



INTERMEDIATE MARKET SEGMENTS OF THE CRAFT BEER INDUSTRY

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Material contained in this document applies to multiple course levels. Reference your syllabus to determine specific areas of study.



The craft beer industry is defined by four distinct markets: brewpubs, microbreweries, regional craft breweries, and contract brewing companies.

MICROBREWERY

A brewery that produces less than 15,000 barrels (17,600 hectoliters) of beer per year with 75% or more of its beer sold off-site. Microbreweries sell to the public by one or more of the following methods: the traditional three-tier system (brewer to wholesaler to retailer to consumer); the two-tier system (brewer acting as wholesaler to retailer to consumer); and, directly to the consumer through carryouts and/or on-site tap-room or restaurant sales.

BREW PUB

A restaurant-brewery that sells 25% or more of its beer on site. The beer is brewed primarily for sale in the restaurant and bar. The beer is often dispensed directly from the brewery's storage tanks. Where allowed by law, brewpubs often sell beer "to go" and /or distribute to off site accounts. Note: BA re-categorizes a company as a microbrewery if its off-site (distributed) beer sales exceed 75%.

CONTRACT BREWING COMPANY

A business that hires another brewery to produce its beer. It can also be a brewery that hires another brewery to produce additional beer. The contract brewing company handles marketing, sales, and distribution of its beer, while generally leaving the brewing and packaging to its producer-brewery (which, confusingly, is also sometimes referred to as a contract brewery).

REGIONAL BREWERY

A brewery with an annual beer production of between 15,000 and 6,000,000 barrels.

REGIONAL CRAFT BREWERY

An independent regional brewery who has either an all malt flagship or has at least 50% of it's volume in either all malt beers or in beers which use adjuncts to enhance rather than lighten flavor.

LARGE BREWERY

A brewery with an annual beer production over 6,000,000 barrels.



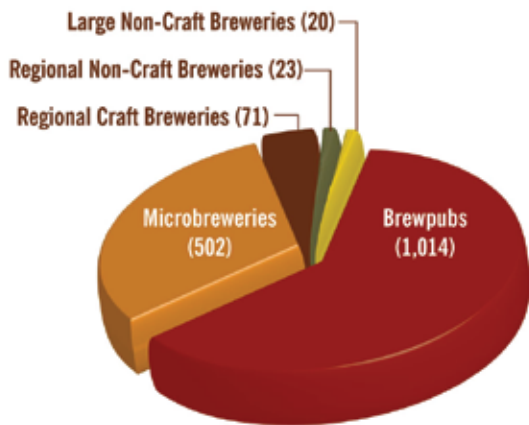
INTERMEDIATE MARKET SEGMENTS

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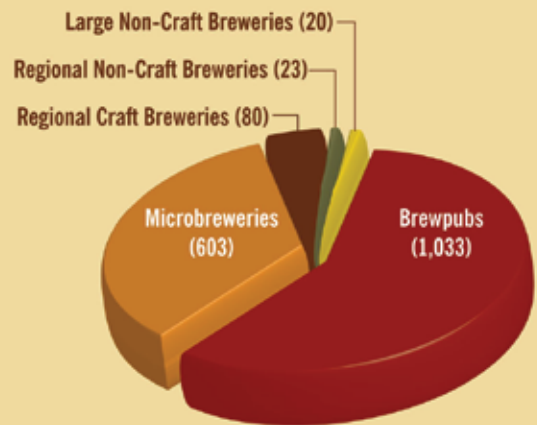
Craft Brewers Continue to Climb

2009 Total U.S. Breweries



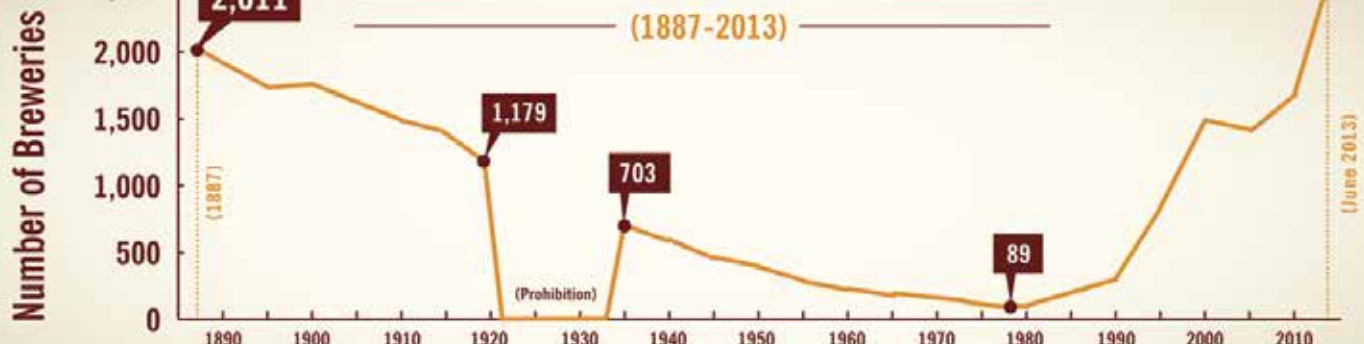
1587 of 1630 breweries operating in 2009 were craft breweries

2010 Total U.S. Breweries



1716 of 1759 breweries operating in 2010 were craft breweries

126-Year Brewery Count



Source: Brewers Association, Boulder, CO



“ Large Brewery: A brewery with an annual beer production over 6,000,000 barrels. ”