inc
- **Nick Matt**, F.X. Matt Brewing Co.
- **Tom McCormick**, California Small Brewers Assn.
- **Gene Muller**, Flying Fish Brewing Co.
- **Scott Newman-Bale**, Short's Brewing Co.
- **John Pinkerton**, Moon River Brewing Co.
- **Zach Pritchard**, Choc Beer Co.
- **Sean Lilly Wilson**, Fullsteam Brewery
- Staff Liaisons: **Paul Gatzka**, **Pete Johnson**, **Charlie Papazian**, **Bob Pease**

American Homebrewers

- **Association Governing Committee**
- **Chris P. Frey (Chair)**
- **Jake Keeler (Vice-Chair)**
- **Drew Beechum**
- **Fred Bonjour**
- **Denny Conn**
- **Justin Crossley**
- **Chris Graham**

- **Harold Gulbransen**
- **Bob Kauffman**
- **Susan Ruud**
- **Tom Schmidlin**
- **Curtis Stock**
- **Gordon Strong**
- **Roxanne Westendorf**
- **Jamil Zainasheff**
- Staff Liaisons: **Gary Glass**, **Janis Gross**, **Steve Parr**, **Kathryn Porter Drapeau**
- Members Emeritus: **Fred Eckhardt**, **Ray Daniels**, **Randy Mosher**

Events Committee

- **Steve Bradt (Chair)**, Free State Brewing
- **Tomme Arthur**, The Lost Abbey
- **Fred Buelmann**, New Holland Brewing Co.
- **Sam Calagione**, Dogfish Head Craft Brewery
- **Greg Koch**, Stone Brewing Co.
- **Jeff Mendel**, Left Hand Brewing Co.
- **Garrett Oliver**, The Brooklyn Brewery
- Staff Liaison: **Tom Clark**, **Nancy Johnson**, **Bradley Latham**, **Charlie Papazian**, **Bob Pease**, **Chris Williams**

Brewpubs Committee

- **John Pinkerton (Chair)**, Moon River Brewing Co.
- **Steve Bradt**, Free State Brewing Co.
- **Dick Cantwell**, Elysian Brewing Co.
- **Larry Chase**, Standing Stone Brewing Co.
- **Tom Dargen**, Craft Works Brewery Restaurant Group
- **Mark Edelson**, Iron Hill Brewery & Restaurant
- **Kevin Eichelberger**, Red Eye Brewing Co.
- **Christian Ettinger**, Hopworks Urban Brewery
- **Paul Kavulak**, Nebraska Brewing Co.
- **Nick Matt**, Matt Brewing Co.
- **Dave McLean**, Magnolia Gastropub and Brewery
- **Scott Metzger**, Freetail Brewing Co.
- **Tony Simmons**, Pagosa Brewing Co.

- **Sebastian Wolfrum**, Natty Greene's Pub and Brewing Companies
- Staff Liaisons: **Paul Gatzka**, **Erin Glass**, **Charlie Papazian**, **Bob Pease**

Communications Committee

- **Dick Cantwell (Chair)**, Elysian Brewing Co.
- **Fred Czuba**, Saxco Pacific Coast, LLC
- **Gary Fish**, Deschutes Brewery
- **Stan Hieronymus**, Beer Travelers & Labinsky
- **Steve Hindy**, The Brooklyn Brewery
- **David Logsdon**, Brewing Services Limited
- **Randy Mosher**, Randy Mosher Design
- **Doyle**, American Homebrewers Association Governing Committee
- **Chuck Skypeck**, Boscos Brewing Company
- Staff Liaisons: **Paul Gatzka**, **Gary Glass**, **Cindy Jones**, **Charlie Papazian**, **Bob Pease**, **Jill Redding**, **Kristi Switzer**

Governance Committee

- **Gary Fish (Chair)**, Deschutes Brewery
- **Kim Jordan**, New Belgium Brewing Co.
- **Steve Bradt**, Free State Brewing Co.
- Staff Liaisons: **Charlie Papazian**, **Bob Pease**

Public Relations & Marketing Committee

- **Kim Jordan (Chair)**, New Belgium Brewing Co.
- **Sam Calagione**, Dogfish Head Brewery
- **John Cochran**, Terrapin Beer
- **Steve Hindy**, The Brooklyn Brewery
- **Brett Joyce (Chair, Export Development Subcommittee)**, Rogue Ales
- **Jack Joyce**, Rogue Ales
- **Chris Justema**, Cascade Lakes Brewing Co.
- **Greg Koch**, Stone Brewing Co.
- **Jim Koch**, Boston Beer Co.
- **Liz Melby**, Harpoon Brewery

- **Randy Mosher**, Randy Mosher Design
- **Jeremy Ragonese**, Boulevard Brewing Co.
- **Hugh Sisson**, Clipper City Brewing Co.
- **Mark Stutrud**, Summit Brewing Co.
- Staff Liaisons: **Paul Gatzka**, **Julia Herz**, **Bob Pease**, **Charlie Papazian**, **Andy Sparhawk**

Market Development Committee

- **Rob Tod (Chair)**, Allagash Brewing Co.
- **Dave Duffy**, Great Divide Brewing
- **Tommy Gannon**, Sierra Nevada Brewing
- **Jessica Jones**, Ninkasi Brewing Co.
- **Chris Lacey**, Rogue Ales
- **Fred Matt**, F.X. Matt Brewing Co.
- **Russ Melton**, Diamond Bear Brewing Co.
- **Jonathan Schwartz**, Harpoon Brewery
- **Eric Smith**, Odell Brewing Company
- **George Ward**, Boston Beer Co.
- Staff Liaisons: **Paul Gatzka**, **Julia Herz**, **Bob Pease**, **Sarah White**

