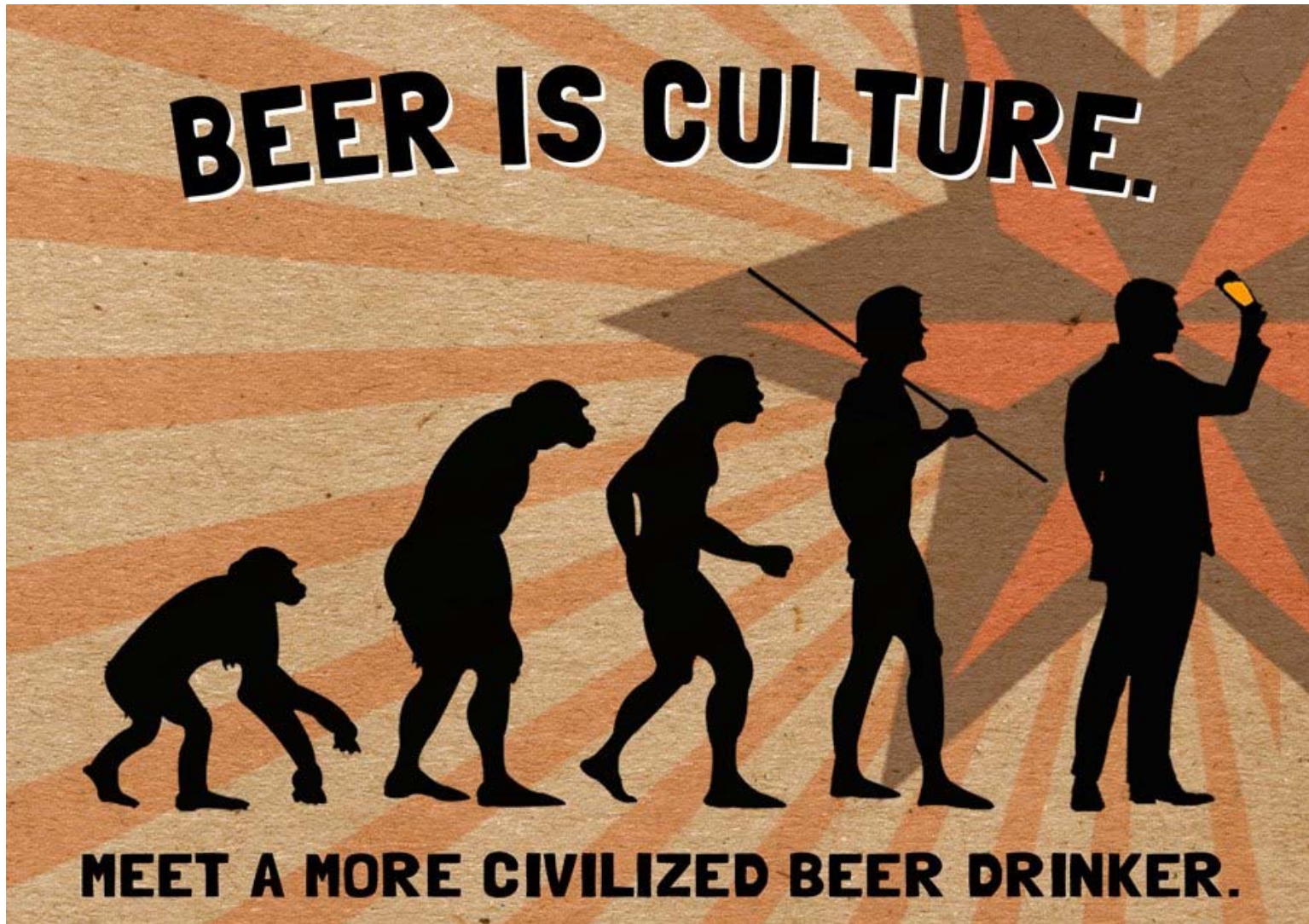


San Diego Craft Brewing Industry

Marc M. Martin
Vice President of Beer
Karl Strauss Brewing Co.
1/14/16

Today's craft consumer is more educated about beer



Craft beer enthusiasts

They have high interest in craft, drink craft more often than any other alcohol beverage choice and don't mind paying more for better, more flavorful, more interesting beers that is handcrafted (locally)



Beer Industry Evolution – Proliferation In Choice At Retail



Beer Industry Evolution – Big Brewers Market Faux Craft

Spot the true crafts
Which of these are indie beers, and which are products of major brewers?



