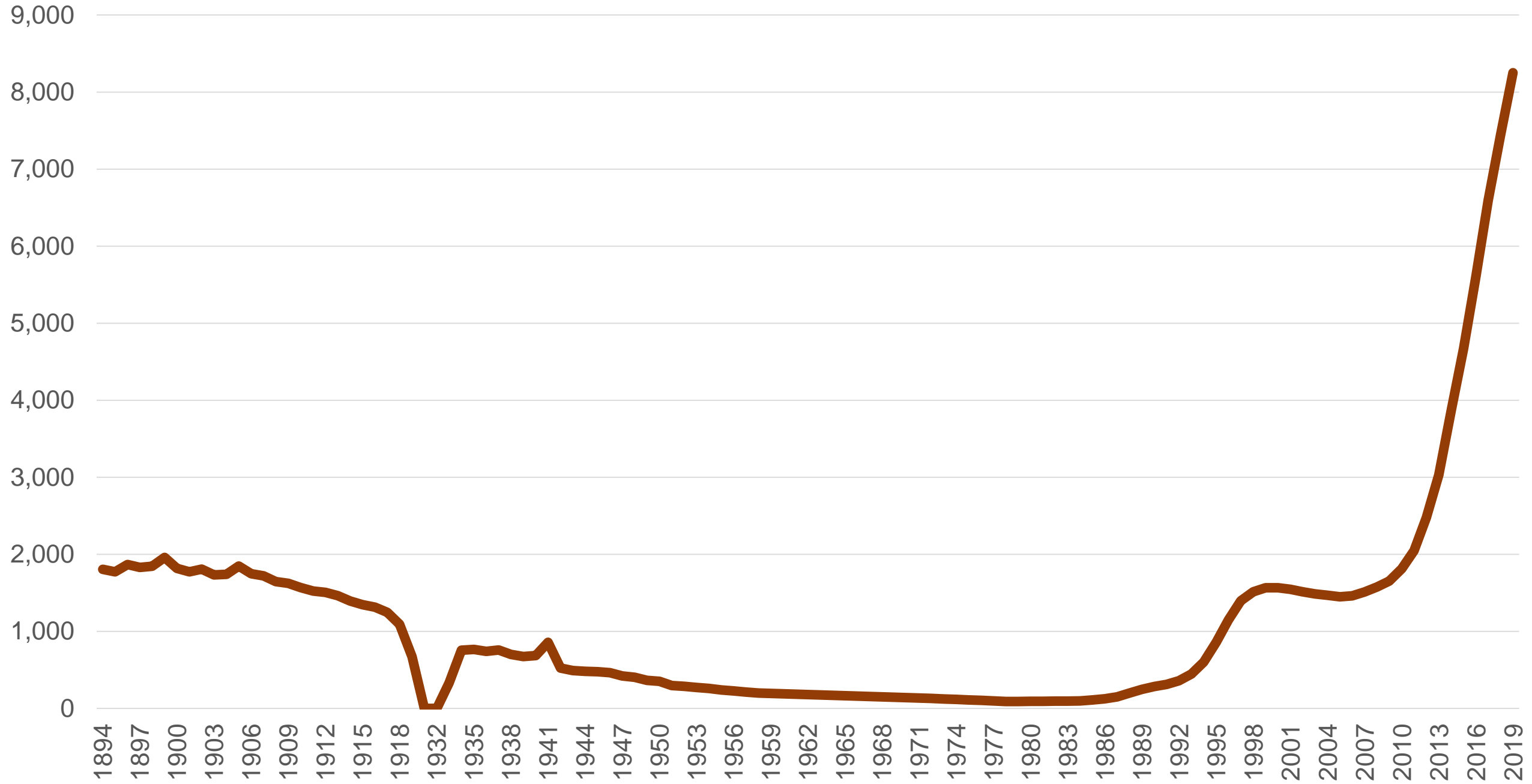


# The Changing US Beer Market

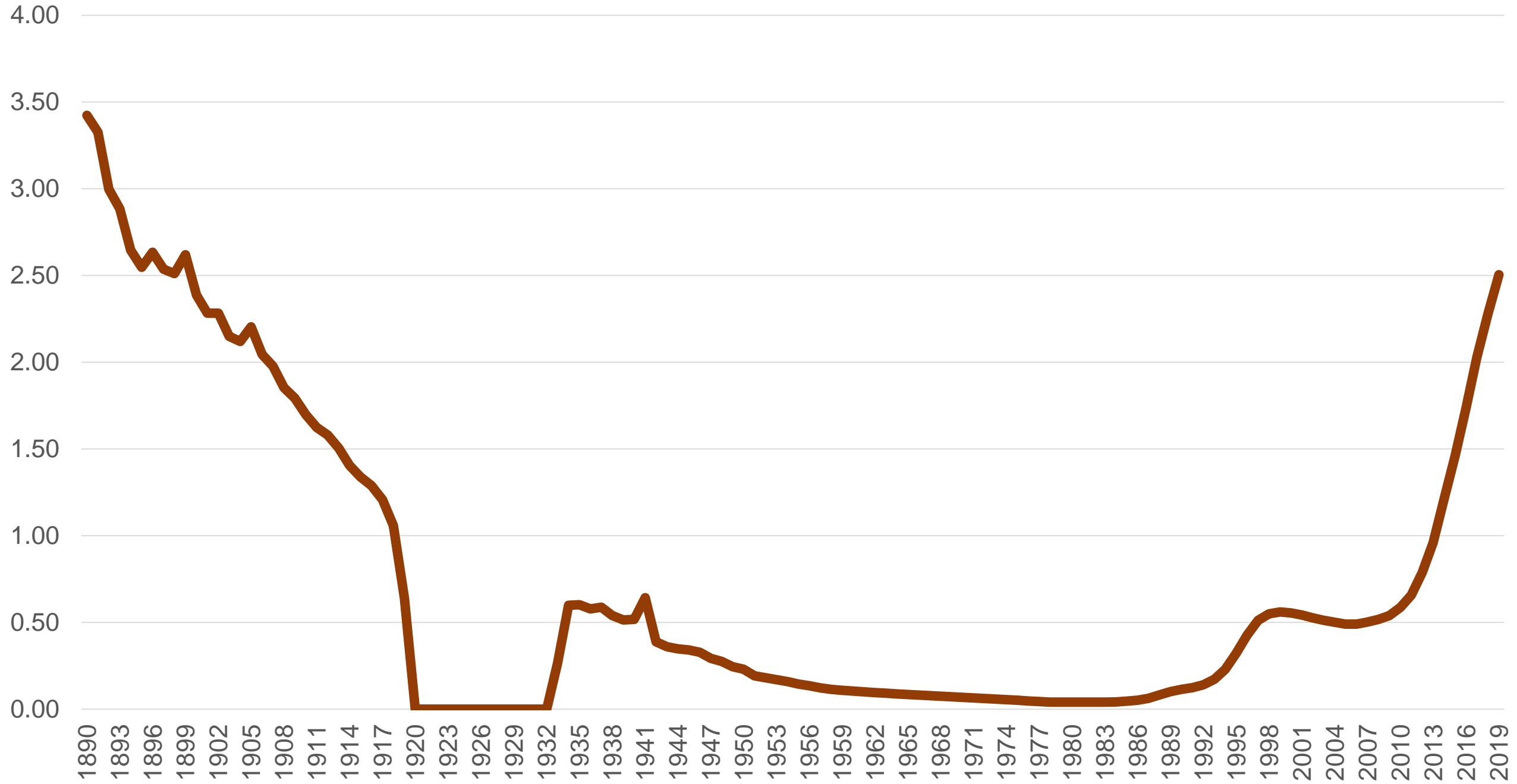
- Dr. Bart Watson, Brewers Association



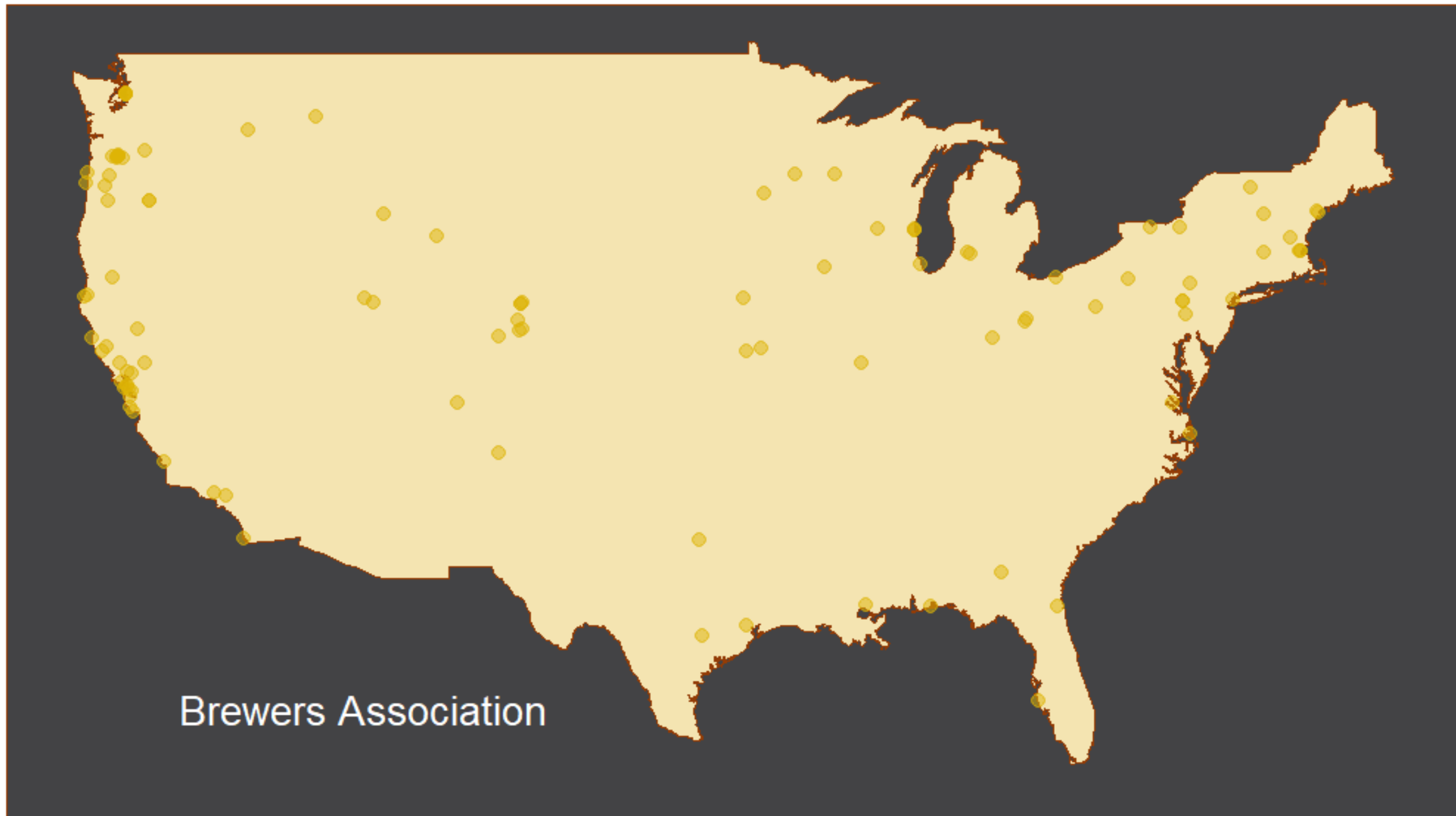
# Breweries, Last 125 Years



# Breweries Per 100,000 Population (US)

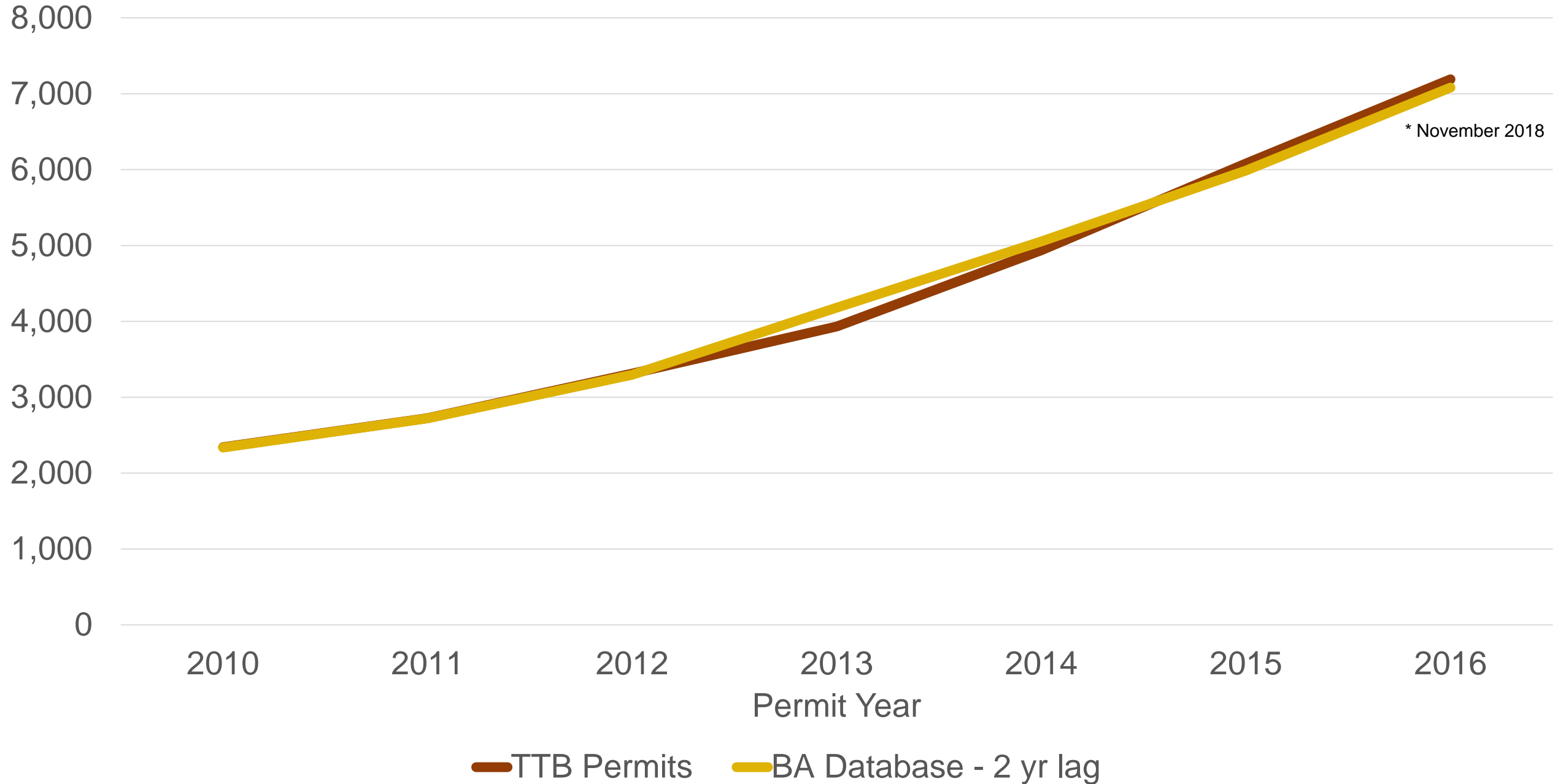


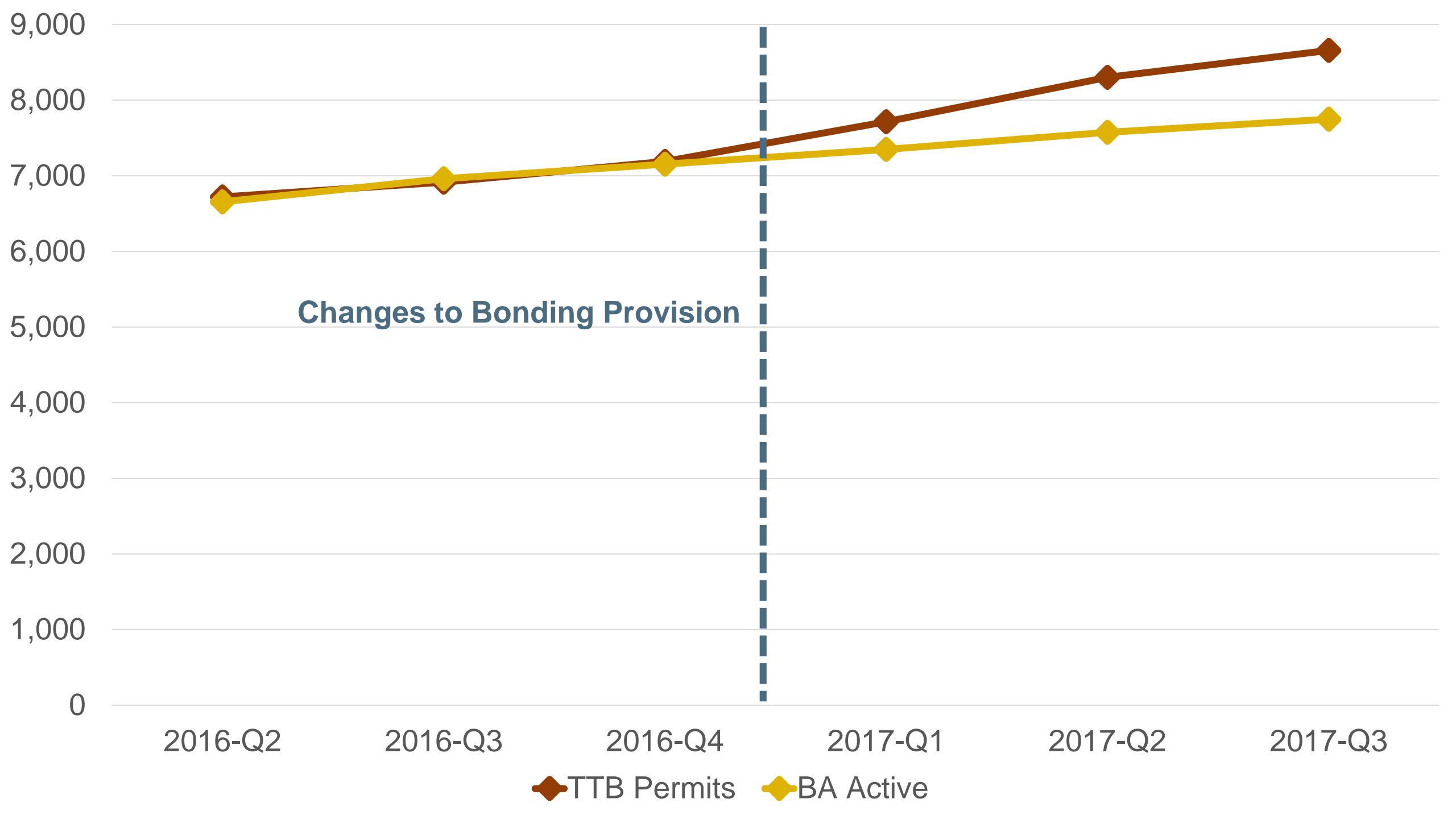
Date: 1990-01-01



Brewers Association