Pipeline Committee

- **Dick Cantwell (Chair)**, Elysian Brewing Co.
- **Vinnie Cilurzo**, Russian River Brewing Co.
- **Jason Ebel**, Two Brothers Brewing Co.
- **Ken Grossman**, Sierra Nevada Brewing Co.
- **Ron Jeffries**, Jolly Pumpkin Brewing Co.
- **Jim Koch**, Boston Beer Co.
- **James Ottolini**, Schlafly Brewing Co.
- **Zac Triemert**, Lucky Bucket Brewing Co.
- Staff Liaisons: **Paul Gatzka**, **Pete Johnson**, **Bob Pease**, **Charlie Papazian**, **Chris Swersey**

Export Development Program Sub Committee

- **Brett Joyce (Chair)**, Rogue Ales

- **Sam Calagione**, Dogfish Head Brewery
- **John Cochran**, Terrapin Beer
- **Mattson Davis**, Kona Brewery LLC
- **Bruce Forsley**, Shipyard Brewing Co.
- **Ron Jeffries**, Jolly Pumpkin Artisan Ales
- **Jack Joyce**, Rogue Ales
- **Adam Lambert**, Dogfish Head Craft Brewery
- **Fred Mendes**, Boston Beer Co.
- **Eric Rosenberg**, Bryan Christie Inc.
- **Eric Wallace**, Left Hand Brewing Co.
- Staff Liaisons: **Charlie Papazian**, **Bob Pease**, **Mark Snyder**

Technical Committee

- **Ken Grossman (Chair)**, Sierra Nevada Brewing Company
- **John Mallett (Vice Chair)**, Bell's Brewery, Inc.
- **Tom Flores**, Brewer's Alley
- **Jamie Floyd**, Ninkasi Brewing Company
- **John Harris**, Full Sail Brewing Company
- **Laura Harter**, Sierra Nevada Brewing Company
- **Larry Horwitz**, Iron Hill Brewery & Restaurant
- **Charles Kyle**, Sierra Nevada Brewing Company
- **Geoff Larson**, Alaskan Brewing Company
- **James "Otto" Ottolini**, The St. Louis Brewery
- **John Pinkerton**, Moon River Brewing Company
- **Katie Wallace**, New Belgium Brewing Company
- **Neil Witte**, Boulevard Brewing Company

Finance Committee

- **Mark Edelson (Chair)**, Iron Hill Brewery & Restaurant
- **Steve Bradt**, Free State Brewing Co.
- **Wynne Odell**, Odell Brewing Company
- **Scott Metzger**, Free Tail Brewing Co.
- **Brock Wagner**, Saint Arnold Brewing Co.
- Staff Liaisons: **Tom Clark**, **Bob Pease**

Professional Membership & Member Education

As of December 31, 2011, 49 of the 50 largest craft brewers were Brewers Association members.

Annual membership mailing included member window sticker, North American Brewery Update and Craft Brewers Conference preliminary information.

Membership Development

U.S. operating brewery members of the Brewers Association grew from 1,204 to 1,352 in 2011. The percentage of U.S. operating breweries that were BA members was 69% at year end.

The New Brewer

The Brewers Association produced six bi-monthly issues focused on technical brewing, government affairs, operations and marketing and management features. The Brewers Association communications committee includes a subcommittee to discuss *The New Brewer* content, sponsorship and long-term management direction.

2011 Advertising Revenue +17% over 2010

Circulation: 7,495 (50% increase from 2010)

Brewers Association Forum

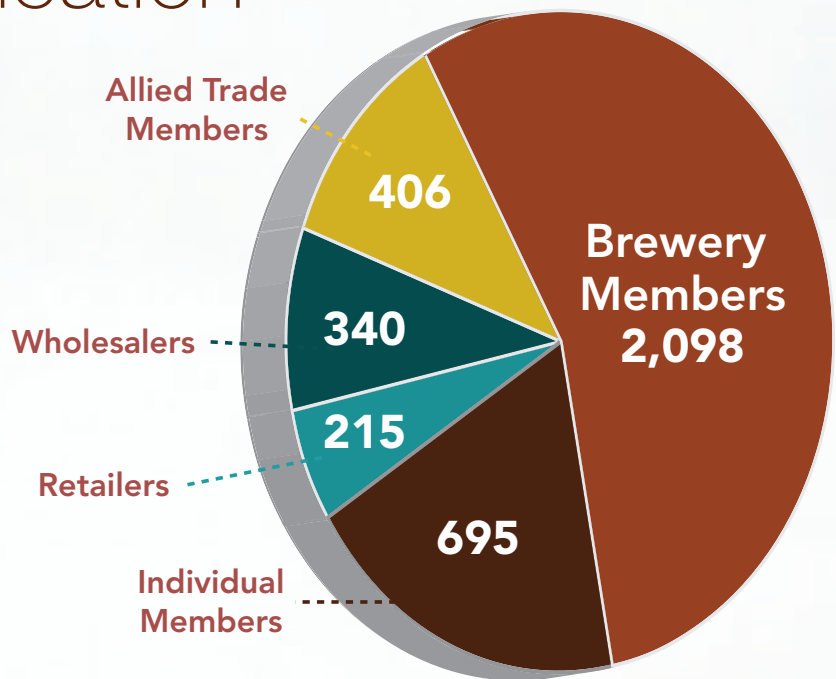
6,845 participants (45% increase from 2010)

Beer Industry Statistics

The Brewers Association's Beer Industry Production Survey yields a comprehensive collection of annual production numbers for breweries in the United States. Every brewery in the nation is asked to participate in this annual project. The survey is the basis for the statistics that the Brewers Association provides to its members and media. The results of the survey are first released at the Craft Brewers Conference, as well as in the industry review issue of *The New Brewer* trade publication and in the Members-Only section of BrewersAssociation.org. In 2011, 1,200 breweries participated in the survey.