ANSWERS: LAGUNITAS, DOGFISH HEAD, ITHACA, ANCHOR STEAM, SIERRA NEVADA AND SAMUEL ADAMS (INDIES). SHOCK TOP, GOOSE ISLAND (A-B INBEV); BLUE MOON, THIRD SHIFT (SABMILLER); KONA (CBA).



Global brewers buying craft breweries



Acquisitions amongst craft brewers



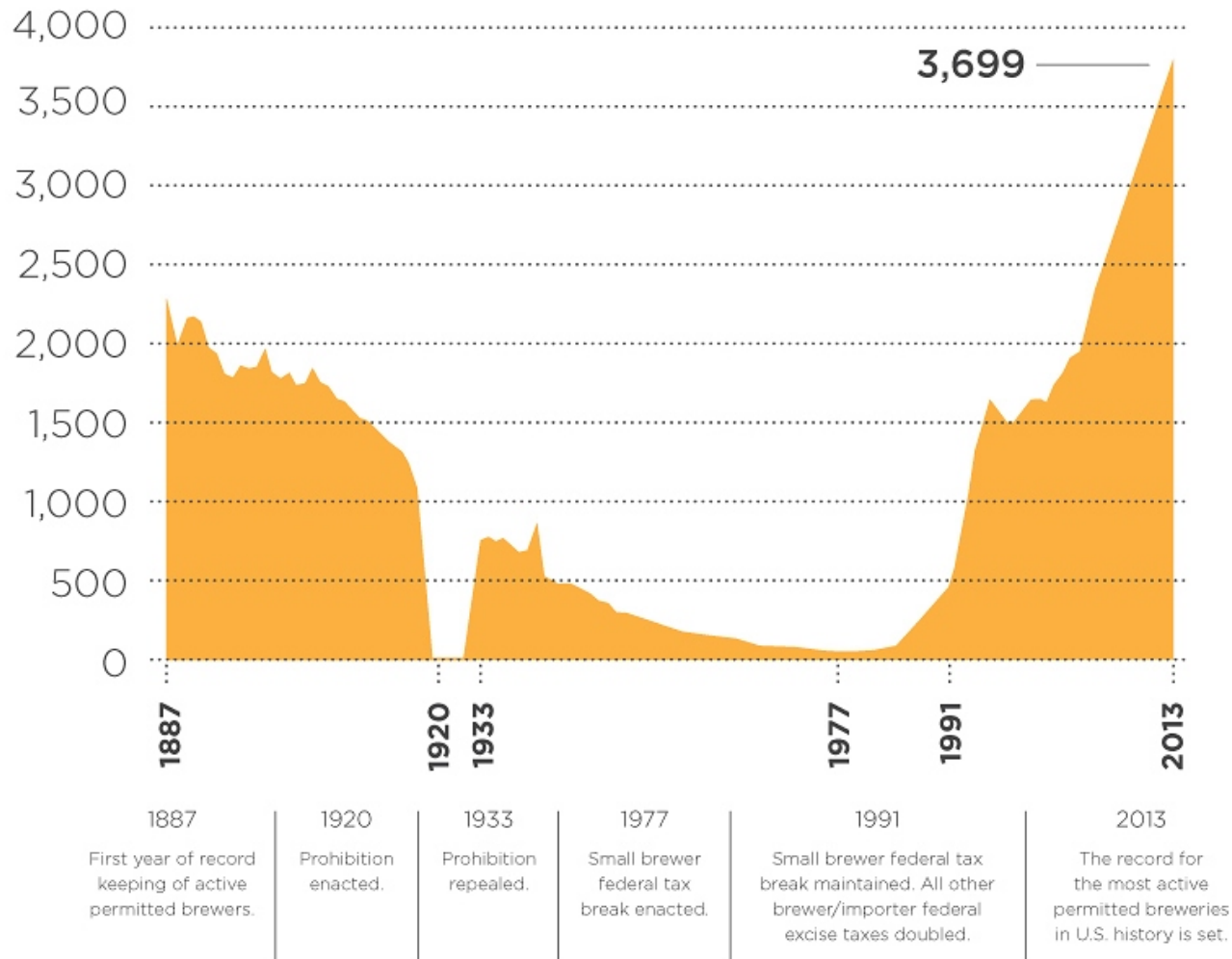
Craft brewers selling portion of ownership



