

# Craft Brewing During COVID



# Brewers Association

1. Telling small brewers' stories
2. Sharing information
  - TTB
  - SBA
  - State information
  - Other health/safety resources
3. Sharing best practices
  - Regulatory and operational
4. Surveys of members and compilation of other data

## Alcohol :

- TTB Gu
- Tips fo
- Update
- Return:
- TTB Inf
- TTB Ta
- Trade F

## On-Premise Establishment Information

- Department of Labor: [OSHA Guidance for Restaurants & Beverage Vendors Offering Takeout or Curbside Pickup](#) 📄
- CBC Online Seminar: [Crafting a Contactless Hospitality Program](#)
- Brewers Association: [Checklist for Reopening Guide](#)
- Brewers Association Power Hour: [Nielsen CGA's COVID-19 On-Premise Impact Report – Issue 2](#)
- Brewers Association: [Best Practices in Preparation for Re-opening After Extended Draught System Shutdown](#)
- Brewers Association: [Draught Quality Recommendations During Extended Bar/Restaurant Shutdown](#)
- Brewers Association: Sanitary draught practices – [Draught Beer Quality Manual](#) 📄 (pgs. 56–60)
- Brewers Association: [Food Safety Plan for Craft Brewers](#)
- Department of Labor: [Occupational Safety and Health Administration COVID-19 Overview](#)
- Department of Labor: [Questions about Family Medical Leave Act and Fair Labor Standards Act](#)
- Department of Labor: Families First Coronavirus Response Act Notice (Required to be posted at businesses on April 1, 2020)
  - [Families First Coronavirus Response Act Poster \(Non-Federal Employees\)](#) 📄
  - [Families First Coronavirus Response Act Notice FAQ](#)
- EPA-approved list of [Coronavirus antimicrobial products](#)
- National Restaurant Association: [Coronavirus – Tips for Restaurants](#) 📄
- National Institutes of Health: [NIH study validates decontamination methods for re-use of N95 respirators](#)
- U.S. Small Business Association (SBA): [Disaster Assistance Loans & COVID-19](#)



# Challenges

**COVID era poses a data and storytelling challenge since in normal times, most cited sources for beer data are:**

- **Tax Data: Accurate, but always a bit delayed, and now even more delayed (tax deferrals)**
- **Scan Data: Partial picture that now tells an inaccurate story**



# Surveys One Primary Tool

Brewery staff laid off and/or furloughed		Percent Responding	
Total	66.1%	None, I am planning to close	2.3%
FT	53.2%	1 week - 4 weeks	11.8%
PT	82.2%	1 month - 3 months	45.8%
FTE	61.5%	3 months - 6 months	24.8%
		6 months - A year	8.9%
		Longer than one year	6.4%

# Topline Impact Survey

## Very Different by Channel

- Down 95% in distributed draught
- Down 65% onsite (at the brewery)
- Up ~10-15% in distributed package
  - Scan up closer to 20-25% for grocery, etc.



# Hitting Smallest Brewers Hardest

## Total Craft

Type of Production	Industry Percentage	Change
Keg	27%	-95%
Bottle/Cans	60%	+10-15% (scan up more)
At the brewery	13%	-65%
Total	100%	-25-30%

