



**DISTILLERS
GRAIN
TECHNOLOGY
COUNCIL
SYMPOSIUM
MAY 11 2022**

BECKY HARRIS
PRESIDENT, AMERICAN CRAFT SPIRITS
ASSOCIATION (ACSA)
PRESIDENT, CATOCTIN CREEK DISTILLERY

WHO IS ACSA?



Mission

To elevate and advocate for the community of Craft Spirits Producers

Vision

The greatest spirits are universally recognized as coming from our member producers, and they are enjoyed responsibly everywhere in the world.

Membership Requirements for a “Voting Member”

1. Own a valid DSP
1. Produce fewer than 750,001 proof gallons removed from bond (combined annual production from all sources)
1. Subscribe to ACSA’s Code of Ethics
1. No more than 50% of the DSP is owned (directly or indirectly) by a producer of distilled spirits whose combined annual production of distilled spirits from all sources exceeds 750,000 proof gallons removed from bond.

Consistent Growth



In 2010

Fewer than 100 craft spirits producers

In 2020

More than 2200

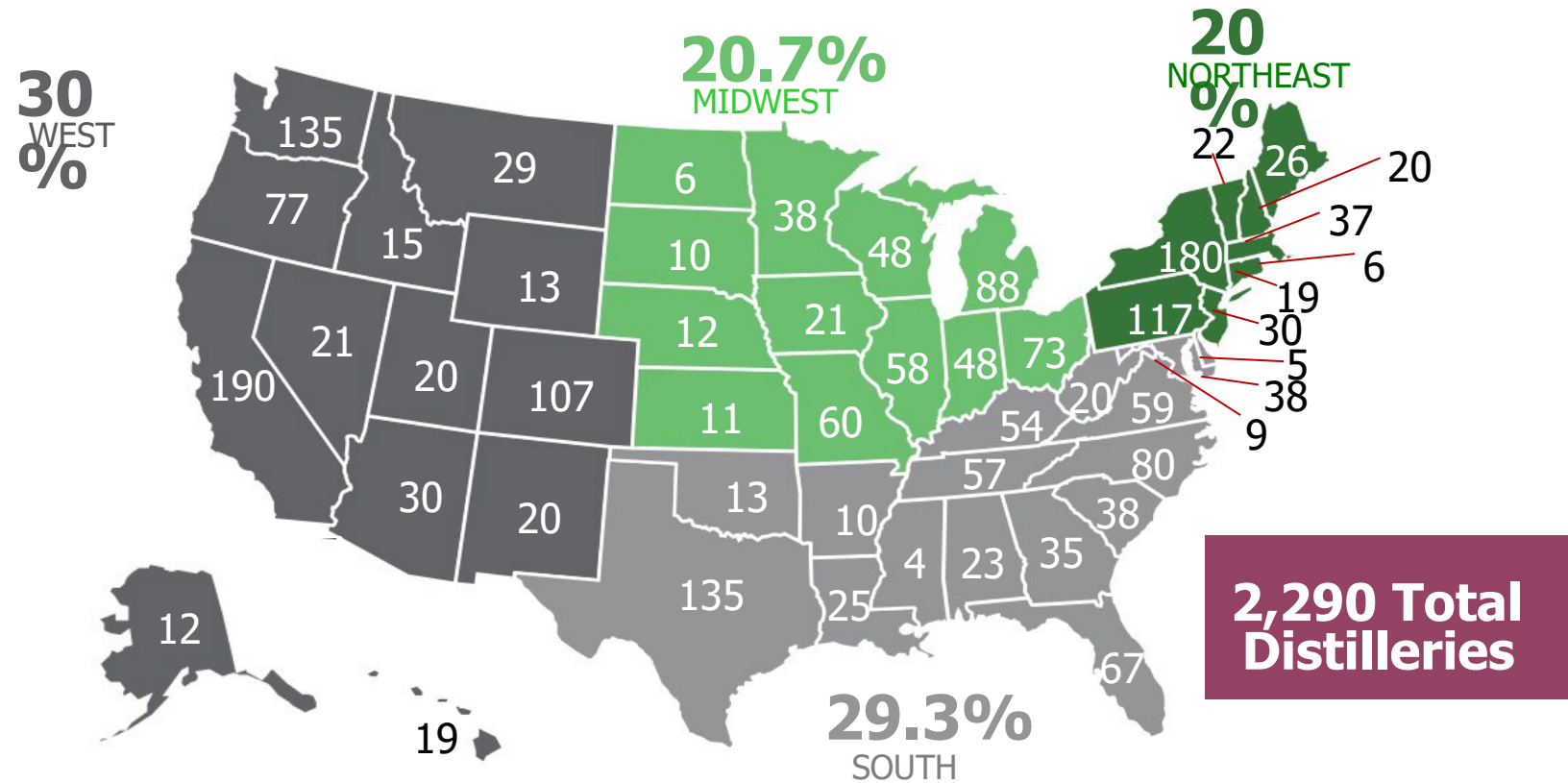
KEY TAKEAWAYS?

