Midyear US Craft Brewing Industry Update
8/5/2021
Midyear improvement versus 2020, still lags 2019
All data suggest trending improvement (June data)
Mixed on-premise signs, but at-the-brewery fairing better
Openings continue to decline
Surprisingly few closings
Broader bev alc competition heating up, driven by consumers
Overall Beer

Total Beer Industry

Draft + Premise %

Barrels

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

2020 | 2021

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

2020 | 2021

0% | 2% | 4% | 6% | 8% | 10%
Prior to COVID, a week in this period averaged a bit less than 4 million barrels in sales.
Food Services and Drinking Places vs Food and Beverage Stores

Source: US Census Bureau
Brewers Association Analysis
Made Possible by Savings

Personal Savings Rate

- PSAVERT
- PrevAvg
Total On-Premise ≠ Draught

BeerBoard vs 2019

2-Jan 2-Feb 2-Mar 2-Apr 2-May 2-Jun 2-Jul

Non-Restaurants, Food Services and Drinking Places
Jan-2021 Feb-2021 Mar-2021 Apr-2021 May-2021
Midyear Survey
Midyear Survey

Thanks to the breweries that filled it out!!!
Different Ways to View

Scan YoY and Scan Versus 2019

Source: IRI Total US MULO+C+Liquor
Midyear Craft Brewer Survey

- Reported -10% at midyear last year
- Full year, FL breweries -14% in ‘20 vs -9% (US)
- 2021: Growth versus 2020
- Still below 2019

Sample:
-13% in first half of 2020 vs 2019 (same as sample last year)
+7% unweighted, +13% weighted vs 2020
Midyear Survey

Putting it all together

Estimate that craft made up between 1/2 to 2/3 of its 2020 volume losses in 1st half 2021

Split between quarters:
- Q1 certainly worse (cycling mostly normal Q1)
- Q2 likely much better (even positive?)
Midyear Survey - June

Estimate June was positive +3-5% versus 2019

- Kegs: btw -15% and -2% of 2019 levels (may not reflect consumer sales)
- Packaged +3% to +9% of 2019 levels
  - 0% to -5% vs 2020
  - Less extreme than scan (+9 vs 19 -9 vs 20), though may reflect lag
June - Onsite

- Unweighted +20% versus 2019
- Weighted +40%, but heavily relies on small sample size from smallest (big weight)
- Removing that group +12% weighted

- Regardless, suggests onsite up versus 2019
Arryved: Trends Vs 2019

**Spending vs Traffic**

Adjusted for sample changes; BA Analysis

Source: Arryved POS; Analysis by Brewers Association
Spend Creeping Back Down...

Average Spend

Avg Checks Per Site Vs Avg Spend Per Visitor

Source: Arryved POS; Analysis by Brewers Association
Slight Majority of Breweries Back to Growth

-25% or worse: 47%
-25% to -10%: 53%
-10% to static: 20%
0% to 10%: 10%
10% to 25%: 7%
25%+: 3%
Bit Different in Volume

Combined Barelage Percentage of Growth vs Below 2019

- Growth vs 2019 (Barrels): 17.8%
- Below 2019 (Barrels): 82.2%
Brewery Trends
Brewery Count - July

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<th>Jul-17</th>
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Permits Continue To Grow

TTB Brewers Notice Count by Quarter
But Growth Slowing

Permit Growth by Quarter
Driven by Decline in Openings/Planning
(Only Partially COVID)
Closings Haven’t Really Increased  
(Actually Below Previous Trend)

Rolling 365 Day Closings
Trends, The Drinker, and Regulation
Like the Upcoming Section?

Lots more data available to BA members

Getting Inside the Mind of the Craft Beer Consumer
- 2021 Member Exclusive

Collab Hour
July 1, 2021
Speaker(s): Bart Watson

The BA has once again commissioned the annual Craft Beer Insights Panel survey to take the pulse of adults who enjoy drinking craft beer. Read More ›
**Omnibibulous**

- 94% of weekly craft beer drinkers indicate drinking at least one other bev alc category weekly.

% of Weekly Craft Drinkers Saying they Drink Another Category Weekly, by Category
Beyond Beer

Breweries that answered the question (n = 1451):

• 33% reported some volume
• 3.4% of beer volume, up from 1.2% last year
• For those with some volume (i.e. >0), 8.9% of beer production, up from 3.4%
• Growth in beyond beer made up for 40% of beer loss (total); more than loss for >0 group
• Median reported volume = 20 barrels (median brewer reporting = 550 barrels)
ABV: The Center Cannot Hold

Very/Somewhat Important

%}


All High ABV  All Low ABV  Weekly High ABV  Weekly Low ABV
ABV (high or low) is at least somewhat important to:
- 72% of craft drinkers
- 82% of weekly craft drinkers

Very important to:
- 36% of craft drinkers
- 49% of weekly craft drinkers

How easy it is for someone to find your ABV?
I am more interested in consuming craft beer...

Not-applicable (combined) dropped from 43% in 2019 to 32% in 2021
I am more interested in consuming craft beer...

Not-applicable (combined) dropped from 37% in 2019 to 24% in 2021
Interest Amongst Newest LDA

- Low ABV
- Non-Alc
- Low Carb
- Low Calorie
- Gluten Free
- Organic
- Health-Centric Ing.
- Local Ing.
- Smaller Formats
- Fitness Goals

Weekly 21-34 21-34, Weekly
Beware of Assumptions...

Interest:
In smaller formats (e.g., 8oz can ... )

Women: 18.8%
Men: 19.8%

- 21-34: 19.6%
- 35-54: 18.6%
- 55+: 10.0%
Rumors of Seltzer’s Demise…

Seltzer Share of Scan by 4 Week Period and Year

- 2018
- 2019
- 2020
- 2021
But Decelerating

Seltzer YoY Share Gain

- 2018
- 2019
- 2020
- 2021
Channel Shift

Seltzer and Total Beer Scan Change YoY

Seltzer and All Beer
New Competition

In the US, RTDs are diversifying to include more spirit-bases.

Consumer demand for spirit-based canned cocktails is growing due to:

- A surge in at-home consumption
- Consumers seek to recreate cocktail experience at home
- Cans offer convenience and portability

New flavors & a well-known brand gave the perception of a premium pre-mixed alcoholic beverage according to consumers.

Source: IWSR
New Competition

Spirit-Based RTDs in the US are expected to grow a 41% volume CAGR from ’19 to ’24.

- By 2024, Vodka-RTD will represent close to one-half of the subcategory in volume. The surge in lower flavor brand options is only expected to increase.

- Tequila-RTD will continue to have a sizeable share due to the overall strength of the margarita. The new(er), lower flavored options will also bring new consumers into the category.

Source: IWSR
Non-Alcoholic Growing

Non-Alcoholic, Share of Beer by 4 Week Period
Final Thoughts: The Digital World

U.S. On Track To Be Biggest Alcohol E-Commerce Market By 2021

Elva Ramirez Contributor
Spirits
I cover spirits, hospitality and the growing zero proof space.

07/12/2021

Online grocery shoppers show growing preference for in-store pickup

INDUSTRY UPDATES

Social Media Tips and Tricks for Taprooms
Thank You

Questions?

@BrewersStats