

# State of the Craft Industry and Hoppy Beers

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**Technical Brewing Projects Manager**



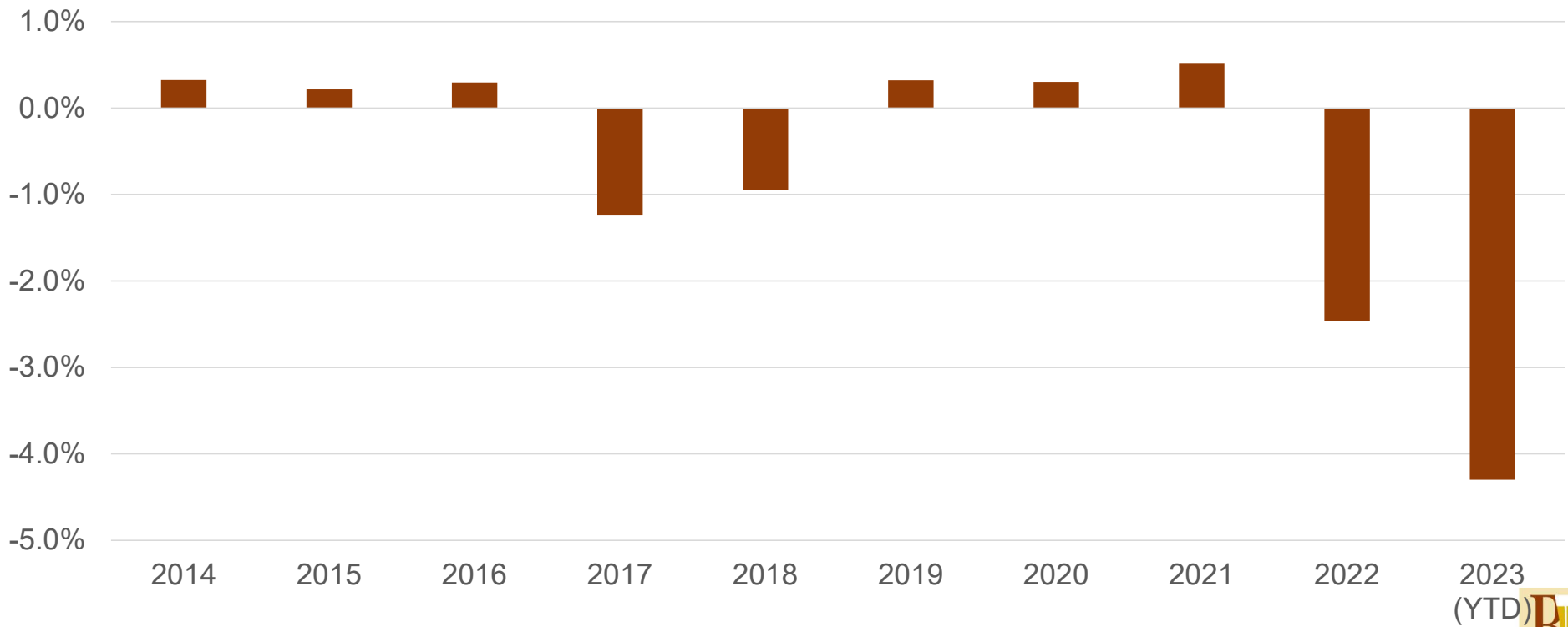
**Thank you!**

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# Beer Down 7% <sup>KFO</sup> Over Past Decade

