

# Malt Beverage Industry 2005 Statistical Update



Joint NBGA/AMBA Ag Policy Committee

Phoenix Park Hotel -- Washington, DC

February 26, 2006

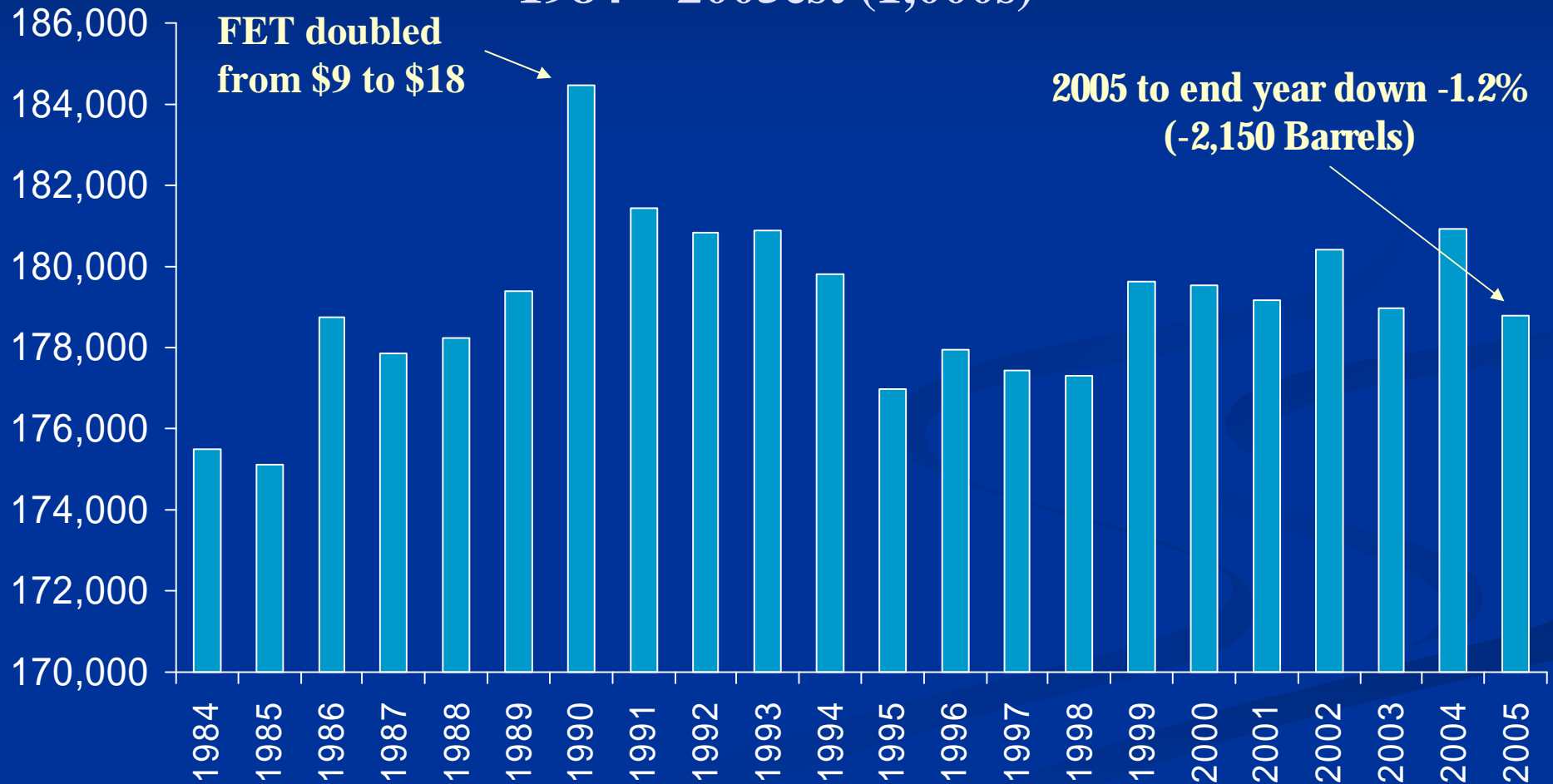
# Domestic Production and Imports

## 2004 vs. 2005 (1,000s of Barrels)

Shipments	2004 Barrels	2005 Barrels	Volume Change	Percent Change
Domestic Production	180,950	178,800	-2,150	-1.2%
Imports	23,850	25,566	1,716	7.2%
Taxable Industry	204,800	204,366	-434	-0.2%
Domestic Share	88.4%	87.5%		
Import Share	11.6%	12.5%		

# Domestic Production (Tax Paid) of Malt Beverages

1984 – 2005est (1,000s)



