

State of the Craft Industry and Hoppy Beers

Bart Watson, Brewers Association
January 23, 2025



Agenda

Bev Context

US Beer & Hop Crop

Craft Market

Craft Usage

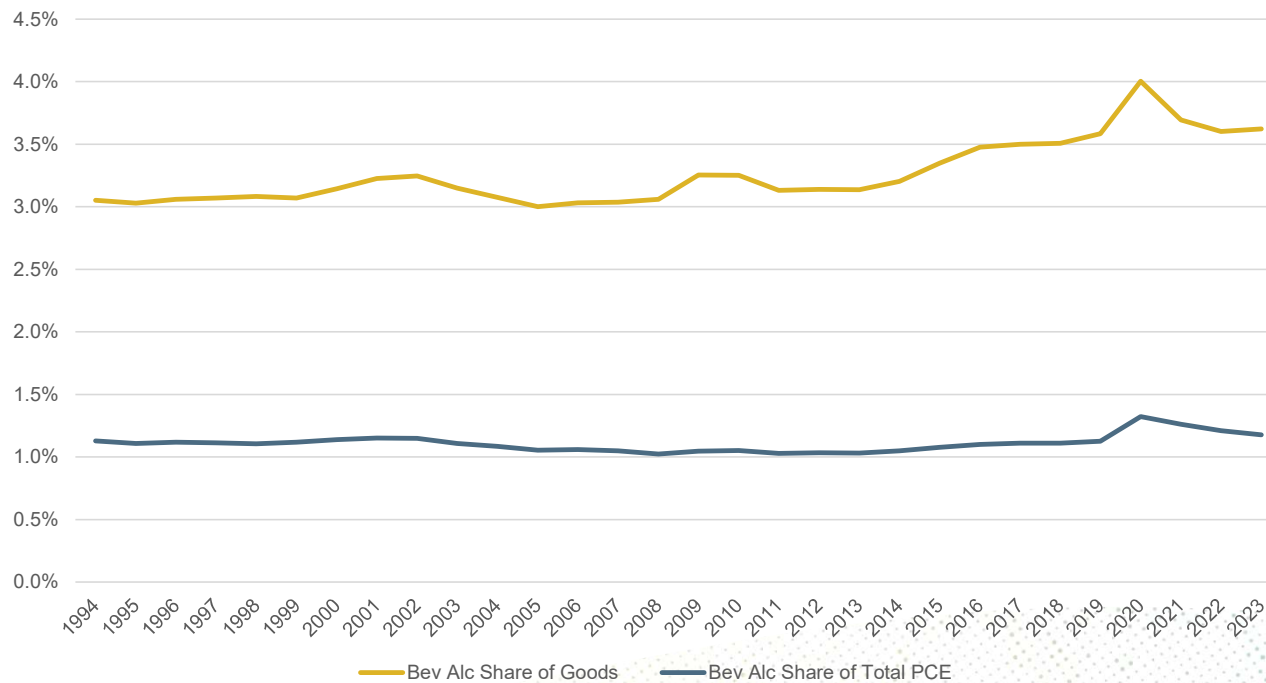
Supply Chain and Varieties

A Long Partnership

Beverage Alcohol Spending Steady

Beverage Alcohol Spending as Share of Larger Categories
1994-2023

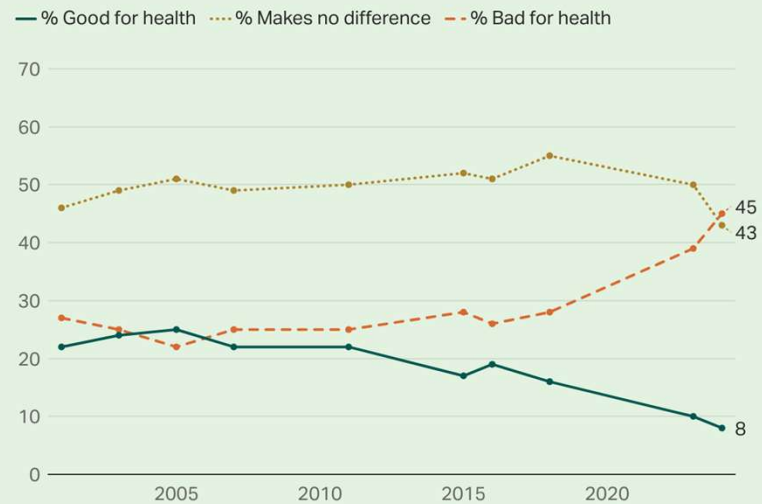
Source: BEA



Messaging Around Moderate Consumption

New High in Americans' View of Alcohol Consumption as Bad for Health

Do you, personally, think drinking in moderation -- that is, one or two drinks a day -- [ROTATED: is good for your health, makes no difference or is bad for your health]?



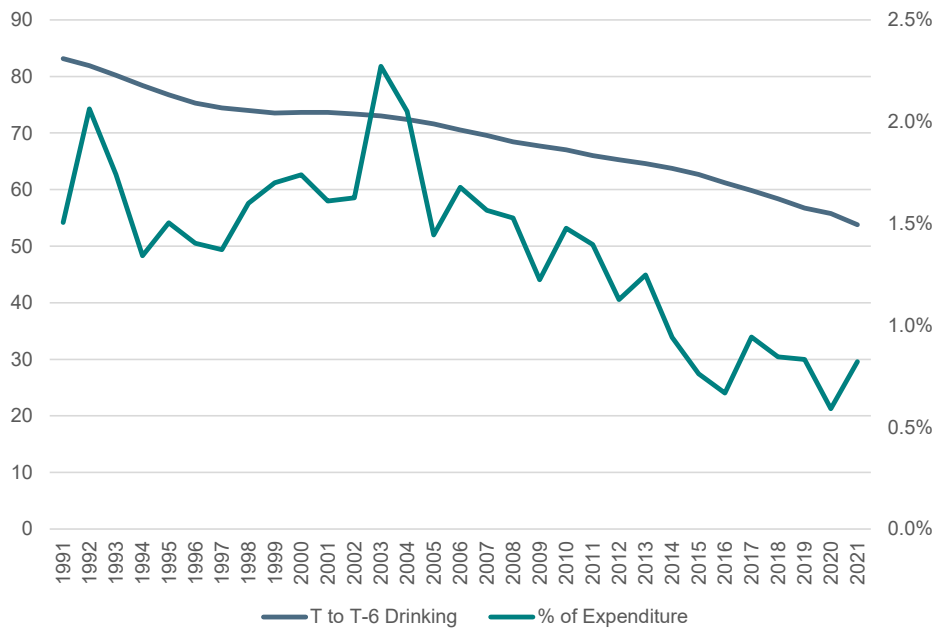
Those with no opinion are not shown.