Total Beer Shipments, 2014-2023

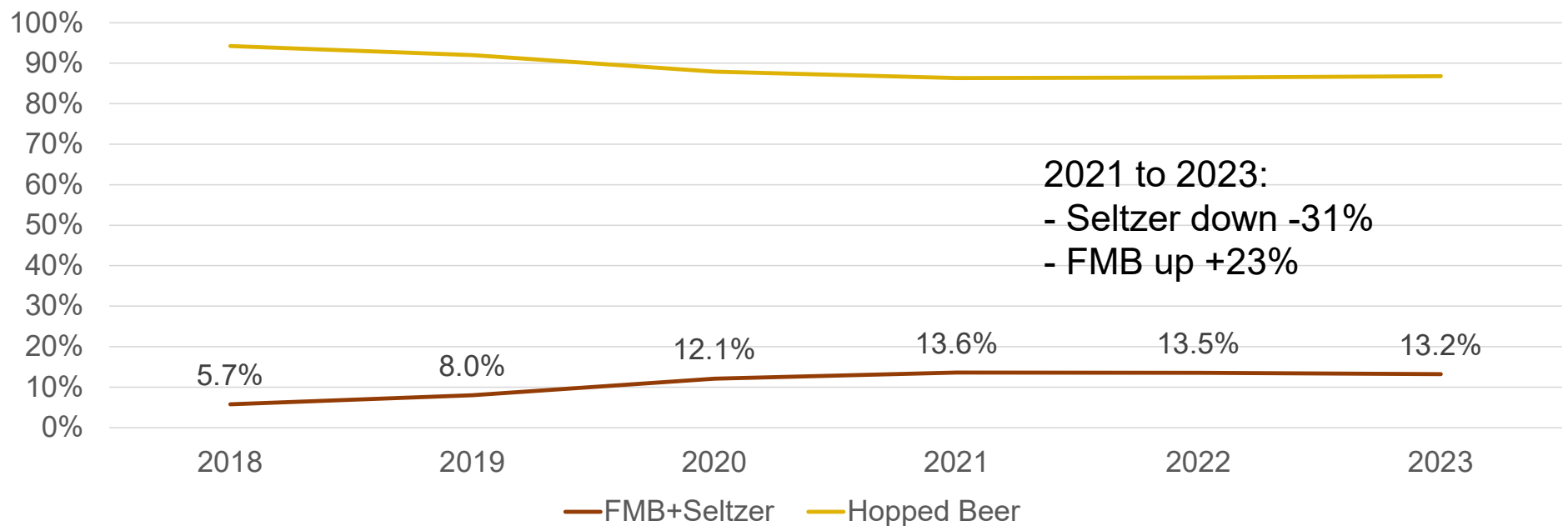


Source: Beer Institute



# And Much of that “Beer” <sup>KFO</sup> Isn’t Beer

Hopped Beer vs FMB/Seltzer  
Share of Scan



Source: Circana, MULO+C+Sum of Liquor Chain, Total US



## Since 2018

- “Beer”<sup>KF1</sup> Volume down -5.6%
- Hopped beer lost 7.5 share points<sup>KF0</sup> within beer (scan)
- Implies closer to 13.5% volume loss for hopped beer

