Dear Valued Brewers Association Member:

2018 was another milestone year for the craft brewing community. With more than 7,000 small and independent breweries in operation and a brewery within 10 miles of 85 percent of all Americans, the Brewers Association accomplished much on your behalf throughout the year to strengthen the brewing community and provide tools to succeed in a competitive environment. In 2018, the BA focused on:

ENSURING A HEALTHY SUPPLY CHAIN
To further the development of a robust and sustainable raw materials supply chain, the Brewers Association’s Research and Service Grants program awarded $430,000 to 17 research projects in 2018. Since the inception of the grant program in 2015, the BA has provided more than $1.7 million in funding for 77 projects—addressing public barley and hop variety development, hop disease, and hop aroma—as well as supported affiliated national and state-level grower organizations. The BA also continued to work with the United States Department of Agriculture to revitalize public hop breeding.

FUELING INDEPENDENCE
Our second national awareness campaign in as many years, That’s Independence You’re Tasting promoted small and independent breweries to a broader audience. The campaign, the largest in the association’s history, was centered around two 30-second advertisements broadcast on a variety of media, including cable, satellite, and broadcast television; social media; and Pandora radio. With the advertisements realizing more than 170 million impressions, the BA is proud to be able to do for all of our members what would be extremely difficult for them to do individually. To date, more than 4,000 brewing companies, representing more than 85 percent of the craft beer brewed in the U.S., have adopted the independent craft brewer seal. Together we are united in independence.

PROMOTING BREWING EXCELLENCE
To provide guidance for operating a successful, safe, and sustainable business and to equip our members for excellence in brewing, the BA continued to deepen its educational resources through hands-on instructional workshops, best practices publications, online webinars, and a robust in-field ambassador program.

FOSTERING COMMUNITY
Diversity and inclusion are opportunities for businesses to lead and succeed. In 2018, the BA welcomed Dr. J. Nikol Jackson-Beckham as its first diversity ambassador. Similar to other ambassador roles at the BA, Dr. J traveled around the country to state guilds and other craft brewing events to speak on best practices for diversifying both customer bases and staff, and to listen to current challenges in this area. Five new best practice resources are now available for members to download on BrewersAssociation.org.

RECOGNIZING INNOVATION
The Brewers Association board of directors completed the next step in the evolution of the craft brewer definition at its fourth-quarter meeting in Scottsdale, Ariz. The process to review and update the definition started in summer 2018 with a survey to determine what products members are brewing or may brew in the future, followed by a request for input on a proposed change. This fourth evolution of the definition is more inclusive, recognizes the innovation and evolution of the brewing community, and adds more breweries to the craft data set.

FORTIFYING OUR VOICE
Also at its final meeting of 2018, the BA board of directors approved the creation of a new membership class to recognize the growth and importance of taprooms with representation and a voice at the table. In addition, the board approved the formation of a political action committee to strengthen our position in Washington, D.C. Look for more information to come in 2019.

HONORING CHARLIE
2018 was also bittersweet as we bid farewell to Charlie Papazian, our guiding light for the past 40 years. His influence on the homebrewing and craft brewing community is immeasurable. Who could have predicted that a simple wooden spoon, ingenuity, and passion would spawn a community of more than 1.1 million homebrewers and 7,000 small and independent U.S. craft breweries? We are all here today because of Charlie and we are beyond grateful for his many contributions.

Amid all this activity and development, the Brewers Association’s purpose remains unwavering: “To promote and protect American craft brewers, their beers, and the community of brewing enthusiasts.” Our members-first approach and firm dedication to building tangible membership value and programing has brought us to this point, and there is every reason to believe that it will sustain us into 2019 and well beyond.

Thank you all for being valued members and for your steadfast support of the Brewers Association.

Cheers,

Bob Pease
President & CEO

Craft Brewer Defined. An American craft brewer is a small and independent brewer.

Small. Annual production of 6 million barrels of beer or less (approximately 3 percent of U.S. annual sales); Beer production is attributed to a brewer according to rules of alternating proprietorships.

Independent. Less than 25 percent of the craft brewery is owned or controlled (or equivalent economic interest) by a beverage alcohol industry member that is not itself a craft brewer.

Brewer. Has a TTB Brewer’s Notice and makes beer.
THAT’S INDEPENDENCE YOU’RE TASTING

Our second national awareness campaign in as many years, That’s Independence You’re Tasting launched in August with the goal of promoting small and independent breweries to a broader audience. The campaign, the largest in the association’s history, centered around two 30-second advertisements broadcast on a variety of media, including CBS and CBS Sports, Comedy Central, The Travel Channel, NBC Universal, Hulu, YouTube, Adobe, Pandora radio, Facebook, Instagram, and Twitter.

That’s Independence You’re Tasting took a proud and positive tone, focusing on two key tenets of craft brewing culture: independence and choice. The ads showcased the grit, determination, innovation, and passion of America’s more than 7,000 independent brewers.

The campaign videos proudly displayed the independent craft brewer seal—a mark that brings transparency to the marketplace and symbolizes a world that was turned upside down by the ingenuity and iconoclasm of the craft brewing movement. Our hope is that after being exposed to these stories, beer lovers are moved to support independent breweries and seek the seal when making their beer purchases.