# TTB Permits vs Dec Active, 2 years Later

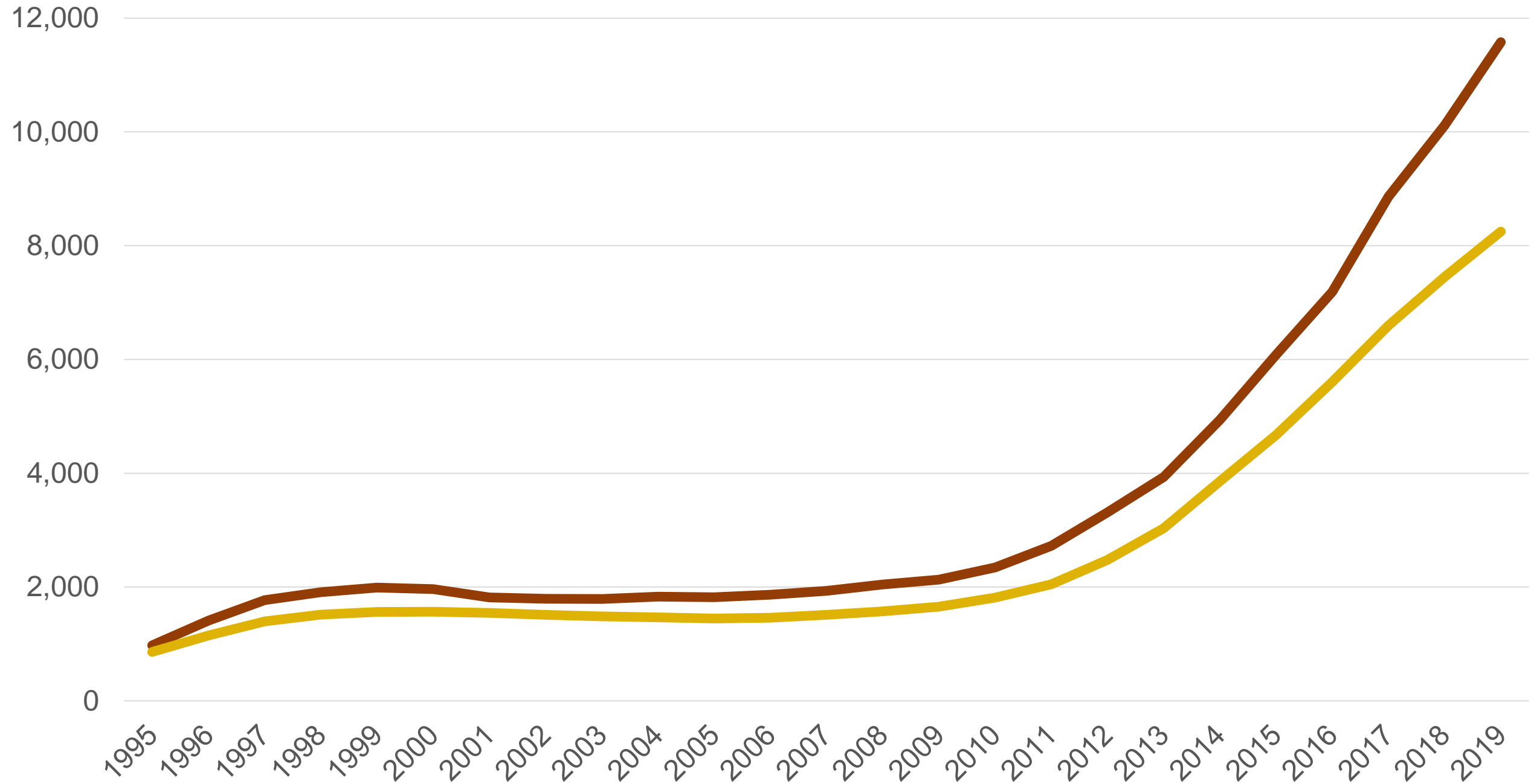




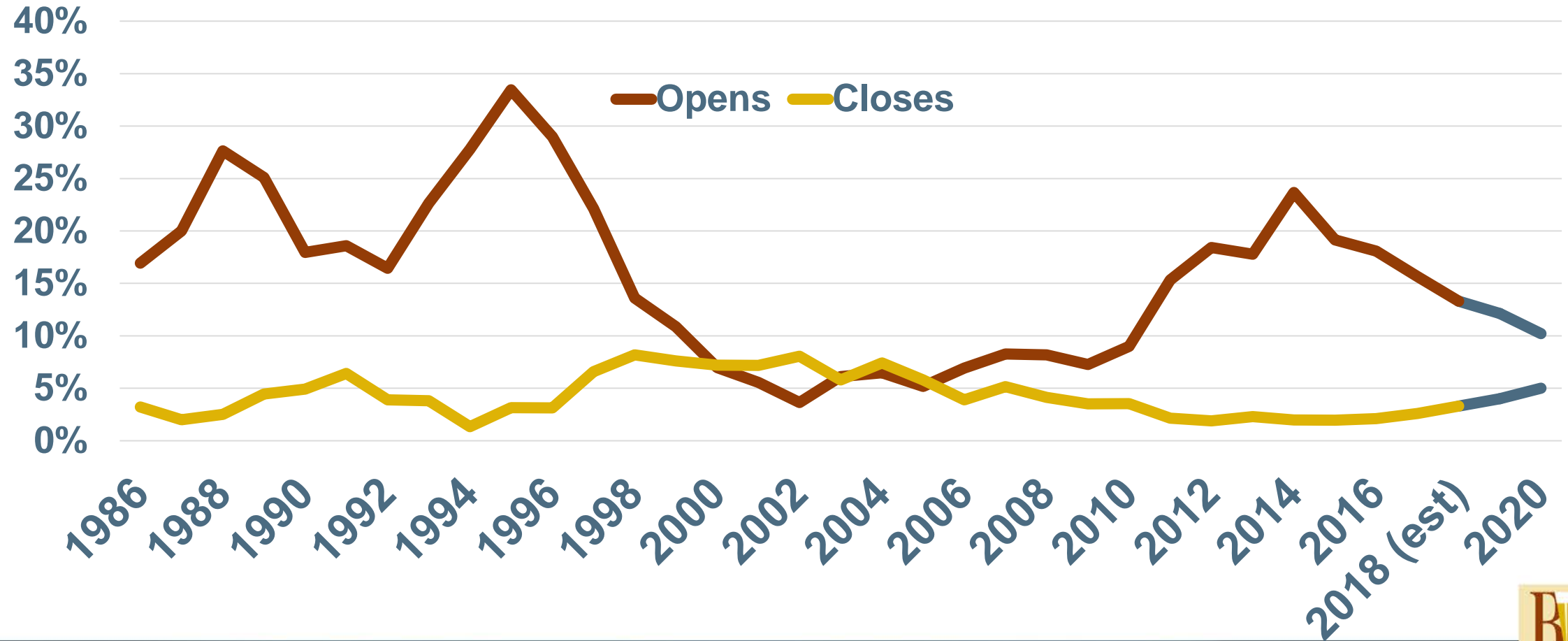
**Changes to Bonding Provision**

◆ TTB Permits    ◆ BA Active

# Breweries and Brewery Permits, 1995-2019 (est)

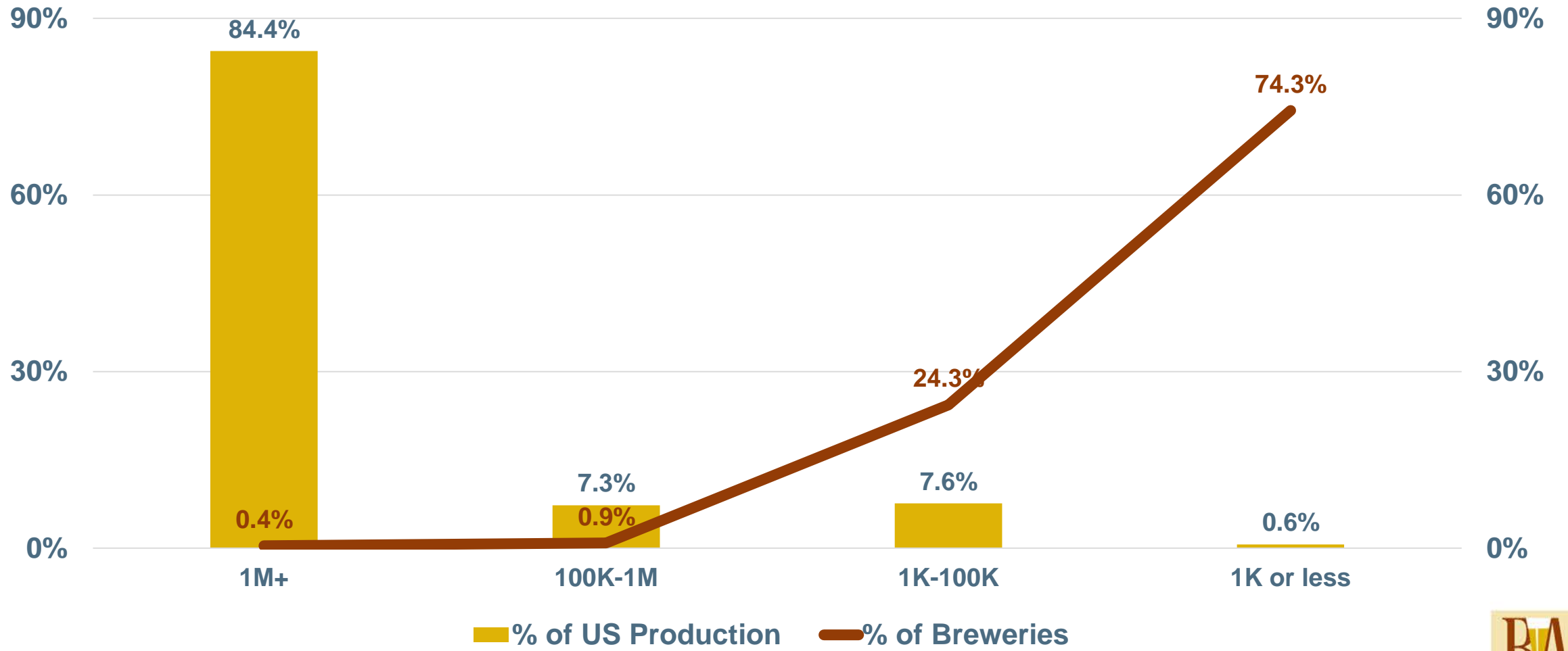


# Opens/Closes as % Of Operating Breweries, 1986-2018





# 2017 US Breweries by Size

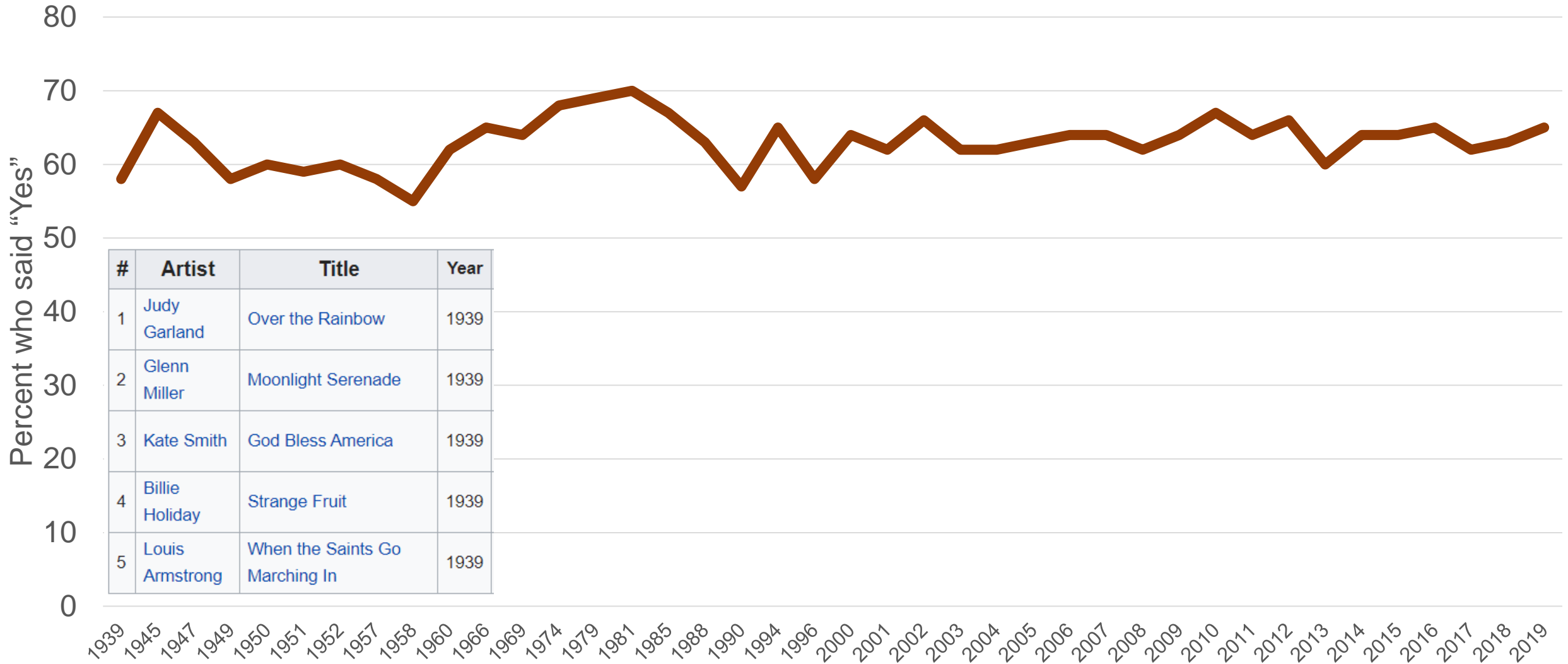