Source: Brewers Association



## Smallest (<1,000 Barrels) ~75% of breweries

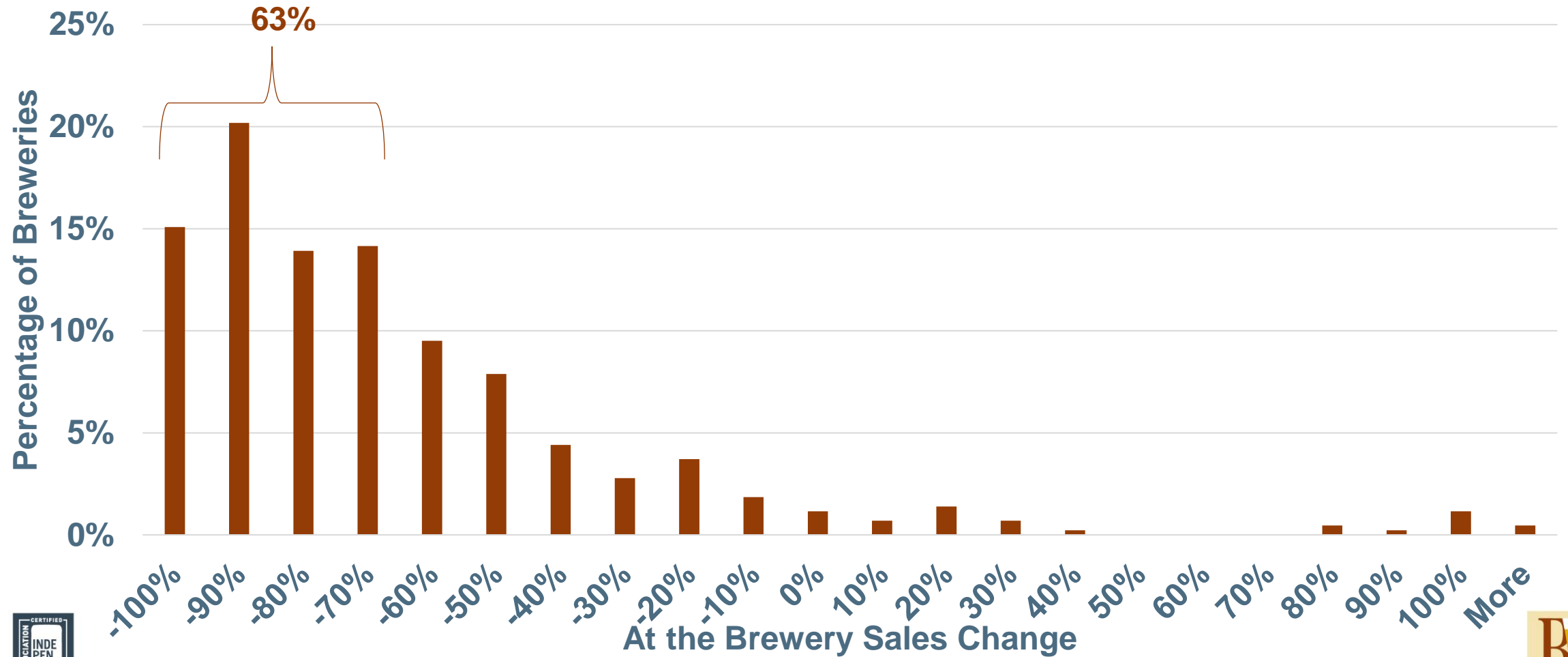
Type of Production	Industry Percentage	Change
Keg	44%	-95%
Bottle/Cans	6%	+10-15% (scan up more)
At the brewery	50%	-65%
Total	100%	-70-75%

