

Emerging Drink Trends Impacting Brewing

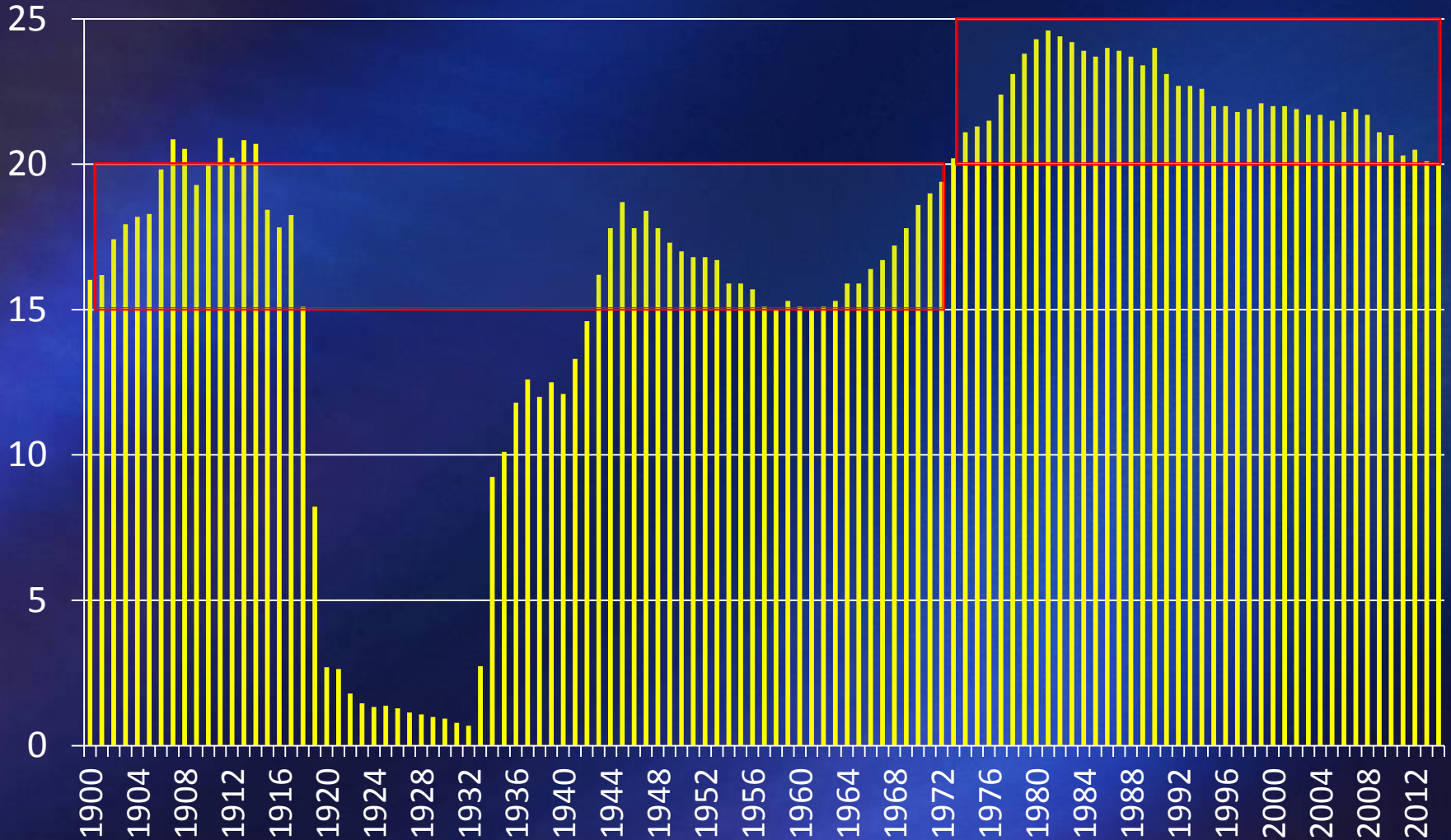
Great Lakes Hop and Barley Conference



Count of U.S. Breweries 1900 to 2014

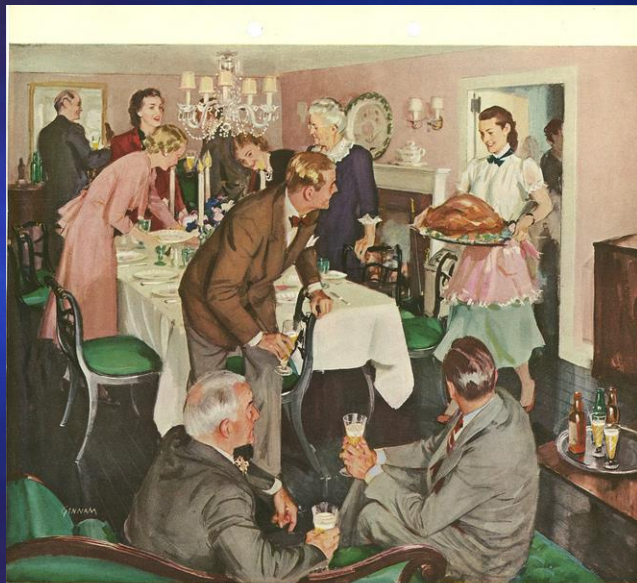


U.S. Per Capita Beer Consumption 1900 to 2014 Gallons Per Person



Beer Belongs Campaign

USBA/USBF 1945 to 1956



"THANKSGIVING," by John Cassam. Number 23 in the series "Home Life in America," by noted American illustrators.

Beer belongs...enjoy it

In this home-loving land of ours... in this America of kindness, of friendship, of good-humored tolerance... perhaps no beverages are more "at home" on more occasions than good American beer and ale.

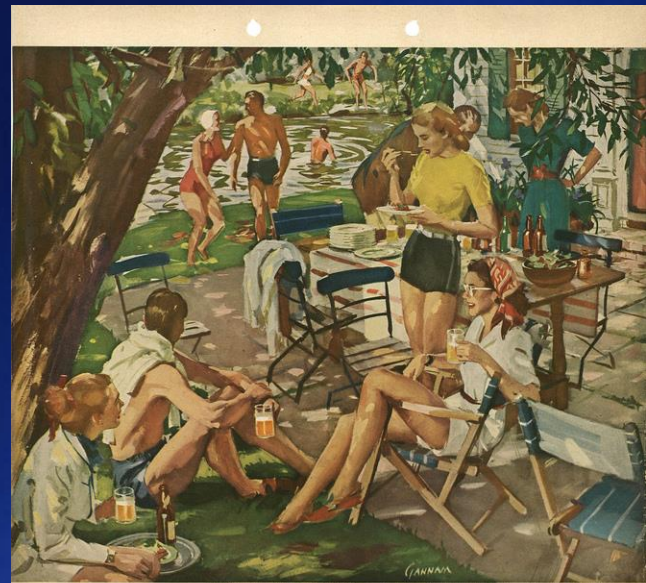
For beer is the kind of beverage Americans like. It belongs—to pleasant living, to good fellowship, to sensible moderation. And our right to enjoy it, this too belongs—to our own American heritage of personal freedom.



