



Brewers Association Export Development Program ISSUES REVIEW

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2013 EDP Allocations

The EDP is funded in large part annually by export assistance grants made available through the United States Department of Agriculture (USDA). For 2013, funding announcements from USDA were delayed due to fiscal cliff and other budget negotiations that presented obstacles to passage of a new Farm Bill. Ultimately, Congress approved a one year extension to the previous Farm Bill and that allowed USDA to move forward with grant allocations to the BA and other recipients. In March, the BA was awarded \$458,013 from the Market Access Program (MAP) and another \$46,000 from the Emerging Markets Program. The combined total of \$504,013 represents the largest allocation the EDP has received from USDA since the program's inception in 2004. The 2013 allocation is an increase of 23.5% over 2012.

The BA's 2013 allocation is a significant accomplishment. Because of the federal government sequestration, USDA withheld a portion of the Market Access Program budget. Many trade associations that participate in USDA grant programs received a cut in their allocation as a result. The BA clearly did not and that is a reflection of the EDP's success in boosting U.S. craft beer exports and of the support the industry enjoys within USDA at this time.

American Craft Beer Exports Soar Again in 2012

Based on results from a recently-completed industry survey, craft beer export volume increased by an astounding 72 percent compared to 2011, with a value estimated at \$49.1 million. Canada remained the industry's largest export market, with shipments increasing 140 percent by volume (up to 68,180 barrels) in 2012. Significant gains have been made in Ontario and British Columbia, and American craft beers are now gaining distribution in other provinces. Sweden and the United Kingdom remained the next two largest markets. Though total exports decreased in both countries compared to 2011, the decline was offset by increased shipments to other European markets. In total, Western Europe accounted for 56,204 barrels valued at \$14.6 million in 2012, a 5.6 percent increase over 2011.

Elsewhere, American craft beer exports to the Asia-Pacific region increased substantially. Shipments to Japan jumped 57 percent by volume and American breweries made strong gains in Australia, China, Hong Kong and emerging markets such as Thailand. Japan, Australia and China are now the industry's fourth, fifth and sixth largest export markets, respectively.

America's craft beer export story is also gaining media attention. The BA's press release on the subject was picked up by a variety of news sources including TIME magazine and Beverage World. The story in [Beverage World](#) even attributed the changing global perception of American craft beer to the EDP.



APRIL 2013

INSIDE THIS ISSUE

- **2013 EDP Allocations**
- **American Craft Beer Exports Soar Again in 2012**
- **New Quality Control Guide in Design Stage**
- **Activities of the EDP's Craft Beer Ambassador to Europe**
- **EDP Awards Handed Out at CBC**
- **EDP Presentations at CBC Now Available**
- **EDP Prepares for Brazilian Trade Mission**
- **USDA to Audit BA Grant and Civil Rights Compliance This Year**

What is just as impressive as the export figures is the number of importers that are approaching the EDP for help reaching out to American craft breweries. In 2013, over 10% of Craft Brewers Conference registrants were from other countries. Despite the growth in exports, demand for American craft beers around the world remains very strong and importers continually look to add new American craft beer brands. It is also telling that more and more of these companies are prepared to meet strict quality control requirements, including refrigerated logistics, which are important to EDP members. Imports to Japan, Brazil, Thailand, Singapore, Hong Kong and other markets are now under refrigeration, which was not always the case. While further education of international trade partners regarding craft beer quality control will continue to be needed, the EDP is pleased with developments to date.

New Quality Control Guide in Design Stage

Quality control has always been paramount to the EDP and the program provides a number of avenues to educate and address quality control issues with exported beer. A recent initiative related to encouraging better distribution and handling practices among trading partners has been the development of a new guide. The QC guide, as it is being called, is now in the BA Graphic Design Department and will be made public this year. The project was led by Gary Spedding of Brewing and Distilling Analytical Services with editing and additional input by Chris Swersey, Amahl Sheppach, and brewery representatives from the EDP subcommittee.

The guide is not intended as an overly technical piece. Rather, it is designed as a fairly introductory guide on craft beer quality for its intended target audience of importers, international retail, restaurant, and bar operators.

Activities of the EDP's Craft Beer Ambassador to Europe

The BA renewed the contract of Andreas Fält in 2013 as the EDP's craft beer ambassador to Europe. Andreas is uniquely qualified having worked for major importers of American craft beer in Sweden and England and serving as a judge on an ongoing basis at beer competitions around the world, including the World Beer Cup and GABF. Andreas' role as ambassador is largely centered around education and promotion. He conducts seminars on American craft beer for trade and consumer groups in countries all over Europe, and participates on the BA's behalf in trade shows. He also meets with importers interested in carrying American craft beer brands for the purpose of assessing their readiness and likely fit as a partner for EDP members. When appropriate, Andreas works with the importers on trade leads to EDP members.



Recently, Andreas was invited by importers in Riga, Latvia to visit that market for discussions pertaining to American craft beer opportunities there. The import company helped Andreas coordinate a seminar for trade contacts in the city. There is growing interest in craft beer in Latvia and one importer, in particular, very eager to expand the number of American brands available there. Specifically, the importer is looking for a direct relationship with American breweries. Presently, the beer sent to Latvia comes from other European distributors. While a trade lead for Latvia may still come together as a result of this trip, if there are EDP members interested in exporting to Latvia they are encouraged to contact [Andreas](#).

Andreas also paid a visit to Scandinavia earlier in the year and met with importers in Finland, Norway, and Sweden. These are all important export markets for EDP members and countries that still present opportunities for new exporters. One trade lead, for Bibendum in Sweden, has been issued already. Other leads for Norway are likely soon. And in Finland, Andreas has been invited back to Helsinki in May to participate in events related to an American craft beer week promotion being organized by importers. All of this outreach is helping to generate media coverage and deepening the connection between the BA and trade contacts around the world.