GALLUP

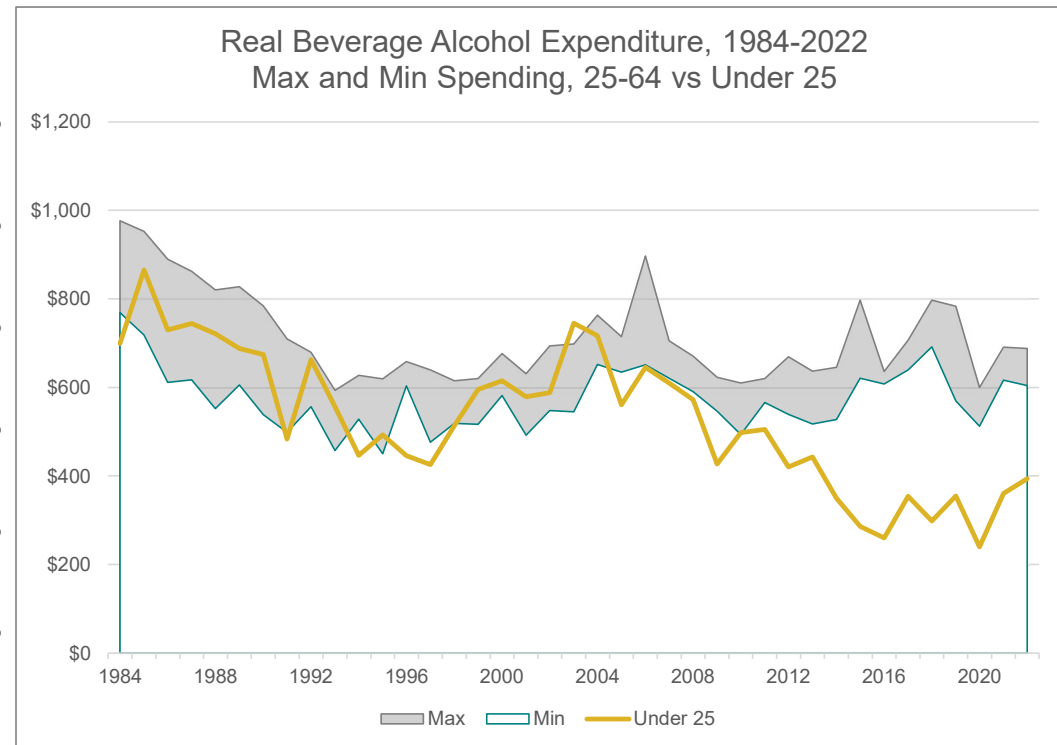


Next Generation?

MTF 12th Grade Drinking and Lagged % of Expenditure (<25)



Real Beverage Alcohol Expenditure, 1984-2022
Max and Min Spending, 25-64 vs Under 25



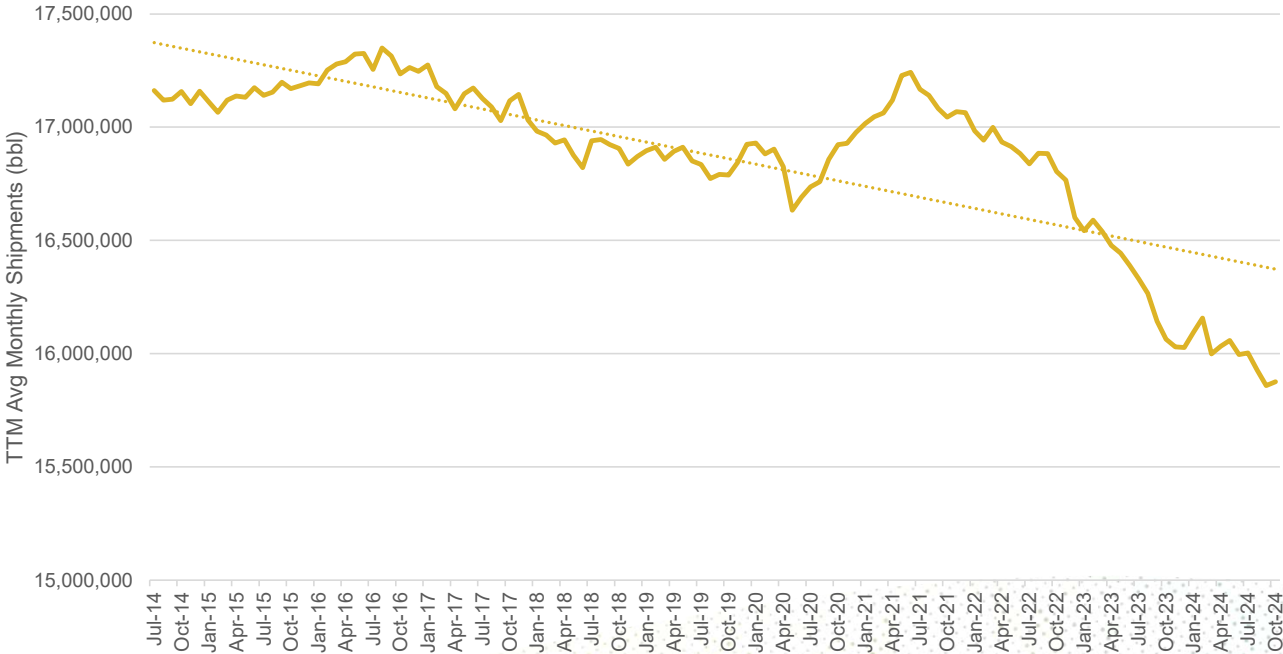
One of the Most Interesting Questions in Beverage Alcohol