# The Changing Craft/Beer Industry



# Alcohol Consumption Over Time

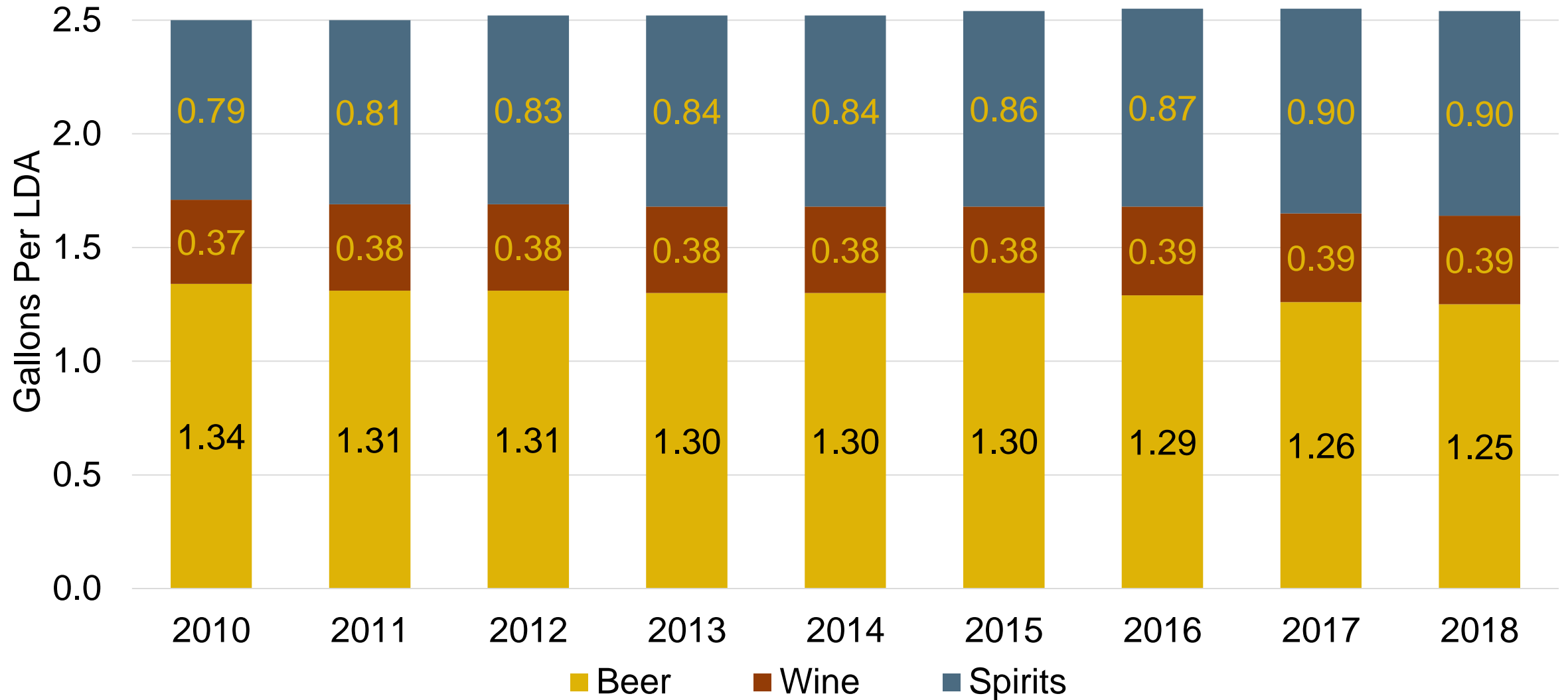
## Do You Have Occasion to Drink Alcohol?



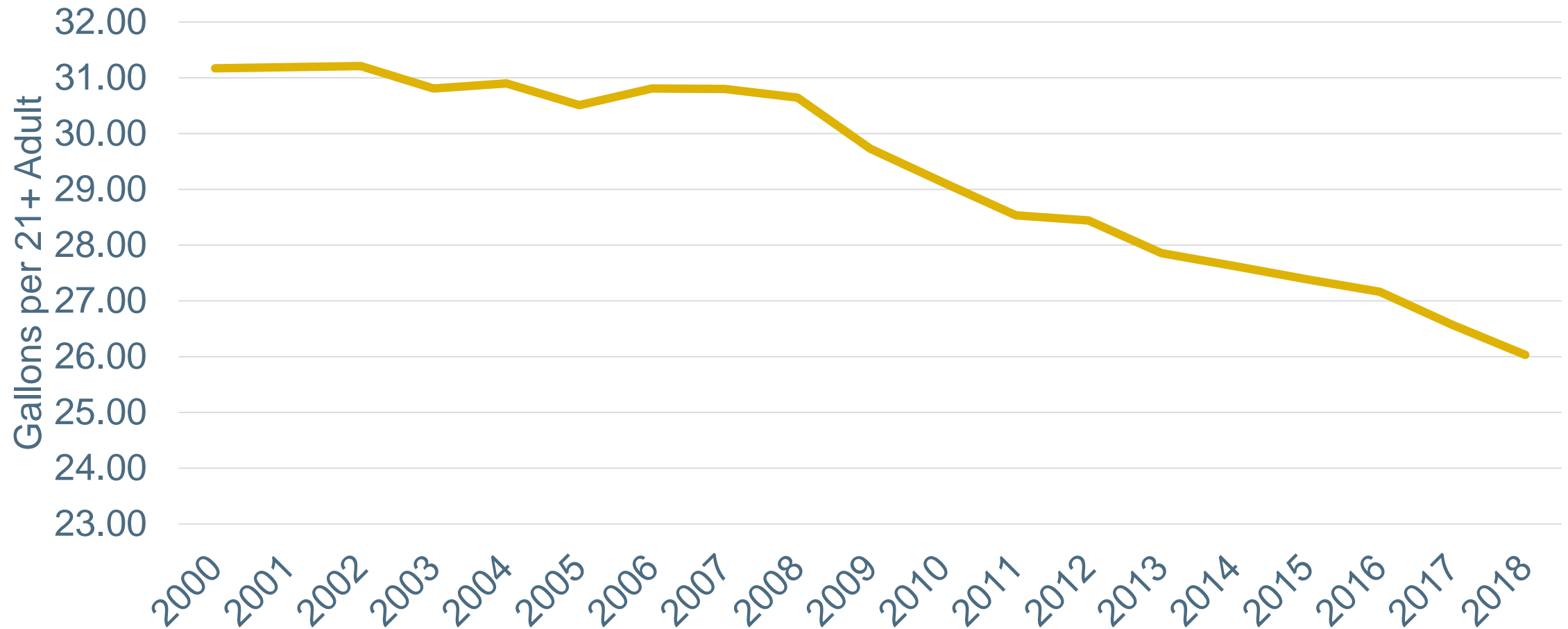
#	Artist	Title	Year
1	Judy Garland	Over the Rainbow	1939
2	Glenn Miller	Moonlight Serenade	1939
3	Kate Smith	God Bless America	1939
4	Billie Holiday	Strange Fruit	1939
5	Louis Armstrong	When the Saints Go Marching In	1939

Source: Gallup Poll, 2016.