BEER AND ALE—AMERICA'S BEVERAGES OF MODERATION



This advertisement appears in
 LIFE—November 2, 1942
 Look—November 23, 1942
 Collier's—November 27, 1942
 McCall's—November 1942
 Woman's Home Companion—November, 1942



"AROUND THE SWIMMING POOL," by John Cassam. Number 18 in the series "Home Life in America," by noted American illustrators.

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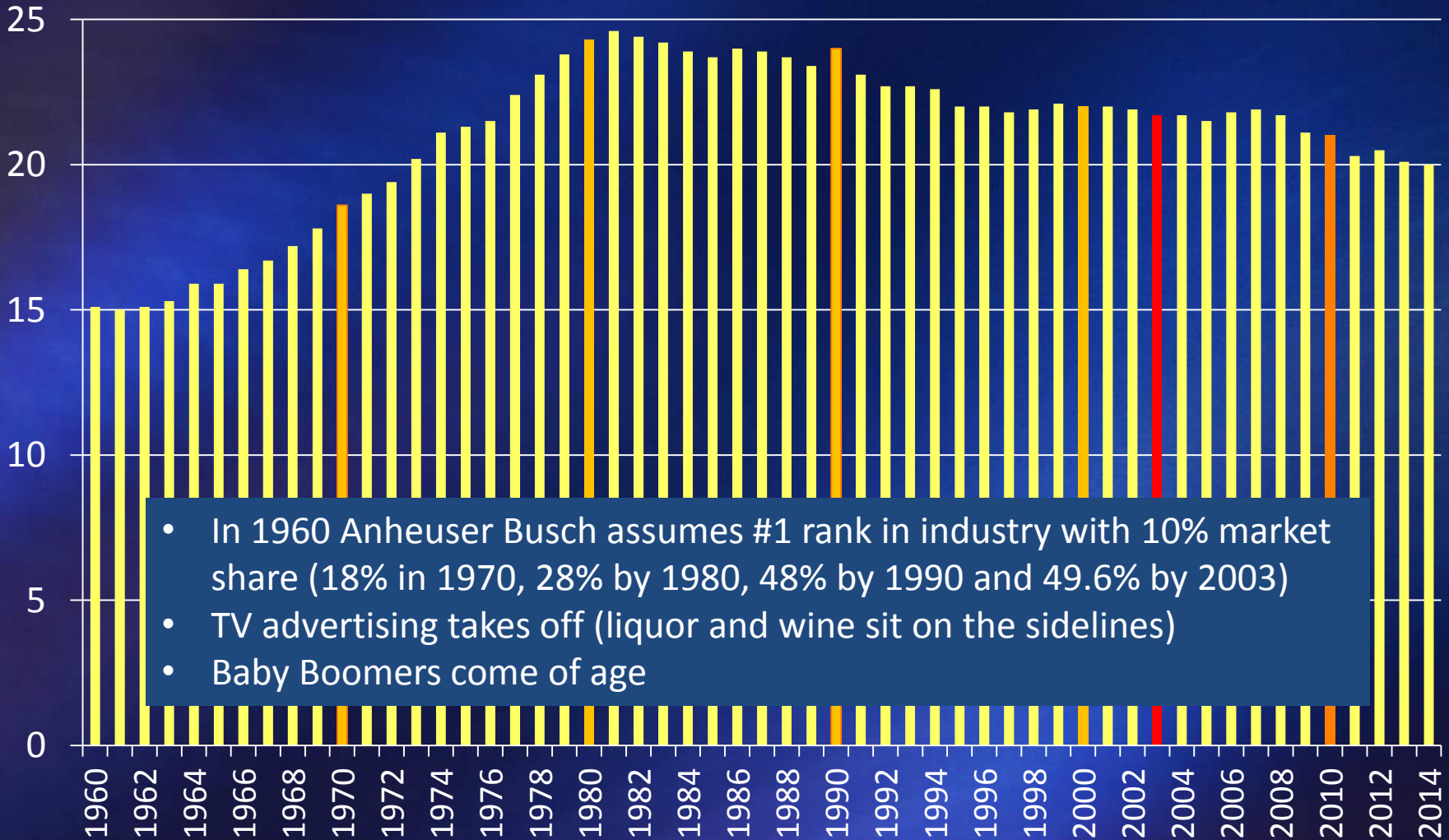
AMERICA'S BEVERAGE OF MODERATION



This advertisement appears in the June 28, 1948 issue of LIFE



U.S. Per Capita Beer Consumption 1960 to 2014 Gallons Per Person



Top 5 Market Shares in U.S. 1977 vs. 2014

	1977	1977		2014	2014
Brewer	Volume	Share	Brewer	Volume	Share
AB (1852)	37,012	23%	ABInbev (1366/2008)	93,400	45%
Miller (1855)	24,168	15%	Miller Coors (2007)	54,000	26%
Schlitz (1849)	22,130	14%	Constellation (1940)	14,400	7%
Pabst (1844)	16,003	10%	HUSA (1864)	8,300	4%
Coors (1873)	12,770	8%	Pabst (1844/2014)	5,000	2%
Top 5	112,083	70%	Top 5	175,100	84%
Balance - 44	47,053	30%	Balance - 3,595+	30,700	16%
Total	159,136	100%	Total	205,800	100%
Brewer Counts*	49		Brewer Counts*	3,600+	