INDEPENDENT CRAFT BREWER SEAL GAINS MOMENTUM

The independent craft brewer seal, launched in June 2017, made significant inroads into the beer marketplace and popular consciousness in 2018. More than 4,000 small and independent brewing companies have adopted the mark—a 33 percent increase from 2017 and representing more than 85 percent of craft beer volume. Notably, more than 60 percent of the top 50 craft brewing companies have added the seal to their packaging.

“I am proud to announce that Dogfish Head believes so strongly in the BA’s objective to help small indie craft breweries differentiate ourselves that we are making the BA indie seal as big as we possibly can on our biggest selling beer’s packaging: 60 Minute IPA.”

– Sam Calagione, Dogfish Head Craft Brewery

Breweries continue to find ways to incorporate the seal into their branding and promotional materials, driving beer lover awareness, guiding purchase decisions, and underlining the importance of brewery independence.

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**Industry Snapshot**

**STEADY GROWTH**

Although the craft market has matured in recent years, craft brewers continued to grow and gain market share in 2018. The Brewers Association 2018 mid-year survey measured 5 percent production growth year-over-year for small and independent brewers. Full year IRI Group scan data numbers showed 2 percent growth for BA-defined craft brewers, and given the continued growth in non-measured sales, 4 percent overall growth seems likely for the year.

Some of the growth in market share has been driven by the continued rise in the number of breweries. Although final 2018 numbers are still being compiled, it is certain that more than 7,389 American breweries operated in 2018, a record number for the United States. It’s now easier than ever to tour or visit a local brewery—85 percent of 21+ adults now live within 10 miles of a brewery.

**JOBS AND ECONOMIC IMPACT**

Brewery growth has driven tremendous job growth as well. The BA’s Economic Impact Report, featuring economic data of craft brewing for all 50 states and the District of Columbia, showed that craft brewers contributed $76.2 billion to the U.S. economy in 2018, a 12 percent increase from 2017. Craft brewers were responsible for more than 500,000 full-time equivalent jobs, a 9 percent increase from 2017, with 135,000 of those jobs directly at breweries and brewpubs.

Based on preliminary Bureau of Labor Statistics (BLS) figures, those jobs numbers could rise sharply in 2017, with ~10,000 new jobs being created between June of 2017 and June of 2018 in BLS data (QCEW, 2019). That figure may continue to grow as craft brewers reinvest their tax savings from a recalibrated federal excise tax. In a survey of BA members, 95 percent indicated that they were re-investing their tax savings, with purchasing new equipment and hiring new employees as the two most popular responses.

**U.S. Beer Volume Share**

**Number of Operating U.S. Breweries**

- 7,389+ Breweries
- More than 7,389 breweries operated in the United States in 2018, and 85% of 21+ adults now live within 10 miles of a brewery.

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-Jobs and economic impact data shown in the image.
Ensuring a Healthy Supply Chain

Craft brewers produce approximately 13 percent of the beer sold in the U.S. but consume well over one-third of the hops and malt used by U.S. brewers. To meet the Brewers Association’s primary strategic objective—brewer access to an adequate supply of high quality ingredients—the BA puts member dues to work in support of public hop and barley breeding, research and development programs, and strategic partnerships.

PUBLIC HOP BREEDING PROGRAM

In 2018, the Brewers Association continued to work with the United States Department of Agriculture-Agricultural Research Service (USDA-ARS) to revitalize public hop breeding. Program goals focus on the development and commercialization of public aroma hop varieties with improved disease resistance and yield. The BA-funded, USDA-hired breeder will be stationed at the Washington State University Irrigated Agriculture Research and Extension Center (WSU-IAREC) located in Prosser, Wash., in order to utilize existing industry infrastructure. In the near-term, the program will leverage existing public germplasm under a newly executed Material Transfer Agreement between USDA-ARS and WSU. In the long-term, the program will produce varieties that can potentially travel to any U.S. hop-producing region. BA investment in this program represents a long-term commitment to hop industry stewardship, exceeding $400,000 in future years.

RESEARCH & SERVICE GRANTS

In 2018, the Brewers Association invested nearly $430,000 in support of 17 research projects, including five focusing on hops and 12 on malting barley crops. Researchers continue to emphasize disease resistance and yield improvements to maintain crop competitiveness and grower interest. They are also working on quality improvements prioritized by craft brewers such as understanding malt flavor outcomes in beer, increased extract, and a lower total enzyme package. Finally, the expansion of malting barley and hop production into new growing regions has resulted in an increased geographic spread of production for risk management, as well as access to local ingredients by craft brewers. Since the inception of the grant program in 2015, the BA has provided more than $1.7 million in support of 77 projects addressing public barley and hop variety development, hop disease, and hop aroma, as well as supported affiliated national and state-level grower organizations.

HOPSOURCE HOP SENSORY ASSESSMENT

In September, Brewers Association staff piloted HopSource Hop Sensory assessment. This first of its kind, weeklong event was a carefully designed sensory exercise to characterize hop sensory attributes and measure likely brewer acceptance of new hop varieties in the experimental public pipeline. The Brewers Association partnered with Yakima Valley Hops and DraughtLab during the heart of the hop selection season. More than 200 people participated in this crowd-sourced sensory exercise, evaluating over 50 varieties for likely future acceptance. The Brewers Association plans to demo HopSource at the 2019 Craft Brewers Conference, and will repeat the event during two weeks in late September 2019 in Yakima. We invite all members to participate and help steer the future of the U.S. public hop breeding program.