- The number of active craft distillers in the U.S. grew by 1.1% over the last year to 2,290 as of August 2021.
- Since the enactment of the Craft Beverage Modernization and Tax Reform Act, investments by producers have continued to increase. In 2020, capital expenditures rose to \$759 million, \$61 million more than the previous year.
- The U.S. craft spirits market is fairly concentrated with larger producers making up only 1.6% of the total number of craft producers, but are responsible for 56.6% of the cases sold. 90.1% of U.S. craft producers are classified as small producers. They are responsible for just 10.3% of the cases sold annually.

Active Craft Distillers by State and Region



of Active Craft Distillers by State and Region as of August 2021

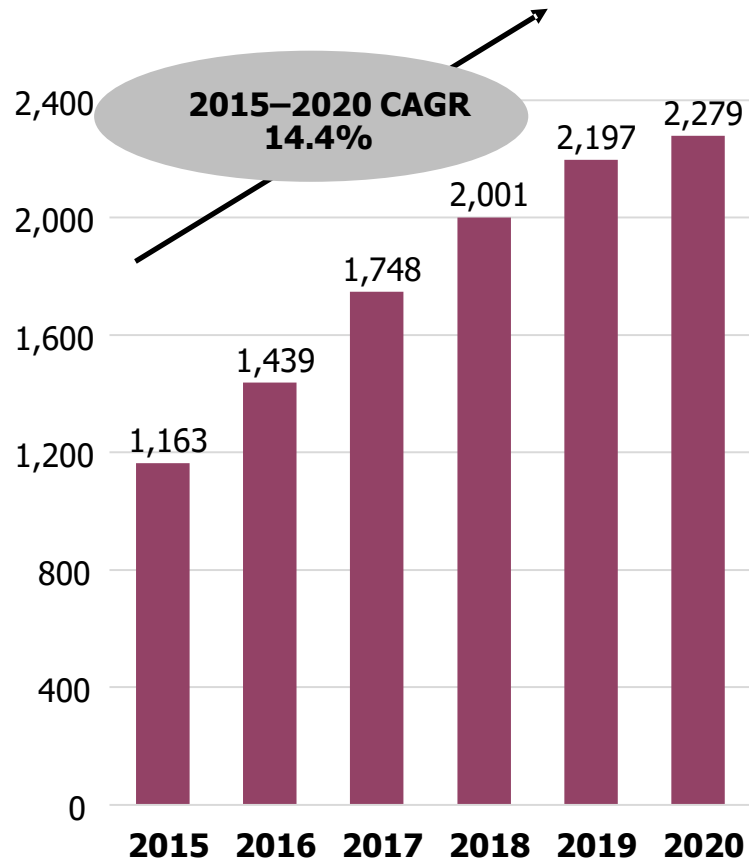


CRAFT SPIRITS DATA PROJECT

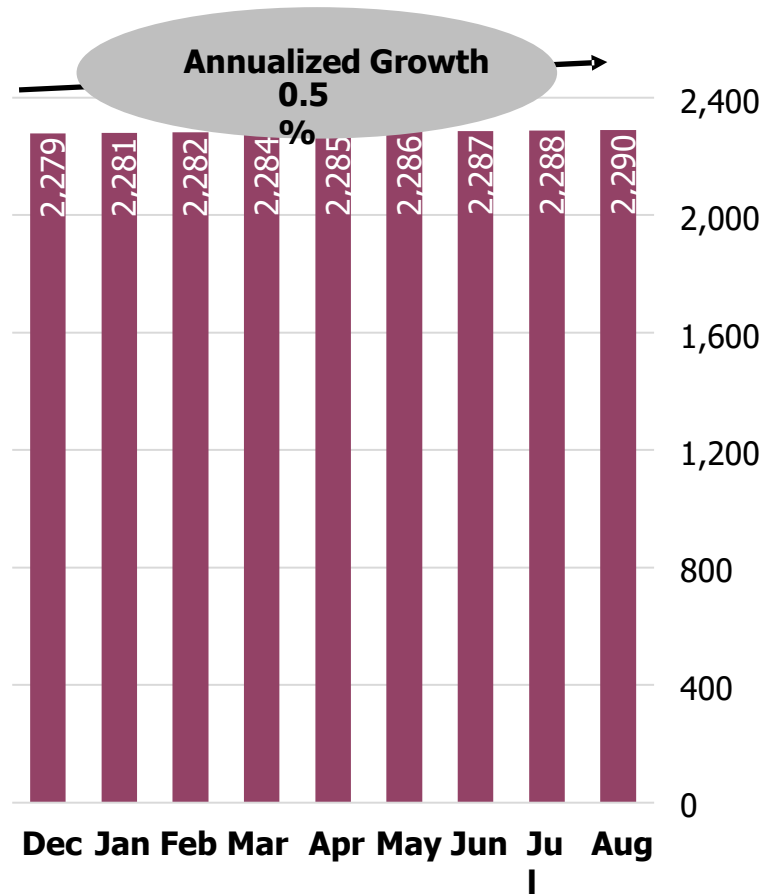
Number of Active Distillers Still Growing, But Growth Rate Slowed in 2020