***Will today's 21-25 year olds act more
like historical trends when they are 30?***

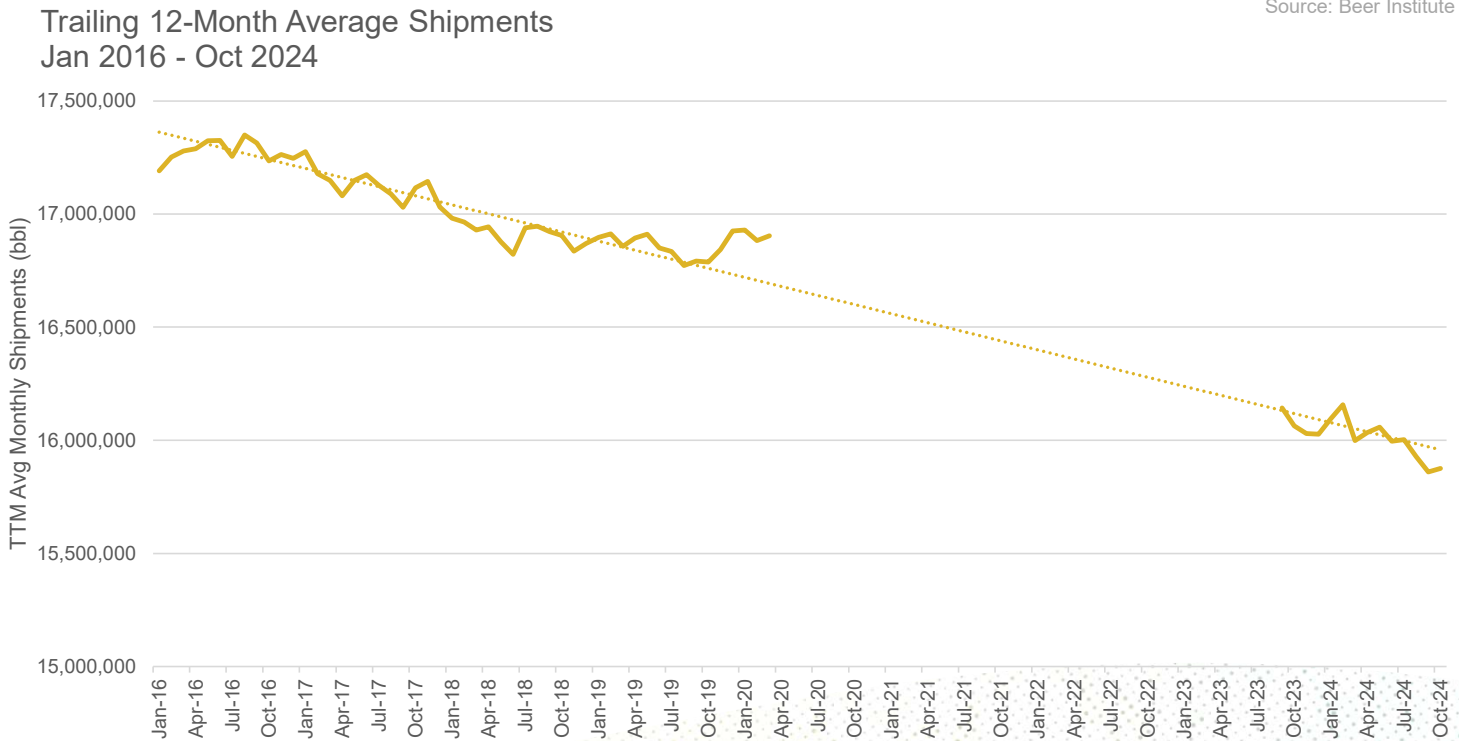
State of Beer

Trailing 12-Month Average Shipments
Jul 2014 - Oct 2024

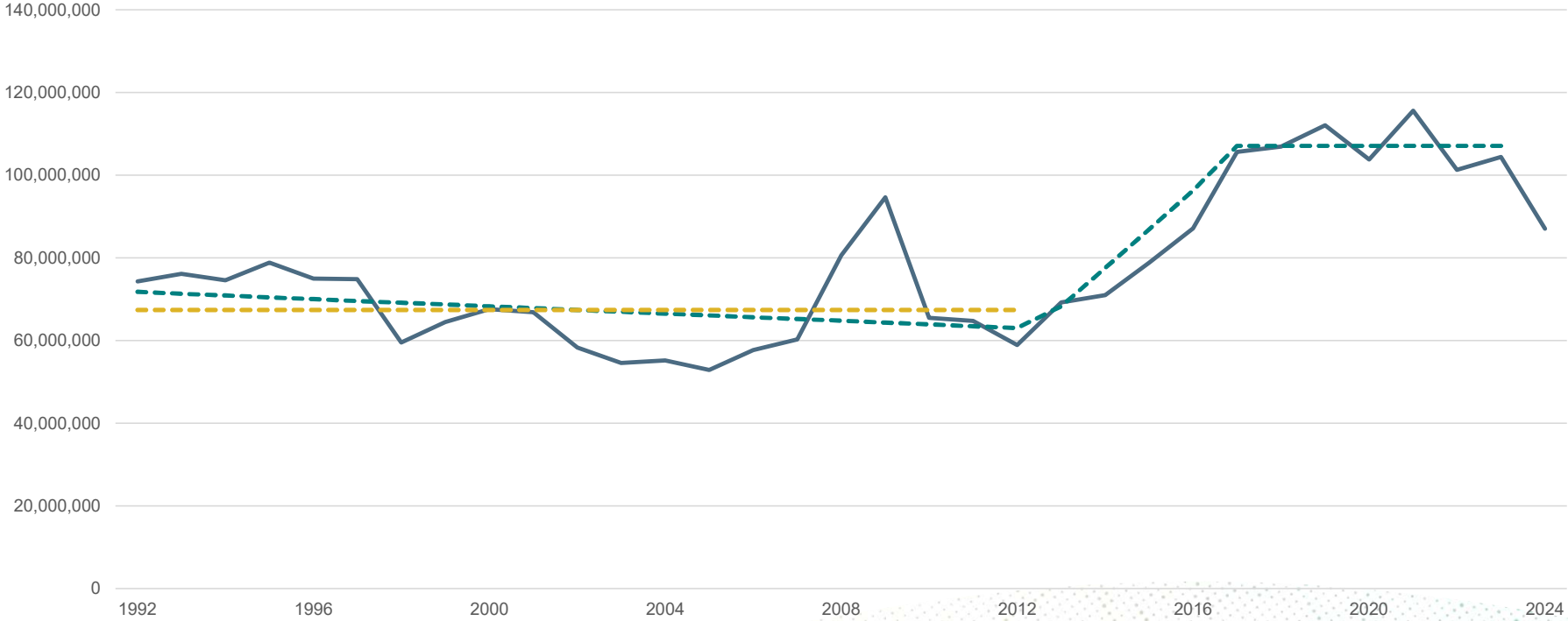