Beer Industry Evolution – Influx of New Breweries

NUMBER OF ACTIVE PERMITTED BREWERIES

1887 to 2013



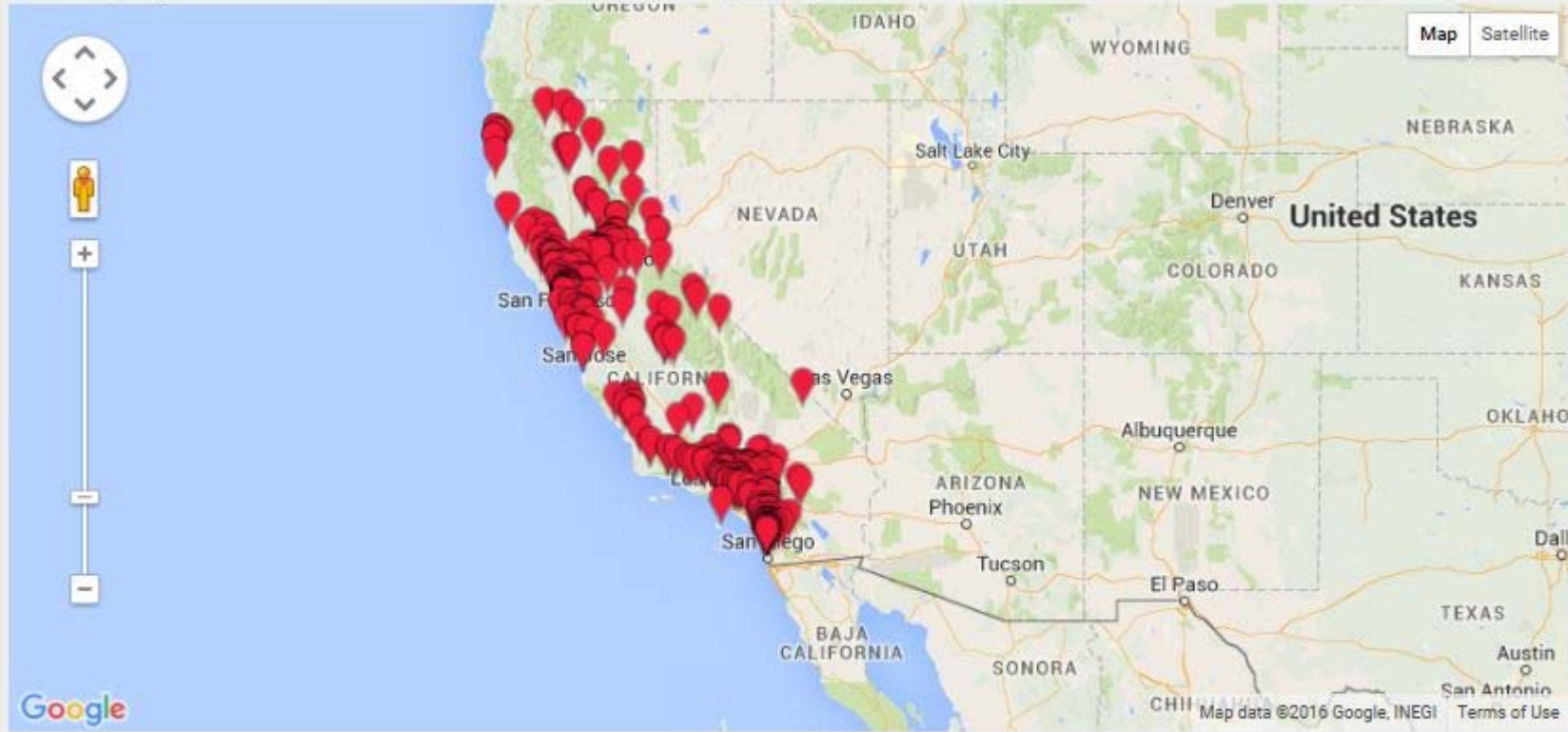
Some brewers (brewing companies) may own more than one brewery. This data counts all active breweries.

