



February 1, 2021

I am writing to you today on behalf of the Brewers Association (BA) and the 8,400 small, independent breweries and brewpubs and their 160,000 employees located in every state in the United States, regarding the widely reported shortage of aluminum cans for all brewers packaging their beers in cans.

This is an appeal for your help, and, at a minimum, I hope this letter furthers our current productive dialogue between the BA and its members and the Can Manufacturing Institute.

The American craft brewing industry – which literally was non-existent in 1980, and which now accounts for nearly 13 percent of overall beer sales in the United States – has faced unprecedented challenges over the past year. Our members, like other small businesses, have been forced to grapple with the continuing effects of the COVID-19 health pandemic and economic crisis, including state-mandated business closures and limits on hours of operation.

Many have been forced to lay off workers. Some have had to close their doors for good. Still, others – particularly those who relied on on-premise, direct-to-consumer sales – creatively ramped up off-premise packaged beer sales in aluminum cans to generate revenue and to try to ensure the survival of their businesses.

Now, even this temporary change in business practice – intended to create some revenue and weather this economic storm – is threatened by the aluminum can shortage.

To be sure, the BA appreciates the efforts of aluminum can manufacturers to address the shortage by increasing efficiencies, importing additional cans from international operations, and expanding manufacturing capacity to increase production. These efforts will help to overcome the gap between demand and supply.

However, the BA believes that beverage manufacturer and consumer demand for aluminum cans will only continue to increase. As a consequence, access to an adequate can supply is essential not only to independent brewers' continued growth, but also to many breweries' survival during and after the pandemic.

Our members report that the news on aluminum can supply is worsening, with some allotments representing as much as a 40-percent reduction in supply. Some brewers are learning their purchase orders for Q1 deliveries have been canceled. Others are being told that they will not be able to get cans until the second quarter of 2021. These businesses will simply not survive that long without cans.

The BA urges aluminum can manufacturers to ensure that a sufficient supply of cans is allocated to independent brewers now. In addition, we encourage aluminum can manufacturers to commit to transparency and communicate promptly and clearly with all affected businesses regarding interrupted, delayed, or canceled shipments and contracts.

A brewery's success often hinges on the effectiveness of its packaging to sufficiently satisfy customer expectations. While there may be few options for aluminum can manufacturers in the short term to fix the imbalance between supply and demand, the BA believes that reallocation, increased transparency, and shared knowledge will serve the interests of both brewers and aluminum can manufacturers and foster a productive relationship for the years ahead once we are past this pandemic.

Again, on behalf of the BA and our members, we look forward to continued communication as manufacturers allocate supplies in the short term and increase capacity to address the longer-term growing demand for aluminum cans.

I would welcome the opportunity to discuss this matter further with you at your convenience.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'R Pease', with a stylized flourish at the end.

Robert Pease
President and Chief Executive Officer
Brewers Association