Source: Beer Institute



State of Beer



Hop Production MG0



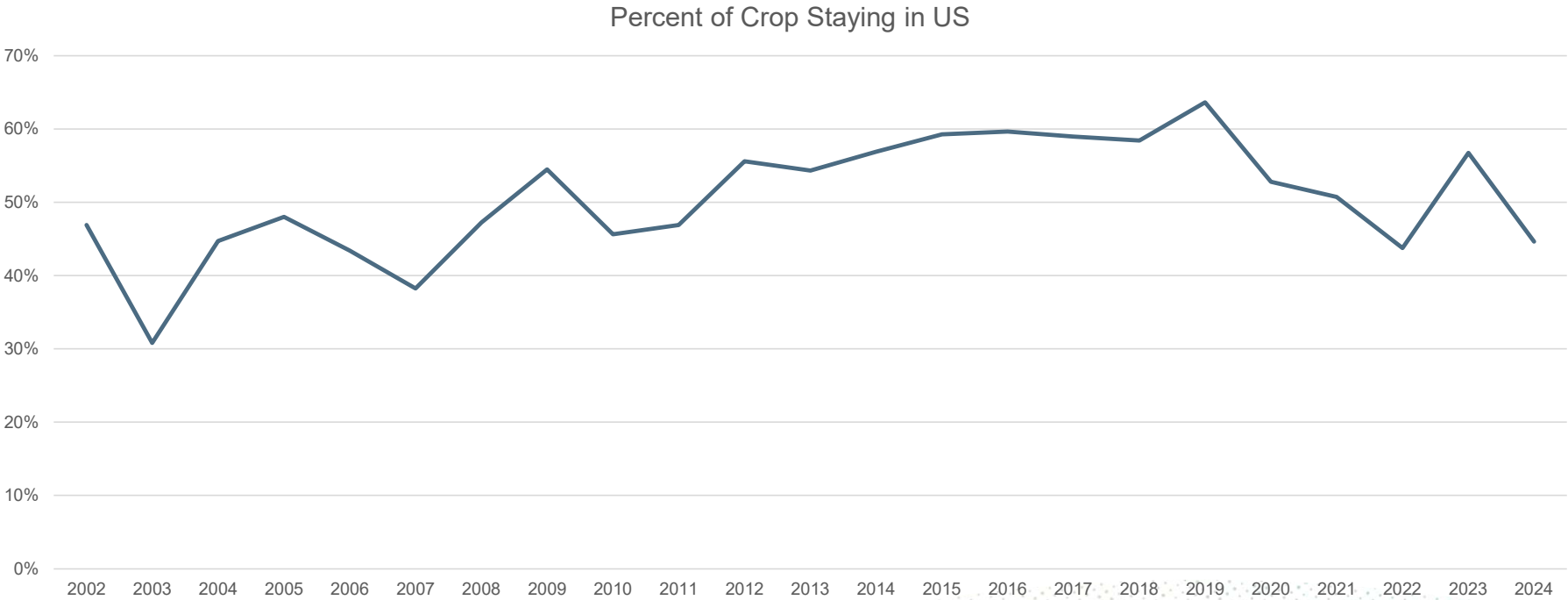
Source: USDA and BA Analysis



Slide 9

MGO Could be helpful to include source on this (and other charts throughout)
Matt Gacioch, 2025-01-21T21:00:19.301