Source: Beer Institute and TTB, 2006

# Imports of Malt Beverages

## 31 Gallon Barrels (1,000s)

### 1984 – 2005



Over the last thirty years, the share of all imports in US GDP has more than doubled - rising from 4.8 percent in 1972 to 11.5 percent in 2002. In 1972 the US imported 74,667 varieties of goods and in 2001 there were 259,215 varieties. (FRB NY Staff Report 180)

Source: Commerce Department, Bureau of Census

# Consumer Price Index Beer at Home

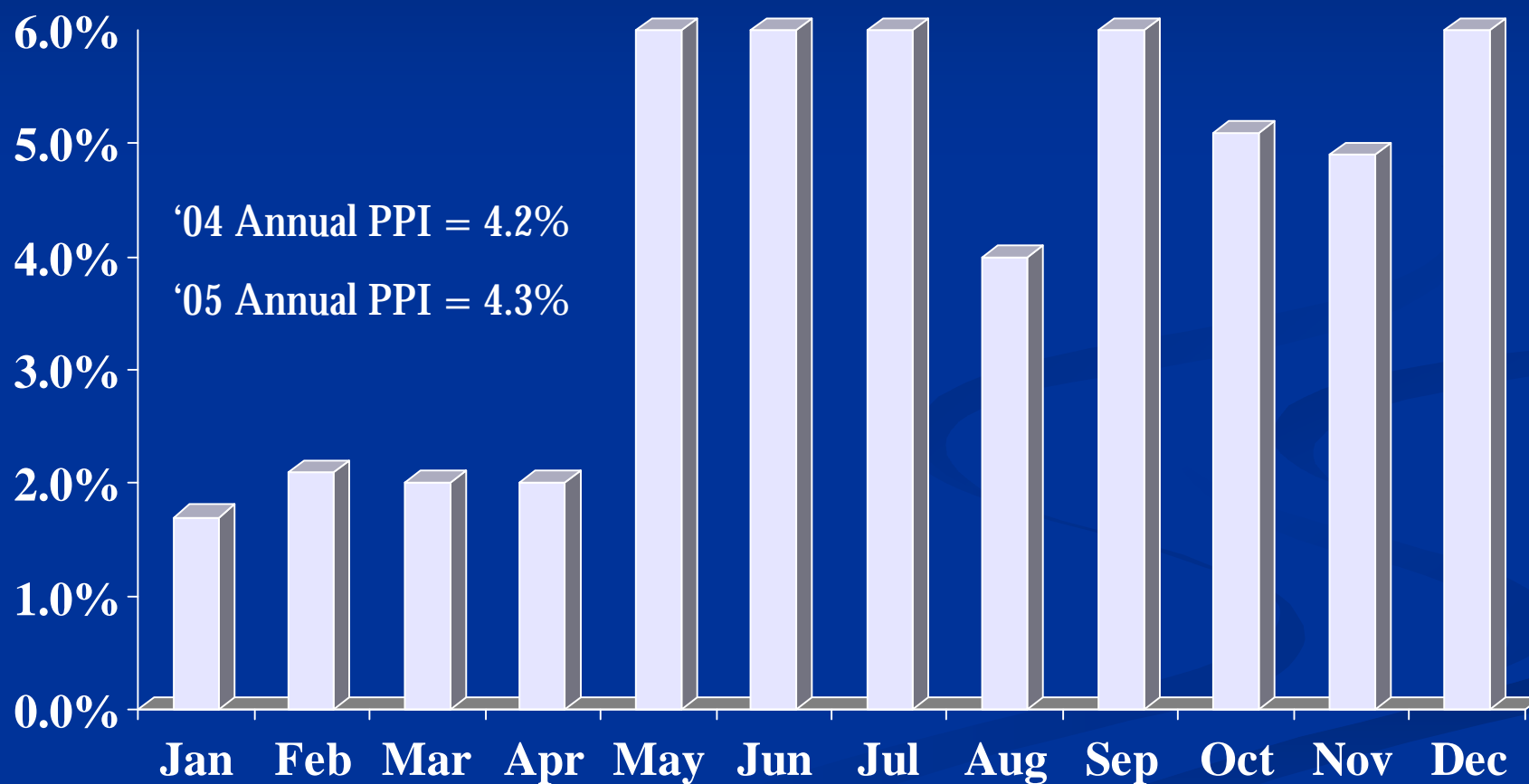
## 2005 vs. 2004 (previous month)