Brewers Association Website

BrewersAssociation.org is the definitive online resource for professional craft brewers, media and beer industry organizations. The website provides statistics, updates on industry growth and information on government affairs—both legislative and regulatory—to the media, members and potential new members.



Brewers Association Professional Membership

3,754

Total Members*

*as of 12/2011



American Craft Brewer: An American craft brewer is small, independent and traditional.

Small Annual production of beer less than 6 million barrels. Beer production is attributed to a brewer according to the rules of alternating proprietorships. Flavored malt beverages are not considered beer for purposes of this definition.

Independent Less than 25% of the craft brewery is owned or controlled (or equivalent economic interest) by an alcoholic beverage industry member who is not themselves a craft brewer.

Traditional A brewer who has either an all malt flagship (the beer which represents the greatest volume among that brewers brands) or has at least 50% of its volume in either all malt beers or in beers which use adjuncts to enhance rather than lighten flavor.

The BA website also offers an expansive and growing selection of Members-Only content, including technical data on hops and malt production, industry statistics, a message board, and Power Hour webinar archives. Members can also view committee meeting notes, marketing resources, and brewery survey data.

Over the course of 2011, BrewersAssociation.org saw more than 491,000 visits and 1.2 million page views.

Power Hour Professional E-Conference Series

The Brewers Association presented six hour-long educational seminars in 2011 for members, featuring guests Dan Wandel (SymphonyIRI Group), Jenny Talley (Squatters Pub & Brewery), Tom Dargen (CraftWorks Brewery Restaurant Group), Ian Ward (Brewers Supply Group), Dave Meheen (Meheen Manufacturing), Marty Velas (Smoky Mountain Breweries), Jim Tomczyk (Parker Hannifin Corporation), and Charlie Tull (Tax and Trade Bureau).

Topics covered in 2011 included:

- 2010 Sales Year-End Review of the Beer Category and Craft Segment
- Craft Brewing and Mid-Year Category Sales Review
- Focus on Brewpubs: How to Find, and Retain Exceptional Employees
- State of the Crop: Barley and Malt Insights—2011 and Beyond
- Carbonation Demystified—Carbonation Basics, Natural Carbonation, and the CO2 Supply
- Federal Alcohol Administration Act Trade Practices Law and Regulations

Craft Brewers Conference

Over 4,000 Craft Brewers Conference attendees networked and attended some of the 50 seminars and keynote session featuring Fritz Maytag, formerly of Anchor Brewing Company, and Ken Grossman of Sierra Nevada Brewing Co. Attendance was up 47% from 2010.

The Brewers Association members meeting drew record attendance and featured board of directors committee reports, member commentary and a question and answer period.

Jennifer Talley was awarded the Russell Schehrer Award for Innovation in Craft Brewing. John McDonald was presented with the Brewers Association Recognition Award. Dan Kopman was presented with the F.X. Matt Defense of the Small Brewing Industry Award.

San Francisco area members served as exceptional and generous hosts for the 2011 Craft Brewers Conference & BrewExpo America®.



Government Affairs

Legislative

- H.R. 1236 and S. 534, the graduated small brewer excise tax reduction legislation, seek a 50 percent reduction of the small brewer excise tax rate on the first 60,000 barrels to \$3.50 per barrel and also provide for reducing the upper tax rate to \$16 per barrel on beer production above 60,000 barrels up to 2 million barrels for brewers with an annual production of less than 6 million barrels. As of January 2012, there are 152 House co-sponsors and 37 Senate co-sponsors.
- In early June more than 50 small brewers and state brewers guild representatives participated in a coordinated Capitol Hill climb to visit offices of U.S. Representatives and Senators and request that legislators co-sponsor the two excise tax bills.
- H.R. 1161, The Community Alcohol Regulatory Effectiveness Act of 2011 (CARE Act), has been introduced with support from the National Beer Wholesalers Association (NBWA). The Brewers Association has joined other industry trade groups in opposition to the legislation due to concerns that it would remove or reduce federal authority over interstate commerce in alcohol beverages. This potentially includes existing federal authority over taxation, product composition, labeling, advertising, and importation of foreign goods.



House Small Brewers Caucus

A June Caucus meeting was held in conjunction with the annual early summer Congressional tasting and visits to legislator offices. Caucus co-chairs Denny Rehberg (R-Montana) and Peter DeFazio (D-Oregon) addressed Caucus members on the importance of supporting H.R. 1236, the federal small brewer excise tax legislation. BA President Charlie Papazian continued his educational series with a presentation about food and beer pairing. There are 107 members of the House Small Brewers Caucus as of January 2012.

