



Brewers Association Export Development Program ISSUES REVIEW

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2015 EDP Allocation

The EDP budget is largely funded by export assistance grants made available through the United States Department of Agriculture (USDA). For 2015, the BA was awarded \$600,642 in funding from the USDA's Market Access Program. This amount is nearly identical to what the BA received in 2014, which was a record year. Consistently strong funding years demonstrate that USDA supports the U.S. craft beer industry and understands the importance of the EDP.

Update on Activities Planned for 2015

The EDP's activities for the remainder of the year offer a range of opportunities for members to showcase their beers overseas and educate international trade and media about the quality and diversity of the U.S. craft beer industry. The latest plans include:

Competitions

- Australian International Beer Awards
- Brussels Beer Challenge
- European Beer Star
- Stockholm Beer & Whisky Festival and Competition

Events Promoting American Craft Beer

- Vancouver Craft Beer Week Festival (June)
- Retail Promotions Through Government Stores in British Columbia (June)
- American Craft Beer Experience in Tokyo and Osaka (June)
- Imbibe Live! in London (June)
- Great British Beer Festival (August)
- Stockholm Beer & Whisky Festival (Sept/Oct)
- Beer and Food Pairing Dinners in Europe (details TBD)

Educational Outreach

- Translation of the *Best Practices Guide to Quality Craft Beer* into Japanese
- American Craft Beer Ambassador selection and European activities including seminars and tastings for trade and media

The above list of activities is in addition to others already completed this year including events in the Netherlands, Germany, Spain, the United Kingdom, and China (see below for additional details). Other activities may also be considered as the year progresses. EDP activities are only available to members. If you are receiving this newsletter and are not a member of the EDP but would like to learn more, please contact Mark Snyder at Mark@brewersassociation.org.

JUNE 2015

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American Craft Beer Sales Rise 35.7% in 2014

Based on the annual EDP industry survey, over 80 U.S. craft brewers exported 383,422 barrels in 2014. The value of these exports totaled approximately \$99.7 million. Compared with 2013, this represents an increase of 35.7%. Increases were seen in most export markets.

The top five markets for American craft beer remained nearly the same in 2014, with South Korea surpassing Japan for fifth place. In terms of market share, Canada accounted for 53% of exports, Sweden for 12%, the United Kingdom for 10.7%, Australia for 5.1%, and Korea for 3.4%. In 2014, the fastest growing markets were Brazil, South Korea, Thailand, and the United Kingdom. Strong growth was found in Brazil (up 63.9%), the Asia-Pacific region excluding Japan (up 38.1%), Western Europe (up 36.6%), Canada (up 32.3%), and Japan (up 31.7%).

EDP Announces New Craft Beer Ambassador for Europe

The BA is pleased to announce its selection of Sylvia Kopp as the Export Development Program's Craft Beer Ambassador to Europe. Sylvia replaces Andreas Fält who had been in the role since mid-2012. The Ambassador role is a contract position responsible for:

- Educating trade and media about the quality and diversity of products offered by the U.S. craft beer industry, about U.S. craft beer culture, and about proper care and handling for craft beer;
- Fostering relationships between U.S. exporters and European importers and distributors;
- Generating trade and media exposure for the BA and the U.S. craft beer industry.

A Request for Proposals was issued late last year as the BA recruited candidates for the role. An extremely strong group of candidates applied. The BA interviewed leading candidates in Munich during the Braukunst Live Festival; in Sheffield UK at BeerX; and then finally in Portland, Oregon at the Craft Brewers Conference.

Sylvia Kopp stood out for her experience, beer knowledge, support for the U.S. craft beer industry, and trade and media connections.

Sylvia is Germany's leading beer sommelier. Holding a diploma from Doemens Academy, she has worked independently since 2007 giving speeches and seminars, developing and hosting beer dinners, and writing for consumer and trade magazines. She is a jury member at international beer competitions like World Beer Cup®, European Beer Star and Brussels Beer Challenge, and co-founder and leader of the Berlin Beer Academy, a school for amateurs and professionals from trade and gastronomy devoted to exploring the pleasures of beer. As an independent contractor, she will continue to run the Berlin Beer Academy in Germany while working separately for the EDP as its Ambassador in Europe. Sylvia was endorsed strongly by a number of EDP members familiar with her work. We look forward to working with Sylvia to build upon the foundation laid by Andreas the last few years.

EDP Members Benefit from Participating in Winter Fancy Food Show

In January, the EDP hosted a booth at the National Association for the Specialty Food Trade's Fancy Food exhibition in San Francisco. This was the third time that the EDP participated in the West coast version of this show (the EDP has had a presence at the East Coast show twice). Mark Snyder represented the BA in San Francisco.