Source: BLS, Beer at Home, Seasonally Adjusted, 2006.

# Producer Price Index Breweries

## 2005 vs. 2004 (previous month)



Source: BLS, Breweries, Seasonally Adjusted, 2005.

# Shipments Volumes and Growth Top 10 States 2005 vs. 2004

2005 Rank	State	Region	2004	2005	Volume	% Chng
1	California	West	20,808,283	20,061,852	(746,431)	-3.6%
2	Texas	South	18,337,719	18,311,239	(26,480)	-0.1%
<b>3</b>	<b>Florida</b>	<b>South</b>	<b>13,882,668</b>	<b>14,237,196</b>	<b>354,528</b>	<b>2.6%</b>
<b>4</b>	<b>New York</b>	<b>Northeast</b>	<b>10,294,419</b>	<b>10,398,722</b>	<b>104,302</b>	<b>1.0%</b>
<b>5</b>	<b>Illinois</b>	<b>Midwest</b>	<b>9,032,851</b>	<b>9,043,267</b>	<b>10,415</b>	<b>0.1%</b>
6	Ohio	Midwest	8,796,138	8,721,723	(74,415)	-0.8%
7	Pennsylvania	Northeast	8,577,296	8,553,817	(23,479)	-0.3%
8	Michigan	Midwest	6,746,578	6,714,402	(32,176)	-0.5%
<b>9</b>	<b>North Carolina</b>	<b>South</b>	<b>5,929,747</b>	<b>5,958,000</b>	<b>28,252</b>	<b>0.5%</b>
10	Georgia	South	5,894,158	5,815,383	(78,774)	-1.3%