Senate Small Brewers Caucus

Formed in June by U.S. Senators Max Baucus (D-Montana) and Mike Crapo (R-Idaho), the mission of the caucus includes learning about the cultural, economic and social contributions of community-based small brewers as well as the technical and innovative aspects of brewing. The caucus is also intended to provide a forum to discuss how lawmakers can help strengthen these small brewery businesses and their contributions to main street economies across the country. There are 12 members of the Senate Small Brewers Caucus as of January 2012.



State Brewers Associations

The Brewers Association continued its support of state associations with annual meetings at the Great American Beer Festival® (GABF) and Craft Brewers Conference, as well as through the Support Your Local Brewery Guilds Pavilion at the GABF. In addition, BA staff attended 23 guild meetings in 2011 and helped five new guilds start.

There are 38 active state brewer associations/guilds in the U.S. In 2011 the Brewers Association supported state association efforts in:

- California (caffeinated alcohol)
- Delaware (formation)
- Hawaii (excise tax)
- Illinois (self-distribution legislation)
- Louisiana (formation)
- Nebraska (self-distribution threat)
- New Hampshire (reactivation)
- New Mexico (reactivation)
- New York (high alcohol flavored malt beverage definition)
- North Carolina (franchise law threat)
- Tennessee (formation)
- Utah (formation)
- Wisconsin (self-distribution threat)



Legislative Receptions

- The Brewers Association held a beer and food pairing reception in June for members of Congress and staffers in the Cannon House Office Building, where 24 BA member breweries poured beer.
- The Brewers Association and National Beer Wholesalers Association held an educational tasting event in November for members of Congress and staffers, where 33 BA member breweries poured beer.

Support Your Local Brewery

Support Your Local Brewery is a communication network that informs beer enthusiasts about issues that impact small brewers and organizes grassroots activity to defend the interests of small brewers. The network grew to more than 64,000 direct contacts and over 1 million total contacts by the end of 2011.

2011 Support Your Local Brewery Issue Alerts:

- **Alabama:** Supporting homebrewing legalization.
- **Colorado:** Opposing legislation seeking the ability to sell full strength beer in grocery and convenience stores.
- **Georgia:** Enhancing the ability of brewpubs to sell in the distribution system.
- **Illinois:** Supporting legislation ensuring self-distribution rights for small brewers.
- **Maryland:** Opposing legislation seeking to increase the state excise tax on beer and other alcoholic beverages.
- **Michigan:** Multiple alerts in support of a bill allowing homebrew to be served at homebrew club meetings in licensed breweries.
- **Montana:** Supporting legislation to shift tap room hours in breweries.
- **New York:** In support of legislation allowing certain brewers to terminate distribution contracts for fair market value compensation.
- **Oregon:** Supporting legislation to ease restrictions that limited homebrewers to the production of beer or wine for home consumption only.
- **Texas:** In support of bills allowing brewpubs to enter the distribution system and allowing breweries to make on-premises sales to consumers following tours.
- **Wisconsin:** Opposing legislative language that would take away small brewers' abilities to distribute each other's beers and own and operate their own taverns.

Regulatory

Tax and Trade Bureau (TTB) – TTB Industry Working Group

- Acting on a request from TTB for industry input, the BA formed a working group composed of three member breweries (one each regional, micro and brewpub) to formulate suggestions for how the agency could work more effectively and efficiently in its interaction with small brewer clients.
- The Brewers Association also continued monitoring TTB serving facts and allergen labeling proposals. Final rulings have not been issued.

Food and Drug Administration — Menu Labeling

The Brewers Association filed a second round of comments in response to a Food and Drug Administration (FDA) notice seeking public input on the requirement that chain restaurants (and similar retail food establishments with 20 or more outlets) disclose caloric values for regular menu items. The comments followed the temporary exemption of alcohol from the requirement and focused on supporting the decision to exempt alcohol.

High Alcohol Flavored Malt Beverages

In the wake of new federal requirements imposed on certain high-alcohol, single-serving size beverages, a BA Government Affairs Committee working group did extensive work on defining and differentiating small brewer craft beers from such high alcohol flavored malt beverages. The language has been shared with state guilds to assist them in responding to potentially threatening legislation introduced in their states.

Other

- National Beer Wholesalers Association (NBWA) Legislative Conference.
- BA Board members participated in a panel discussion on small brewer-wholesaler relations at the NBWA Legislative Conference.
- Board members, brewery members and staff made Capitol Hill office visits to discuss small brewer excise tax legislation.
- A reception featuring BA members' craft beer was held. Attendees included members of Congress and staff, small brewers, BA staff, NBWA executives and wholesalers.

Export Development Program

In 2011, the Brewers Association received \$448,895 from two United States Department of Agriculture (USDA) programs to promote the export of American craft beer:

- \$408,895 from the Market Access Program
- \$40,000 from the Emerging Markets Program

The Brewers Association's Export Development Program (EDP) began in 2004 with a grant from the USDA Market Access Program. Since then, the EDP's objectives have remained unchanged.

Objectives:

- Educating international consumers, distributors, retailers and media about the qualities and diversity of products offered by the U.S. craft beer industry and about U.S. craft beer culture.
- Informing member breweries about opportunities to promote American craft beer in international markets. Complementing the industry's efforts to increase international distribution.
- Expanding the presence of the U.S. craft beer industry domestically and internationally by diversifying and solidifying the customer base for American craft beer and for Brewers Association services. The EDP also reinforces the Brewers Association's reputation as the go-to resource for beer and brewing information.