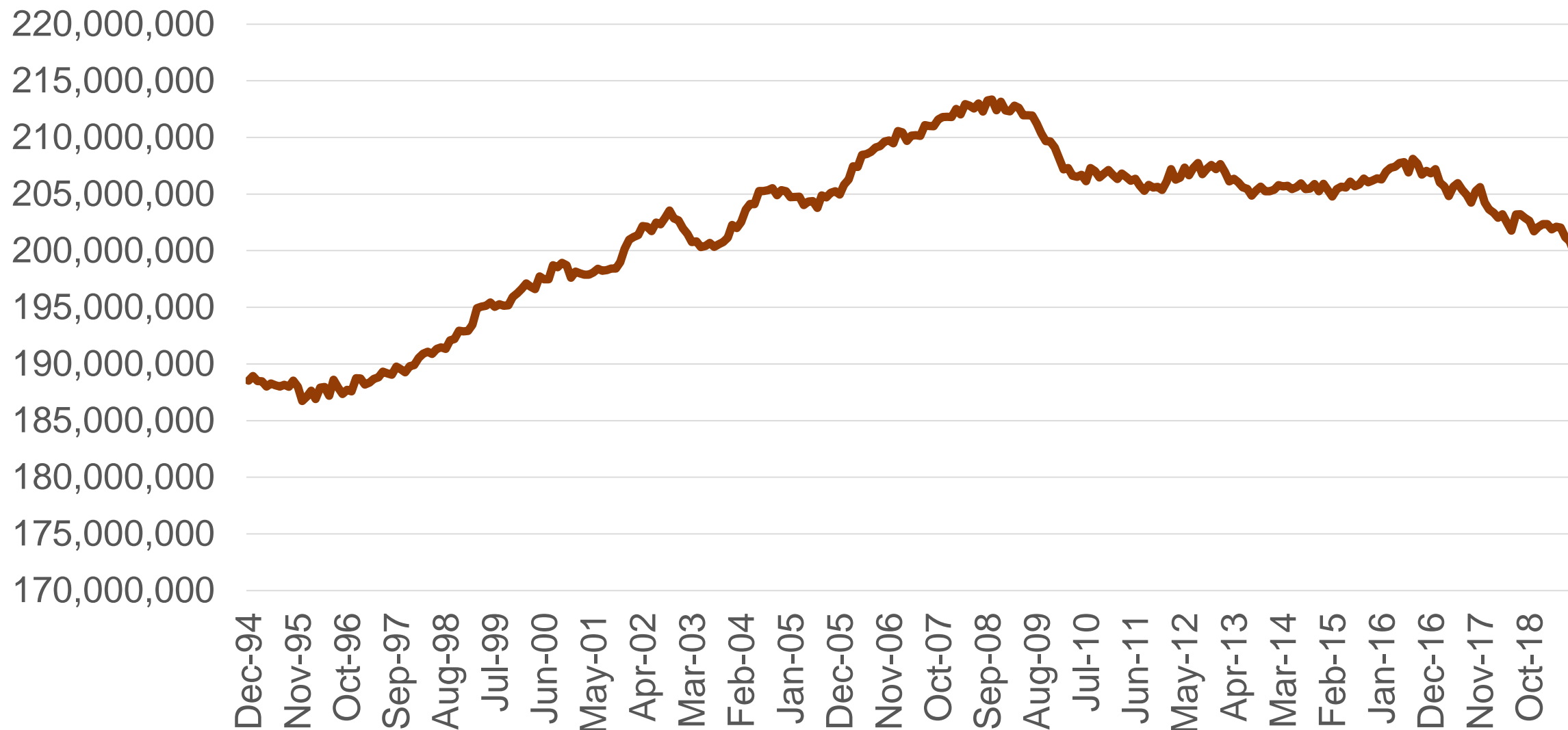
# Total U.S. Ethanol Per Capita 2010 to 2018