SUPPLY CHAIN FEDERAL ADVOCACY

In 2018, Brewers Association staff participated in two efforts to secure favorable regulation and funding for barley and hop crops. For more than 30 years, the National Barley Improvement Committee (NBIC) has conducted three days of lobbying under the auspices of the American Malting Barley Association (AMBA), and BA staff was on hand to help with more than 60 office visits. The Brewers Association government affairs staff also organized and led a brewing and hop industry-wide coalition that conducted lobbying on behalf of the hop industry for the second consecutive year. The coalition visited more than 30 House and Senate offices to share concerns about the public hop research program, and to successfully secure congressional commitment for continued funding.
Protecting and Promoting Business:
Federal Government Affairs

2018 saw breweries begin to realize their savings from the recalibrated federal excise tax (FET) as part of the December 2017 passage of a two-year provision of the Craft Beverage Modernization and Tax Reform Act (CBMTRA), a legislative victory the BA has been working toward for the last decade. In addition to working to make the FET savings permanent, the BA advocated on numerous agricultural issues, and worked to mitigate the impact of tariffs on the brewing industry. The BA is grateful for member involvement and advocacy at federal and local levels to help fortify the brewing community’s voice.

FEDERAL EXCISE TAXES

The language that recalibrated the federal excise tax (FET) for breweries went into effect on January 1, 2018 and will expire on December 31, 2019. A bill similar to CBMTRA, with the goal of making the legislation permanent, will be reintroduced in 2019. CBMTRA finished the year with 303 co-sponsors in the House and 56 in the Senate.

Small breweries are expected to save approximately $80 million each year the FET recalibration is in place. According to a survey conducted by the BA:

- 73% of breweries are purchasing new equipment, upgrading their tasting rooms and/or breweries, moving to new buildings, etc.
- 53% are hiring new employees at an average of 2.7 per brewery.
- 39% are increasing their employee benefits by raising pay, offering insurance, and expanding vacation time.
- 21% are increasing their charitable contributions.
- 58% are doing two or more of the above-mentioned actions.

TARIFFS

The BA has been working with Congress to mitigate the impact of tariffs on the brewing industry. The BA reached out to the administration and the Department of Commerce to explain how the tariffs would impact small and independent breweries and asked for exclusions, some of which were granted.

- 232 Tariffs on aluminum and steel: In June, tariffs on imported unmanufactured aluminum (10 percent) and steel (25 percent) went into effect. These tariffs could have an impact on breweries who can their beer, purchase new stainless steel items, or plan to expand their brewery.
- 301 Tariffs on goods from China: Tariffs have been levied on more than $200 billion of goods imported from China. Ten-percent tariffs on items like kegs and vats (stainless steel drums) will have an impact on American breweries.

AGRICULTURAL ISSUES

The BA has been working with supply chain partners, hop growers, and barley growers on an array of issues from appropriations funding to the Farm Bill. BA staff participated in fly-ins with all parties to support legislative issues that would positively impact them, such as fully funded research programs with the U.S. Department of Agriculture-Agricultural Research Services and crop insurance for farmers.

CAUCUS

The House Small Brewers Caucus ended 2018 with 240 members from 43 states, making it the largest special interest caucus in Congress. The Senate Bipartisan Small Brewers Caucus ended 2018 with 37 members from 26 states. Throughout the year, the BA hosted educational events including a homebrew demonstration, food and beer pairings, and hop sensory training for caucus members and their staff.

HILL CLIMB

In June, the Brewers Association hosted the 2018 Hill Climb, with 120 brewery owners and employees participating from across the country. The group converged on Washington, D.C. to advocate for making the two-year FET recalibration permanent and for increased funding for hop and barley research as well as the Alcohol and Tobacco Tax and Trade Bureau.
Protecting and Promoting Business: State Government Affairs

SUPPORTING STATE GUILDS
The Brewers Association has long made supporting state brewers guild/associations a priority. Crucial issues such as franchise law, self-distribution, and the regulation of on-site sales fall almost wholly within the domain of state authority. The BA provides valuable resources to state guilds to help ensure small brewers have equitable and open access to markets, distribution, and sales. In 2018, the BA supported state guilds on these issues as well as matters related to the statutory definition of a small brewer, satellite retail locations, comprehensive alcohol law reviews, California-specific Proposition 65 alcohol warnings, and trade practice issues involving advertising and the provision of “things of value.”

SIGNIFICANT STATE WINS
- **South Dakota**: Legislation was signed into law creating self-distribution rights for microbrewers (up to 1,500 barrels annually). The new law also provides for an increased production cap on microbreweries to 30,000 barrels under which a manufacturer may maintain on-site sales rights, the ability to operate additional locations, and the ability to transfer beer between those locations without regard to the self-distribution limitation.
- **Vermont**: Legislation was signed into law that creates an exception to the beer franchise law for brewers that manufacture not more than 50,000 barrels of malt beverages and whose products comprise 3 percent or less of the wholesale dealer’s total annual sales by volume.

GUILDS EXECUTIVE DIRECTOR COOPERATIVE FUNDING GRANT PROGRAM
In 2018, 13 total grants were approved in the BA’s Guilds Executive Director Cooperative Funding Grant Program. The grant program addresses the need for guilds to hire paid staff, particularly in the executive director role. Filling this leadership position has proven to be an indispensable step for state guilds seeking to elevate organizational efficacy and advance small brewer interests on both the state and national levels.