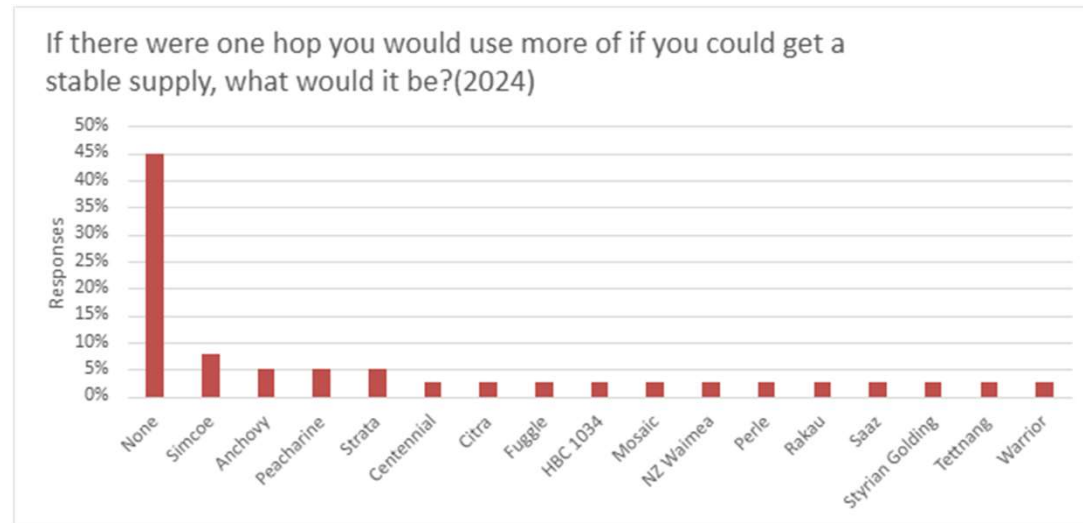
Domestic Usage Declining



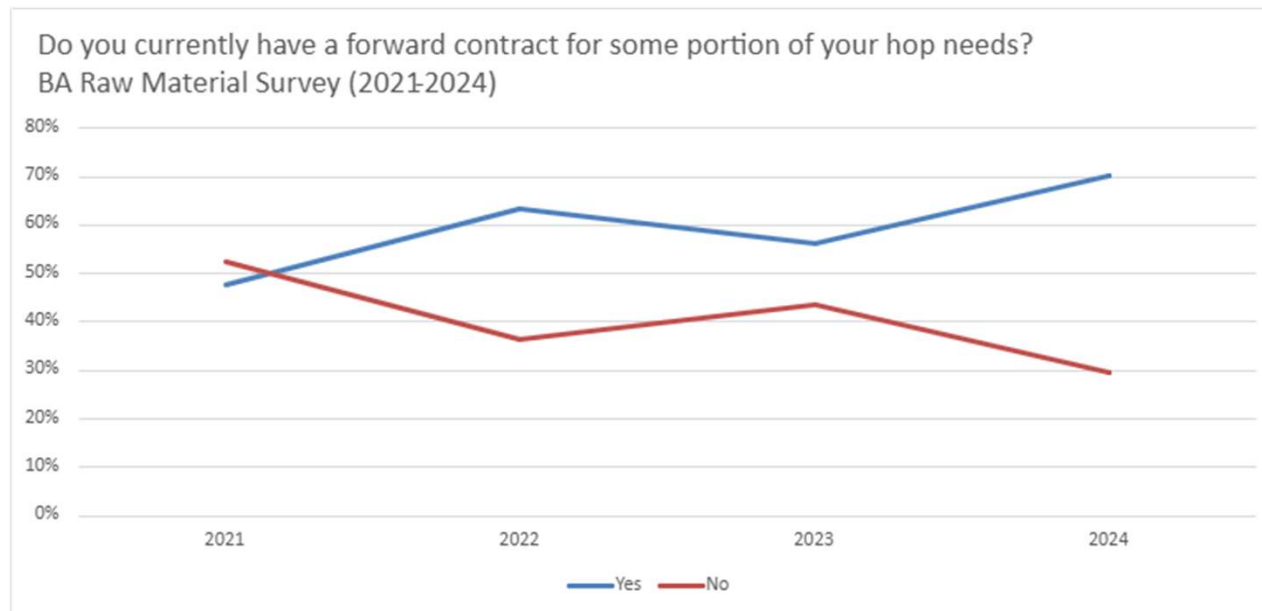
Source: BA Analysis of USDA and Commerce Data



Few Supply Challenges



The Hop Pendulum Swings



Craft Declining Slightly

- Midyear survey estimated 2%
- Not huge variations by channel
- Don't have comprehensive 2nd half data but many indicators (scan) similar or slightly weaker

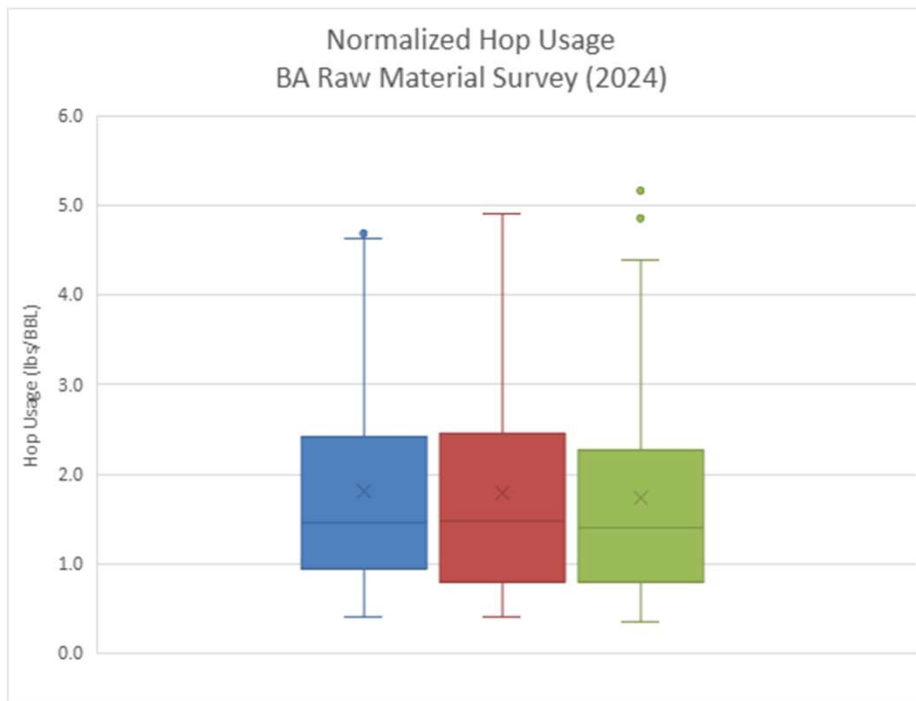
Openings/Closings

- In December for 2024 had tracked 335 openings, 399 closings
- First time since early/mid 2000s that closings are higher
- Ranges from 0-9% by state

Predictions for 2025

- Closings still low, likely to rise
- Hard to see strong at-the-brewery growth without brewery growth.
Scan improving but still weak.
- Draught one place things could improve.

