



Craft Beer State of the Segment

Presented to Agronomy Update 2018

10 January 2018

Red Deer

By Bob Sutton

VP Sales & Logistics

What is Craft Beer?

- Small?
 - Boston Beer brewed 2.3 million barrels last year
- Independent?
 - Lagunitas is now owned by Heineken
- Follows Reinheitsgebot (German Beer Purity Law) - Only barley malt, hops, and water could be used?
 - Wheat, fruit, pumpkin, coffee, etc. could not be added

Craft Beer is brewed FOR flavour, not to hide it!

Importance of Craft Brewing to Agriculture

High demand for raw materials

- More than double the malt usage of mainstream beers
- 10 times the hop usage

North American beer market is changing

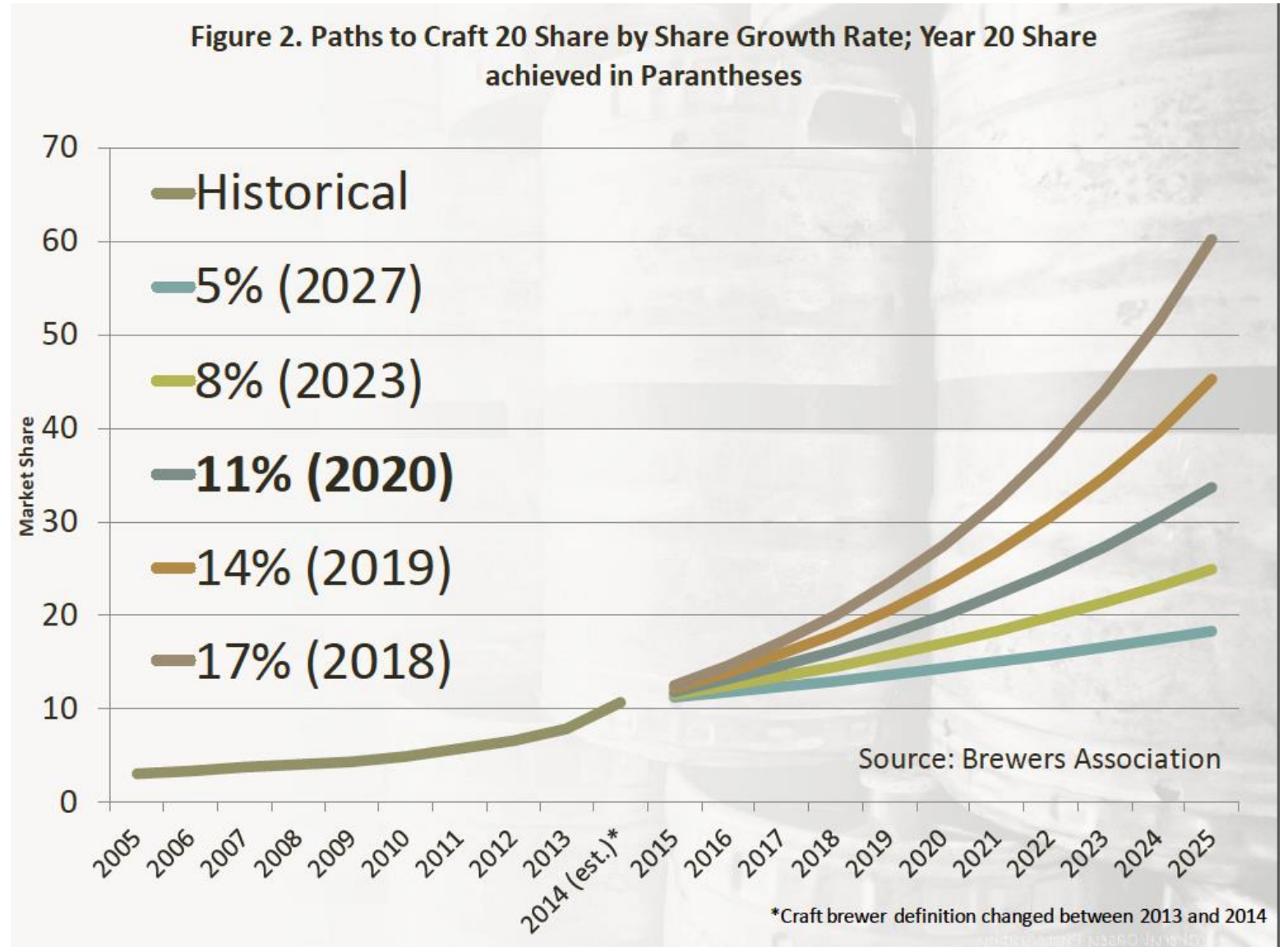
- Total market is flat (+/- 1%)
- Craft has ~15% market share
- Imports also growing and have ~15% market share
- Large mainstream brewers losing volume and share