**Over 480,000 barrels off from 2004 in top 10 states where top 10 states account for 53% of volume.**

# Winners and Losers by Segment

## Total US 1994 to 2004

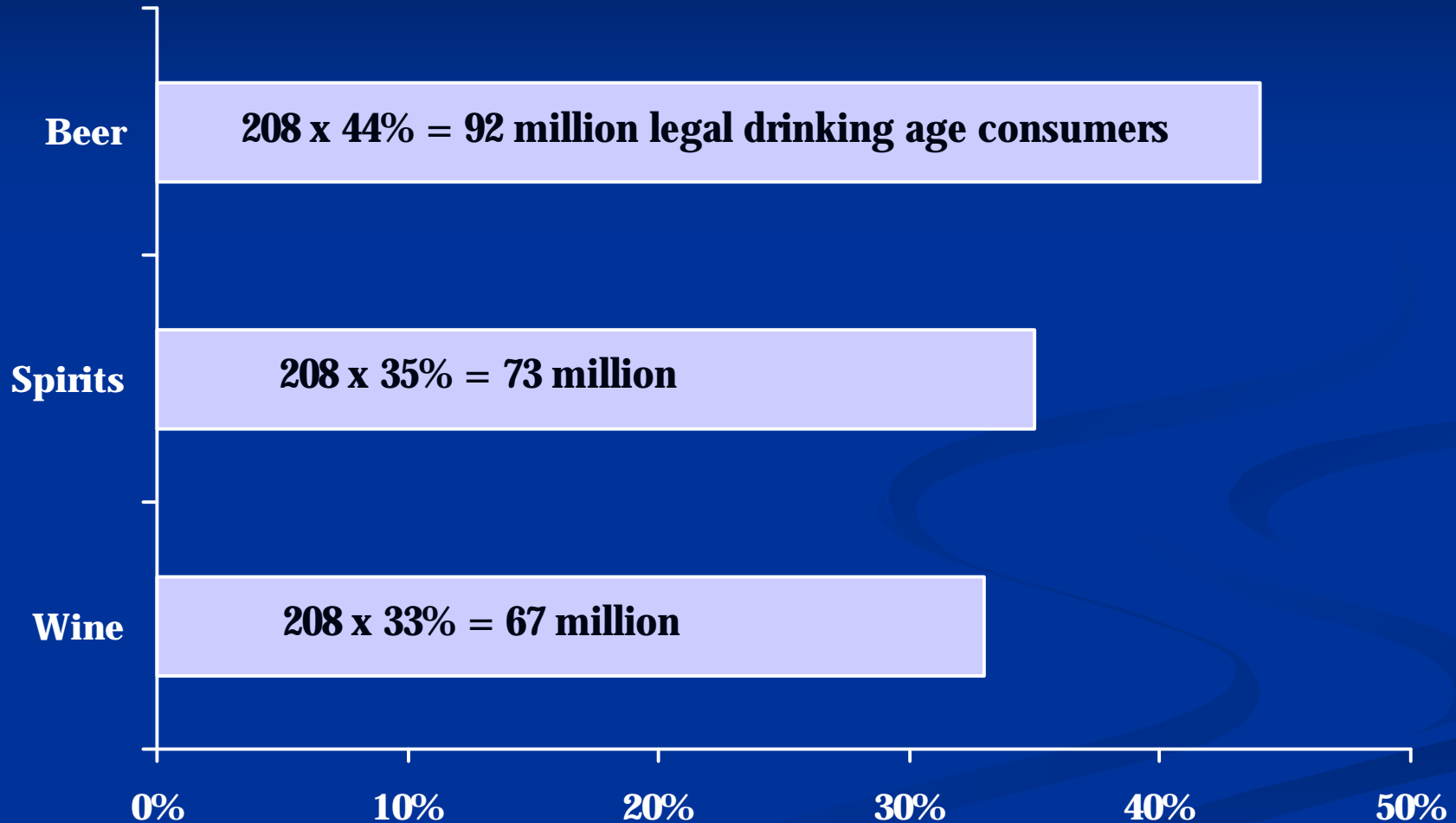
Segment	Share 1994	Share 2004	Share Change
Domestic Light	35.0%	48.4%	+13.4
Imports	5.6%	11.6%	+6.0
Domestic Specialty	1.4%	3.2%	+1.8
Premium Regular	27.7%	17.5 %	-10.2
Popular Regular	18.4%	8.9%	-9.5
Super Premium	2.0%	1.3%	-0.7
Others	9.9%	9.1%	-0.5

# Beer, Still the Largest Segment in the Alcohol Beverage Industry

2004 US Market	Beer	Wine	Spirits
Total Sales (million dollars)	\$82,200	\$23,000	\$49,383
Total Volume (million gallons)	6,382	635	340
21+ Pop 2004	208	208	208
Per Capita Sales	\$395	\$111	\$238
Per Capita Volume	30.7 gallons	3.1 gallons	1.9 gallons