Relatively Stable Usage



Quartile	2023	2024	2025*
1	0.9	0.8	0.8
2	1.5	1.5	1.4
3	2.4	2.5	2.3

Usage	2024 vs 23	Expected in 25
More	38.7%	41.7%
Less	58.1%	52.8%

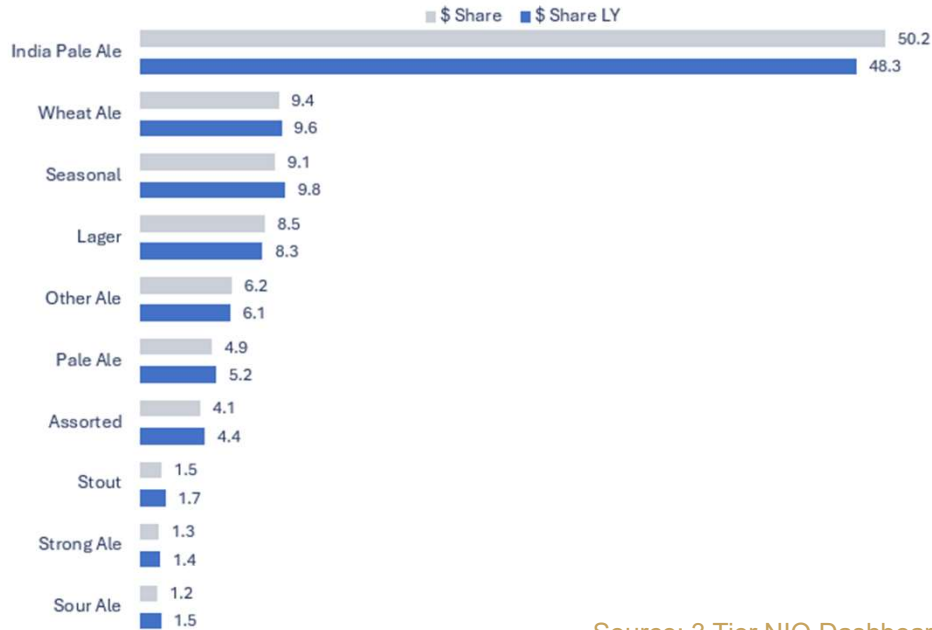
Source: BA Raw Materials Survey



IPA and Lager Continue Growth

Style Groups

Compare \$ share performance

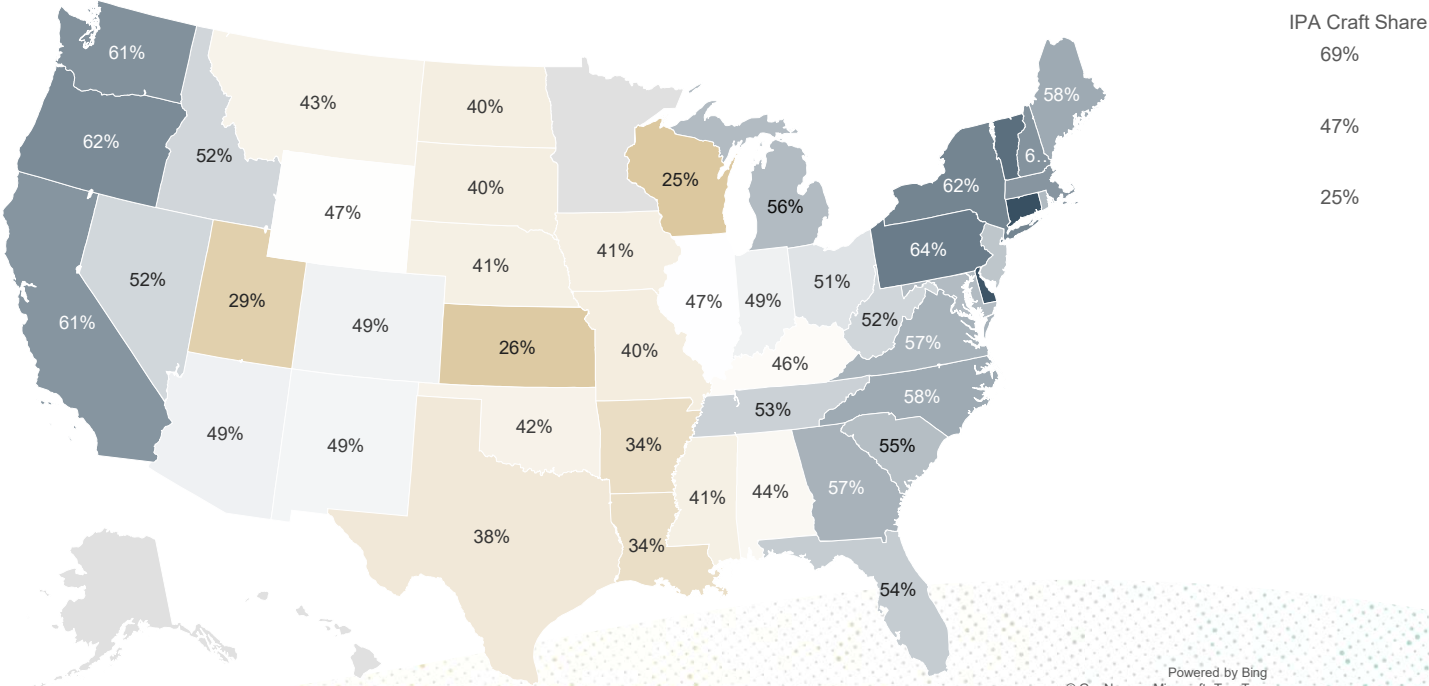


Source: 3 Tier NIQ Dashboard (Available to BA Members)