Count of U.S. Breweries

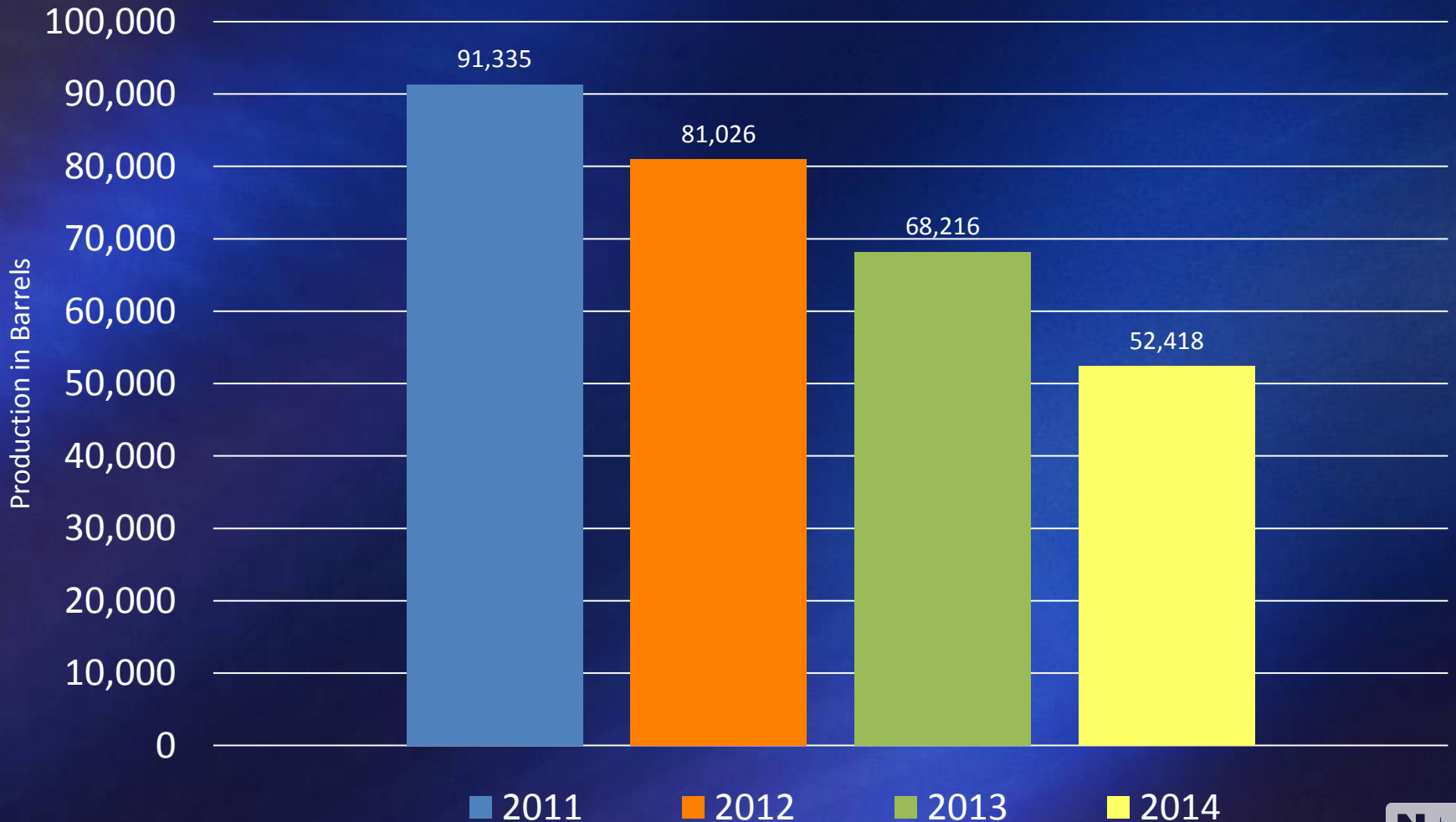
2014 Production Volume

Production Volume Barrels (31 gallons)	2014 Breweries	2014 Share
0 -1,000	2,628	71.8%
1,001-7,500	711	19.4%
7,500-15,000	100	2.7%
15,001 - 60,000	122	3.3%
60,001-100,000	21	0.6%
100,001-1,999,999	55	1.5%
2,000,000 plus (AB 12 / MC 8)	21	0.6%
Total	3,658	100%

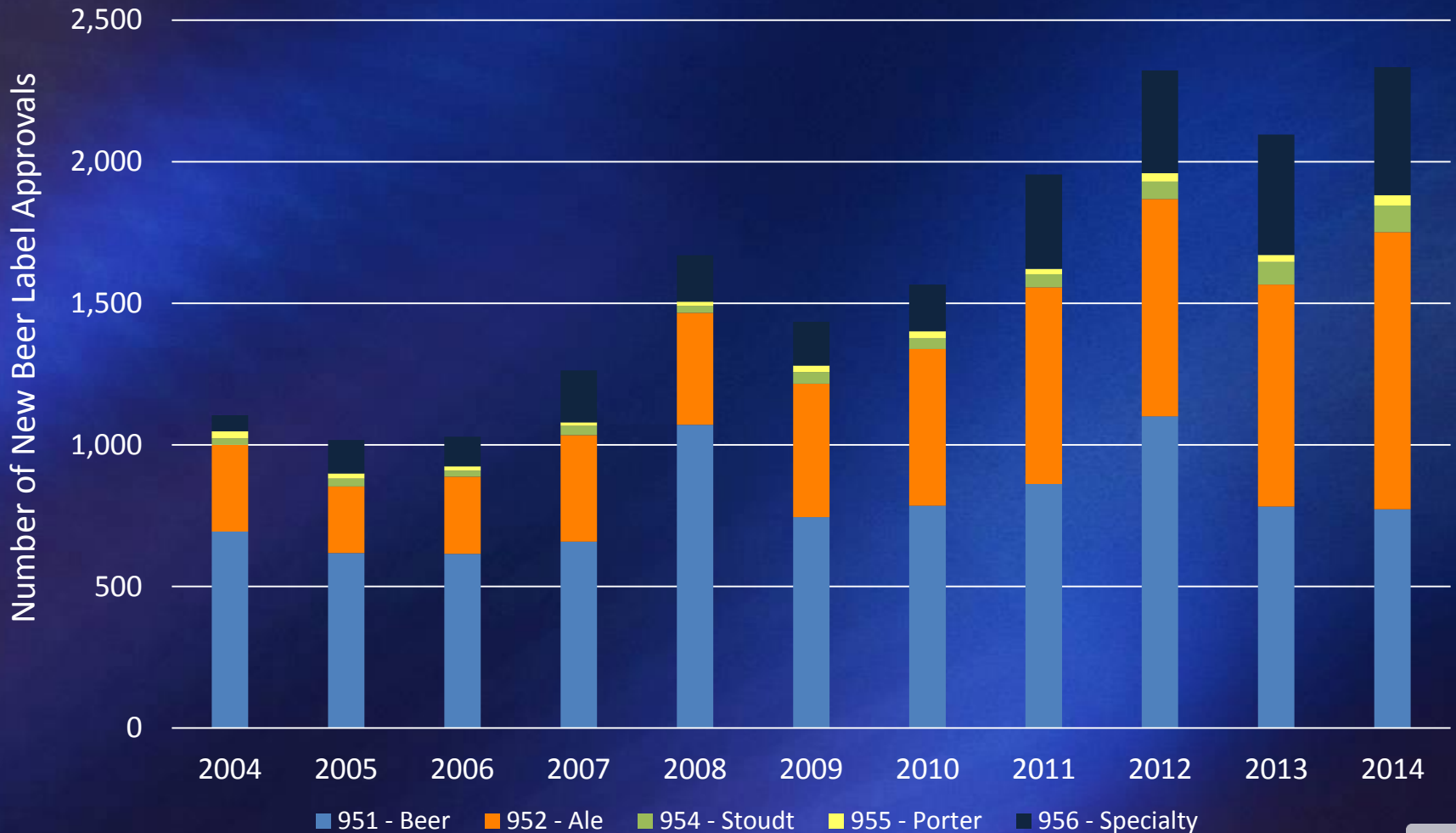
*91% of brewers produce less than 7,500 barrel and 96% of all new breweries
(802 new brewers in 2014 making less than 7,500 barrels)*