Craft brewers buy 23% of the malt in North America today

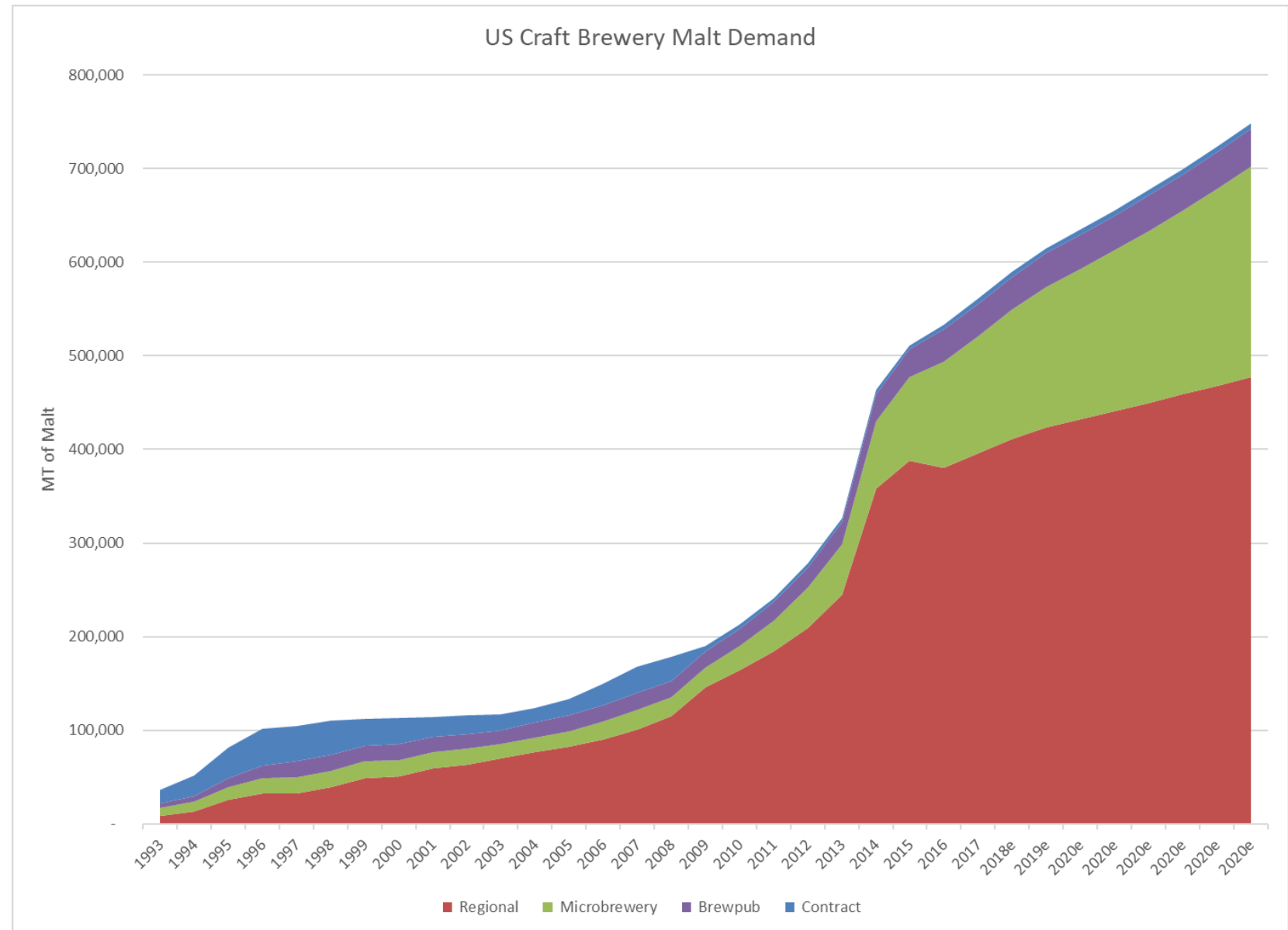
Craft malt use share expected grow by 50% by 2025