Activities in 2011:

- Vancouver Craft Beer Week
- China SIAL Trade Show and Craft Beer Seminars in Shanghai and Beijing
- Brazil Trade & Media Receptions and Craft Beer Seminars in Rio de Janeiro and Sao Paulo
- Fancy Food Summer Show
- Great British Beer Festival
- Stockholm Beer & Whisky Festival BA Craft Brewers Pavilion

Informing Member Breweries:

- **Craft Brewers Conference EDP Speakers** – At the 2011 Craft Brewers Conference, the BA EDP offered presentations on Brazil and the UK. Speakers included Gilberto Tarantino of Tarantino import and Andreas Fält from Vertical Drinks, the leading importer of U.S. craft beer into the UK.
- **Great American Beer Festival® Seminar** – At the 2011 Great American Beer Festival, EDP offered presentations on the Ontario and UK markets. Speakers were Chris Robertson, Director, Spirits & Beer, for the Liquor Control Board of Ontario and Richard Yarnell, Category Manager for Beer and Cider at Mitchells & Butlers in the UK.
- **Research Study on Indian Craft Beer Market** – The BA EDP received funds from USDA's Emerging Markets Program to commission a research study examining the Indian craft beer market, which is now available.
- **Complementing Industry Export/Marketing Efforts** – U.S. Craft Beers Showcased at TasteUS! Festival in Canada. Through the EDP, the BA arranged beer donations for the TasteUS! Culinary Festival in Toronto, Ontario. TasteUS! is an annual event hosted by the U.S Embassy.
- **Agricultural Trade Office** to showcase U.S. food and beverage products exported to Canada.
- **International Beer Competitions** – In 2011, the BA participated in four international beer competitions including the Australian International Beer Awards, Brew New Zealand competition, Stockholm Beer and Whisky Festival and the European Beer Star-Germany. This is a key membership benefit for EDP members.



Craft Beer Program

In 2011, the Craft Beer Program worked to educate the public and support member breweries by sharing information on small and independent craft brewers through member programs, data dissemination, seminars, tastings and media relations.

CraftBeer.com

CraftBeer.com is the voice of the craft beer community, highlighting the stories behind today's U.S. breweries, beer and food pairings, current trends, events and topics in the craft beer world. The site also offers numerous resources for enthusiasts, retailers and is home to American Craft Beer Week®, "The Mother of All Beer Weeks."

Over the course of 2011, CraftBeer.com saw over 973,000 visits; 2.4 million page views and has 10,000 Facebook followers and 7,000 Twitter followers.

In October 2010, *Men's Journal* magazine recognized CraftBeer.com as the best beer website, noting, "None can equal the sheer usefulness of the Brewers Association's [site], which represents craft-beer makers across the U.S. Its site has beer-centric travel recommendations, a beer-style dictionary, recipes for cooking with the stuff, and even brewery tours on video."

Presentations in the Marketplace

The Craft Beer Program conducted many tastings and presentations for journalists, distributors, retailers and beer lovers to further their understanding of craft brewers and to emphasize craft beer and food pairings. Event presentations and tastings included: Beer Bloggers Conference, Big Beers, Belgians & Barleywines, Cicerone vs. Sommelier Smackdown, Colorado State University, Craft Brewers Conference, National Association of Convenience Stores Seminar Series, National Beer Wholesalers Association Conference, Oregon Culinary Institute, Great American Beer Festival®, NY Bar & Wine Show, SAVORSM, and World Beer Festival.

American Craft Beer Week

American Craft Beer Week (ACBW) has grown nationwide to provide a platform to celebrate our country's beer culture and craft brewers' important role in it. In 2011, the program saw 1,521 posted events in the official ACBW calendar. Additionally, American Craft Beer Week's Facebook page exceeded 38,000 "likes." The Craft Beer Program continues to collect and promote the dates more than 50 other U.S. beer weeks that have become popular year-round, embracing its moniker as "The Mother of All Beer Weeks."



"None can equal the sheer usefulness of the Brewers Association's [site], which represents craft-beer makers across the U.S. Its site has beer-centric travel recommendations, a beer-style dictionary, recipes for cooking with the stuff, and even brewery tours on video."

Men's Journal
October 2010

Media at BA Events

The Craft Beer Program coordinated with the BA Marketing and Events Departments to provide credentials to over 500 journalists at key BA events, including Craft Brewers Conference, The Great American Beer Festival and SAVOR: An American Craft Beer & Food Experience.

Media Relations

The BA gained national and international attention for craft brewers from multiple consumer and trade media outlets and thousands of newspapers and websites, fielding more than 1,000 media inquiries.

Media List for Brewery Members

The Brewers Association continues to update its media database, which contains thousands of beer, food, wine and business media contacts. Media lists are available to the brewery membership by submitting a media list request form, available in the BrewersAssociation.org Members-Only area. Each brewery member can request one state list, as well as the national list, once per year.



**AMERICAN
A CRAFT
BEER WEEK** 
CraftBeer.com

Events

Great American Beer Festival®

The 2011 Great American Beer Festival (GABF) saw more than 49,000 attendees. Judges evaluated 3,930 beers from 526 breweries entered in the competition in 83 categories. The public had the opportunity to sample 2,375 beers in the festival hall.



This year marked the 30th year of GABF. Attendees celebrated the occasion at a special pavilion within the festival hall. Here, they enjoyed many of the same beers served at the 1982 festival in an area decorated with vintage photos and GABF posters. The pavilion was specifically designed to be 5,000 square feet—the same size as the '82 event—to illustrate how much GABF has grown in size and scope.