IPA Continues to Dominate Craft

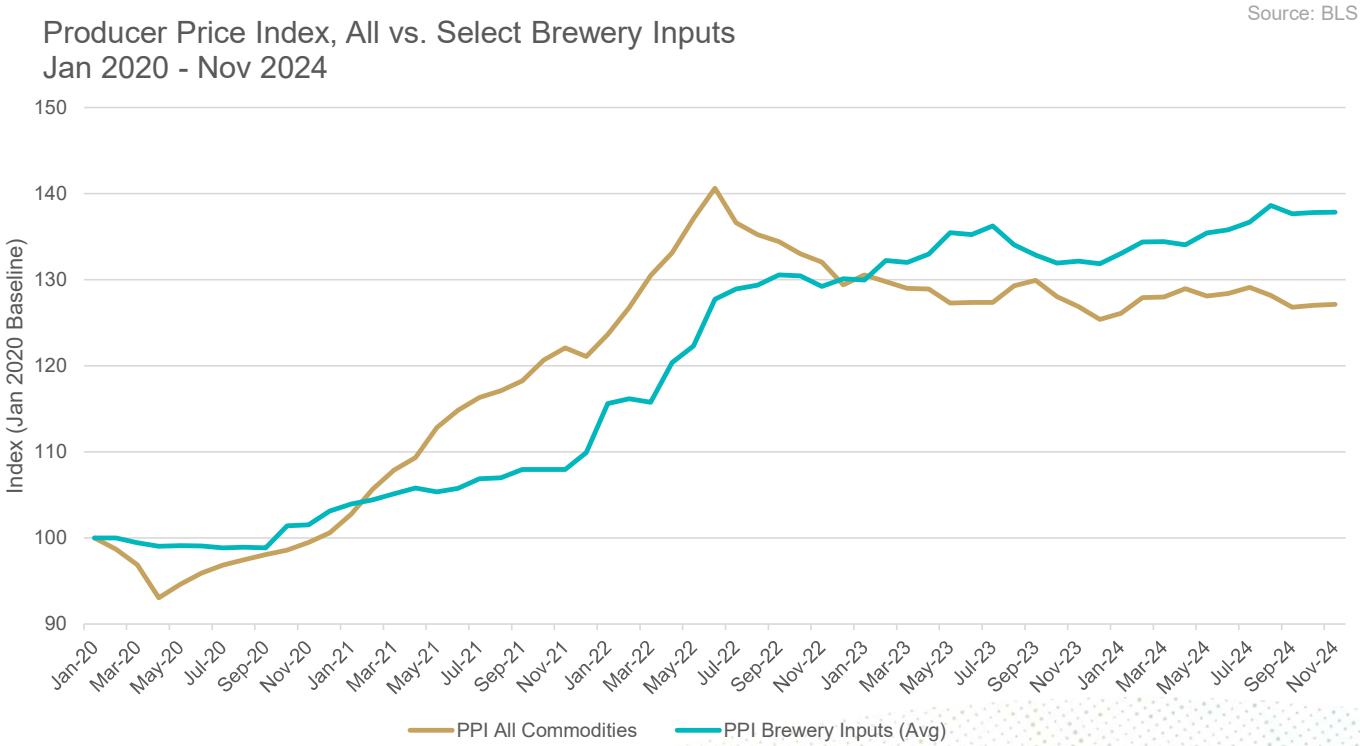
IPA Share of Craft Sales (\$) by State
August 21, 2023 - August 20, 2024



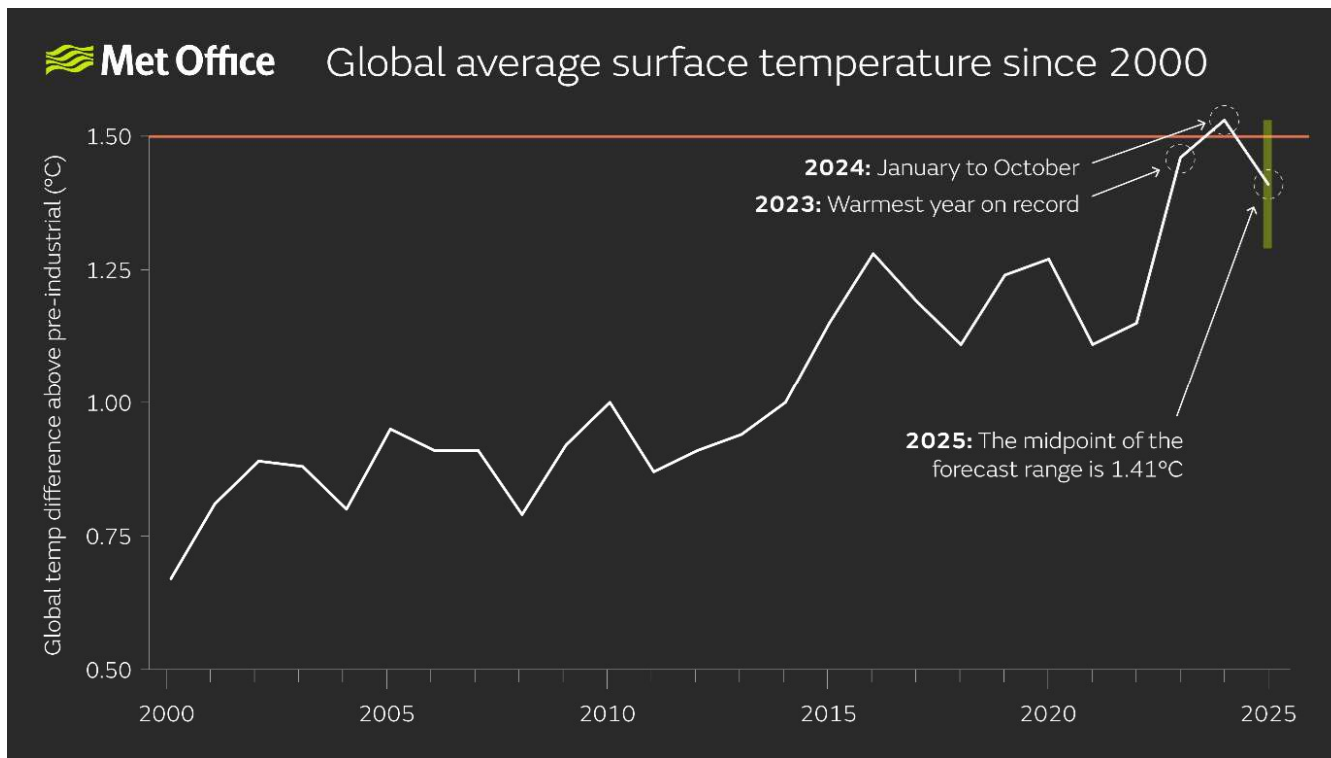
Powered by Bing
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Inflation Impact on Supply Chain