Source: Beer Institute and Adams Beverage Group, 2005

# Over 92 Million People Drank Beer in Past 30 Days!

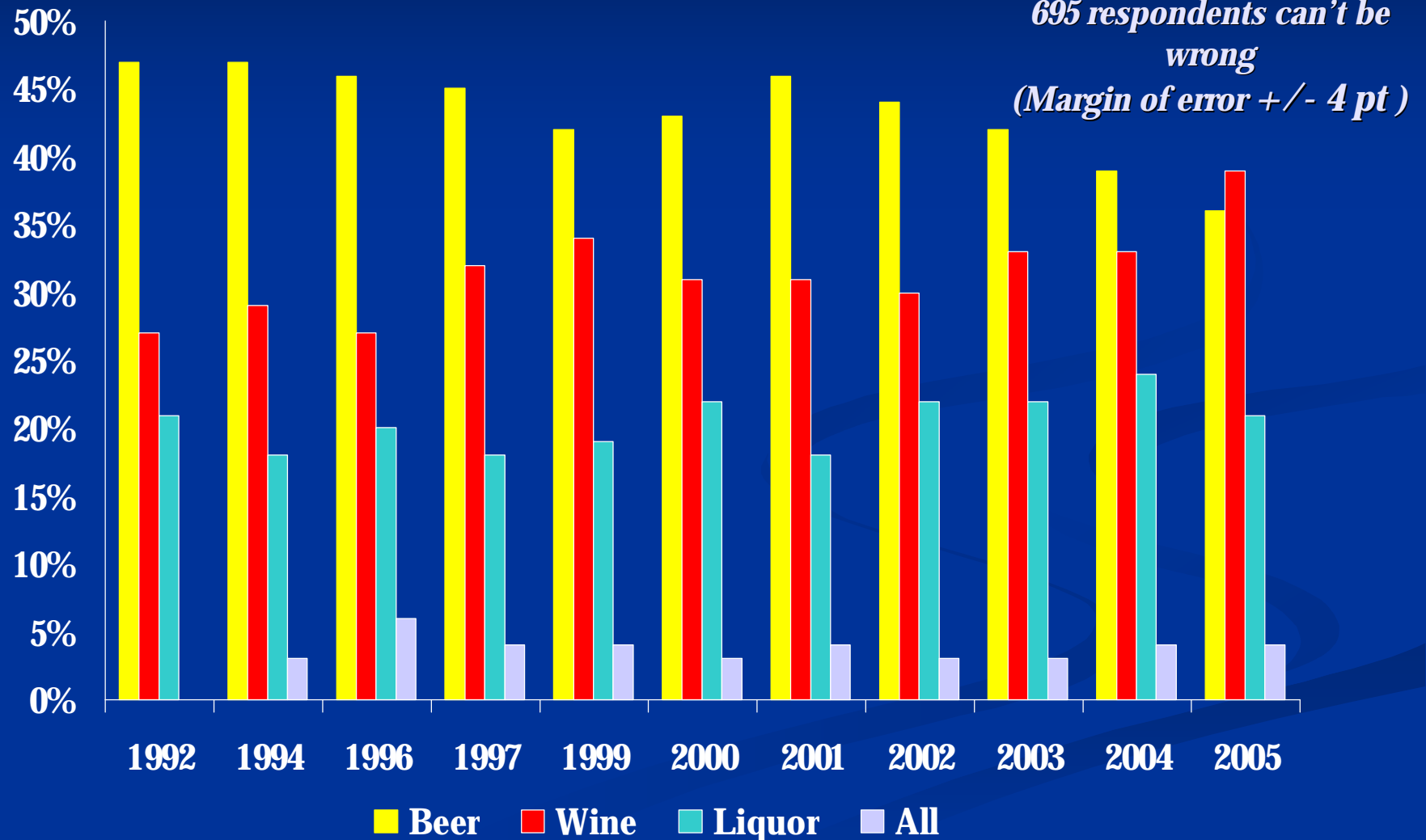


Source: *Scarborough Research 2005*