Average Barrels Per Brewery 2011 to 2014

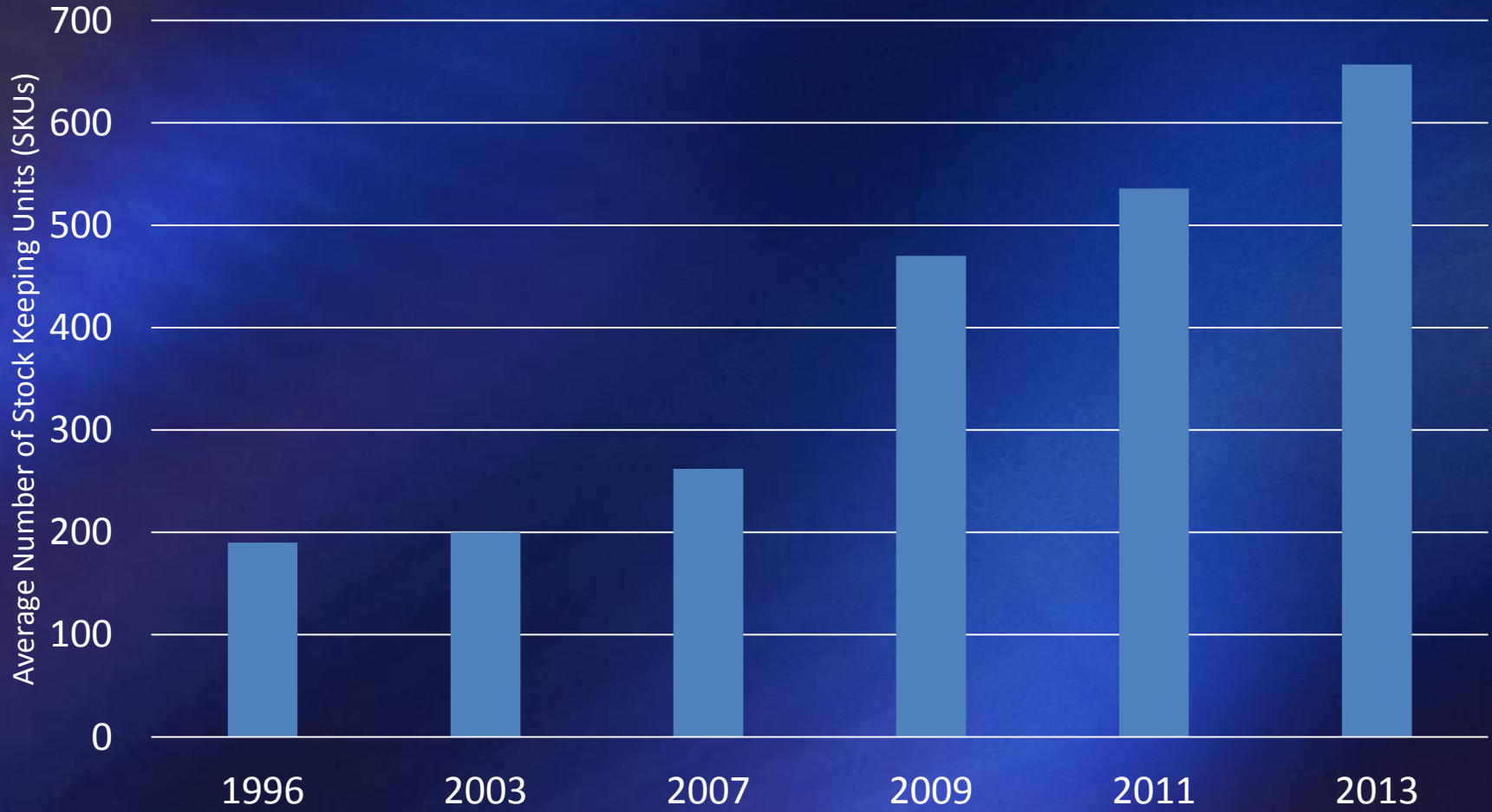


17,791 Beer Labels Approved Since 2004



Source: TTB, Public COLA registry, 2004 –2014 (Gov't Shutdown Fall 2013).

Average Number of SKUs Carried by Distributors



Consumer Choice in Retail

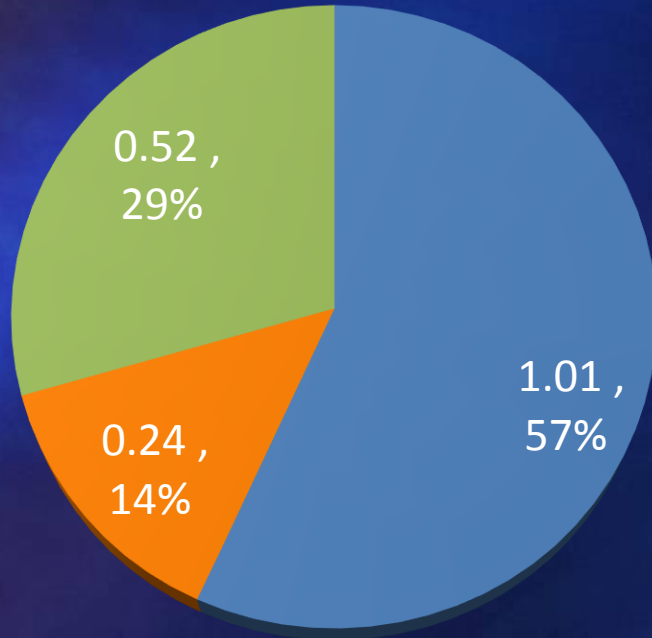


...and not so much



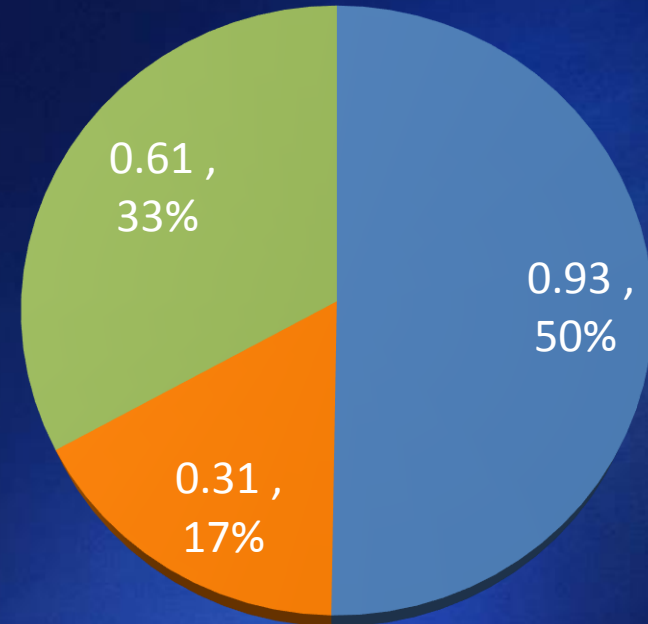
Share/Gallons Ethanol Per Capita

(2014: 4.6% beer, 12.5% wine, 38% liquor)