The 2015 San Francisco Fancy Food Show set a new record for the number of exhibitors (1,400 from across the U.S. and 35 countries and regions) and industry attendees (over 19,000). The show notably attracted a wide range of international buyers from Asia. Unfortunately, the EDP's presence was smaller than anticipated with only seven breweries showcasing products. While additional breweries expressed interest in participating, the costs are relatively high and in-person attendance by brewery representatives is necessary. Moving forward, the EDP will discuss with members whether to keep the San Francisco Fancy Food Show on its slate of potential activities.



EDP Members Win Awards at European Competitions

International competitions remain a key part of the EDP and of the BA's strategy to reinforce the American craft beer industry's standing as global leaders in innovation and quality. EDP members typically perform well at these competitions, and the awards won often raise importer interest in U.S. products. In November 2014, results from two major European competitions in which the participated—Brussels Beer Challenge and the European Beer Star Awards—were announced. The BA covered the cost of a consolidated shipment and entry fees for members.

EDP members won 34 awards at the European Beer Star Awards and 52 awards at the Brussels Beer Challenge (including 12 golds, 17 silvers, 18 bronzes, and 5 honorable mentions). The following breweries won one or more awards:

Alaskan Brewing Company	Elevation Beer Company	No-Li Brewhouse
Allagash Brewing Company	Firestone Walker Brewing Company	North Coast Brewing Company
Andersen Valley Brewing Company	Founders Brewing Company	Oskar Blues Brewery
Ballast Point Brewing and Spirits	FX Matt Brewing Company	Pelican Pub & Brewery
Barley Brown's Beer	Gigantic Brewing Company	Reuben's Brews
Black Tooth Brewing Company	Green Flash Brewing Company	Rogue Ales Brewery
Boston Beer Company	Hopworks Urban Brewery	Sierra Nevada Brewing Company
Boulevard Brewing Company	Kulshan Brewing Company	Ska Brewing Company
Caldera Brewing Company	Lagunitas Brewing Company	Stone Brewing Company
Choc Beer Company	Lakefront Brewery	Twisted Pine Brewing Company
Coronado Brewing Company	Left Hand Brewing Company	Uinta Brewing Company
Deschutes Brewery	Nebraska Brewing Company	
Dogfish Head Craft Brewery	New Holland Brewing Company	

American Craft Beer Event at Ambassador's Residence in The Hague

The U.S. Ambassador to the Netherlands, Timothy Broas, hosted a craft beer tasting event at his residence on January 26, 2015. The event, which the EDP organized in partnership with a local importer and the USDA's Agricultural Trade Office in The Hague, provided an outstanding opportunity for educating the Dutch industry and generating media exposure for American craft beer. Approximately 60 trade and media attended, including importers, restaurant and bar owners, retailers, and media.



The Ambassador's presence and opening remarks were particularly helpful for generating interest in the event. Meanwhile, Mark Snyder represented the BA, and made an introductory presentation on U.S. craft beer and proper storage and handling practices. As part of the tasting, the EDP showcased beers from eight members. These beers were paired with gourmet foods, demonstrating the range of pairings that American craft beer has to offer.

Following the event, at least seven press articles were published about American craft beer in the Netherlands. These are likely to reach the majority of the target audience in the country, which will increase demand for American craft beer and solidify a growing focus on quality control. These articles appeared in the following publications:

Ad Fundum	Entrée Magazine
AD Haagsche Courant	Pint Magazine
Bier! Magazine	Telegraaf
Bierpassie Magazine en El Gusto	

EDP Promotes American Craft Beer in Europe

In March, the EDP undertook activities in Europe at the Braukunst Live! beer festival in Munich, the Barcelona Beer Festival, and the BeerX Conference in Sheffield, United Kingdom. At Braukunst Live!, the BA promoted American craft beer through a booth for the second consecutive year. Mark Snyder traveled to the festival and helped showcase beers from 16 EDP members. In addition, Mark met with several importers as well as potential candidates to replace Andreas Fält as the American Craft Beer Ambassador in Europe. The BA booth was one of the busiest at the festival, demonstrating the growing receptivity to craft beer in the German market.



The EDP also participated in the Barcelona Beer Festival for the second consecutive year. Beers from 19 members were featured, and representatives from one brewery attended and promoted their beer through the “Meet the Brewer” area of the show. In addition, the USDA office in Madrid visited the show and met with seven beer importers. These contacts are invaluable as the EDP continues to support the development of the craft beer market in Spain.