■ Percent of Consumers

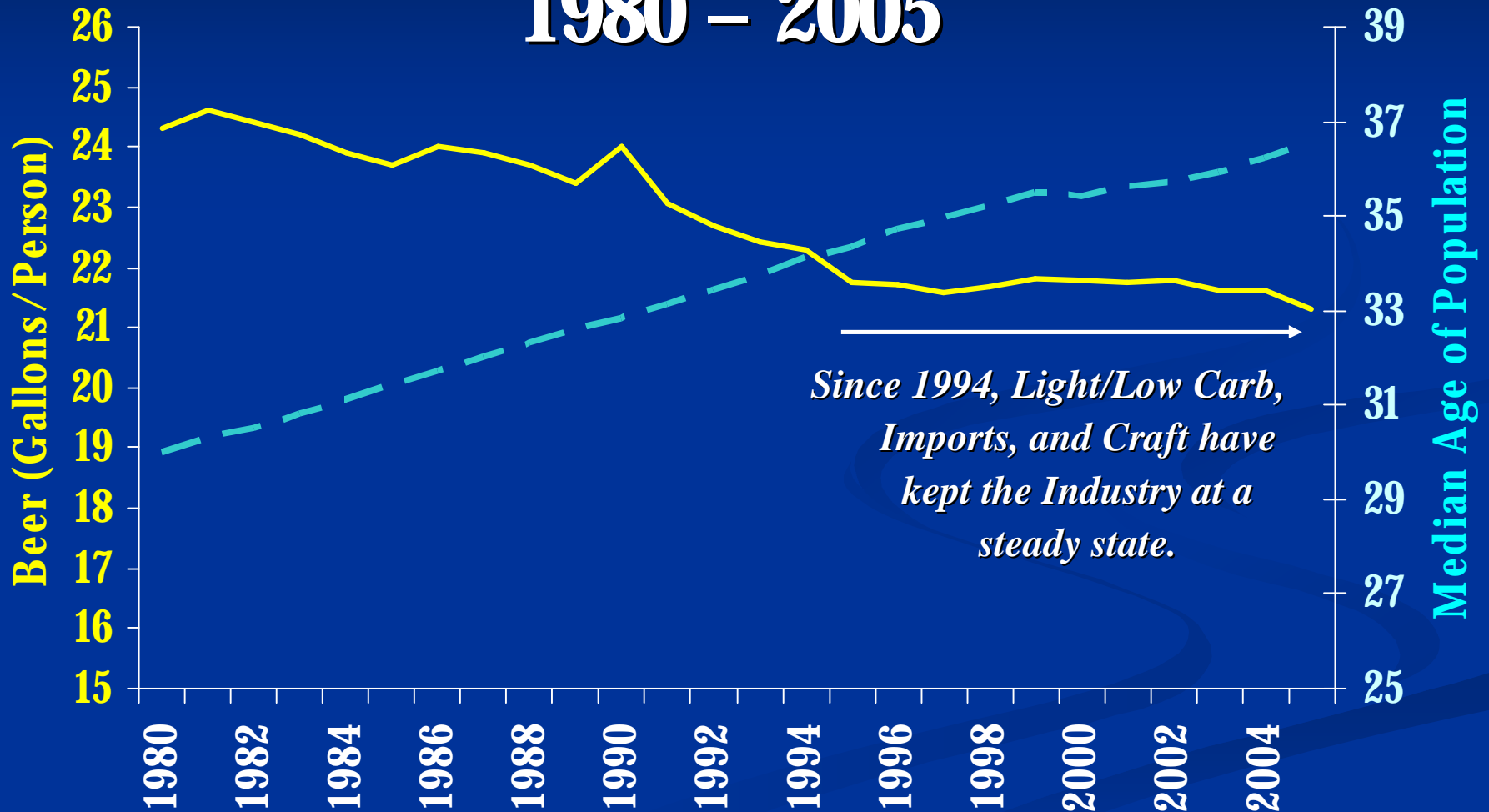
*(Sample of over 70,000 respondents: Beer and Spirits are drunk in past 30 days and Wine is purchased past 3 months)*