# Review of Craft in 2023 <sup>KF2</sup>

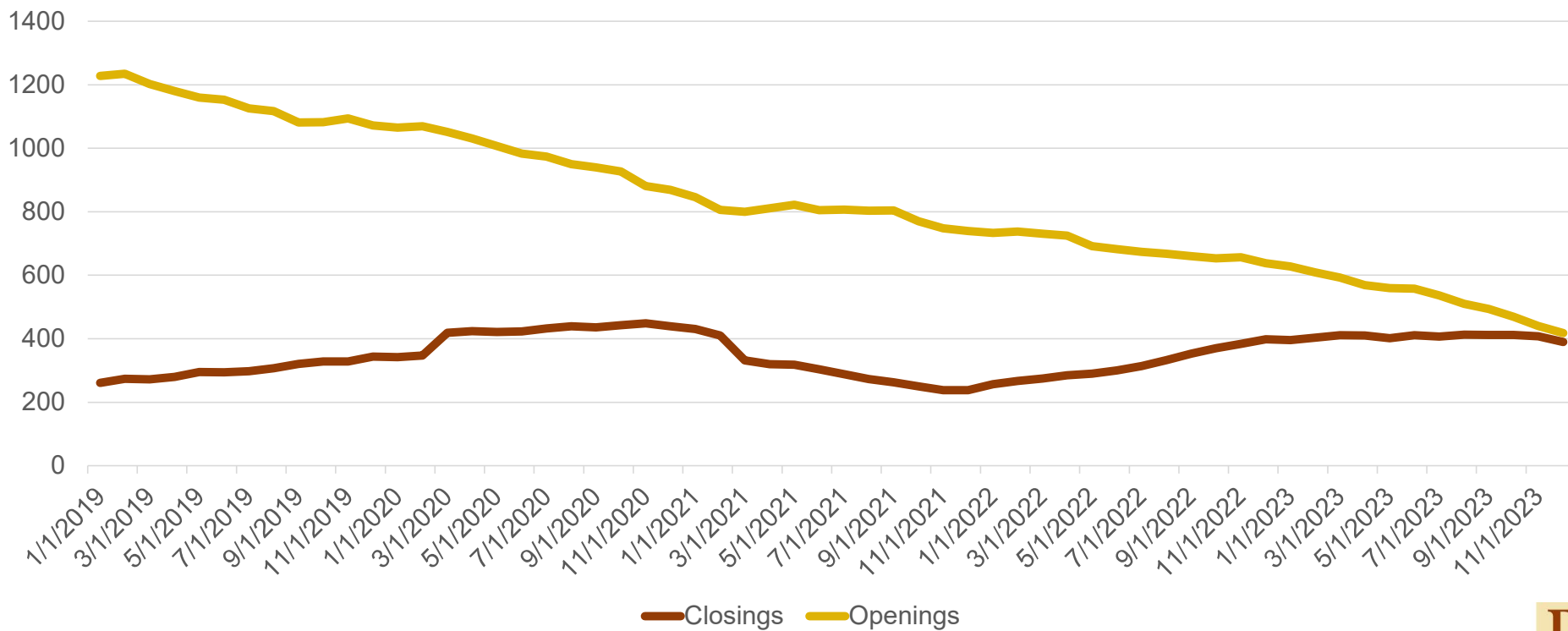
- Craft likely declined <sup>KF1</sup> slightly in 2023
  - Circana scan -4.6% by volume
    - Total independent better with Yuengling
  - TTB Keg down -4.6% through September (likely will be slightly <sup>KF0</sup> positive with revisions)
  - Leaves at the brewery piece – likely positive – but not going to dig out of that hole
- Midyear estimate of -2% volume still seems reasonable

# Beer Industry Production Survey So Far...

- ~600 responses
- Running slightly positive!
- Almost certainly response bias right now
- But good reminder that there are plenty of growth stories still out there