- 550,000 MT malt today to 750,000 MT by 2025

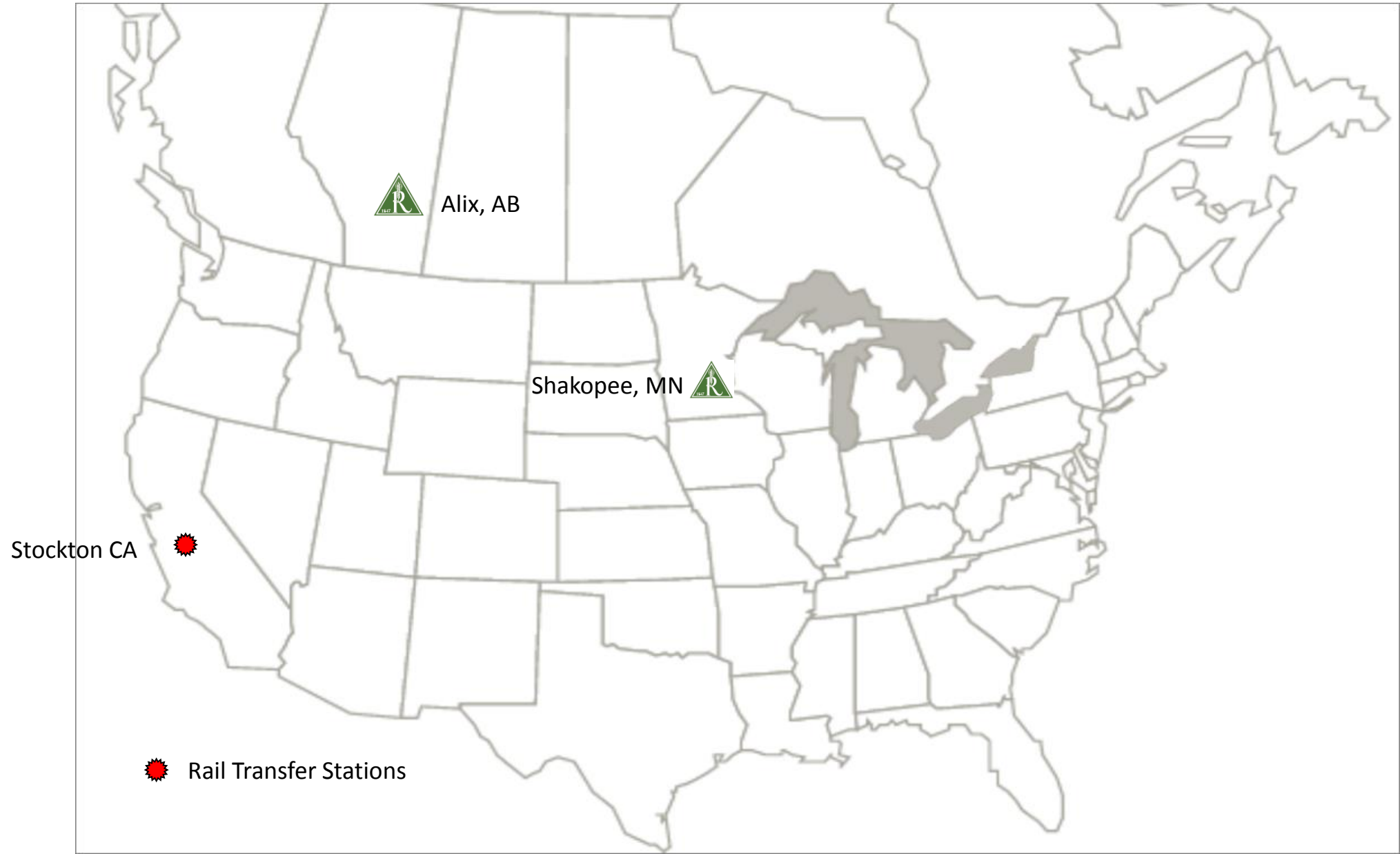
Brewers Association Goal of 20% by 2020



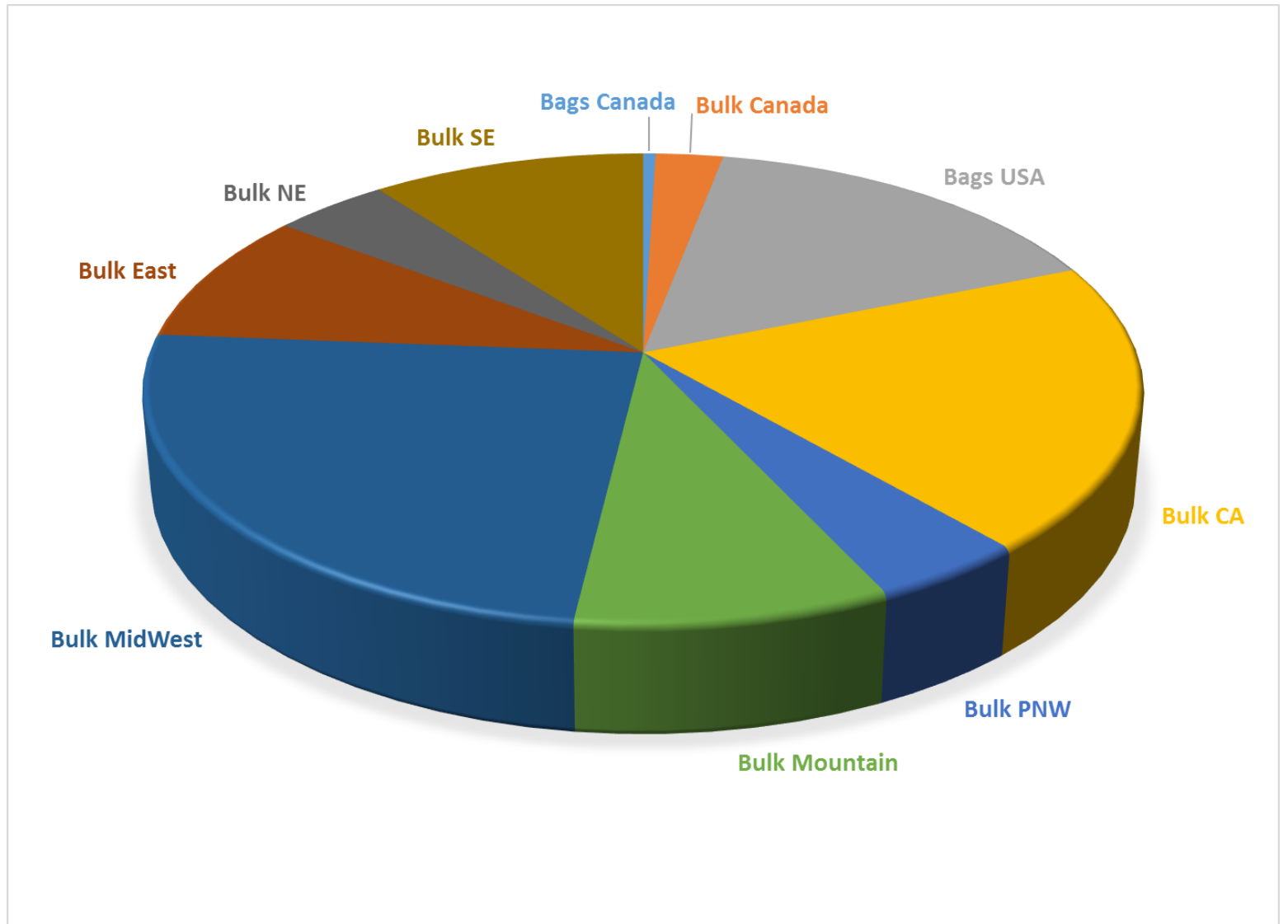
US Craft Malt Demand by Segment



2005 – Rahr Malting Craft Sales = 38,000 MT



Rahr Craft Shipments by Region



Breweries in Canada

- Beer Canada reported 775 total in 2016
 - 240 in Ontario
 - 180 in Quebec
 - 151 in BC
 - 54 in Alberta
 - 40 in Saskatchewan
 - 7 in Manitoba