GABF continues to integrate the BA's mission to promote and protect America's small breweries with educational opportunities like the State Guild, Farm to Table Pavilion and the Beer and Food Pavilion. The Beer and Food Pavilion offered seminars in the main hall during all sessions, covering a myriad of different topics.

SAVORSM: An American Craft Beer & Food Experience

SAVOR was created to elevate craft beer's image and to produce a BA event specifically focused on craft beer and food pairings. Additional goals were to create a small, high-end event on the East Coast and to generate mainstream media interest. Tickets for the event sold out in a matter of days, despite the fact that, in 2011, SAVOR doubled in size, moving from one night to two nights of tastings. Accordingly, 12 Private Tasting Salons and six Educational Salons were presented at SAVOR, giving participating breweries an additional opportunity to share specialty beers with a smaller audience, including media.



Small Brewing Company and Small Brewing Company
Brewer of the Year
Chuckanut Brewery,
Will Kemper

Mid-Size Brewing Company and Mid-Size Brewing Company
Brewer of the Year
Firestone Walker Brewing Co., Matthew Brynildson

Large Brewing Company and Large Brewing Company
Brewer of the Year
Pabst Brewing Company, Bob Newman

Small Brewpub and Small Brewpub
Brewer of the Year
Pizza Port Ocean Beach, Yiga Miyashiro

Large Brewpub and Large Brewpub
Brewer of the Year
Pizza Port Carlsbad, Pizza Port Brew Guys

Brewpub Group of the Year
TAPS Fish House and Brewery, Victor Novak

Our Allied Trade Partners

Contributions to the Brewers Association

The Allied Trade contributes significant financial support and technical expertise to the Brewers Association.

- Membership dues in the Brewers Association.
- Advertising in *The New Brewer*, *Zymurgy*, Craft Brewers Conference program, Great American Beer Festival® program and National Homebrewers Conference programs.
- Sponsorship of the Great American Beer Festival, World Beer Cup®, Craft Brewers Conference and National Homebrewers Conference, National Homebrew Competition and several other programs and services.
- Participation in technical forums, Power Hour presentations, Craft Brewers Conference seminars and technical content in magazines.
- Helping brewers make better beer and manage their companies more effectively.

BrewExpo America®

- North America's largest beer industry trade show.
- More than 200 exhibitors presented at the 2011 BrewExpo America, providing direct customer access to products, demonstrations and representatives.
- Held in conjunction with the Craft Brewers Conference.

Brewers Publications

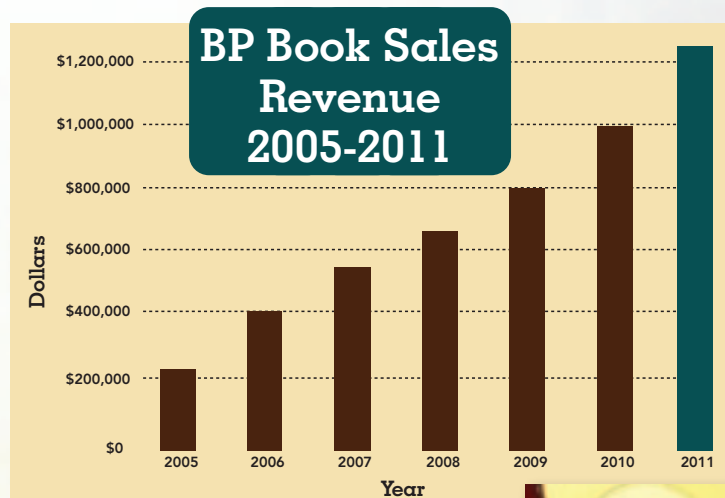
Brewers Publications (BP) supports the mission of the Brewers Association by publishing books of enduring value for amateur and professional brewers as well as titles that promote understanding and appreciation of American craft beer by consumers.

At year-end, revenue generated by BP titles exceeded 1 million dollars. Record sales during November 2011 saw more than \$230,000 in revenue.

Eight BP titles hit the top 101 on National Book Network's list of overall sales to Amazon.com. The National Book Network distributes BP titles around the country to a variety of retailers. BP's top sellers were: *How to Brew* by John Palmer (16), *Designing Great Beers* by Ray Daniels (25), *Yeast: The Practical Guide to Beer Fermentation* by Chris White and Jamil Zainasheff (38, up from 40), *Radical Brewing* by Randy Mosher (50), *Brewing Classic Styles* by John Palmer and Jamil Zainasheff (59), *Brewing Better Beer* by Gordon Strong (62), *How to Brew* digital edition (67) and *The Compleat Meadmaker* by Ken Schramm (69). *Brew Like a Monk* by Stan Hieronymus just missed the list by coming in at 104. Of the 100 titles in the best-selling list to Amazon.com, 24 were digital editions. It is the first time a BP eBook has graced the list and further emphasizes that continued focus on eBook conversion will expand that revenue stream.

BP also launched a new website dedicated to the wide variety of books it offers. The website is a great resource for booksellers, industry professionals and beer book lovers alike. BrewersPublications.com allows visitors to search by book title or author name to learn more about BP.

Overall sales continue to be led by John Palmer's *How to Brew*, currently in its seventh printing. This title's sales continue to grow with its reputation as a trusted resource for new and experienced homebrewers. BP titles regularly dominate the top 10 list of beer books on Amazon.com, with *How to Brew* consistently taking top honors.