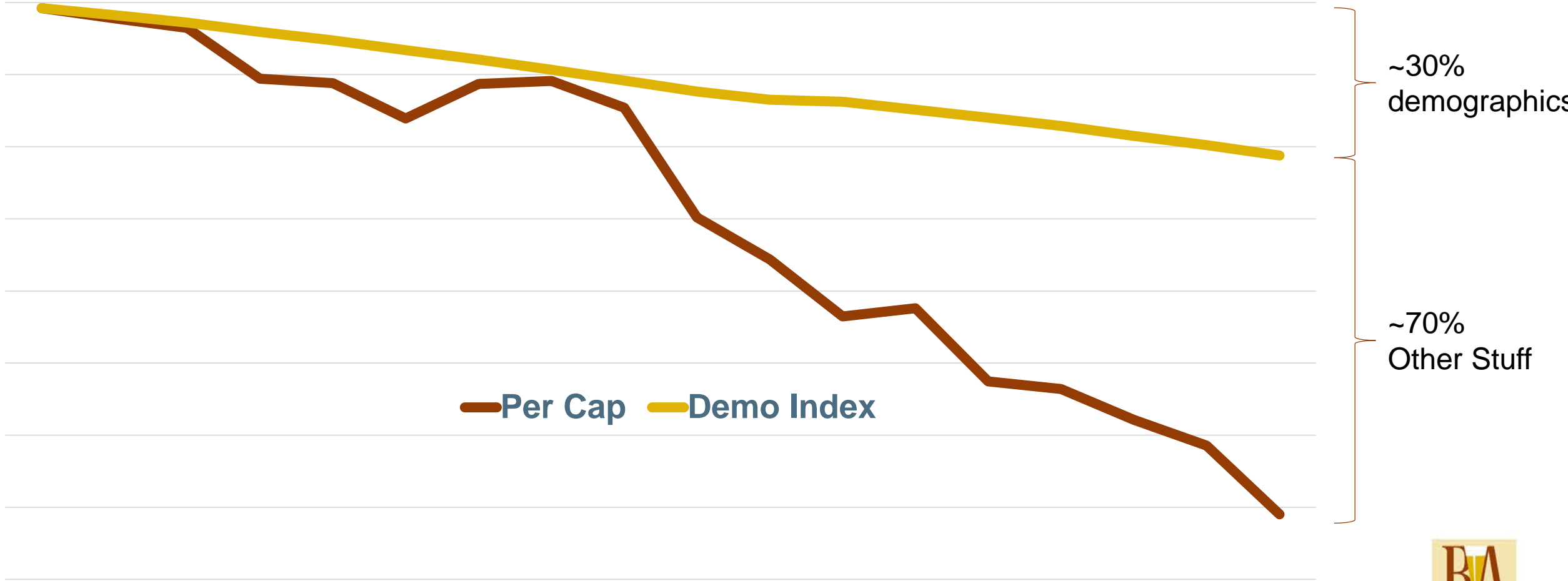
# US 21+ Beer Shipments 2000-2018



# U.S. Beer Shipments, 12 Month Rolling Total, Dec. 94-Aug. 19



# 30% Demographics



— Per Cap — Demo Index

~30% demographics

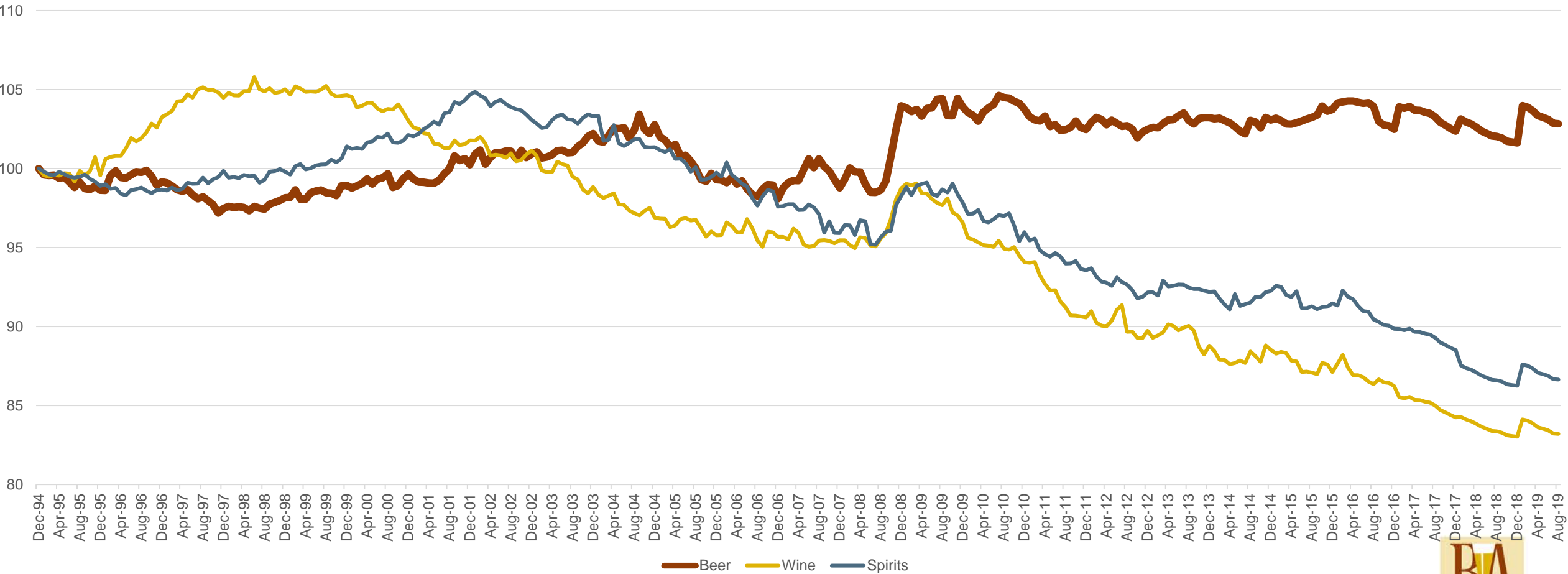
~70% Other Stuff

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017