# Wine Preferred Over Beer for the First Time in Gallup Poll



Source: Gallup Poll, 2005: *Do you most often drink beer, wine, or liquor?*

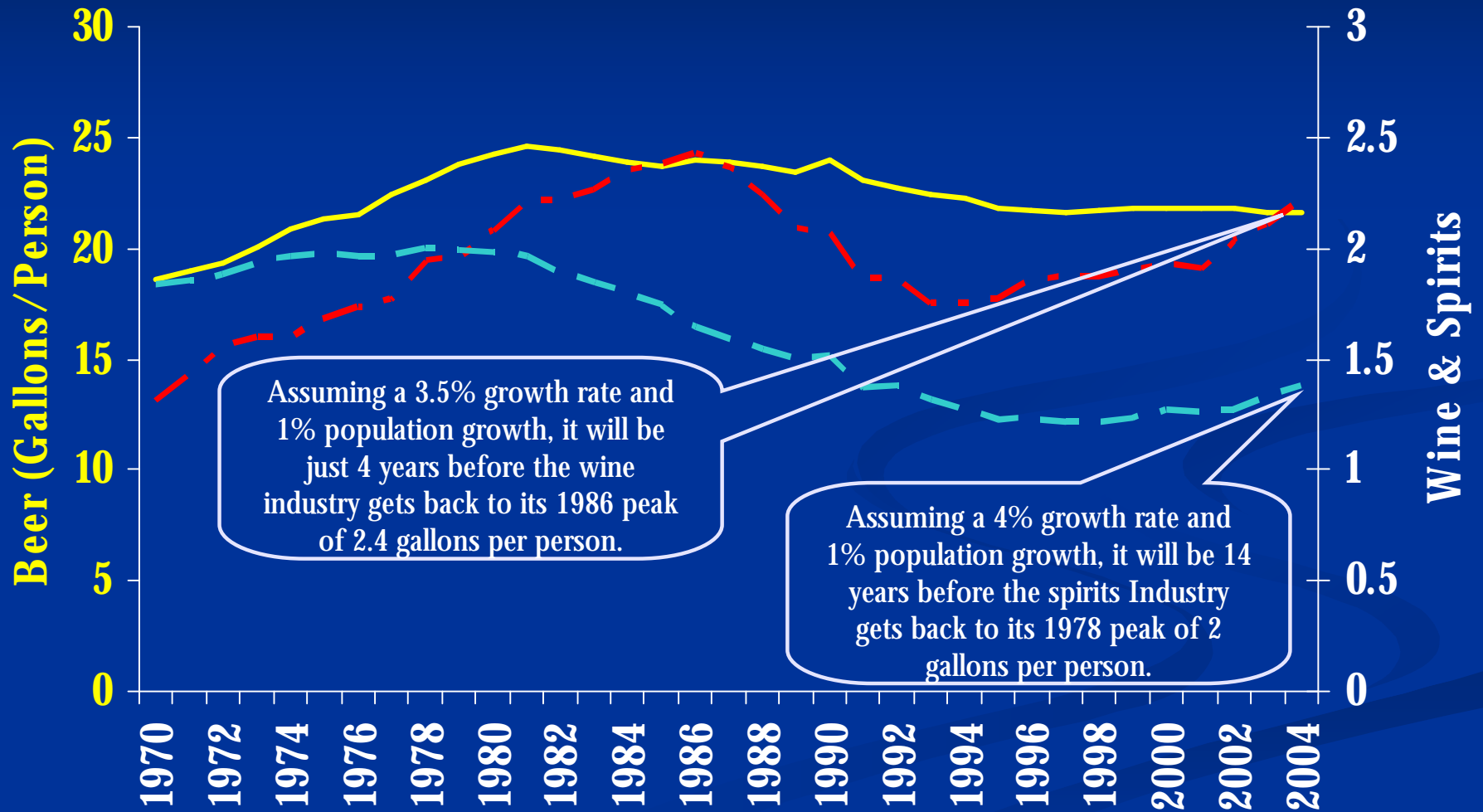
# Per Capita Beer Consumption vs. Median Age 1980 - 2005



Source: Beer Institute, 2006.