American Homebrewers Association®

Membership in the American Homebrewers Association finished the year at the highest level in the organization's history, up more than 26% in 2011. Membership was at 29,146 at year-end.

Zymurgy®

The Brewers Association produced six issues of *Zymurgy* magazine in 2011. Circulation finished the year at more than 31,000 copies per issue, which is more than 6,000 copies per issue over 2010 year-end circulation. Distribution includes AHA members, BA brewery and allied trade members, newsstands and homebrew supply shops.

eZymurgy

In 2011, the AHA launched a digital edition of *Zymurgy* magazine, including all six of the 2011 issues. This new membership benefit is available exclusively to AHA members. The eZymurgy digital library will include each new issue of *Zymurgy*, with plans for adding additional back issues to eZymurgy in 2012.



HomebrewersAssociation.org

The AHA's website provides a fun, rich user experience through accessible, informative content and community tools that allow users to learn from each other and share their own knowledge. Over the course of 2011, HomebrewersAssociation.org saw over 5.9 million page views.

New AHA Logo

The AHA released a new logo to represent the organization in 2011. The AHA's previous logo was introduced more than a decade ago. The new logo incorporates several graphic elements that represent the fundamentals of the hobby, including a hop cone, a barley stalk and a tall glass of beer, on a circular background that evokes the shape of a bottle cap.



AHA National Homebrew Competition

The 2011 National Homebrew Competition had a record 6,996 entries from 1,650 homebrewers. This annual competition is world's the largest beer competition.

AHA National Homebrewers Conference

The 2011 AHA National Homebrewers Conference, held in June in San Diego, drew a record 1,900 attendees. Attendees enjoyed 30 educational presentations, highlighted by keynote speaker Vinnie Cilurzo of Russian River Brewing Co. The National Homebrewers Conference is the only event of its kind, drawing homebrewers from across the nation and around the world to learn, exchange ideas, share homebrew and have fun.

AHA Rallies

AHA rallies are effective membership generators and member "thank you" events for the AHA. These rallies are hosted by BA member breweries; current AHA members get in free, while non-members get in for the price of a discounted AHA membership. In 2011, the AHA held 16 rallies across the country, bringing in 504 memberships, 62% of which were new memberships. All told, 2,200 people connected with the AHA at a rally.

Government Affairs

The AHA participated in two successful legislative campaigns for bills aimed at broadening homebrewer rights in Oregon and Michigan. The AHA also worked with homebrewers in Ohio and Wisconsin on homebrewer rights issues. The AHA continues to support efforts by homebrewers in Alabama and Mississippi to legalize homebrewing in those two remaining states where homebrewing is still illegal.

AHA Governing Committee

The AHA Governing Committee is made up of 15 members elected by the AHA membership. Tom Schmidlin of Redmond, Wash. was newly elected to the Governing Committee in 2011 and Susan Ruud of Harwood, N.D. was elected after a year hiatus from the Governing Committee. Two Governing Committee members are selected from the group to serve as AHA representatives on the Brewers Association Board of Directors. In 2011, Chris P. Frey and Chris Graham represented the AHA Governing Committee on the Board of Directors.

Brewers Association Pub Discount Program

At the end of 2011, there were 586 participating BA members offering discounts on food, beer and/or merchandise to card-carrying AHA members. This is a 29% increase over 2010. The AHA markets those participating breweries and pubs in *Zymurgy* and in the Directories section of HomebrewersAssociation.org.

Great American Beer Festival®

The 2011 Great American Beer Festival included the sixth annual GABF Pro-Am Competition, in which BA member breweries entered commercial versions of award-winning AHA member homebrew recipes. The competition was another great success with 86 entries judged. All of the entered beers were also featured in the festival hall at the GABF Pro-Am booth, which is always popular with festival attendees.



Education

Homebrewers play a key role in educating the public about locally-produced beer and beer styles. They are among the most knowledgeable craft beer enthusiasts.

Other AHA Programs

- **Retailer Program:** Allows businesses to sell pre-paid AHA membership cards. The program generated 478 new memberships in 2011, a 60% increase over 2010.
- **Web Banners:** In 2011, AHA web banners generated 244 new memberships—a 13% increase over 2010.
- **Zymurgy Resale Program:** Allows retailers such as homebrew supply shops, bookstores and newsstands to sell *Zymurgy* magazine. The amount of distributing retailers participating in the program grew by 79% in 2011.
- **Big Brew:** A simultaneous worldwide brewing event held on the first Saturday of May.
- **Mead Day:** A national event to celebrate the art of mead making held the first Saturday of August.
- **Learn To Homebrew Day:** A day to inspire and instruct new homebrewers on the first Saturday of November.
- **AHA/BJCP Sanctioned Competition Program:** The AHA and Beer Judge Certification Program work together on a joint program to sanction and promote homebrew competitions.
- **AHA Clubs Programs:** The AHA maintains a database of registered homebrew clubs and organizes six Club-Only Competitions each year. The AHA also awards the annual AHA Homebrew Club of the Year and Gambrinus Club Awards.