1993

■ Beer ■ Wine ■ Liquor

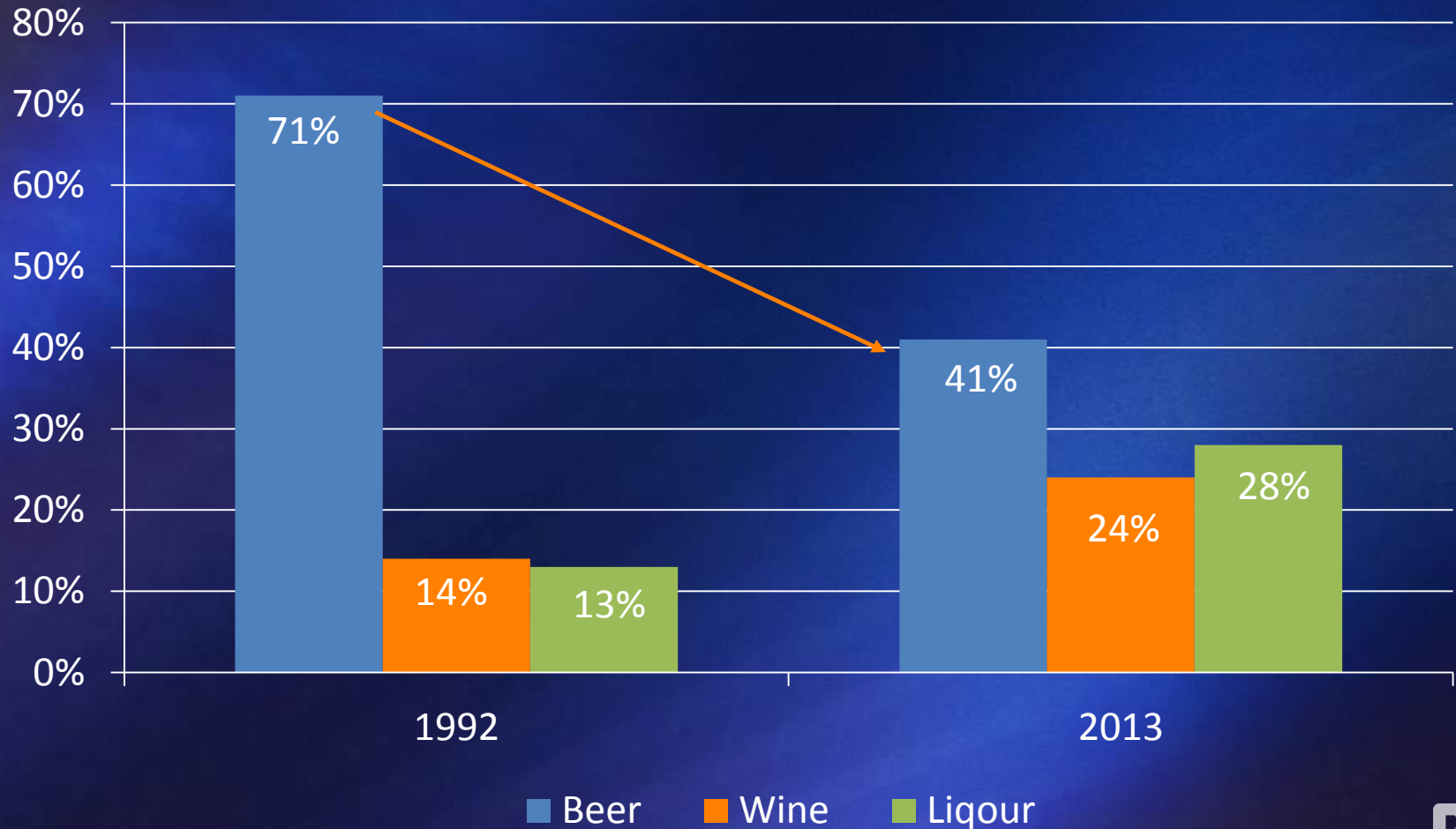


2014

■ Beer ■ Wine ■ Liquor

Beer, Wine, Liquor in Gallup Poll

Young Males 18-29* years old



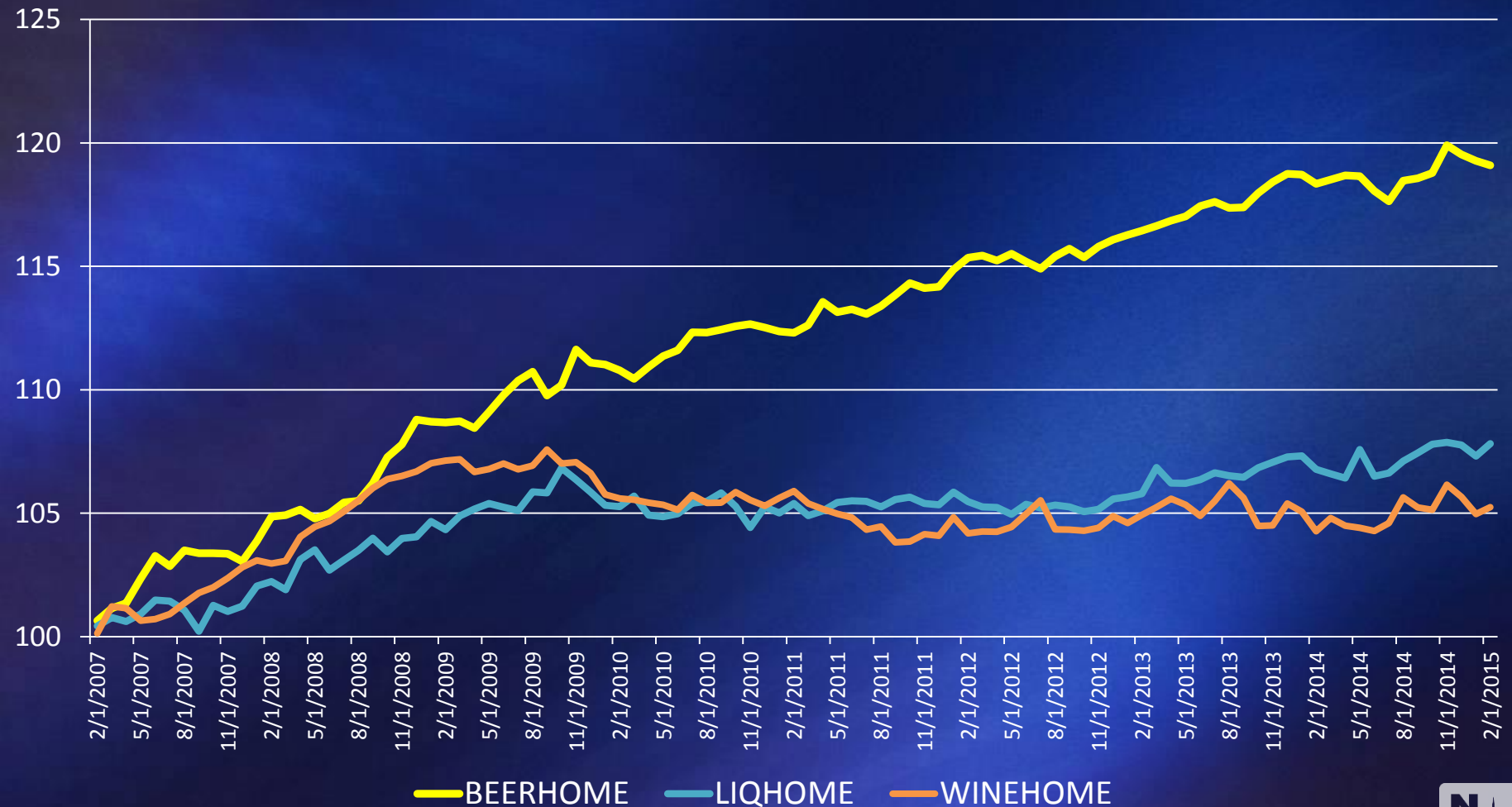
Source: Gallup Poll, 2013; * U.S. legal drinking age is 21.