ISSUES FOR 2019
2018 saw a marked increase in TTB trade practice enforcement cases, many in cooperation with state alcohol enforcement agencies, which led to numerous license suspensions and monetary penalties. Brewers should expect continued heightened scrutiny of marketplace activities in 2019.

HOW TO GET INVOLVED
The Brewers Association provides programs and resources to assist its members and the greater beer and brewing communities with taking an active part in educating and championing the interests of small and independent brewers.

- **Support Your Local Brewery (SYLB)** is a communication network that informs brewery members, homebrewers, and beer enthusiasts (more than 81,000 nationwide) about issues that impact small brewers and organizes grassroots activities to defend the interests of small brewers. The network is designed for quick mobilization when issues arise, with SYLB members contacting their elected officials to support small brewer positions. In 2018, five action alerts were issued: Louisiana (self-distribution), Massachusetts (franchise modernization), South Dakota (self-distribution/retail sales), Ohio (access to market) and Wisconsin (access to market).
**Supporting Business Health: Technical & Quality Resources**

Building upon existing resources and launching new initiatives, the Brewers Association continued to expand the collection of technical resources available to members. Below are highlights from the BA’s technical and quality efforts in 2018.

**SAFETY**

**Online Brewery Safety Training**

The BA is committed to promoting safety in the brewhouse by providing free resources to members and non-members alike. Since the Online Brewery Safety Training series was launched in September 2015, more than 30,000 lessons have been completed. The curriculum is supported by best management practice documents and regular communication from the safety subcommittee through the Safety Exchange and Lessons Learned programs. In 2018, Hazard Assessment Principles, a best management practice guide for developing or improving brewery safety programs, was published. The Brewers Association also entered into an industry alliance with the District Five office of the Occupational Safety and Health Administration, the Ohio Craft Brewers Guild, and the Master Brewers Association of the Americas. The alliance will serve as a model program to reduce safety programs, was published. The Brewers Association also entered into an industry alliance with the District Five office of the Occupational Safety and Health Administration, the Ohio Craft Brewers Guild, and the Master Brewers Association of the Americas. The alliance will serve as a model program to reduce safety, generate less wastewater and solid waste, and promote available resources. BA ambassadors presented at 27 different events in 2018.

**Quality Workshops / Videos**

The Basics of Beer Quality Workshop program conducted six workshops in 2018 in Ohio, Colorado, Illinois, Michigan, Oregon, and California. These full-day workshops, led by quality instructor Lauren Torres, covered the fundamentals of the most common methods used to ensure consistency and quality in a brewery. With a hands-on approach, attendees have the opportunity to use lab equipment and practice quality analysis methods. The workshop is supported by a series of videos, produced in collaboration with the American Society of Brewing Chemists, that demonstrate basic laboratory methods. Three new videos were added to the series in 2018 addressing Beer Degassing, Specific Gravity Determination, and Apparent Extract Determination.

**BEST PRACTICES**

**Benchmarking Reports And Dashboard**

The Brewers Association Benchmarking Reports provide a platform for the craft brewing community to share best practices for how to use water more efficiently, generate less wastewater and solid waste, decrease total energy usage, and reduce greenhouse gas emissions. Using the Benchmarking Dashboard, brewers can easily identify areas to improve efficiencies and increase profitability by comparing themselves to industry averages of similar breweries. Additionally, brewers can enter target usage and cost values and track ongoing monthly performance. The publication of a multi-year summary report marked the fourth year of the project.

**Food Safety Modernization Act (FSMA)**

In collaboration with the Master Brewers Association of the Americas, the Brewers Association published “Brewers’ Responsibilities and Obligations under the Food Safety Modernization Act (FSMA).” The format addresses frequently asked questions to help brewers understand which portions of FSMA apply to them and provides references to relevant sections of the Code of Federal Regulations.

**Keg Return - Free Freight**

As the brewing community has grown, so has the number of “lost” kegs. The Brewers Association worked with MicroStar to educate brewery members regarding the ongoing keg repatriation program through a “free freight” offer. Brewers Association paid the way for 4,228 kegs from 99 breweries to be returned home where they could be put back in circulation, delivering draught beer to thirsty consumers.

**AMBASSADOR OUTREACH**

Brewers Association technical resources are supported by an ambassador outreach program. Experts in the areas of quality, safety, sustainability, and draught quality attend state brewers guild meetings and other industry events to disseminate information and promote available resources. BA ambassadors presented at 27 different events in 2018.

**2018 Power Hours Live webinars for members**

- Incorporating Food Safety Responsibilities Into A Quality Program
- The Growing Importance Of Malt Flavor And Aroma
- Impact Of Biofilm On Draught Beer Quality
- Sustainability From The Start
- Hop Market And Craft Brewing Industry Update
- Reduce Costs By Benchmarking Utility Usage And Waste

A second resource published in 2018, ‘Voluntary Market Withdrawals and Recalls,” explains brewers’ legal obligations when a product is withdrawn from the market and makes suggestions for how to prepare for and execute a market withdrawal or recall.

**Draught Beer Quality Summit At GABF**

As part of the ongoing effort to improve the quality of draught beer at retail, the Draught Beer Quality subcommittee conducted the 8th Annual Draught Beer Quality Summit in Denver during the Great American Beer Festival. A record number of attendees heard presentations from draught quality experts, experienced hands-on demonstrations, and participated in sensory evaluation.
Supporting Business Health: Educational Resources

The Brewers Association develops resources and compiles data for members to help guide business decisions, because operating a brewery is more than making high quality beer—it requires running a good business.