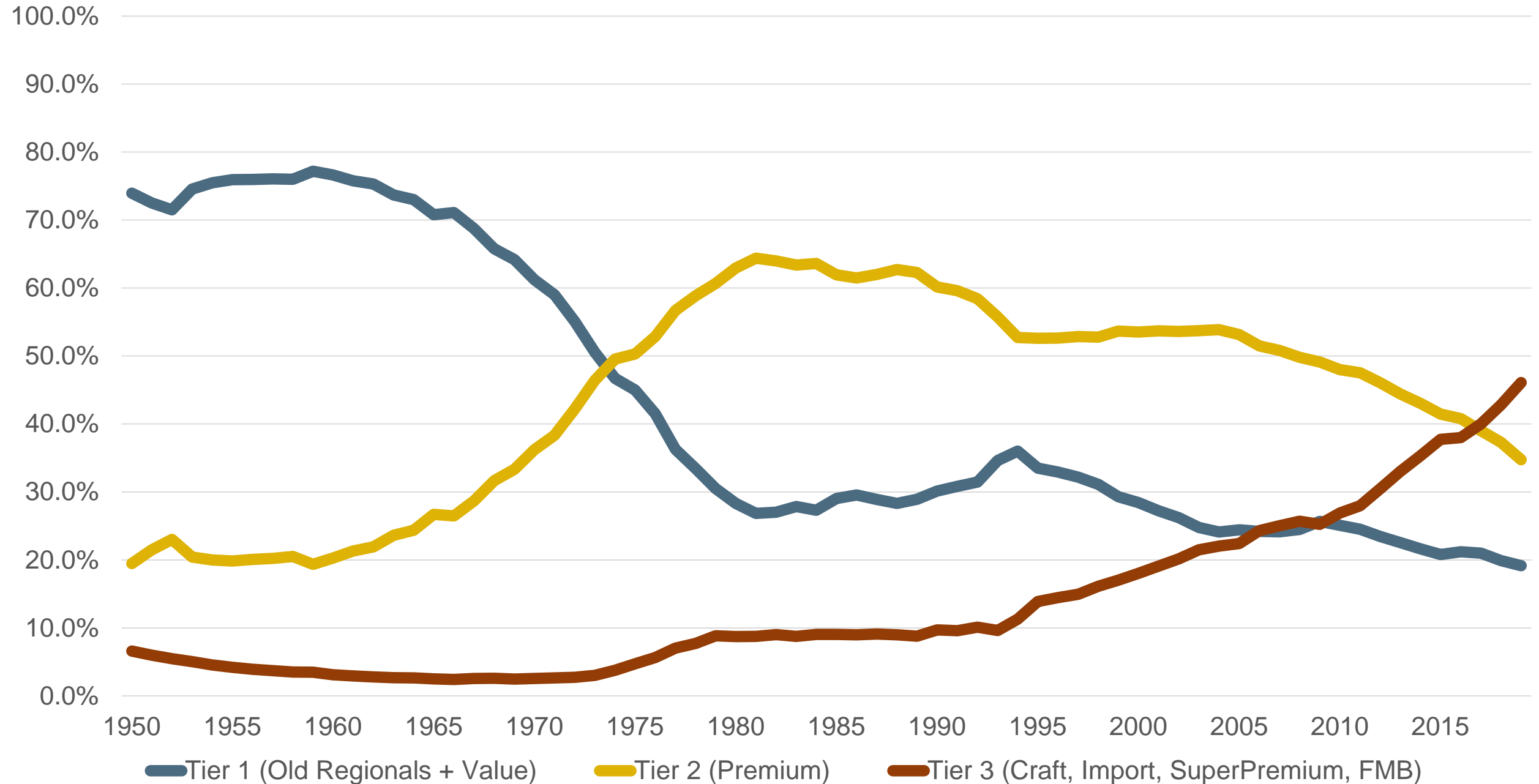
# Prices Another Primary Driver

Beer, Wine, Spirits, Real Price Indices

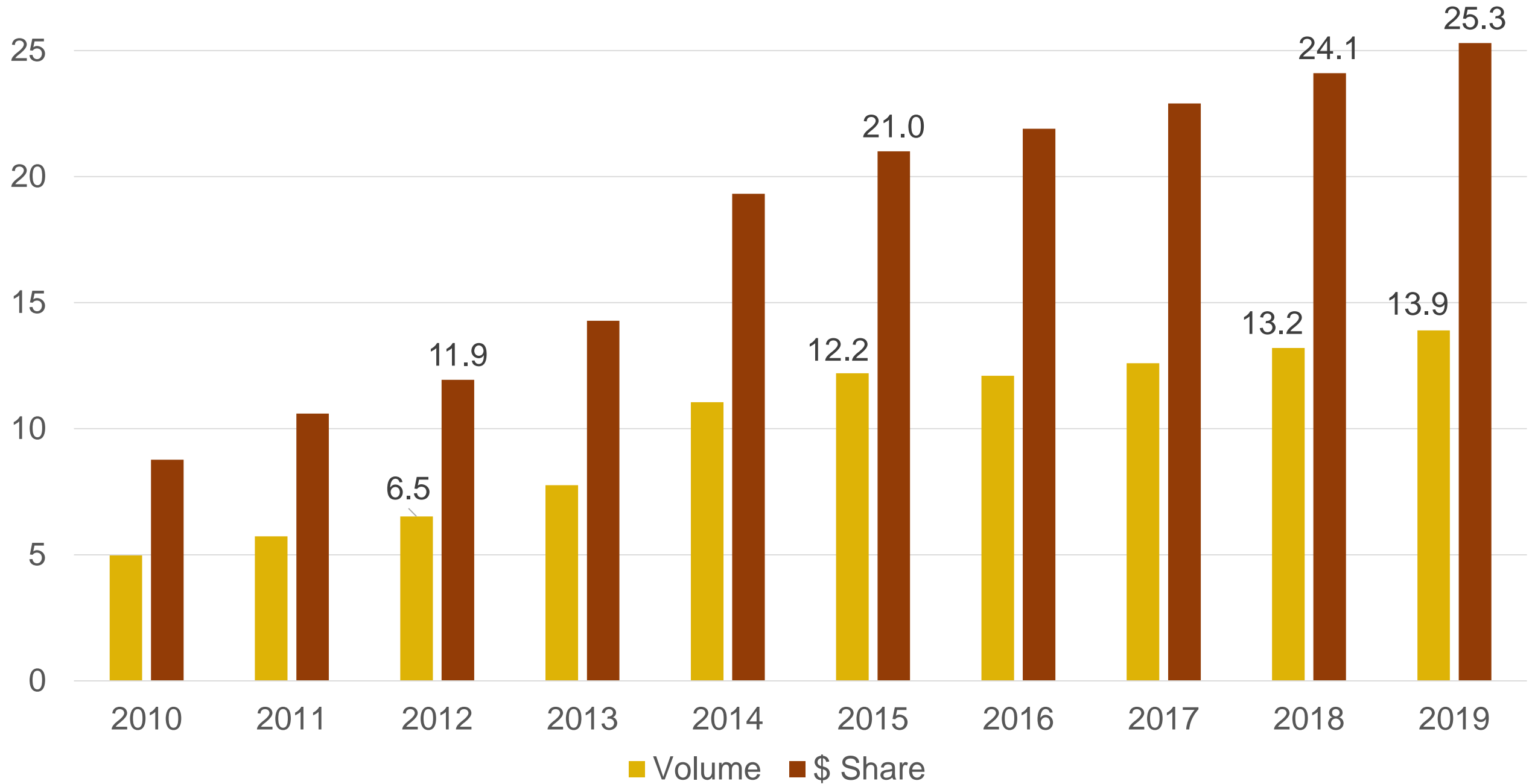




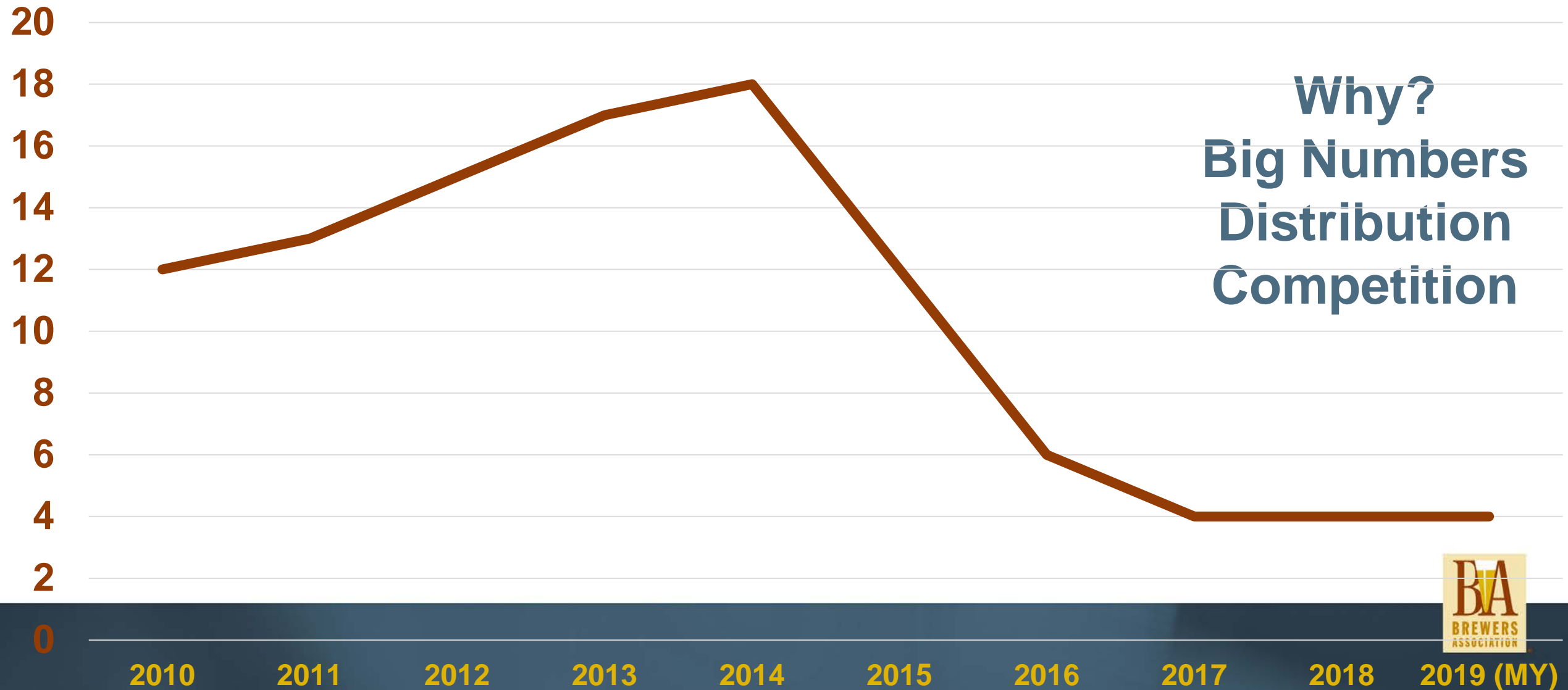
# Beer's Premiumization Trends



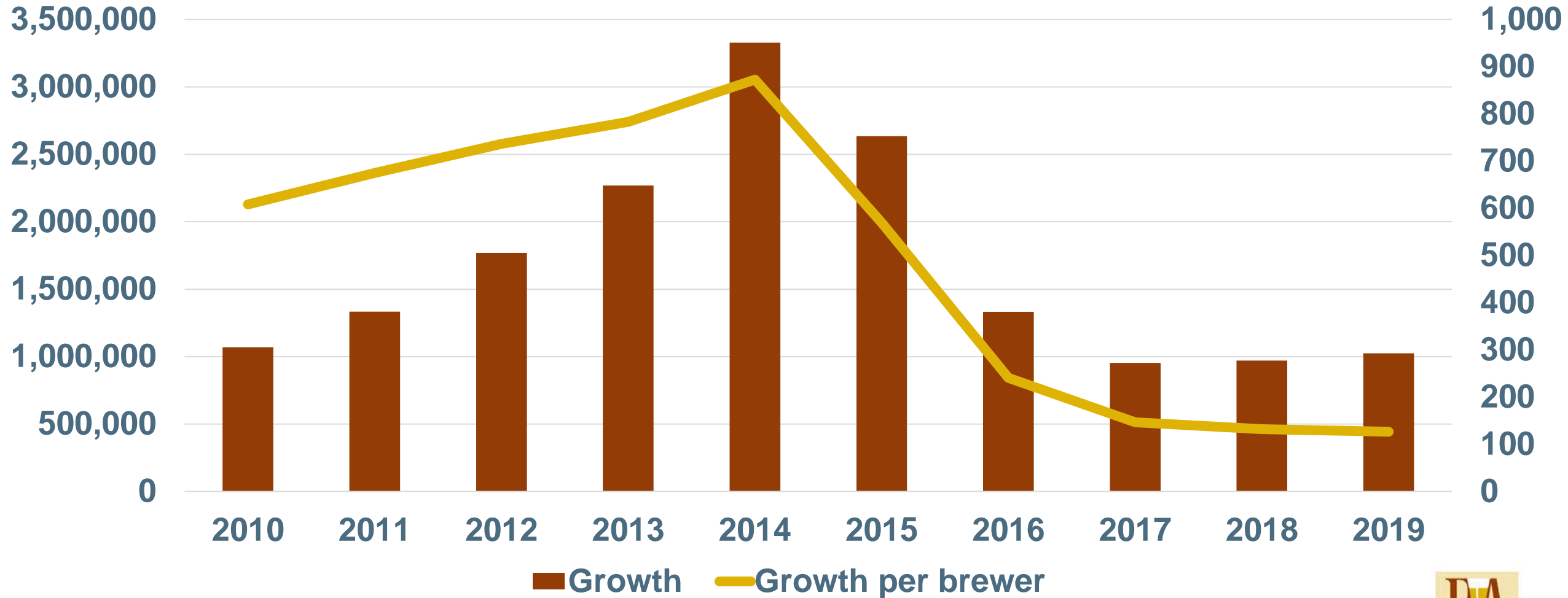
# Craft Volume and Dollar Share over Time