Expect More Disruption in 2025



New Varieties

- USDA-Agriculture Research Service (ARS) releasing new public varieties soon (hopefully 2025)
- Higher yield and climate-tolerant varieties being developed across the world from the US to Germany to New Zealand to Czech Republic

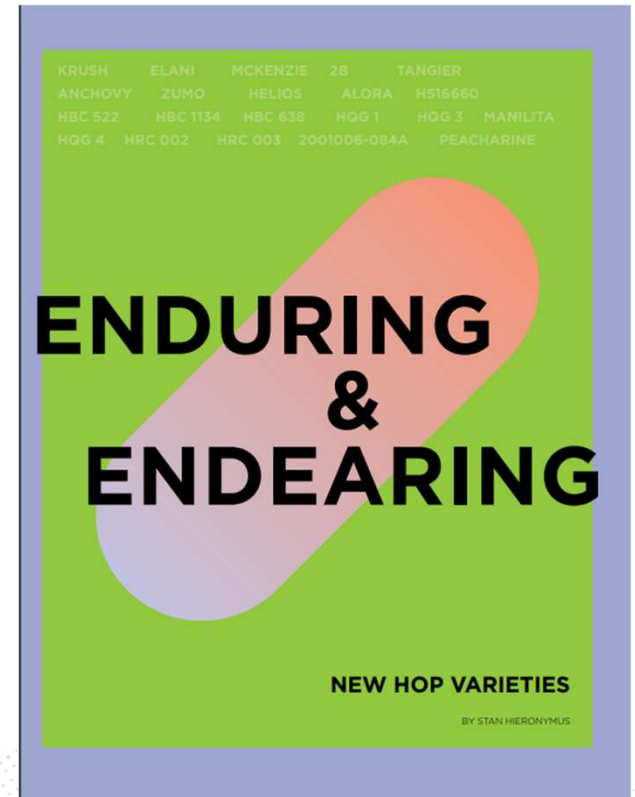
A Long Partnership



New & Evolving Varieties

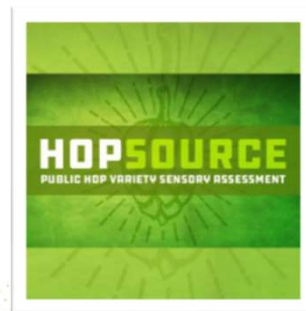
Name	Alpha	Beta	Essential Oil (ml/100g)
Krush	12-13%	7.5-8.5%	1.2-2.5
Elani	8-9%	5.3-5.8%	1.5-2.1
McKenzie	9%	7.6%	1.8
WCHB-102	9.3%	3.7%	1.2
Tangier	8.6%	7.2%	
Anchovy	12%	3.6%	1.4
Zumo	5.5-6.5%	4-5%	0.5-1.0

Many more listed in Nov/Dec [*The New Brewer*](#)



In 2025

- Hopsourc
 - Tentative dates: Sept 23-25, 2025
 - Yakima Valley, Washington
- BA Supply Chain Subcommittee
 - Regular updates (~3 per year) and more [here](#)



Supply Chain Subcommittee

The Supply Chain Subcommittee is concerned with the ingredients and materials that are used to brew and package craft beers. By monitoring hop and barley harvest, interacting with growers and examining packaging supplies, and monitoring glass and can markets, the Supply Chain Subcommittee works to ensure a stable marketplace and provide educational resources to the brewing community on best practices for sourcing and selecting ingredients and packaging materials to suit their beers.



Teddy Gowan
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Grand Teton Brewing Co.
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Andy Joynt
Big Grove Brewery
Iowa City, Iowa



Marisa Lofland
Saint Arnold Brewing
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John Mallett
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Campbell Morrissy
pFriem Family Brewers
Hood River, Ore.



James "Otto" Ottolini
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Mitch Steele
New Realm Brewing Co.
Atlanta, Ga.



Anthony Stone
Tampa Bay Brewing Co.
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Single Hill Brewing
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Yakima, Wash.



Bart Whipple
Sierra Nevada Brewing
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Chico, Calif.



David Wilson
Alaskan Brewing Co
Juneau, Alaska



Kevin Wright
Third Space Brewing
Milwaukee, Wis.



See You in Indianapolis!



Early bird registration through Feb 26 | [REGISTER HERE](#)





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President and CEO

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