INDUSTRY BENCHMARKING AND BREWERY OPERATIONS SURVEY

Compiled and published by the BA, this survey provides aggregated data covering core business functions throughout the brewery. Salary and benefit information provide insights to industry standards when opening or expanding. Revenue and cost of goods data guides financial planning when breweries are looking to scale production.

POWER HOUR

These 60-minute live webinars cover a wide range of timeless and timely business topics, including technical brewing, market changes, statistical insights, and brewery marketing. Archived recordings of past Power Hours are available to members at any time on BrewersAssociation.org. In 2018, the BA hosted six Power Hours on the following topics:

- Incorporating Food Safety Responsibilities into a Quality Program
- The Growing Importance of Malt Flavor and Aroma
- Craft Beer Evolution
- Getting Inside the Mind of the Craft Beer Consumer
- Impact of Biofilm on Draught Beer Quality
- Sustainability from the Start

BA FORUM

Redesigned in 2018 to provide an even better user experience, the BA Forum delivers crowd-sourced industry perspectives and insights to the association’s members. Eleven discussion boards allow brewers to post and search by specific topics, as well as subscribe to subjects of ongoing interest. With a daily email digest, the BA Forum is always at members’ fingertips.

CRAFT BREWERS CONFERENCE® & BREWEXPO AMERICA®

The Craft Brewers Conference (CBC) is the premier industry event that serves the entire brewing community, including brewers, distributors, retailers, and suppliers. For professional brewers, CBC is the number one environment for concentrated, affordable brewing education, idea sharing, and networking. Twelve educational tracks streamline learning based on job function. These valuable resources are available to all members after the conference on BrewersAssociation.org. The conference is also a great social event with thousands of brewing industry professionals from around the world enjoying craft brews together.

BrewExpo America allows exhibitors and buyers to develop profitable business relationships and helps brewing professionals find the latest and best products and services that industry vendors have to offer.

In 2018, more than 15,000 brewing professionals and 700 exhibitors convened in Nashville, Tenn, for discussion and dialogue around America’s craft brewing business and culture. The conference added a new Leadership track that featured noted speakers from outside the craft brewing community.
Growing American Craft Globally

Ten years ago, small and independent American craft beers did not have a significant international presence and suffered from a limited awareness of proper storage and handling when available. Today, small and independent American craft beer is one of the major reasons behind the drive for quality and increase in demand for innovative beer styles. In 2017, American breweries reported all-time-high export figures of 482,309 barrels with a value of $125 million.

In addition to its global presence, the program also works to bring key international figures from like-minded organizations and breweries to the U.S. to participate in the Craft Brewers Conference, World Beer Cup, and Great American Beer Festival.

In 2004, the Brewers Association had the foresight to start the Export Development Program (EDP). Funded by a grant from the United States Department of Agriculture, the EDP focuses on educating international trade and media about proper storage and care for craft beer as well as the quality and diversity of styles created by small and independent American craft brewers. Resources such as the Best Practices Guide to Quality Craft Beer and technical seminars are brought to global markets to focus on quality—which has benefited the newly exporting members, the reputation for American craft beer generally in international markets, and conditions for new breweries in international markets.

Today, the Export Development Program boasts more than 90 members who participate in sending beer to events, festivals, and competitions around the world.

To get involved in the Brewers Association Export Development Program, please contact Steve Parr, steve@brewersassociation.org.

Great British Beer Festival, London, England. Andy Barr (Fifty Fifty Brewing), Jesse Brasher (West Sixth Brewing), Richard McIvor (Marzocco Park Craft Brewery), Adam Dudley (USA), Lynne Weaver (Three Weavers Brewing), Jennifer Glavine (Boston Beer Company), Lew Lukins (Deputy Chief of Mission US Embassy), Lisa Pumphrey (Lickinghole Creek Craft Brewing), Garret Marrero (Maui Brewing), Lotte Peplow (BA), Stan Phillips (Ag Counsellor US Embassy).

Beijing Craft Beer Invitational

American Craft Beer Experience, Tokyo, Japan


American Craft Beer Experience, Tokyo, Japan

Great British Beer Festival, London, England. Andy Barr (Fifty Fifty Brewing), Jesse Brasher (West Sixth Brewing), Richard McIvor (Marzocco Park Craft Brewery), Adam Dudley (USA), Lynne Weaver (Three Weavers Brewing), Jennifer Glavine (Boston Beer Company), Lew Lukins (Deputy Chief of Mission US Embassy), Lisa Pumphrey (Lickinghole Creek Craft Brewing), Garret Marrero (Maui Brewing), Lotte Peplow (BA), Stan Phillips (Ag Counsellor US Embassy).

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Promoting Craft Brewers

In support of the Brewers Association's core value of "promoting and celebrating the small, independent, traditional, and innovative culture of American craft brewers," the BA offered a wide variety of educational and experiential opportunities throughout 2018.

CraftBeer.com

Seek the Seal. Sierra Nevada’s powerful call for help after the Camp Fire. The Haze Craze. Glitter Beer. 2018 saw no shortage of stories that spoke to the diversity, heart, and creativity of small and independent craft breweries, and CraftBeer.com was proud to tell these stories. As the BA’s beer lover-facing website, CraftBeer.com published more than 200 original articles, videos, and social assets featuring small brewers.