Source: CA BOE



# Lots of Variation by Business

## At the Brewery Sales Change by % of Breweries



# Pivoting

Enabled by regulatory rulings and temporary executive orders

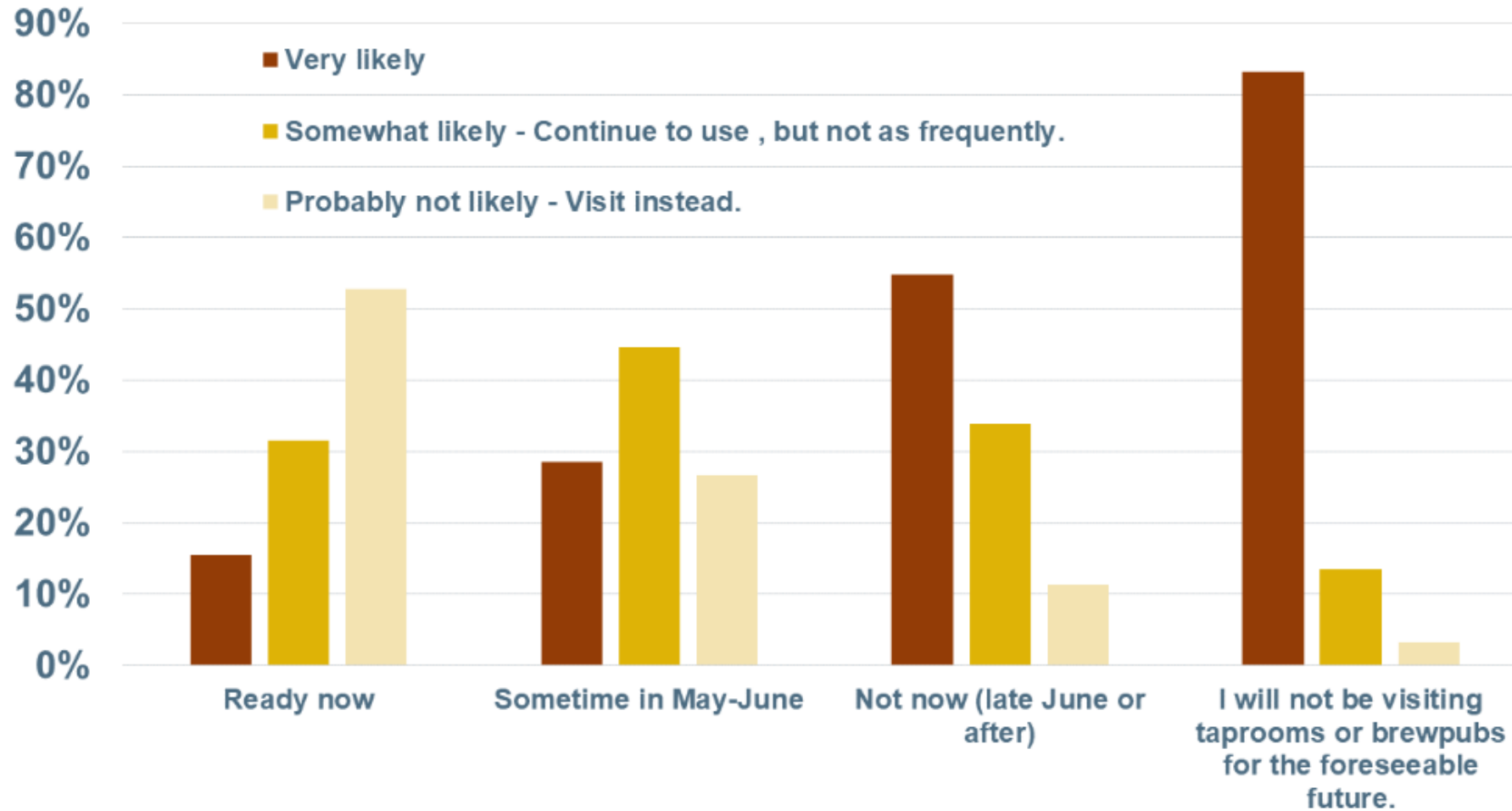
Sales Method	Before	Currently	Change
To Go	86.2%	94.4%	8.2%
Via Delivery (Delivered by Brewery)	2.9%	33.4%	30.5%
Via Delivery (Delivered by Third Party)	3.5%	7.2%	3.8%
Delivery (Total)	5.8%	37.5%	31.8%
Direct to Consumer (Shipping)	7.6%	12.4%	4.8%
Distribution (Self or Partner)	77.1%	65.6%	-11.5%





# What's Next?

Consumer Survey (n = 4,000+): Once taprooms and brewpubs have reopened for onsite consumption, how likely are you to continue to use curbside pickup or delivery options?



# Opportunity for Modernization

- Consumer demand for new modes of selling will remain
- Three-tier works, but is struggling with number of SKUs demanded by consumers (down 20% in scan post COVID, Source: Nielsen)
- DtC model clearly laid out and proving safe and effective in wine
- We expect brewers and their state associations to look for clear legislation allowing LDA consumers to be able to purchase the beers they want from brewers that can supply them in a responsible manner



**Thank You**  
**Questions?**