Ireland is also a focus in Europe right now. There is interest in a BA presence at an Irish craft beer festival this summer. Andreas is discussing this activity further in order to determine whether it should be included in the mix for funding by the EDP this year. With its increased USDA allocation, the EDP has budgeted for an increase in activity in Europe and is now assessing a number of opportunities.

EDP Awards Handed Out at CBC

The EDP also continued its annual tradition at the CBC of handing out awards won by member breweries at international brewing competitions the previous year. This year, Mark Snyder hosted the awards ceremony, which took place on Thursday, March 28.

Awards were handed out from the Australian International Beer Awards, the Stockholm Beer and Whiskey Festival, the Brussels Beer Challenge and the European Beer Star. Representatives affiliated with each of the competitions were also on hand to assist with the awards ceremony.

International competitions remain a centerpiece of the EDP and of the BA's strategy to reinforce the American craft beer industry's standing as global leaders in innovation and quality. Traditionally, EDP members perform very well at these global competitions and the awards won often raise importer interest in American craft beers in the host country/region. For those that did not attend the 2013 ceremony, EDP members continued their string of victories in these prominent competitions.

At the 2012 Australian International Beer awards, ten trophy awards were presented in addition to gold, silver, and bronze medals. The trophies represent the highest awards of the competition. EDP members won four of the ten trophies (including two to Pelican Pub and Brewery). In addition, EDP members won a total of 12 gold, 68 silver, and 72 bronze medals.

In Stockholm, EDP members had a down year for awards compared to previous years. This was largely due to a significant increase in entries from European breweries and because of the very limited number of beer styles available within this competition. Nevertheless, EDP members won three awards including one gold, one silver and one bronze.

2012 marked the first year for the Brussels Beer Challenge but the event included an impressive list of international judges. EDP members won 13 gold, 11 silver and 13 bronze medals for 37 in total.

Finally, at the European Beer Star Awards, EDP members took home 35 awards including 12 gold, 13 silver, and 10 bronze.

A full listing of all winning breweries and their medals can be found on the BA's website [here](#).

The 2013 awards season is just getting going. Beers have already been collected for the AIBA awards and the EDP again plans to sponsor entries into the other three. Announcements pertaining to these will come out from Mark Snyder throughout the year.



Matt Brynildson, Brewmaster Firestone Walker Brewing Co, European Beer Star Gold winner presented by the German Hop Queen.

EDP Presentations at CBC Now Available

The EDP again sponsored a track of seminars at the recently-completed Craft Brewers Conference in Washington, DC. This year's speakers included James Smith of the Crafty Pint (Australia), Kimberley Giesbrecht of the Liquor Distribution Branch (British Columbia), Missy Keller and David McCaleb (TTB), and Michel Jamais, beer and wine writer and educator (Europe). The purpose, as always, was to offer EDP members and other interested breweries an opportunity to learn about exporting to different markets and to make connections with BA staff, industry peers, and trade contacts that could help with exports going forward. Presentations from all of the speakers are available on the EDP page of the [Brewers Association website](#).



Mark Snyder introducing TTB Specialists Missy Keller & David McCaleb

The EDP also generally offers an export seminar at the Great American Beer Festival. Input from members regarding topics of interest is always welcome. If you have suggestions, please contact [Mark Snyder](#).

EDP Prepares for Brazilian Trade Mission

The EDP's 2013 Emerging Markets Program grant (previous story) is specific to activities in Brazil. That USDA program reserves funds for technical and educational/training purposes in low income countries only. Brazil qualifies and so was the target of the BA's proposal in 2013.



Michel Jamais from Sweden speaking on American Craft Beer in the Crowded European Drinks Market

Using a portion of these funds, in June, the EDP will participate in the Brasil Brau trade show and conference. EDP representatives have previously attended Brau, but this will be the first year in which the BA will have a booth and will offer presentations. Representatives from Rogue Ales, Sierra Nevada Brewing Company, Southern Tier Brewing Company, Odell Brewing Company, and Elysian Brewing Company are planning to attend Brau on behalf of the EDP along with Eric Rosenberg (Bryant Christie Inc.). The group has been asked to give presentations at Brau on the history of the BA and the American craft beer industry, on innovation among American craft breweries, and on sustainability in the U.S. industry. Additionally, the EDP is coordinating with two leading sommelier schools in Sao Paulo to offer seminars on American craft beer.

With a number of U.S. brewery representatives likely to attend, the BA has also reached out to a public relations firm (De Fatho Communications) to arrange for media interviews and coverage for the EDP events. This is the same company that helped the BA secure significant media coverage the last time EDP events were held in Brazil, including a piece on craft beer tourism to the U.S. in the in-flight magazine for Brazil's largest international carrier. The events in Brazil will take place the week of June 24.

USDA to Audit BA Grant and Civil Rights Compliance This Year

Grants from the USDA for export promotion come with strings attached. There are a variety of rules and regulations that govern the use of federal funds and the BA is audited periodically by USDA compliance staff to ensure expenditures remain within the rules. The BA has historically performed well in these audits which is another reason for the good support enjoyed by the BA's export program among USDA administrators. The next financial compliance audit is scheduled for this July. Additionally, for the first time, the BA has been chosen for an on-site audit of adherence to federal civil rights requirements. That audit is to take place this month at the BA's office in Boulder. A reviewer with the USDA's Office of Civil Rights will visit Boulder for one day to interview BA managers and staff about employment practices and compliance with training and other requirements associated with federal grants. The audit is meant to be informational and to improve awareness of resources and policies related to civil rights.