**# of Craft Spirits Producers
2015 – 2020**



**# of Craft Spirits Producers
December 2020 – August 2021**

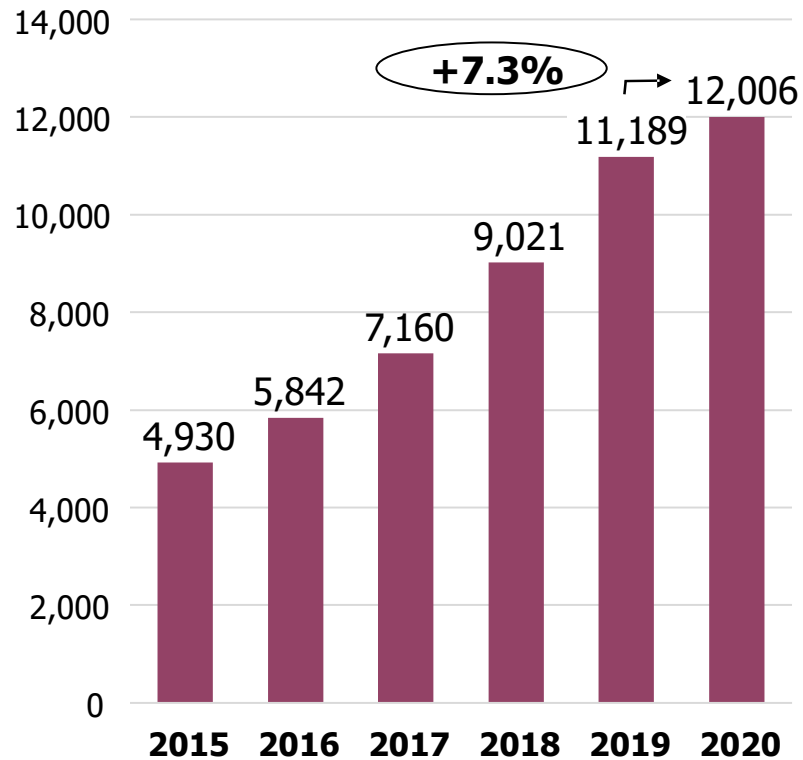


**CRAFT
SPIRITS
DATA
PROJECT**

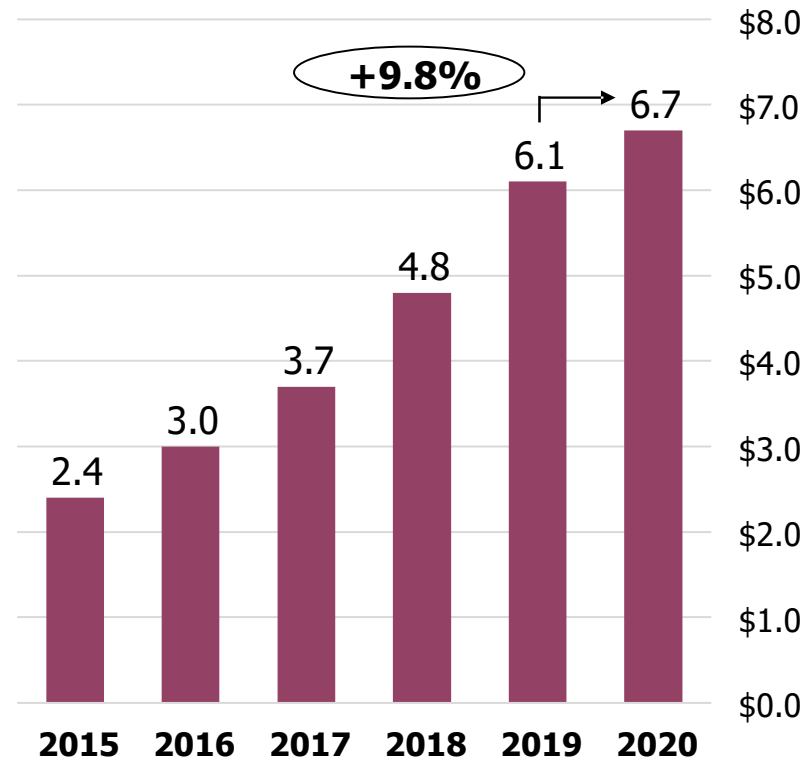
Craft Spirits Sales Grew in 2020, But Growth Rate Decelerated to Single Digits



Craft Spirits Sales by Volume, 2015 – 2020
9L Cases (000)



Craft Spirits Retail Sales by Value, 2015 – 2020
\$ Billions



CRAFT SPIRITS DATA PROJECT

2020 REALITIES



- Exports of U.S. craft spirits decreased by 32.9% versus last year to a total of 104,000 cases in 2020.
- Employment in the U.S. craft industry was heavily impacted by COVID 19. Total employment surpassed the 30,000 mark in 2019 but was reduced by nearly 50% in 2020 to under 17,000.
- Sales in the home state of the small craft spirits producers are especially important, representing 92.5% of total sales, while out of state business is particularly important for large producers, accounting for 70.9% of their total business.
- Liquor Store tastings curtailed

Additional Challenges Facing Craft Distillers



- Supply chain disruptions - no bottles, no closures, no guidebooks for success
- DtC (Direct to Consumer Shipping) – E-Commerce challenges
- Lack of distributor options (10 companies have more than 74% of the market with the top 3 alone having more than a 55% market share).
- Consolidation in the retail sector has limited the opportunities to get small producer products on store shelves.
- The business incompatibility of small spirits brands and the wholesale distribution system.



THANK YOU!

americancraftspirits.org