Social media channels tied to CraftBeer.com engaged more than 220,000 followers—growing despite a major Facebook algorithm change that hit publishers hard. Additionally, the North American Guild of Beer Writers recognized two CraftBeer.com articles amidst a competitive pool of talented journalists.

With the most extensive online brewery database, one of the largest online recipe collections for cooking with craft beer, and access to some of the world’s most authoritative resources on beer styles and educational tools, the site continues to advance both small and independent brewers and the beverage of beer.

Savor: An American Craft Beer & Food Experience

The 11th edition of Savor offered an intimate environment for attendees to sample craft beers, mingle with brewery representatives, and experience the full potential of beer and food. Drawing support from a veritable who’s who of culinary talent, the SAVOR menu was designed by Brewers Association executive chef Adam Dulye.

The occasion provided an opportunity to elevate the conversation around the relationship between craft beer and food and served as the anchor event for what has evolved into “SAVOR week” in our nation’s capital. The event returns to the historic National Building Museum on May 17, 2019.

Great American Beer Festival®

A record-breaking 62,000 beer lovers flocked to the 2018 Great American Beer Festival (GABF) to sample more than 4,000 beers from 800 breweries.

GABF continued to provide educational opportunities such as the Protect Craft Guilds Pavilion, Brewers Studio Pavilion, and Beer & Food Pavilion. At Paired®, attendees had the chance to sample unique craft beer and food pairings in an intimate setting just off the main festival hall.

Collaboration

Medals were also awarded in the first-ever GABF Collaboration Competition, which recognizes the collaborative spirit of the professional craft brewing community.

The 32nd annual Great American Beer Festival competition, the largest ever, awarded 306 medals to some of the best beers in the United States, plus three GABF Pro-Am medals to teams of homebrewers paired with professionals. In total, 2,404 breweries from 49 states (plus Washington, D.C.) entered the competition, with 293 judges evaluating 8,496 entries across 102 beer categories, including five new style categories:

- Juicy or Hazy IPA (391 entries*)
- Juicy or Hazy Pale Ale (132 entries)
- Juicy or Hazy Imperial or Double India Pale Ale (150 entries)
- American-Style Pilsner (91 entries)
- Australian-Style Pale Ale (46 entries)

*Most-entered style category

Promoting Craft Brewers

In support of the Brewers Association’s core value of “promoting and celebrating the small, independent, traditional, and innovative culture of American craft brewers,” the BA offered a wide variety of educational and experiential opportunities throughout 2018.

CraftBeer.com

Seek the Seal. Sierra Nevada’s powerful call for help after the Camp Fire. The Haze Craze. Glitter Beer. 2018 saw no shortage of stories that spoke to the diversity, heart, and creativity of small and independent craft breweries, and CraftBeer.com was proud to tell these stories. As the BA’s beer lover-facing website, CraftBeer.com published more than 200 original articles, videos, and social assets featuring small brewers.

Social media channels tied to CraftBeer.com engaged more than 220,000 followers—growing despite a major Facebook algorithm change that hit publishers hard. Additionally, the North American Guild of Beer Writers recognized two CraftBeer.com articles amidst a competitive pool of talented journalists.

With the most extensive online brewery database, one of the largest online recipe collections for cooking with craft beer, and access to some of the world’s most authoritative resources on beer styles and educational tools, the site continues to advance both small and independent brewers and the beverage of beer.

Savor: An American Craft Beer & Food Experience

The 11th edition of Savor offered an intimate environment for attendees to sample craft beers, mingle with brewery representatives, and experience the full potential of beer and food. Drawing support from a veritable who’s who of culinary talent, the SAVOR menu was designed by Brewers Association executive chef Adam Dulye.

The occasion provided an opportunity to elevate the conversation around the relationship between craft beer and food and served as the anchor event for what has evolved into “SAVOR week” in our nation’s capital. The event returns to the historic National Building Museum on May 17, 2019.

Great American Beer Festival®

A record-breaking 62,000 beer lovers flocked to the 2018 Great American Beer Festival (GABF) to sample more than 4,000 beers from 800 breweries.

GABF continued to provide educational opportunities such as the Protect Craft Guilds Pavilion, Brewers Studio Pavilion, and Beer & Food Pavilion. At Paired®, attendees had the chance to sample unique craft beer and food pairings in an intimate setting just off the main festival hall.

Collaboration

Medals were also awarded in the first-ever GABF Collaboration Competition, which recognizes the collaborative spirit of the professional craft brewing community.

The 32nd annual Great American Beer Festival competition, the largest ever, awarded 306 medals to some of the best beers in the United States, plus three GABF Pro-Am medals to teams of homebrewers paired with professionals. In total, 2,404 breweries from 49 states (plus Washington, D.C.) entered the competition, with 293 judges evaluating 8,496 entries across 102 beer categories, including five new style categories:

- Juicy or Hazy IPA (391 entries*)
- Juicy or Hazy Pale Ale (132 entries)
- Juicy or Hazy Imperial or Double India Pale Ale (150 entries)
- American-Style Pilsner (91 entries)
- Australian-Style Pale Ale (46 entries)

*Most-entered style category

Collaboration

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**Brewers Publications**

Brewers Publications (BP) supports the mission of the Brewers Association by publishing books of enduring value for amateur and professional brewers. BP is the leading publisher of contemporary and relevant brewing literature for today’s craft brewers and homebrewers. In 2018, Brewers Publications released *Brewing Eclectic IPA: Pushing the Boundaries of India Pale Ale* by Dick Cantwell and *Gose: A Classic German Beer for the Modern Era* by Fal Allen, bringing the total number of unique titles to 54, with 52 in print and 48 eBooks.