# Brewery Number Essentially Static

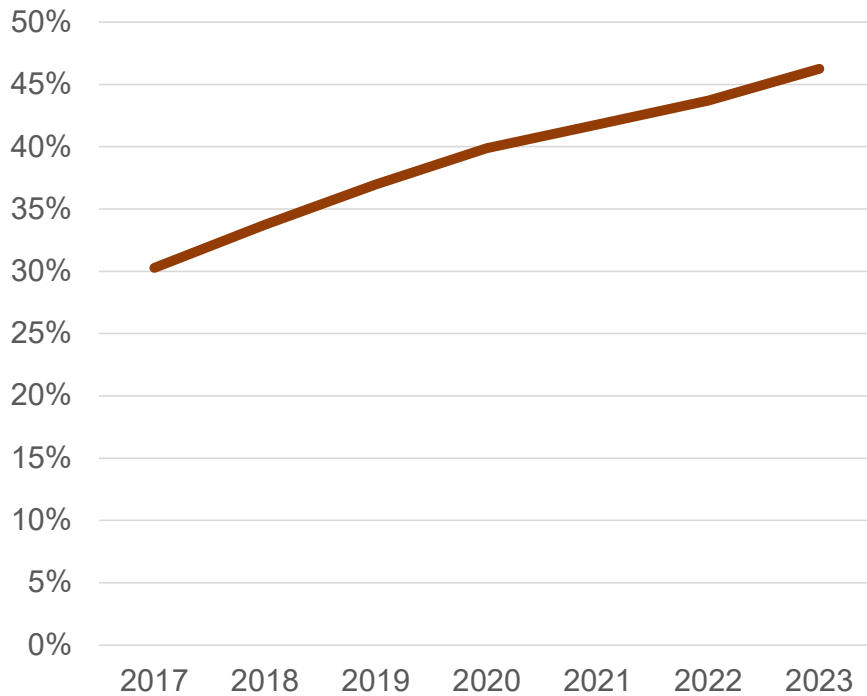
Rolling 12 Month Closings and Openings



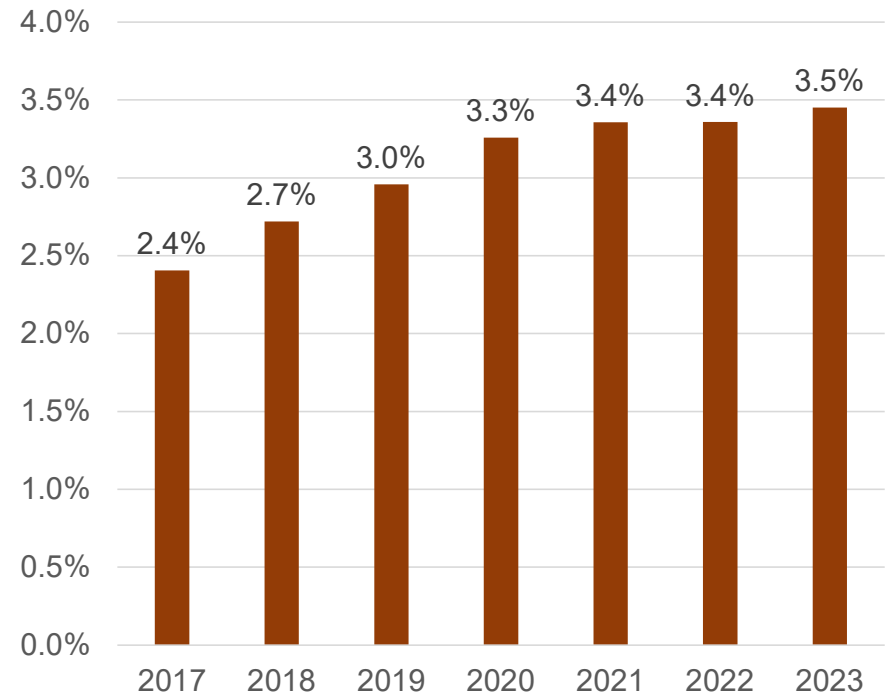


# IPA in Scan Data

IPA Share within Craft



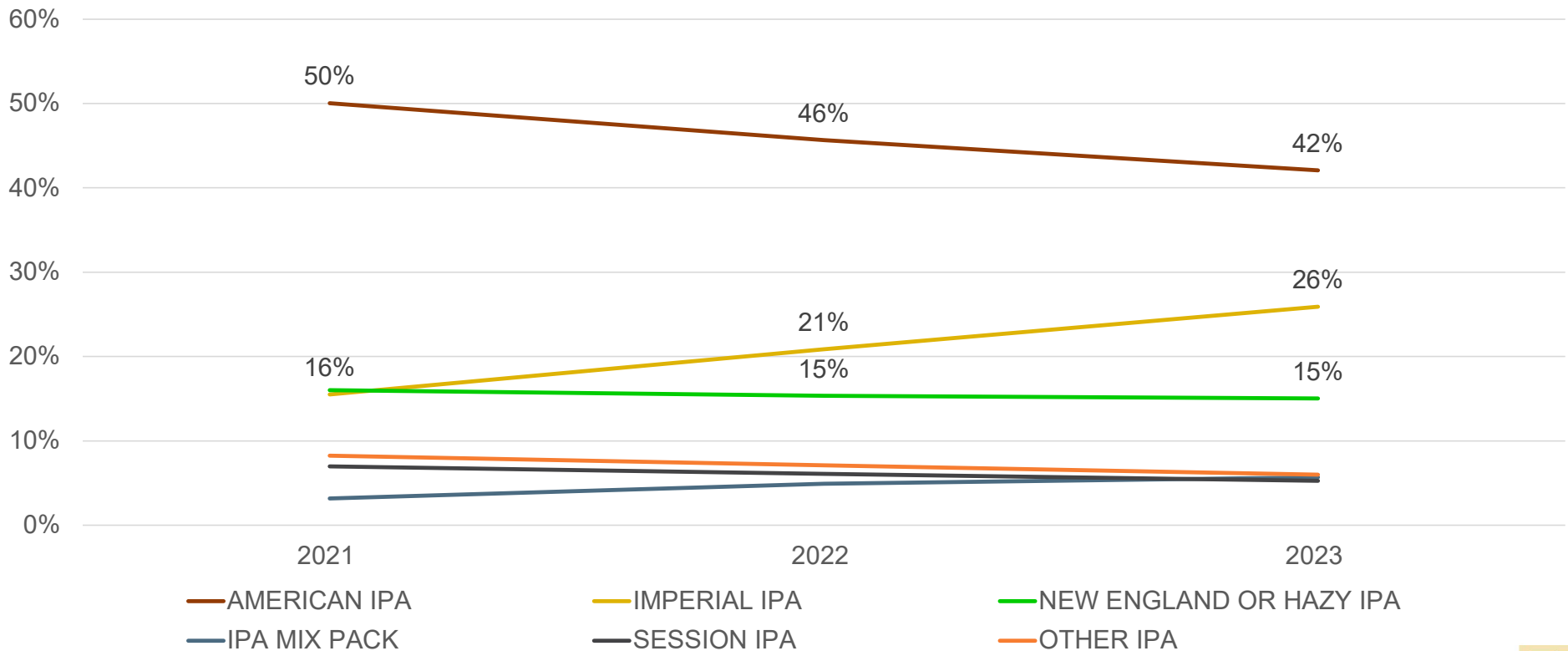
IPA Share of Beer in Scan Data



Source: Circana, MULO+C+Sum of Liquor Chain, Total US



# Shifting Craft IPA Composition KFO



Source: Circana, MULO+C+Sum of Liquor Chain, Total US



