



## Brewers Association Export Development Program ISSUES REVIEW

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### **BA Launches Trade Regulation Database**

In January, the BA launched its online trade regulations database. The database is available on the export development program section of the BA's website at the following link:

[www.beertown.org/craftbrewing/edp.html](http://www.beertown.org/craftbrewing/edp.html)

The use of BA Trade Regulation Database is for EDP Members who are subscribers; if you are not a current EDP Member but would like to join, please contact Mark Snyder at [mark@brewersassociation.org](mailto:mark@brewersassociation.org) or 303-447-0816, ext. 137.

The database is intended to aid the US craft beer industry in understanding foreign regulatory and market conditions in the industry's largest export markets. Included in the database is information on market conditions, labeling and packaging regulations, import documentation requirements, retail distribution, trademark registration, tariffs and taxes, and in-country resources. Four countries have been included so far: the United Kingdom, Denmark, Sweden, and Canada. Viewers can select to read the information on each country as one document or to scroll through each category separately. Importantly, where appropriate the information is interspersed with links to relevant forms, tables and other documents to assist with industry's understanding of the market.

It is our hope that with this database US exporters will be better able to identify export opportunities and reduce confusion regarding the export process. Furthermore, by placing this information into a database, the BA will be able to add and update information for each country on an ongoing basis. The BA has plans to expand the database this year to include six more countries: China, Japan, Mexico, Finland, Italy, and South Korea. We will also update the existing countries with new information or regulatory changes as they occur.

We welcome your comments and input on the database and the selection of countries moving forward. Ultimately, this database is to be an industry resource. As such, your feedback is critical to ensure that the database and the information within it meet your needs.

### **Salone del Gusto - Growing International Interest/Recognition for US Craft Beers**

Charlie Papazian and Nancy Johnson (BA) led an industry delegation consisting of representatives from 21 breweries to the Slow Food – Salone del Gusto trade show in Turin, Italy from October 23-30, 2006. EDP funds covered full costs of the BA booth, beer sample shipment and travel for BA staff to attend the event.

Salone del Gusto (The Great Hall of Taste) is an exhibition held every two years to showcase the latest and best from the world's artisanal and craft food and beverage producers. This year's event marked the fifth time that the BA has participated. The 2006 show attracted over 170,000 visitors, a 23% increase over 2004.

Importantly, Salone del Gusto attracts trade and consumers. A number of local importers and importers from elsewhere in Europe visited the show to meet with BA staff and industry. In particular, representatives from Bier & Co. (the Netherlands) and Vertical Drinks (United Kingdom) helped

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distribute samples at the BA booth and used the visit as an opportunity to meet with brewers, the local trade, and consumers about their interest in US craft beer exports to the market. One company, Beer Concept continues to strongly consider adding US craft beers to their portfolio and Beer Concept is already a partner with Bier & Co. for other brands. BA and Bier & Co. staff will have another opportunity to follow up on this lead with Beer Concept during the Pianeta Birra trade show in Rimini in February 2007.

While the Salone del Gusto provided an excellent opportunity to continue pursuing export business, the event is also the only EDP event that helps reach out to consumers. As always, consumers were eager to visit the BA booth to sample the latest from our industry. Seminars/tastings with US beers were also fully attended. Charlie Papazian moderated a tasting of American craft dark beers and Vinny Cilurzo (Russian River) participated in a wood aged workshop hosted by Italy's craft beer association (Union Birrai).

Feedback from all parties regarding this event has been extremely positive. The trade continues to welcome the BA's efforts to generate greater European distribution for US craft beers and consumers remain eager for these products. From the industry's perspective, perhaps Shawn O'Sullivan's (21st Amendment) remarks summed it up best, "I thought the event was phenomenal and to be part of a group of ambassadors for the US craft beer movement was really an extension of what we all do everyday in our own towns and cities, but on an international level."

### **Bier & Co. Moving Forward with US Craft Beer Sales in Europe**

Bier & Co. the Netherlands-based specialty beer importer that is seeking to represent a wide range of US craft beers is continuing its efforts to generate sales for the brands that responded to the company's trade lead last year. During the HORECAVA trade show in Amsterdam (January 8-11) last month, Bier & Co. offered samples of brands from eight US craft breweries. The products were very well received with Bier & Co. taking immediate orders for the local market for a number of brands. Those breweries have been contacted and Bier & Co. is working with them to ensure label compliance and initial shipments.

Bier & Co. is also now in the process of speaking with its network of importers throughout Europe to generate additional sales for all US breweries that are part of their portfolio. The Pianeta Birra trade show in Italy in mid-February will provide an excellent opportunity to conduct this outreach. The BA will have a booth at that show for the third straight year and Bier & Co. staff will attend the event to speak with importers about the brands they now carry. An update on outcome of this show and interest in the brands carried by Bier & Co. will be provided in the next Issues Review.

### **BA Set to Participate in Pianeta Birra 2007**

For the third consecutive year the BA will participate in the Pianeta Birra trade show in Rimini, Italy. The event will take place from February 10-13, 2007. Beer from fifteen US craft breweries will be on hand for sampling at the booth and the BA will again host a tasting/seminar for interested importers and media. The BA's booth, beer shipment costs, materials, and on-site assistance are covered by the EDP.

As was done for the Salone del Gusto, the BA is contracting with Steve Dawson and Kelly Galusha, owners of Italy-based White Dog Brewery, for in-country assistance. Steve and Kelly are currently taking registrations from the BA tasting and will be present to staff the booth and provide translation during meetings with interested companies.