Finally, Bob Pease delivered a keynote presentation to the Society of Independent Brewers (SIBA) at their annual conference, BeerX. SIBA is a leading organization in the United Kingdom for the promotion and protection of small brewers. Bob’s keynote discussed the state of the craft beer market in the United States, what the BA does to advance the interest of American craft brewers, and how the EDP is working to develop international markets for American craft beer. The remarks were well-received, and the visit resulted in significant media coverage for the BA. The following articles appeared in the UK press following Bob’s visit, and more are expected:

Name	Publication	Title
Sophie Atherton	A FemAleView/Beer Talkers	Defining craft beer in the UK
Sophie Atherton	A FemAleView/Beer Talkers	Bob Pease's advice to craft brewers
Pete Brown	The Guardian	Trouble brewing: how craft beer fomented a battle for the soul of booze
Pete Brown	Publican MA	Brown: Don't over-price craft beer
Neal Baker	Drinks Business	UK beer 'missed its chance' with craft
SIBA	SIBA.co.uk	SIBA hails success of third BeerX
Phil Mellows	UK Brewing News	Fuller's, Cunningham top Beer Marketing Awards
Jeff Evans	Inside Beer	US Craft Beer Exports Soar
Mike Berry	Publican MA	US craft beer exports boom
Will Hawkes	The Caterer, p60	The art of craft

BA Explores Promotional Opportunities in China

Representatives from the BA visited two events in China recently—the Beijing Invitational Craft Beer Festival and the Tang Jiu Hui food and drink trade show. China is a promising market for craft beer, but most of the trade lacks the infrastructure necessary to maintain quality. As a result, the EDP continues to seek out promotional opportunities that can provide education on proper storage and handling practices.

The Beijing festival, which was held for the first time from November 14-16, 2014, was the first free-flowing craft beer festival to be held in China. Breweries from the United States, China, Ireland, Japan, New Zealand, and Taiwan were invited by the festival organizers and participated. Attendance was relatively low, but is expected to grow in future years.

Meanwhile, the BA attended Tang Jiu Hui in order to evaluate the show, which had been recommended by the USDA's Agricultural Trade Office in Chengdu. While the show is clearly popular and provides opportunities to promote craft beer and other alcoholic beverages, the BA learned that the focus of the show is on sales. Therefore, a presence by the EDP will only be effective if breweries are interested in representing their brands in person. In addition, the BA found that most importers were unaware of the need for a cold chain infrastructure, refrigerated shipping, and appropriate shelf life dating. As a result, the BA was able to provide much-needed education through individual meetings, a USDA-scheduled seminar for trade and media on American craft beer, and distribution of the *Best Practices Guide to Quality Craft Beer*, which had been translated into Chinese.

EDP Seminars, International Visitors, and Awards Ceremony at the CBC

The BA continues to see increasing international interest in the Craft Brewers Conference, which was held in Portland on April 14-17, 2015. This year, foreign representation included a group of influential trade and media from China. This group traveled to the United States on a week-long reverse trade mission, organized by the USDA's Agricultural Trade Office in Guangzhou and the Guangdong Beer Association. The EDP helped arranged their visit to BrewExpo America and hosted them on a tour of four local craft breweries. The visit was an important step toward developing the Chinese market for craft beer. China holds considerable promise for U.S. craft brewers, but is currently a challenging market because of limited understanding of the U.S. craft beer industry and the importance of proper storage and handling practices.

The EDP also sponsored three presentations and a panel discussion at the Craft Brewers Conference in Portland on April 14-17, 2015. This year's presenters were Paul Dean and Jeff MacWain of Samskip Logistics, Yuhang Lin of Cascadia International Distribution (Taiwan), and Rob Singleton (Liquor Depot, Alberta, Canada). The topic of the panel discussion was the German market, with Jan Derer of Derer Imports, Sylvia Kopp of the Berlin Beer Academy, and Marc Rauschmann of Brau-Manufacturen GmbH participating as speakers. All speakers discussed opportunities for U.S. craft brewers in international markets, but also the importance of quality for the long-term sustainability of export growth. Presentations are available on the EDP page of www.brewersassociation.org.

Finally, the EDP held its annual awards ceremony to recognize EDP member breweries that won awards at the 2014 Australian International Beer Awards, 2014 European Beer Star Awards, 2014 Brussels Beer Challenge, and 2014 Stockholm Beer & Whiskey Festival. EDP members saw great success at each of these competitions, winning 136 awards, 34 awards, 52 awards, and 9 awards, respectively. International competitions remain a centerpiece of the EDP and of the BA's strategy to reinforce the American craft beer industry's standing as global leaders in innovation and quality. A full listing of all winning breweries and their medals can be found on the BA's website at: <http://www.brewersassociation.org/pages/business-tools/export-development-program/competition-results>.

Research Study on the Mexican Craft Beer Market

As reported in the EDP's October 2014 Issues Review, the BA received \$45,000 in funding from USDA to conduct research on the Mexican beer market and prepare a study for EDP members. The study will update a similar report that was created in 2008. The EDP has selected a contractor in Mexico to conduct the research, which is ongoing. The contractor's initial findings note that there is limited awareness of craft beer in the market, non-competitive practices from multinational brands present some barriers to entry, and the availability of cold storage is minimal. Based on these results, the EDP is likely to focus on educational opportunities in the Mexican market over the near term. These may include seminars on U.S. craft beer and quality control, as well as Spanish translation of the BA's *Best Practices Guide to Quality Craft Beer*. The EDP will provide members with copies of the study once it is finalized.