— Beer — Median Age

# Per Capita Consumption 1970 – 2004



Source: Beer Institute, 2005.

— Beer — Wine — Spirits

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### ECONOMIC IMPACT



The U.S. brewing industry is a dynamic part of our national economy, contributing billions of dollars in wages and taxes. An indication of beer's importance is its inclusion in the basket of goods the government uses to calculate the Consumer Price Index.

[more >>](#)

### COMMUNITY INVOLVEMENT



U.S. brewers and wholesalers take very seriously our role as both employer and community member. We are concerned about the welfare of our employees and feel an obligation to help improve the quality of life in our communities.

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# Beer's Economic Contribution

(2,452 Brewing, 1,908 Wholesaling and 551,265 Retailing)

	Jobs	Economic Contribution
Direct Brewing	48,609	\$24.7
Direct Wholesaling	92,248	\$11.7
Direct Retailing	749,869	\$29.5
Supplier Impact	346,464	\$43.4
Induced Impact	545,656	\$52.9
Totals	1,782,845	\$162.2 Billion
Business and Personal Taxes		\$21.1
Consumption Taxes		\$9.3

Source: Beer Serves America, 2005 (billions of \$'s)

# Agriculture's Contribution

- n Beer Serves America
  - n 31,107 jobs with \$361 million in wages and \$1.5 billion in economic contribution from agriculture suppliers
- n The 2002 Economic Census counts over \$2.5 billion in ingredients. Recognize \$1.5 is an understatement and the true contribution of the following markets must be counted in future studies
  - n 2004 Malt usage at 4.4 billion lbs worth over \$1 billion
  - n 2004 Rice/Corn usage at 1.6 billion pounds worth appx. \$1 billion
  - n 2004 Dry Hops usage at 25 million lbs worth appx. \$300 million
- n BI plans to update our model in 2006 to include a more accurate picture of our major suppliers economic contribution to the industry

# 400 Miles of Freight!

**7 billion pounds of raw ingredients would fill almost 35,000 railroad freight cars that would stretch approximately 400 miles!**

<b>Ingredient</b>	<b>Pounds</b>
Malt	4.4 Billion
Rice	1.1 Billion
Corn	582 Million
Barley	40 Million
Wheat	10 Million
Hops Dry	24 Million
Hops Extracts	6 Million

**3.5 million tons = 35,000 (100 ton) railroad freight cars.**

**35,000 x 60' = 400 miles of freight cars!**

# Grain Products Used at Breweries

## 1980 to 2004

(Millions of Pounds)

Year	Malt and Malt Products	Corn and Corn Products	Rice and Rice Products	Barley and Barley Products	Wheat and Wheat Products	Total Grain Products
1980	5,038	1,514	811	22	0	7,385
1990	4,901	1,092	1,132	1	0	7,127
1995	4,849	1,052	1,073	9	4	6,987
2000	4,645	631	1,164	16	8	6,463
2004	4,408	582	1,072	40	10	6,112

Source: TTB, 2005.

# Grain Products Used at Breweries

## 1980 to 2004

(Pounds/Barrel)

Year	Malt and Malt Products	Corn and Corn Products	Rice and Rice Products	Barley and Barley Products	Wheat and Wheat Products	Total Grain Products
1980	26.7	8.0	4.3	0.12	0.00	39.1
1990	24.1	5.4	5.6	0.01	0.00	35.0
1995	24.3	5.3	5.4	0.05	0.02	35.1
2000	23.3	3.2	5.8	0.08	0.04	32.4
2004	22.3	2.9	5.4	0.20	0.05	31.0

# Thank You!



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