(<http://www.gallup.com/poll/163787 drinkers-divide-beer-wine-favorite.aspx>)



U.S. Consumer Price Index

Beer, Wine & Spirits at Home (Off Premise)



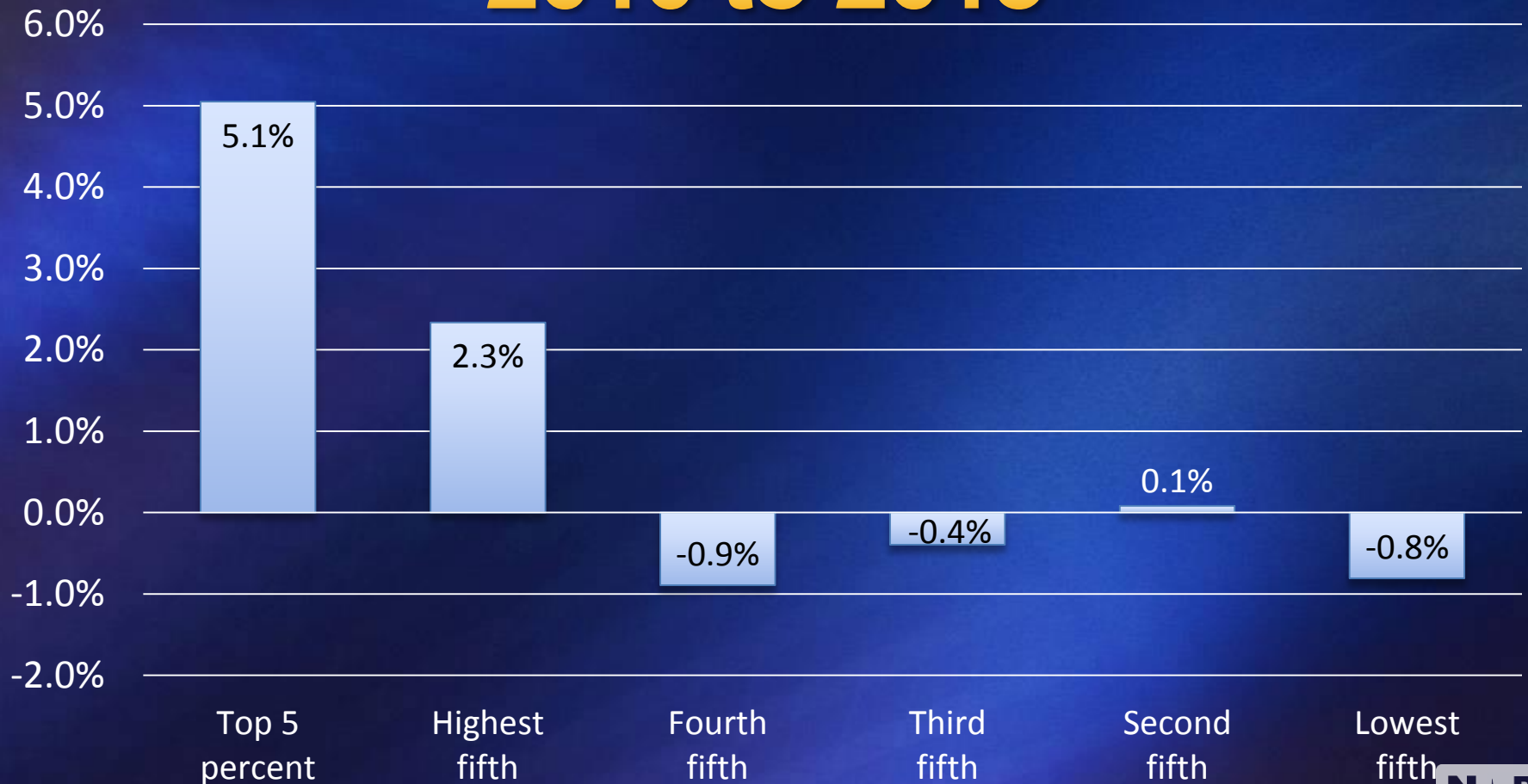
Source: US Bureau of Labor Statistics, Consumer Price Index, 2015.

U.S. Beer Segments CY 2014

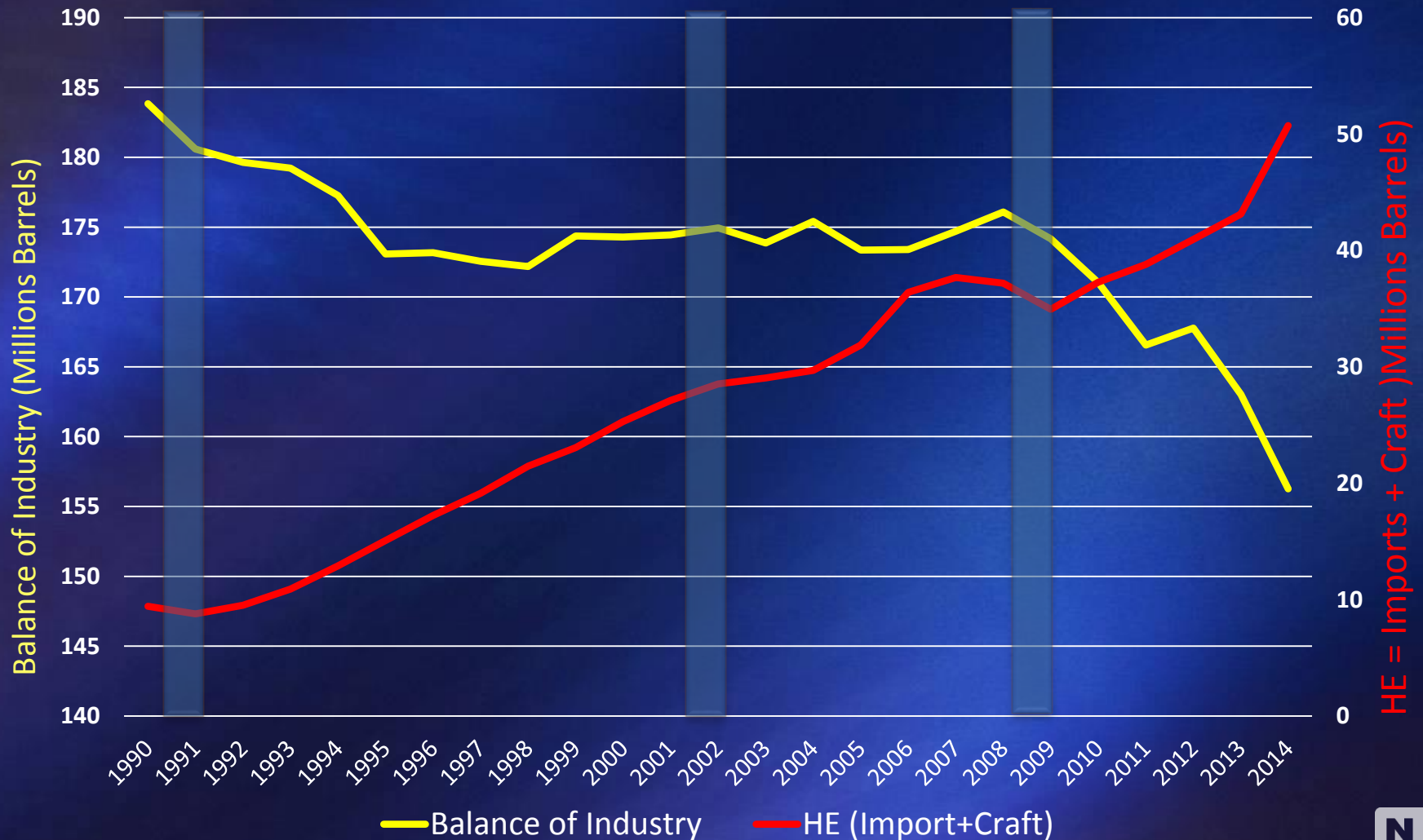
YoY Growth 2013-2014 and Average Case Price 2014