Financials

2011 Financial Statement (Consolidated)

	2011	2010
	<u>ACTUAL</u>	<u>ACTUAL</u>
REVENUE:		
ADVER. & SPONS. REVENUE	1,859,829	1,341,059
BOOK/MERCH. SALES	1,632,879	1,333,109
MEMBERSHIP REVENUE	1,936,250	1,575,935
EVENT REVENUE	4,837,163	4,322,269
GOV'T GRANT FUNDING	488,146	430,469
ALL OTHER REVENUE	110,688	147,888
TOTAL REVENUE	\$10,864,954	\$9,150,728
EXPENSES:		
GEN. OFFICE/ADMIN. EXP.	-322,011	-282,977
DEPREC. & AMORT.	-91,465	-78,072
SALARIES & BENEFITS	-3,036,545	-2,396,897
INSURANCE & LEGAL	-427,665	-368,921
RENT EXPENSE	-217,132	-174,861
EVENT OPERATIONS	-2,585,826	-2,135,685
SALES & MARKETING	-532,646	-370,099
PRINTING	-331,261	-286,595
POSTAGE & SHIPPING	-394,306	-401,089
COST OF GOODS SOLD	-463,691	-419,586
TRAVEL	-556,974	-488,350
OUTSIDE SERVICES	-806,600	-737,615
ALL OTHER EXPENSES	-542,134	-336,515
TOTAL EXPENSES	(\$10,308,257)	(\$8,477,263)
Sub-Total Net	\$556,698	\$673,466
Founder's SERP	(\$420,130)	
NET SURPLUS	\$136,568	\$673,466

December 31st, 2011 abbrev. Balance Sheet

	12/31/11	12/31/10
ASSETS:		
CASH	\$722,229	\$94,004
RESERVES	\$4,647,577	\$4,246,915
ACCOUNTS REC.	\$798,615	\$972,866
INVENTORY	\$416,325	\$342,425
PREPAID EXPENSES/ OTHER	\$170,257	\$208,492
TOTAL CURRENT ASSETS:	\$6,755,003	\$5,864,702
LONG-TERM ASSETS	\$18,349	\$14,126
FIXED ASSETS	\$354,336	\$173,838
TOTAL ASSETS:	\$7,127,688	\$6,052,666
LIABILITIES:		
	12/31/11	12/31/10
ACCOUNTS PAYABLE	\$124,561	\$218,210
DEFERRED DEPOSITS	\$2,853,702	\$1,850,138
OTHER	\$189,827	\$156,151
TOTAL CURRENT LIAB.	\$3,168,090	\$2,224,499
RETAINED EARNINGS	\$3,823,031	\$3,154,702
CURRENT YR. EARNINGS	\$136,567	\$673,466
TOTAL LIABILITIES:	\$7,127,688	\$6,052,666

Upcoming Events

Brewers Association Professional Division

2012

Reception at NBWA Legislative Conference
March 25, 2012, Washington, D.C.

Craft Brewers Conference & BrewExpo America®
May 2-5, 2012, San Diego, CA
CraftBrewersConference.com

World Beer Cup® Gala Awards Dinner
May 5, 2012, San Diego, CA
WorldBeerCup.org

American Craft Beer Week®
May 14-20, 2012
CraftBeer.com/ACBW

**Small Brewers Caucus Meeting and Celebrating
American Craft Beer Reception**
June 7, 2012, Washington, D.C.

SAVORSM: An American Craft Beer & Food Experience
June 8-9, 2012, Washington, D.C.
SavorCraftBeer.com

Great American Beer Festival®
October 11-13, 2012, Denver, CO
GreatAmericanBeerFestival.com

2013

Craft Brewers Conference & BrewExpo America®
March 26-29, 2013, Washington, D.C.

American Craft Beer Week®
May 13-19, 2013

SAVORSM: An American Craft Beer & Food Experience
TBD

Great American Beer Festival®
October 10-12, 2013, Denver, CO

American Homebrewers Association®

2012

National Homebrew Day
May 5, 2012

National Homebrewers Conference
June 21-23, 2012, Seattle, WA
AHAConference.org

Mead Day
August 4, 2012

Learn to Homebrew Day
November 3, 2012

2013

National Homebrew Day
May 4, 2013

National Homebrewers Conference
June 27-29, 2013

Mead Day
August 3, 2013

Learn to Homebrew Day
November 2, 2013

Our Staff





Katie Brown



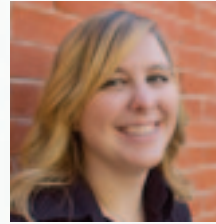
Tom Clark



Acacia Coast



Jon Esser



Kerry Fannon



Ryan Farrell



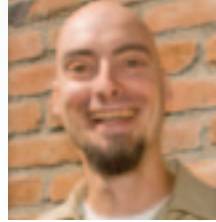
Barbara Fusco



Paul Gatza



Erin Glass



Gary Glass



Janis Gross



Kari Harrington



Julia Herz



Nancy Johnson



Pete Johnson



Stephanie Johnson Martin



Cindy Jones



Bradley Latham



George Myler



Jimmy Nguyen



Anthony Orig



Charlie Papazian



Steve Parr



Bob Pease



Kathryn Porter Drapeau



Spencer Powlison



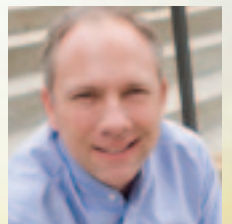
Chris Pryor



Jill Redding



Allison Seymour



Tim Sloan



Mark Snyder



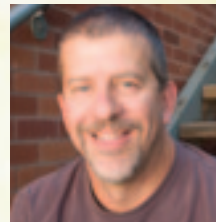
Andrew Sparhawk



Ian Stevens



Meghan Storey



Chris Swersey



Kristi Switzer



Luke Trautwein



Sarah White



Chris Williams



Nate Zander



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Brewers Association
www.BrewersAssociation.org



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