### 2018 RELEASES

**Brewing Eclectic IPA: Pushing the Boundaries of India Pale Ale** by Dick Cantwell  
$19.95 | Paperback and eBook  
Craft beer’s most popular style, India pale ale, is experiencing a flavor revolution. Brewers are using a wide range of ingredients, from cocoa nibs to coffee, fruits, vegetables, spices, herbs, and even wood, to push the boundaries of the style. Explore the creative ways in which these flavors are incorporated into these highly hopped beers. Try your own version using 25 recipes for contemporary IPAs designed by one of the country’s top brewers.

“I cannot think of anyone more suited to documenting this emerging path of IPA than Dick Cantwell. He’s a fantastic, engaging writer and is so well-versed in beer styles and brewing techniques that he’s a natural for this subject. Very few brewers in this business are more closely aligned with what craft beer is all about than Dick Cantwell.”

—Mitch Steele, author of IPA: Brewing Techniques, Recipes and the Evolution of India Pale Ale, founder and brewmaster, New Realm Brewing Company

**Gose: A Classic German Beer for the Modern Era** by Fal Allen  
$19.95 | Paperback  
Gose is making a comeback! Explore the sensation of this tart, fruity, and refreshing beer style, popular in Germany centuries ago. Gose illuminates the style’s history, traditional ingredients, and special brewing techniques. Learn about salinity, spices, and lactic acid as you experiment with 25 gose recipes from some of the best known craft brewers of our time. This refreshing journey captures the innovation and experimentation occurring within the style and will help you brew your own gose-style beers.

“Fal Allen covers the depth and breadth of brewing gose with tips, clever tricks, and tasty anecdotes along the way. Whether you’re a beer newbie or a master brewer, this book is required reading for all.”

—Kristen England, head brewer, Bent Brewstillery
American Homebrewers Association

Throughout the year, the American Homebrewers Association (AHA) celebrated its 40th anniversary (December 7) and recognized founder Charlie Papazian, the godfather of homebrewing. Since 1978, the AHA has grown to more than 46,000 members worldwide and remains dedicated to promoting the community of homebrewers and empowering them to make the best beer in the world.

**HOMEBREW CON**

More than 3,200 homebrewers and beer enthusiasts gathered at the 40th annual Homebrew Con in Portland, Ore. Attendees chose from 60 seminars, bonded over brews, and heard remarks from keynote speaker and AHA founder Charlie Papazian.

**SENATE RESOLUTION HONORING 40 YEARS**

On June 29, the opening day of Homebrew Con, the United States Senate, led by Senators Ben Cardin (D-MD), Susan Collins (R-ME), Ron Wyden (D-OR), Cory Gardner (R-CO), and Michael Bennet (D-CO), passed a resolution honoring the 40th year of the AHA and the man who founded it, Charlie Papazian. With this resolution, Congress celebrated the long history of innovation and excellence for our country’s homebrewing and brewing communities.

**NATIONAL HOMEBREW COMPETITION**

The 2018 competition had 8,405 entries from homebrewers representing 50 states, Washington, D.C., and 18 countries. Over its 40-year history, the National Homebrew Competition has evaluated 143,240 brews. The first competition, held in 1979 in Boulder, Colo., judged 34 beers.

**AHA RALLIES**

AHA rallies are membership generators and fun “thank you” events for AHA members. Sixteen BA member breweries hosted 1,370 AHA members in 2018 and generated 215 new memberships.

**BREW GURU**

Brew Guru is a free app for homebrewers and beer lovers featuring hundreds of medal-winning homebrew recipes, association news, and an AHA Member Deal locator displaying money-saving deals at more than 2,000 breweries, beer bars, and homebrew supply shops. In 2018, 22,019 people downloaded Brew Guru and 11,548 AHA trial memberships were launched using the app.

**ZYMURGY**

The preeminent magazine for homebrewers, Zymurgy celebrated its 40th anniversary with the November/December 2018 issue and revealed a fresh new design. Zymurgy is published six times annually and distributed to AHA members, BA brewery and allied trade members, newsstands, and homebrew supply shops.
**2018: BA By The Numbers**