U.S. Real Personal Income Growth 2010 to 2013

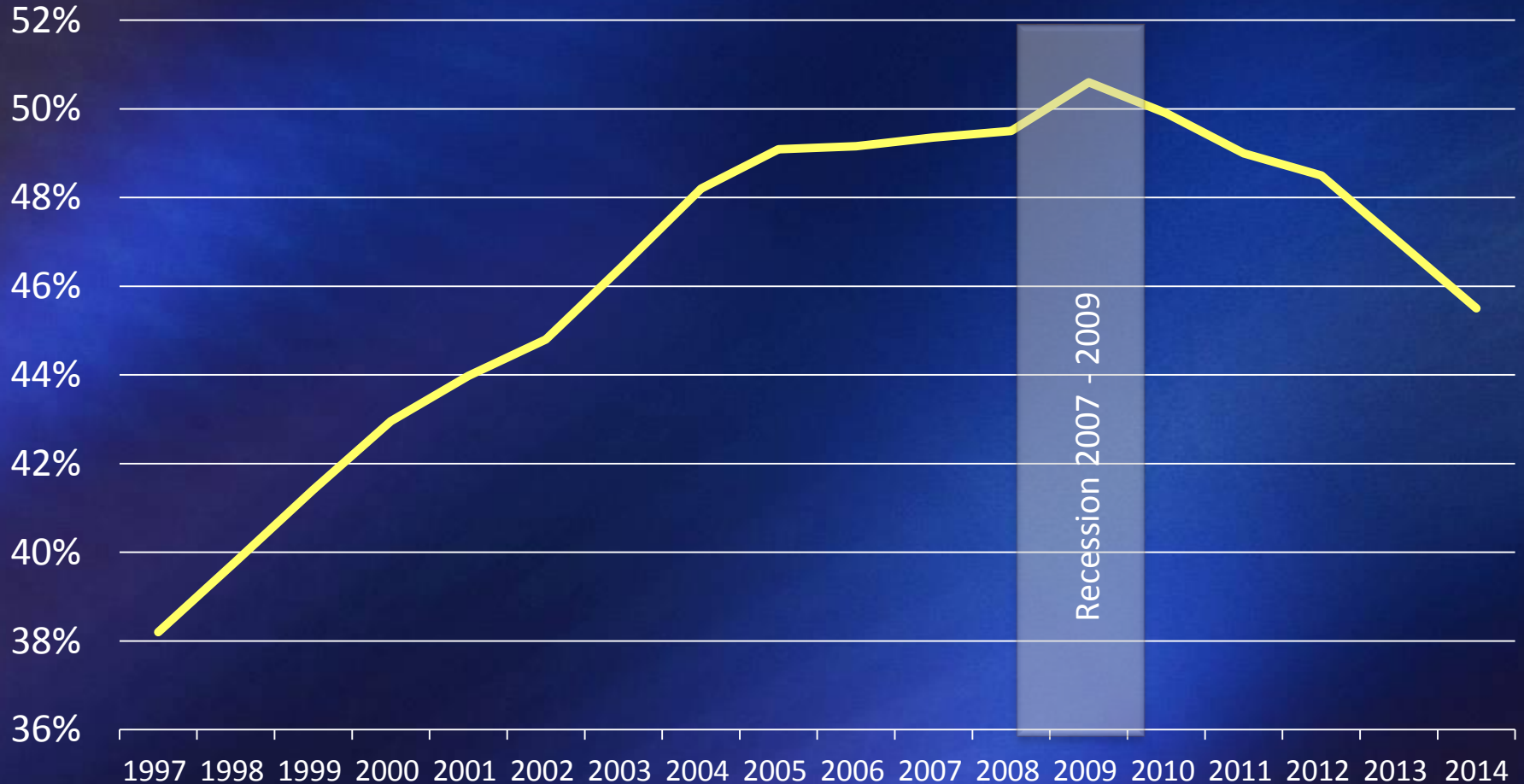


Balance of Industry vs. High End 1990 to 2014

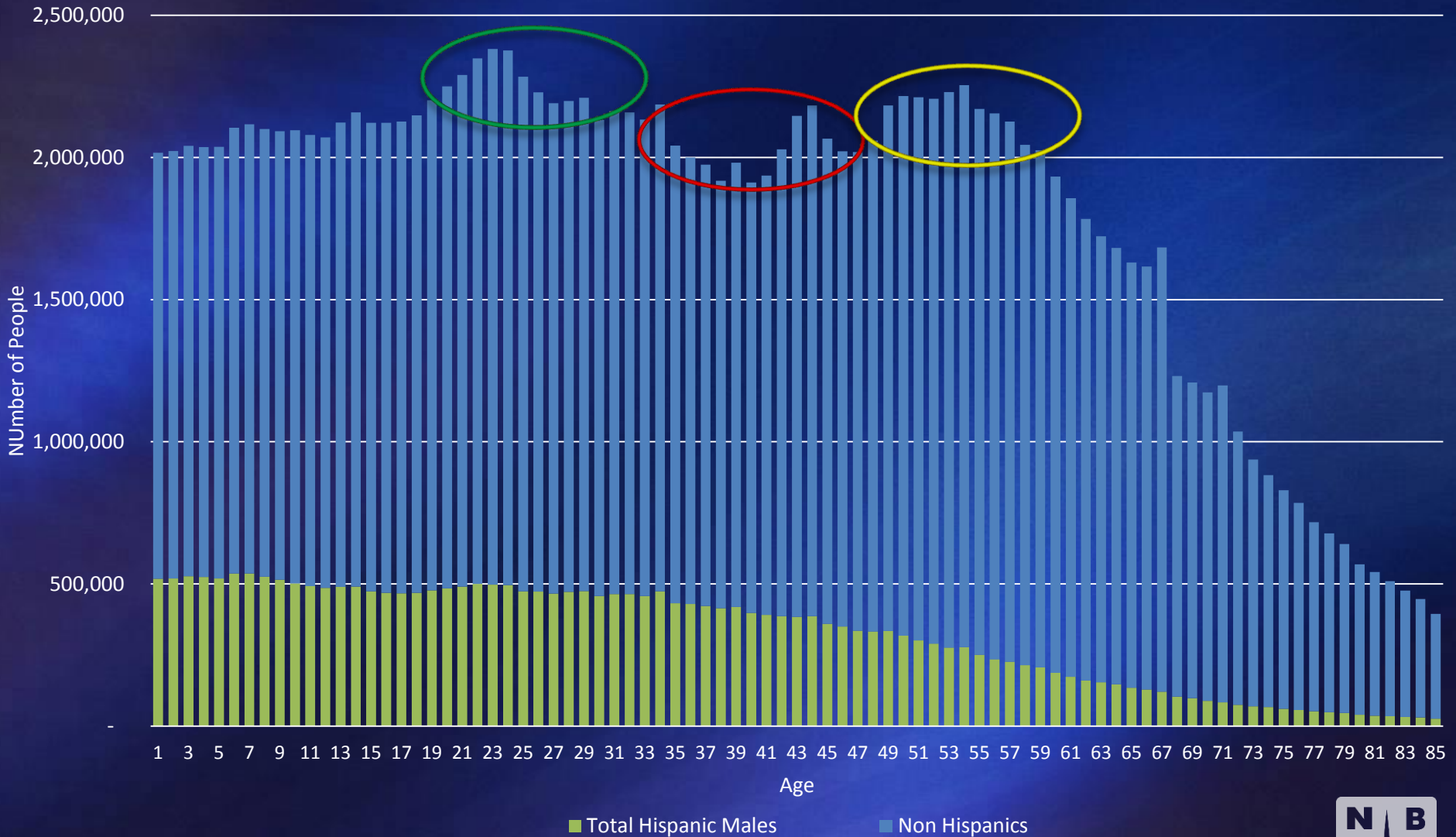


Source: US Department of Commerce, Brewers Association, TTB and NBWA 2015.

U.S. Light Beer Share of Market 1997 to 2014



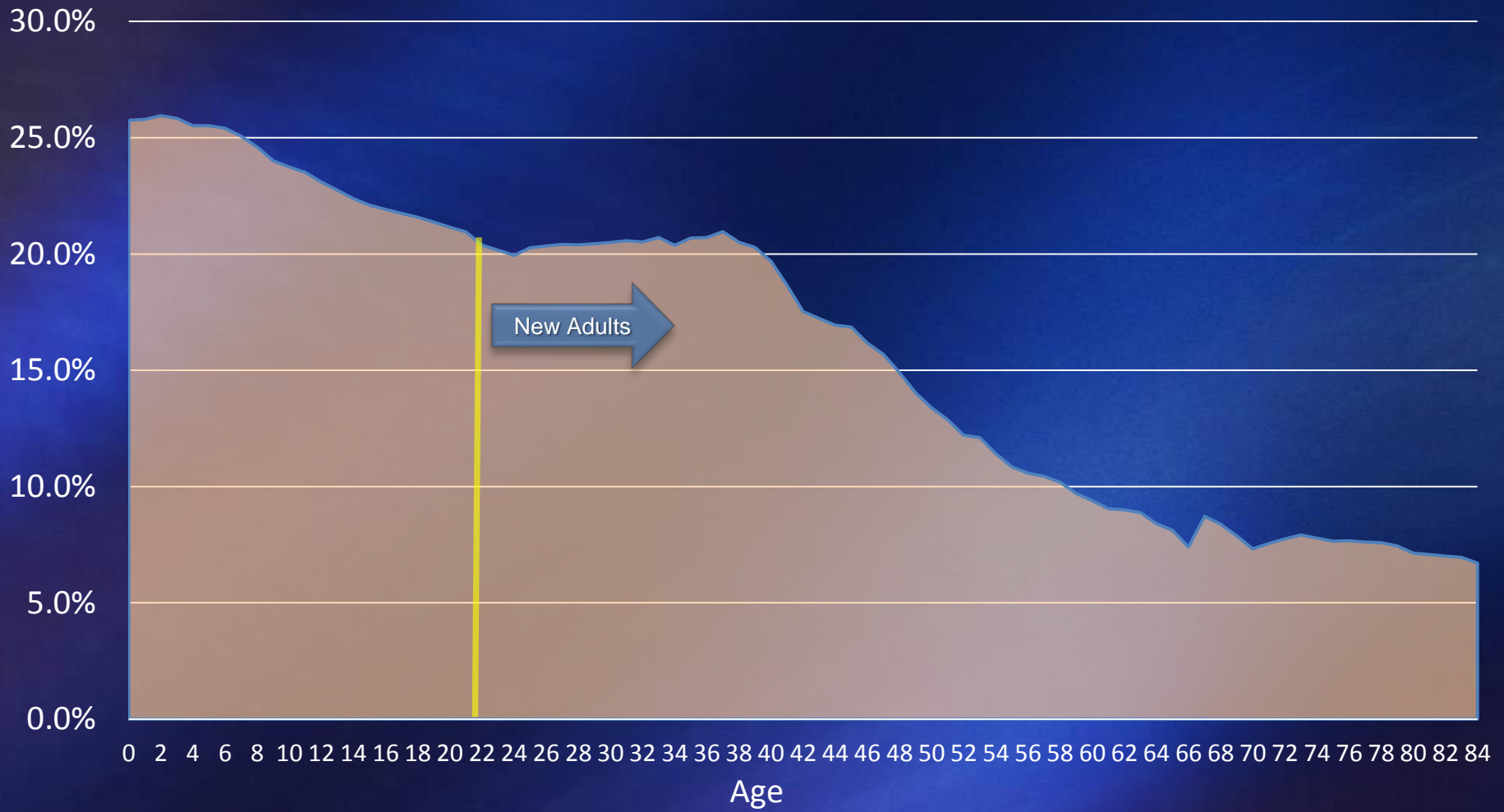
US Population Total Males and Hispanic Males 2013 Census Current Population Survey



Source: US Census and NBWA, 2015.



Hispanic Share of U.S. Population 2013 By Single Age



Economic Change in U.S.

Economic Measure	2012	2013	2014	YTD 2015
Unemployment Rate	8.1%	7.4%	6.2%	5.5%
YM Labor Force Part	89.5%	89.2%	88.7%	89.6%
Inflation – CPI	1.8%	1.5%	0.7%	-0.1%
Inflation – Medical	3.7%	2.5%	2.4%	2.3%
Inflation – Gas	3.2%	-2.9%	-3.9%	-32%
Jobs Added	2.6 Million	1.4 Million	2.4 Million	591,000
Real Wages/Earnings	+0.6%	+0.3%	+1.7%	+2.7%
Beer Measure	2012	2013	2014	YTD 2015
Domestic Volumes	+1.3%	-1.3%	-0.6%	-6.7%
Import Volumes	+1.4%	-0.6%	+6.9%	+16.7%
Total Volumes	+1.3%	-1.2%	+0.4%	-3.7%

2 OUT OF PAST 3 YEARS POSITIVE INDUSTRY GROWTH



Thank You



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National Beer Wholesalers Association