# What else is up/down?

## Up

1. BLONDE ALE
2. OTHER PALE LAGER
3. AMERICAN LAGER
4. LOW OR NO ALCOHOL
5. PILSNER

## Down

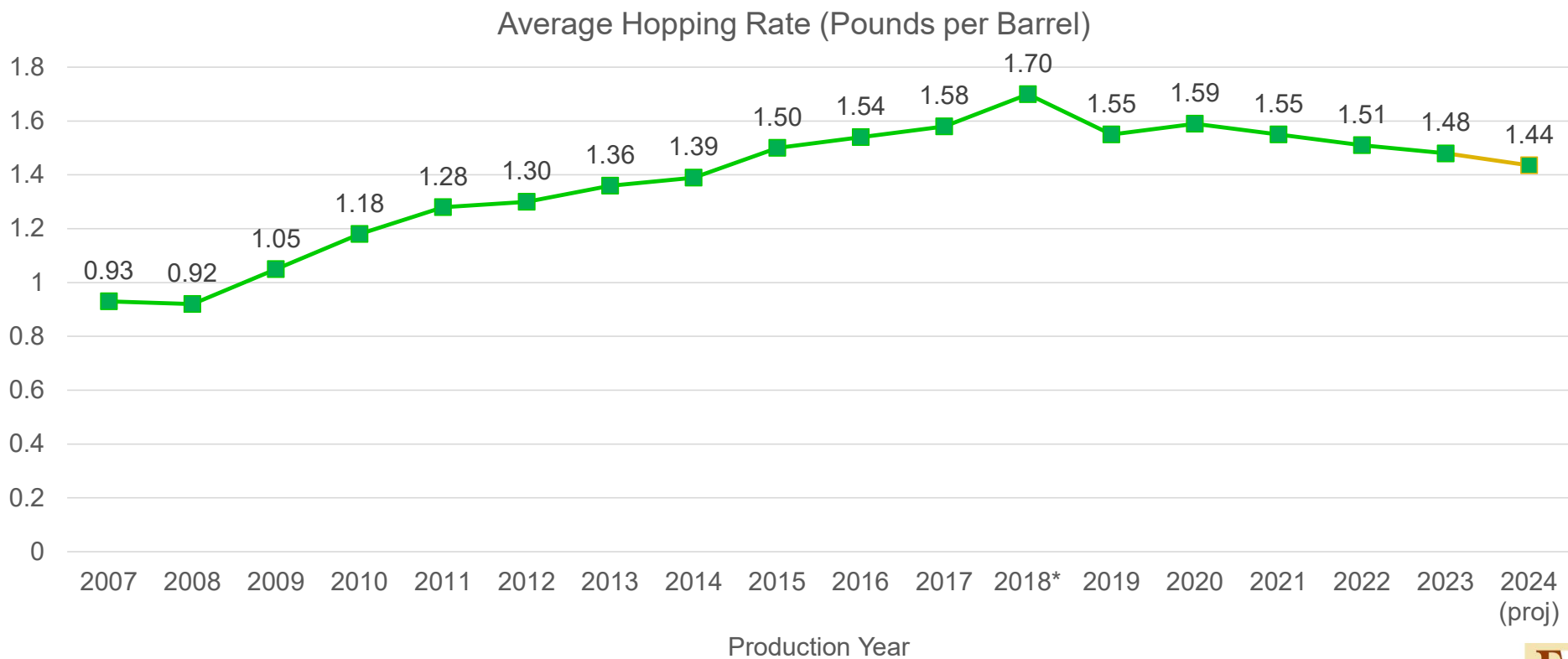
1. WITBIER
2. SEASONAL RELEASE
3. VIENNA AMBER OR RED LAGER
4. AMERICAN PALE ALE
5. BEER FLAGSHIP PLUS MIX PACK

Possibly losing slightly  
in this equation KFO

# 2023 <sup>KF0</sup> Brewers Association Hop Survey

- Annual Survey; 15 Years of Data collected 2008 – 2023
- A SURVEY, so the results shown are estimates: “Actual Mileage May Vary”
- 58.5% report at least some forward contracting vs 61.5% last year\* <sup>KF1</sup>
  - Trend is slight decline
- Extrapolate from missing responses (survey respondents have higher average hop usage than shown on next slide)
  - \* Respondent bias for higher usage