Pianeta Birra has been a good event for the EDP the last two years. In this short time, through this show, the BA has established a strong network of supportive European importers and has generated significant interest for US beers. At least one US craft brewery now has distribution with one of Italy's largest specialty beer importers as a result of the BA's efforts. But a significant challenge in past years was responding to importers requesting to purchase small allotments from other European importers handling US craft beers. With few brands readily accessible in Europe, these options were limited. This year, with Bier & Co. now representing a wider assortment of US brands (see related story), BA staff will have a much stronger response to these inquiries. With this in mind, the BA hopes this year's event will lead to considerable sales for multiple brands and the beginnings of a much larger footprint for the US industry in Europe.

### **BA Receives 2007 USDA Funding**

In late December, the BA was awarded its allocation from United States Department of Agriculture export assistance programs for the 2007 calendar year. The BA received funds from two separate USDA programs. From the Market Access Program, the BA received \$184,644 (MAP) and from the Emerging Markets Program (EMP), the organization received \$30,000. MAP funds are used to cover EDP

activities such trade show participation, the development of new promotional materials, the online trade database, and reverse trade and media missions to GABF and CBC. EMP funds have been used each year to complete market research studies of developing markets for US craft beers. This year, a study is being completed on the Mexican market. That study will be finished and available to EDP subscribers in April.

The BA's MAP allocation represents a 5% increase from the previous year while the EMP allocation is consistent with previous awards.

### **EDP Track at CBC Coming Together**

For the third straight year, CBC participants will have an export track among their choices for seminars. The schedule is still being finalized, but tentatively includes the following discussions and times:

- Thursday, April 19  
11:30 - 12:30  
Topic – USDA grant funds available for brand-specific promotion.  
Speaker – Janet Kenefsky, Western US Agricultural Trade Association (WUSATA)
- Thursday, April 19  
2:15 - 3:15  
Topic – Industry roundtable with current US craft beer exporters.  
Speakers – Brian Dunn (Great Divide), Eric Warner (Flying Dog), Jack Joyce and Doug Moody (North Coast-invited).
- Friday, April 20  
11:30 - 12:30  
Topic – The BA trade and regulatory database.  
Speaker – Eric Rosenberg, Bryant Christie Inc.
- Friday, April 20  
2:15 - 3:15  
Topic – The Mexican market for US craft beer exports.  
Speaker – Luis Moreno, Grupo PM

Additional details, including a final schedule for these discussions will be provided to all BA members registered for this year's CBC in Austin. Please feel free to direct any questions about these seminars to Bob Pease (BA) [bob@brewersassociation.org](mailto:bob@brewersassociation.org).

### **US Craft Beers in the Land Down Under**

In January, the BA shipped samples of 73 brands from 19 US breweries to Australia on behalf of EDP subscribers interested in participating in the Australian International Beer Awards (AIBA) competition. Held in Melbourne each year, the AIBA is Australia's most prestigious beer event and has become firmly established on the international brewing calendar as a renowned and recognized barometer of diversity in beer brewing across the world. In 2006, the Australian International Beer Awards attracted 974 entries from 31 countries. The AIBA remains the largest showcase for premium beer and brewing excellence in the Asia Pacific region. US craft breweries have participated and won awards in the AIBA before.

The BA sees international competitions as a key mechanism by which to generate publicity for the US craft beer industry and assist EDP subscribers with gaining attention and distribution for their brands. As such, the BA covers the cost of a consolidated sample shipment to the competition and covers the entry fee for up to three brands per brewery. The entry fee for 2007 was approximately \$165 per brand.

Judging will begin in March with announcements and an awards ceremony for the winners scheduled for mid April. An update on any US victories in the AIBA will be provided in the next Issues Review. To learn more about BA assistance to enter products into the AIBA and

other international beer competitions, please contact Mark Snyder (BA) at [mark@brewersassociation.org](mailto:mark@brewersassociation.org).

### **2006 Export Statistics**

The BA recently completed its annual export survey of EDP members for the 2006 calendar year. We would like to thank all those that replied to the survey. Your feedback is essential as we gauge export progress as a result of the EDP. The numbers are also needed for evaluations submitted to USDA when reporting on the use of grant funds.

We are excited to report that the BA again estimates a solid increase for US craft beer exports. In terms of volume, the BA estimates that US craft breweries exported over 20,000 barrels in 2006, a 14% increase over 2005. In value terms, US craft beer exports are estimated at over \$4,000,000. Primary export markets for US craft beers remained the same as last year but interestingly Sweden has usurped the United Kingdom (UK) as the largest market. This is clearly a result of EDP efforts over the past few years which have generated numerous opportunities for US brands in that market.

The BA estimates that Sweden accounts for roughly 25% of US exports, followed by Denmark and the UK at about 18% respectively and Canada at 15%. Other markets worth noting include Japan, China, and the Caribbean.

While these figures provide a useful gauge of US craft beer export performance, they should still only be viewed as estimates. The BA does not receive completed surveys from all exporting craft breweries so estimates of the unreported value and volume are used to determine final figures.

### **EDP Committee**

The BA continues to encourage members to provide input regarding markets and activities of interest. The EDP committee is chaired by Jack Joyce (Rogue) and includes Bruce Forsley (Shipyard), Fred Mendes (Boston Beer), Eric Warner (Flying Dog), Eric Wallace (Left Hand), Sam Calagione (Dogfish Head), Dan Gordon (Gordon Biersch), Ken Grossman (Sierra Nevada), Mattson Davis (Kona), and Adam Lambert (Rogue). If you are interested in participating in EDP Committee meeting, please contact Mark Snyder (BA) at (303) 447-0816 ext. 137.