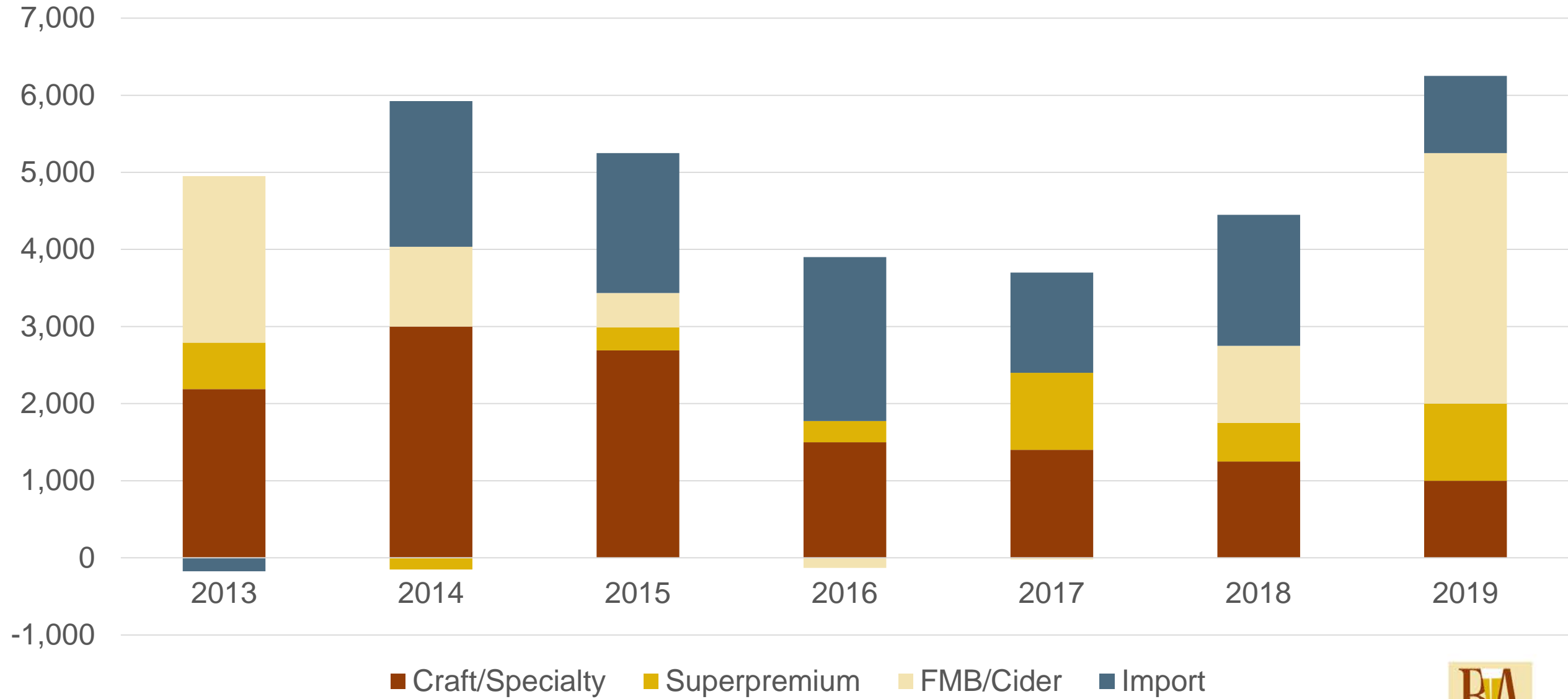
# Craft Production Growth Rate



# Craft Growth, Reframed



# Beer, High End Growth, 2013-2019 (est)



# So far in Production Survey...

- Slightly stronger than last year (but not much)
- 12M+ barrels reported, up 6.3%.
- Same group was up 6.2% in 2018, so expect some decline in overall (4% overall last year)
- 4% current projection.
- Micros and brewpubs up ~20% in early results
- Will drop, but lots of growth there

# Scan Data by Size

Source: IRI MULO+C, (Rolling 52 wks through 12-29-19)  
BA Craft Definition

	Total US	
US Size (CEs), YA	Growth % (52w vs YA)	% Volume (52w)
1,000,000+	0.3%	63.0%
100k to 1M	-0.5%	18.0%
10K to 100K	8.0%	15.5%
Less than 10K	31.8%	3.5%

Median growth = 0%

Median growth = negative

# One Implication, Weaker Pricing

Year	CE Avg Price	6 Pack Avg Price	CE Price Growth	6 Pack Price Growth
2015	\$36.43	\$9.31		
2016	\$37.59	\$9.59	3.2%	3.0%
2017	\$38.27	\$9.82	1.8%	2.4%
2018	\$38.90	\$10.02	1.6%	2.0%
2019	\$39.33	\$10.16	1.1%	1.4%
Source: IRI Group, Total US, MULO+C, BA Analysis				



# Styles/Hop Specific Issues

# Top Growth Styles 2019 (share terms)

## Total US - Multi Outlet + Conv

American IPA

Imperial IPA

Pilsner

American Lager

Other IPA

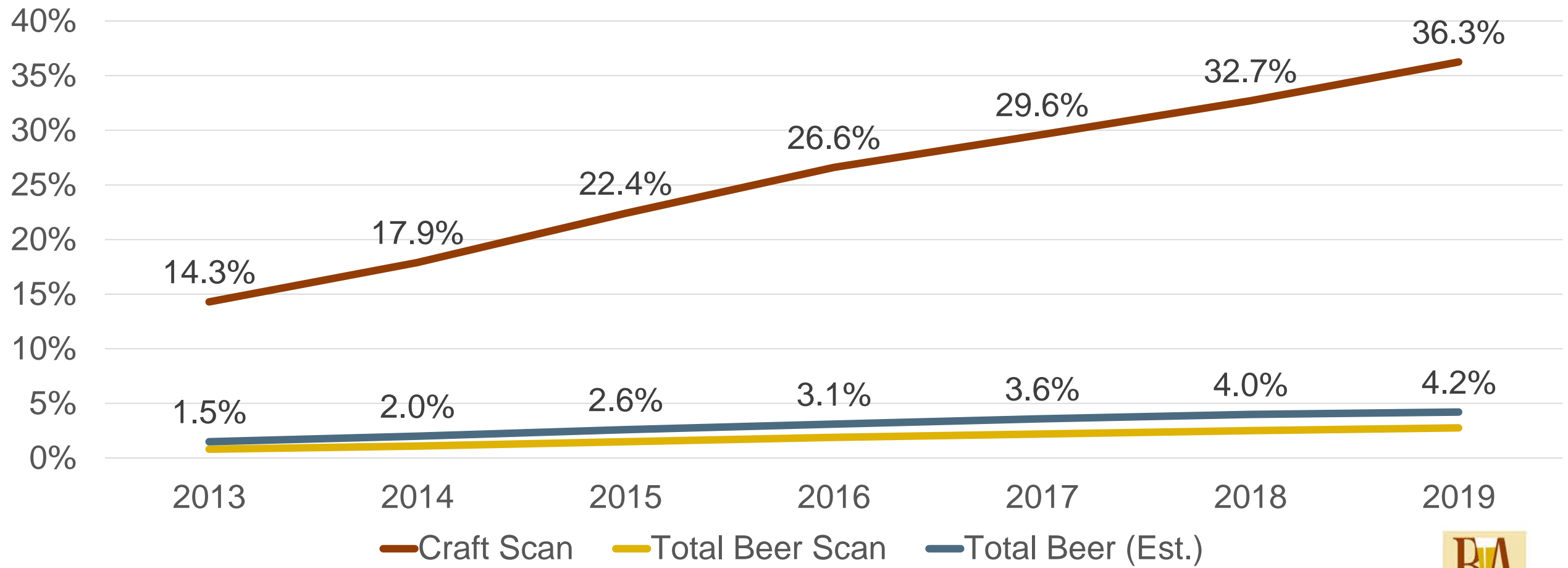
Blonde Ale

Sour Ale

- Similar trends to 2018
- Much harder to tell a simple style story these days
- Trends and classics
- Hoppy and sessionable
- How to stand out?