# Reported Hopping Rate Slightly Down

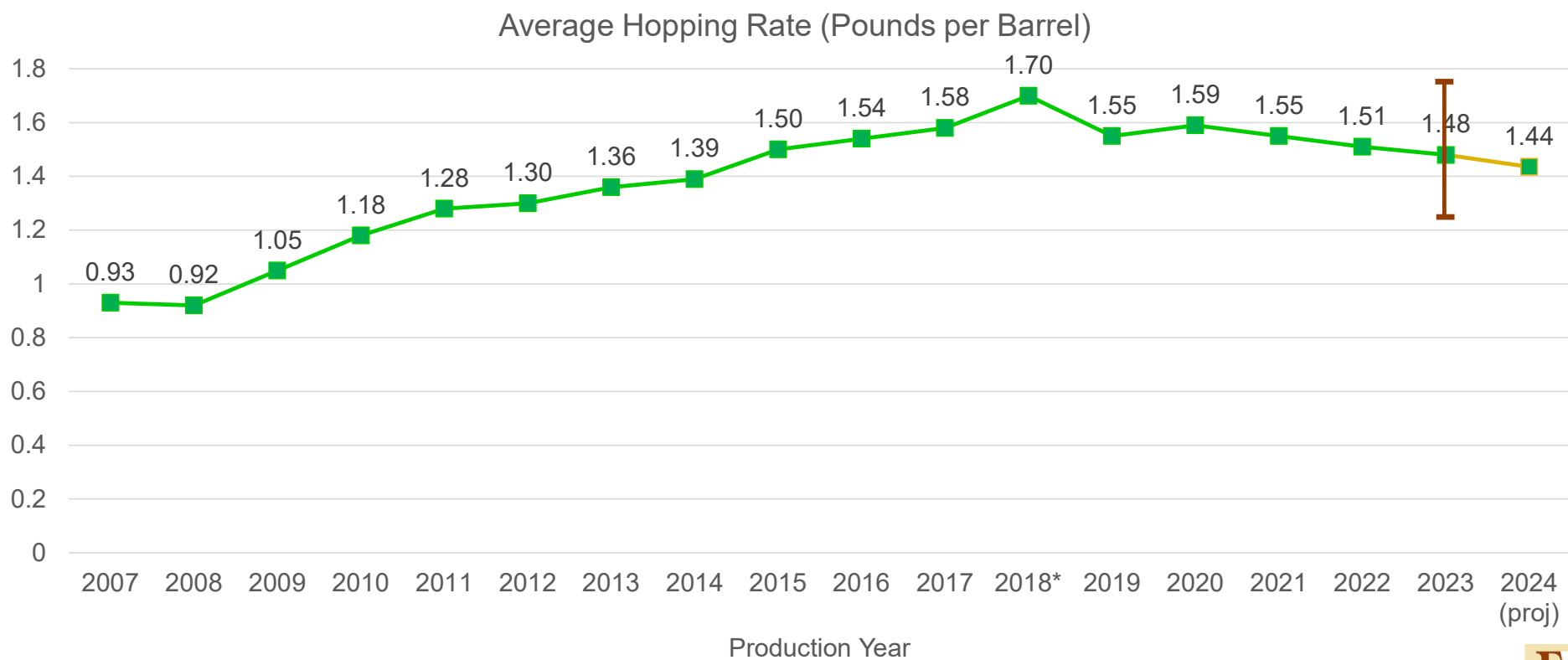


Notes: 2019 Revised. Previous years = survey year, not production year



# Reported Hopping Rate Slightly Down

KFO



Notes: 2019 Revised. Previous years = survey year, not production year



# Brewers Using Slightly Fewer Reported Hops per Barrel

- 44% saw hopping rate drop
- 6% static
- 50% grow
- Smaller brewers more likely growing
- Regional more likely dropping

•So net is slight drop

**BUT...**

# Hop Breakdown

Converted Pounds by Type, 2023

■ Pellets ■ Whole Cone ■ Hop powders ■ Hop Extract (bittering): ■ Flowable high oil extract ■ Other advanced hop products