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<thead>
<tr>
<th>NO. OF MEMBERS</th>
<th>10,739</th>
<th>BA members, all classes</th>
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<tbody>
<tr>
<td></td>
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<td>EVENTS</td>
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<td>3,200</td>
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<td></td>
<td>4,000</td>
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<td>Great American Beer Festival</td>
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<tr>
<td></td>
<td>2,404</td>
<td>entries</td>
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<tr>
<td></td>
<td>300</td>
<td>judges</td>
</tr>
<tr>
<td>World Beer Cup</td>
<td>8,234</td>
<td>entries</td>
</tr>
<tr>
<td></td>
<td>2,515</td>
<td>judges</td>
</tr>
<tr>
<td></td>
<td>295</td>
<td>judges</td>
</tr>
<tr>
<td>National Homebrew Competition</td>
<td>8,405</td>
<td>entries</td>
</tr>
<tr>
<td></td>
<td>3,517</td>
<td>homebrewers</td>
</tr>
<tr>
<td></td>
<td>850</td>
<td>judges</td>
</tr>
<tr>
<td>Total Competition Entries</td>
<td>25,231</td>
<td></td>
</tr>
<tr>
<td>GOVERNMENT AFFAIRS</td>
<td>325</td>
<td>Office visits by U.S. brewers during annual Hill Climb</td>
</tr>
<tr>
<td>ESTIMATED ANNUAL SAVINGS</td>
<td>$79,200,000</td>
<td>estimated federal excise tax annual savings for U.S. small brewers, resulting from the passage of the Craft Beverage Modernization &amp; Tax Reform Act</td>
</tr>
<tr>
<td>RESEARCH GRANTS FUNDED</td>
<td>$432,000</td>
<td>17 hop and barley projects</td>
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<td>EDUCATION/RESOURCES</td>
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<td>live Power Hour attendees</td>
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<tr>
<td>SOCIAL AUDIENCE</td>
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<tr>
<td>BOOKS SOLD</td>
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<td>brewing books and ebooks</td>
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<tr>
<td>The New Brewer</td>
<td>37,500</td>
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<td>Zymurgy</td>
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</tr>
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</table>

**2018 FINANCIAL STATEMENT (CONSOLIDATED)**

<table>
<thead>
<tr>
<th>Revenue:</th>
<th>2018 Actual</th>
<th>2017 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adver. &amp; Spons. Revenue</td>
<td>4,972,195</td>
<td>4,603,941</td>
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<tr>
<td>Book/Arch. Sales</td>
<td>1,405,879</td>
<td>1,615,904</td>
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<td>Membership Revenue</td>
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<td>Event Revenue</td>
<td>17,345,726</td>
<td>14,986,223</td>
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<tr>
<td>Gov’t Grant Funding</td>
<td>771,040</td>
<td>706,926</td>
</tr>
<tr>
<td>All Other Revenue</td>
<td>238,851</td>
<td>1,331,334</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$29,855,704</strong></td>
<td><strong>$28,211,530</strong></td>
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<table>
<thead>
<tr>
<th>Expenses:</th>
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<tbody>
<tr>
<td>Gen. Office/Admin. Exp.</td>
<td>868,533</td>
<td>780,995</td>
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<tr>
<td>Deprec. &amp; Amort.</td>
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<td>342,566</td>
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<td>Salaries &amp; Benefits</td>
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<td>7,291,395</td>
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<td>174,036</td>
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<td>Legal Fees</td>
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<td>Rent Expense</td>
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<td>243,890</td>
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<td>Event Operations</td>
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<td>Sales &amp; Marketing</td>
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<tr>
<td>Printing</td>
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<tr>
<td>Postage &amp; Shipping</td>
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<td>Cost Of Goods Sold</td>
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<td>1,318,260</td>
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<td>Outside Services</td>
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<td>All Other Expenses</td>
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<td>1,531,323</td>
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<td><strong>Total Expenses</strong></td>
<td><strong>$30,547,170</strong></td>
<td><strong>$26,054,595</strong></td>
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</table>

| Net Surplus | ($691,466) | $2,156,935 |

**DECEMBER 31st, 2018 ABBV. BALANCE SHEET**

<table>
<thead>
<tr>
<th>Assets:</th>
<th>12/31/18</th>
<th>12/31/17</th>
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<tbody>
<tr>
<td>Cash</td>
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<tr>
<td>Reserves</td>
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<tr>
<td>Accounts Rec.</td>
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<td>$1,755,384</td>
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<tr>
<td>Inventory</td>
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<tr>
<td>Prepaid Expenses/Other</td>
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<td>$722,484</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
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<td><strong>$27,957,809</strong></td>
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<tr>
<td>Long-Term Assets</td>
<td>$1,056,244</td>
<td>$1,531,323</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$33,084,764</strong></td>
<td><strong>$33,345,692</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities:</th>
<th>12/31/18</th>
<th>12/31/17</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
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<td>$791,161</td>
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<tr>
<td>Deferred Deposits</td>
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<tr>
<td>Other</td>
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<td>$521,124</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
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<td><strong>$11,252,689</strong></td>
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<tr>
<td>Long-Term Liability</td>
<td>$1,332,197</td>
<td>$89,705</td>
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<tr>
<td>Retained Earnings</td>
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<td>$19,846,350</td>
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<tr>
<td><strong>Current Yr. Earnings</strong></td>
<td><strong>($691,466)</strong></td>
<td><strong>$2,156,935</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td><strong>$33,084,764</strong></td>
<td><strong>$33,345,692</strong></td>
</tr>
</tbody>
</table>
Brewers Association Team

Member Services

Bart Watson
Chef Economist

Sarah Billia
Membership Team Lead

Graham Rausch
Membership Coordinator

MacKenzie Staples
Educational Content Manager

Emma Vauter
Membership Coordinator

Dan Goldback
Member Services Manager

Autumn Jensen
Senior Member Services Specialist

Courtney Jensen
Member Services Specialist

Technical Resources

Chuck Skypeck
Technical Brewing Projects Manager

Chris Sweney
Supply Chain Specialist/Competition Manager

Damon Scott
Technical Brewing Projects Coordinator

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