# IPA's Rise

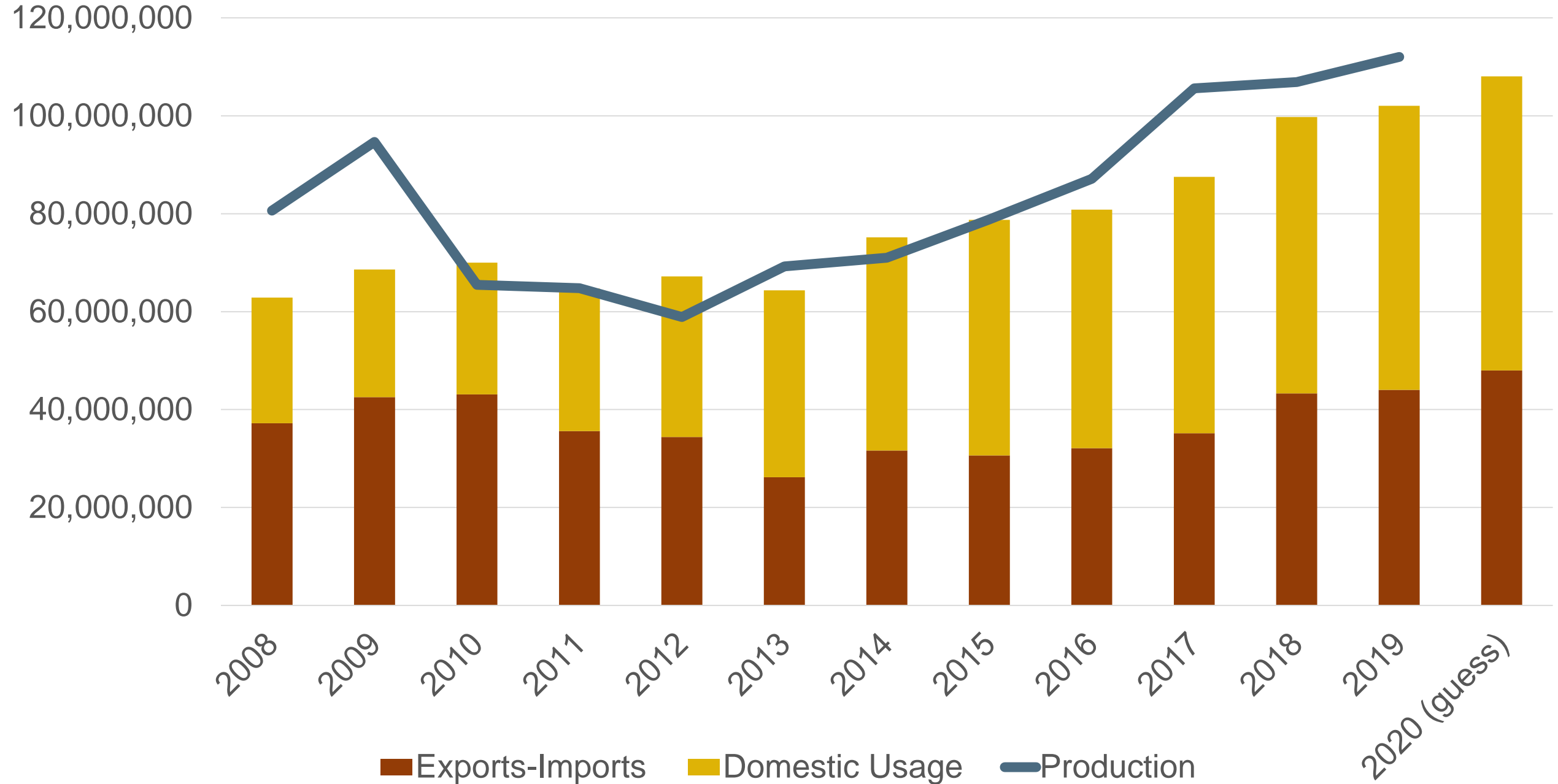
## IPA Share by Channel



# Overall Beer and IPA Markets by Brewer Size

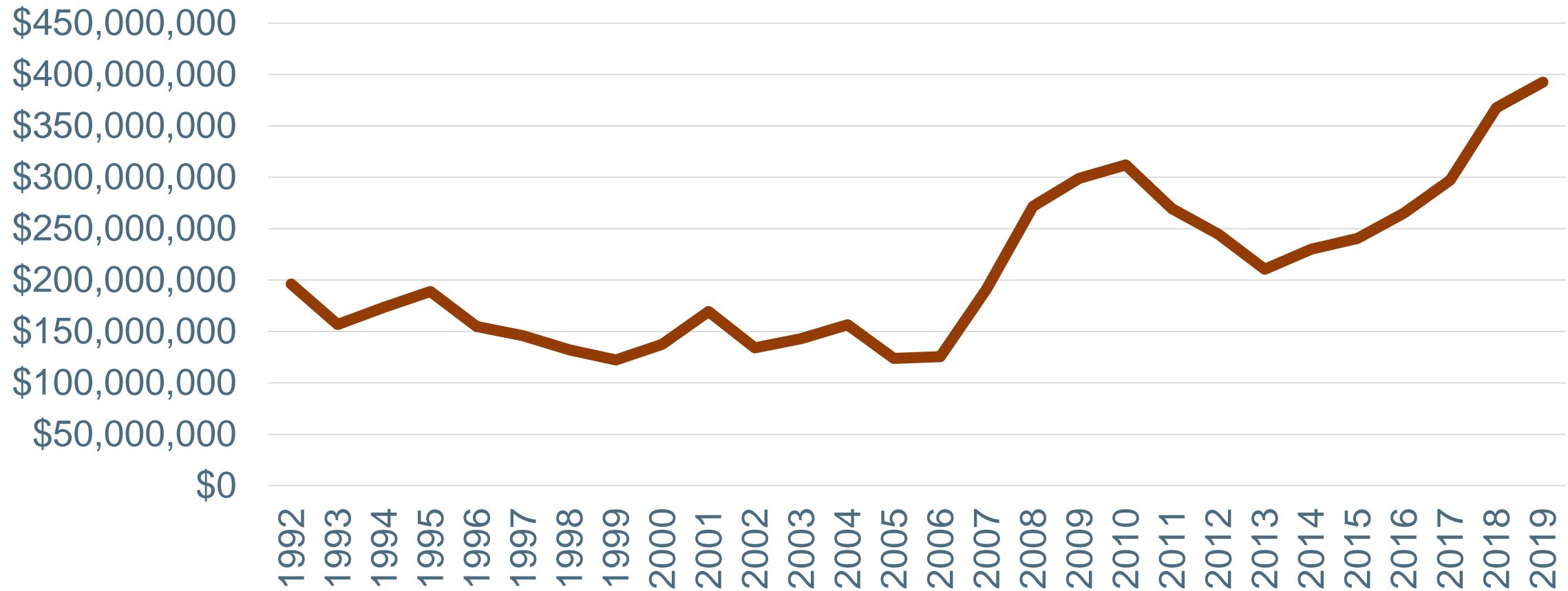
Size (2018 CEs)	Overall Share	Share of IPA	Overall Growth	IPA Growth	Share of IPA Change 18 to 19
100M+	80.2%	16.1%	0.4%	9.7%	-0.4%
10M to 100M	13.4%	3.7%	13.5%	-15.3%	-1.2%
1M to 10M	3.4%	47.2%	4.8%	15.9%	1.3%
100K to 1M	1.6%	15.9%	1.2%	7.9%	-0.7%
10K to 100K	1.1%	13.9%	9.5%	15.6%	0.3%
<10K	0.3%	3.3%	49.9%	47.8%	3.3%

# Hop Industry Model, 2008-2020

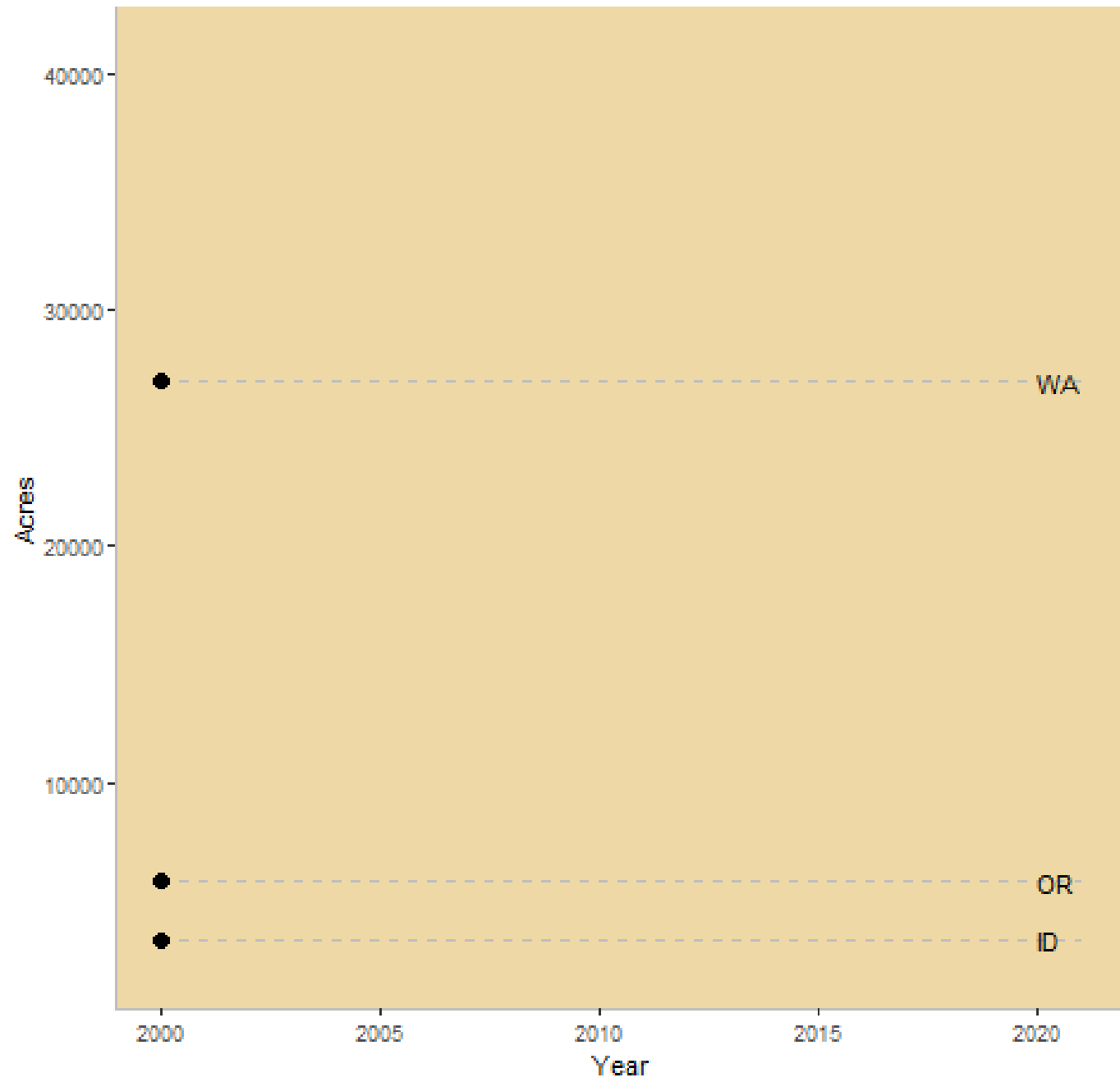


# Export Value Booming

Real Export Value (Customs Data), 1992-2019



US Hop Harvest by Year and State, 2000-2019



# WA State, Real Avg Price vs Acres, 2004-2019



Source: USDA-NASS, Brewers Association Analysis







CHEERS!

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[@brewersstats](#)