Converted Pounds by Type, 2022

■ Pellets ■ Oils ■ Powders/Other ■ Whole Cone



Converted Pounds by Type, 2021

■ Pellets ■ Oils ■ Powders/Other ■ Whole Cone



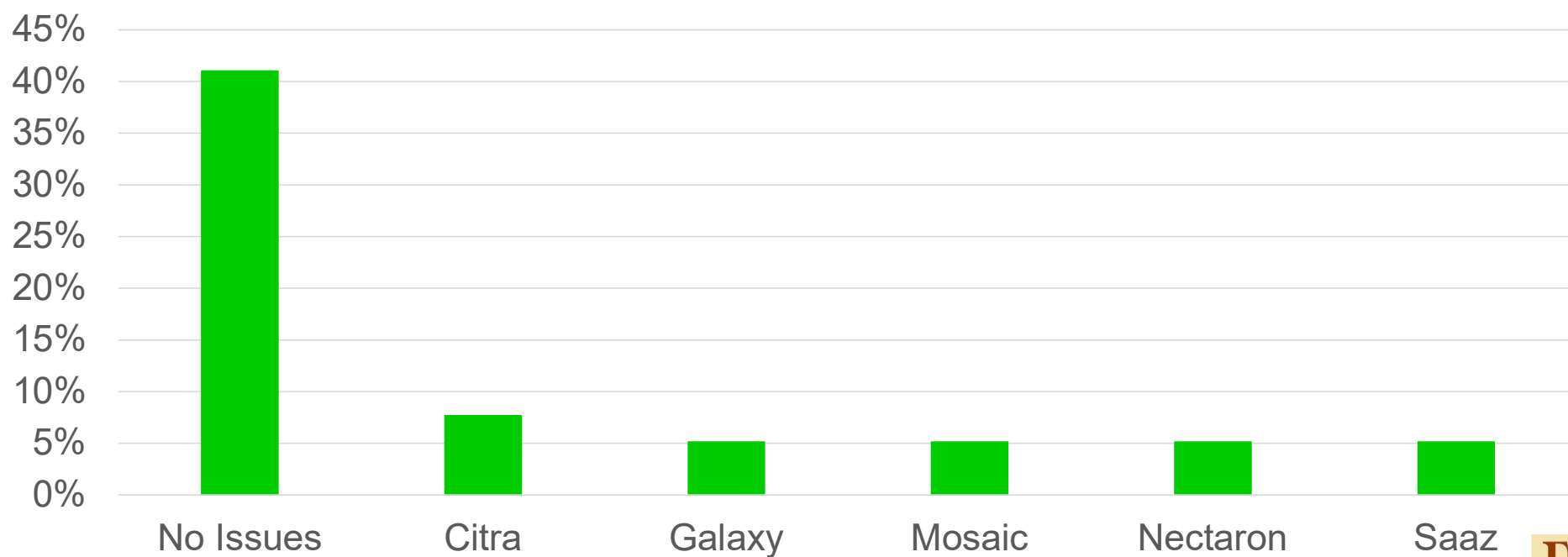


# Oil/Powder/Downstream Usage

- Asked differently this year, but...
  - Each 2023 Reported lb =  $\sim 1.15$  lbs raw hops (fuzzy math)
    - 2023 Ave #/BBL = 1.7lbs
  - Each 2022 Reported lb =  $\sim 1.16$  lbs raw hops
  - Each 2021 Reported lb =  $\sim 1.07$  lbs raw hops
- Given sample size, etc. well within margin of error so hard to point to clear changes.
- What is clear is that downstream use continues to evolve and effects overall pounds equation

# What do Brewers Want More Of?

If there were one hop you would use more of if you could get a stable supply, what would it be?



# Usage and Production

## Summary:

- Craft likely down slightly in 2023
  - 2024 might see bit of growth, but low single digit growth or decline likely – no huge changes
- Brewers report fewer lbs/barrel, but may be offset by increasing use of oils/powders products – total hop usage slightly down to static
- But continued IPA share growth...
- No huge changes in overall usage levels, but specific needs are evolving

# Technical & Stats Resources

## 1. Ten Points and Predictions for 2024, Bart Watson, BA Collab Hour

<https://www.brewersassociation.org/collab-hour/ten-points-and-predictions-for-2024/>

## 2. Contracting for Brewers: Insights and Best Practices

<https://www.brewersassociation.org/educational-publications/contracting-for-brewers-insights-and-best-practices/>

## 3. Craft Brewers Conference, Las Vegas, April 21-24

- Exploring Hop Picking Windows and Their Impact on Aroma and Flavor
- Exploring the Boundaries of Innovation: Biotechnology and Brewing Ingredients
- Selecting Quality Hops: Alternative Methods for Small Breweries
- The Next Great Hop: What's New in Public Hop Breeding and How You Can Contribute
- Brewer's Hop Creep Cheat Sheet: A Comparative Analysis of Hop Variety, Quantity, Origin, and Product Type

# Thank you!

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