Alberta Craft Breweries

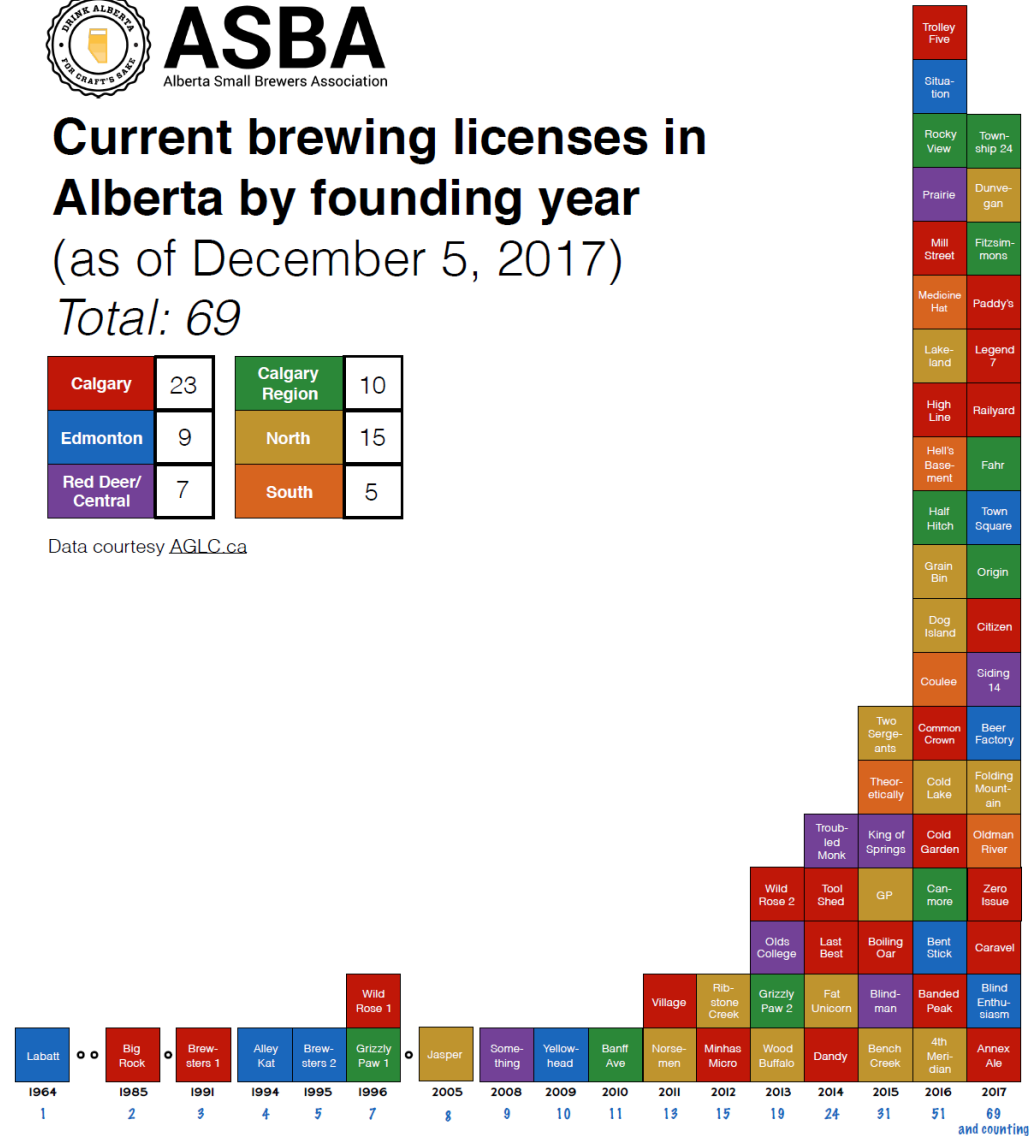


ASBA
Alberta Small Brewers Association

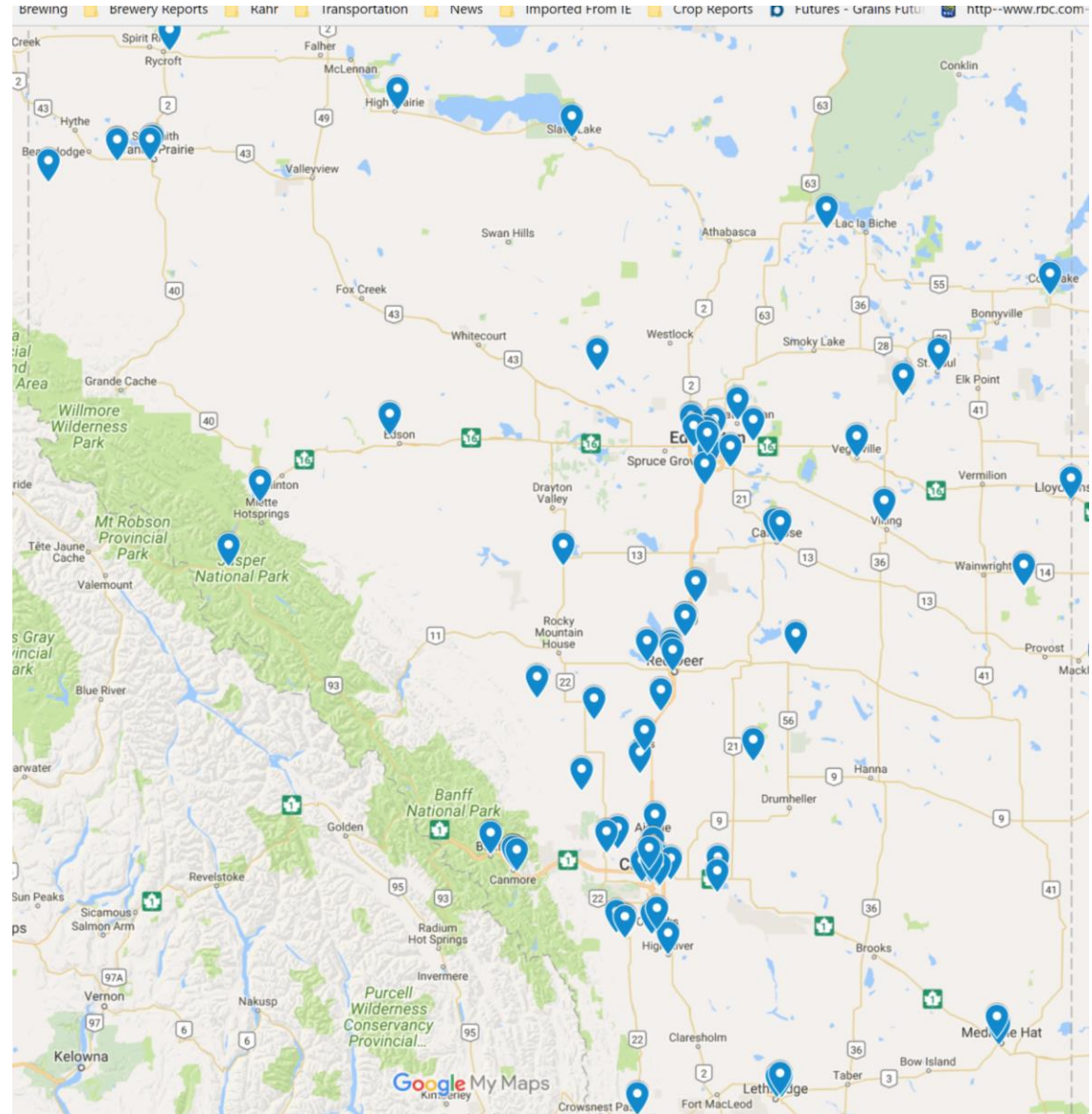
Current brewing licenses in Alberta by founding year (as of December 5, 2017) *Total: 69*

Calgary	23	Calgary Region	10
Edmonton	9	North	15
Red Deer/Central	7	South	5

Data courtesy AGLC.ca



Where to get Craft Beer in Alberta?



Thank You and Cheers!!