Source: Beer Institute and TTB, 2013

600+ Craft Breweries in CA

Brewery Members

Search by Keyword Search

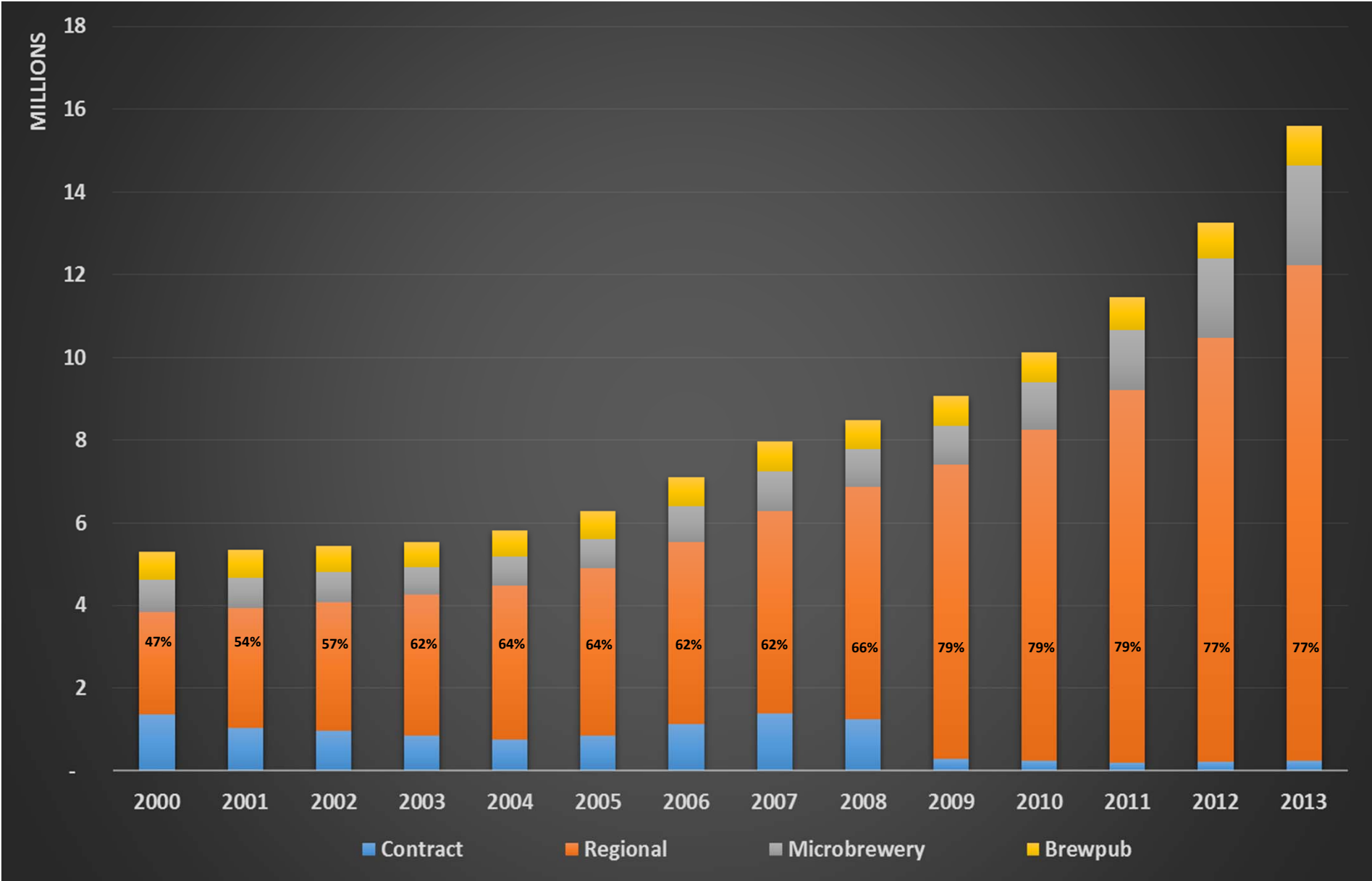


The map displays the United States with various states labeled: OREGON, IDAHO, WYOMING, NEBRASKA, NEVADA, UTAH, COLORADO, KANSAS, CALIFORNIA, ARIZONA, NEW MEXICO, OKLAHO, TEXAS, BAJA CALIFORNIA, SONORA, and CHIHUAHUA. Major cities are marked: Salt Lake City, Denver, Albuquerque, Phoenix, Tucson, El Paso, Dallas, Austin, and San Antonio. The map interface includes a search bar at the top, a compass and zoom controls on the left, and 'Map' and 'Satellite' buttons at the top right. The Google logo is in the bottom left corner of the map area. Map data is attributed to ©2016 Google, INEGI, and Terms of Use.

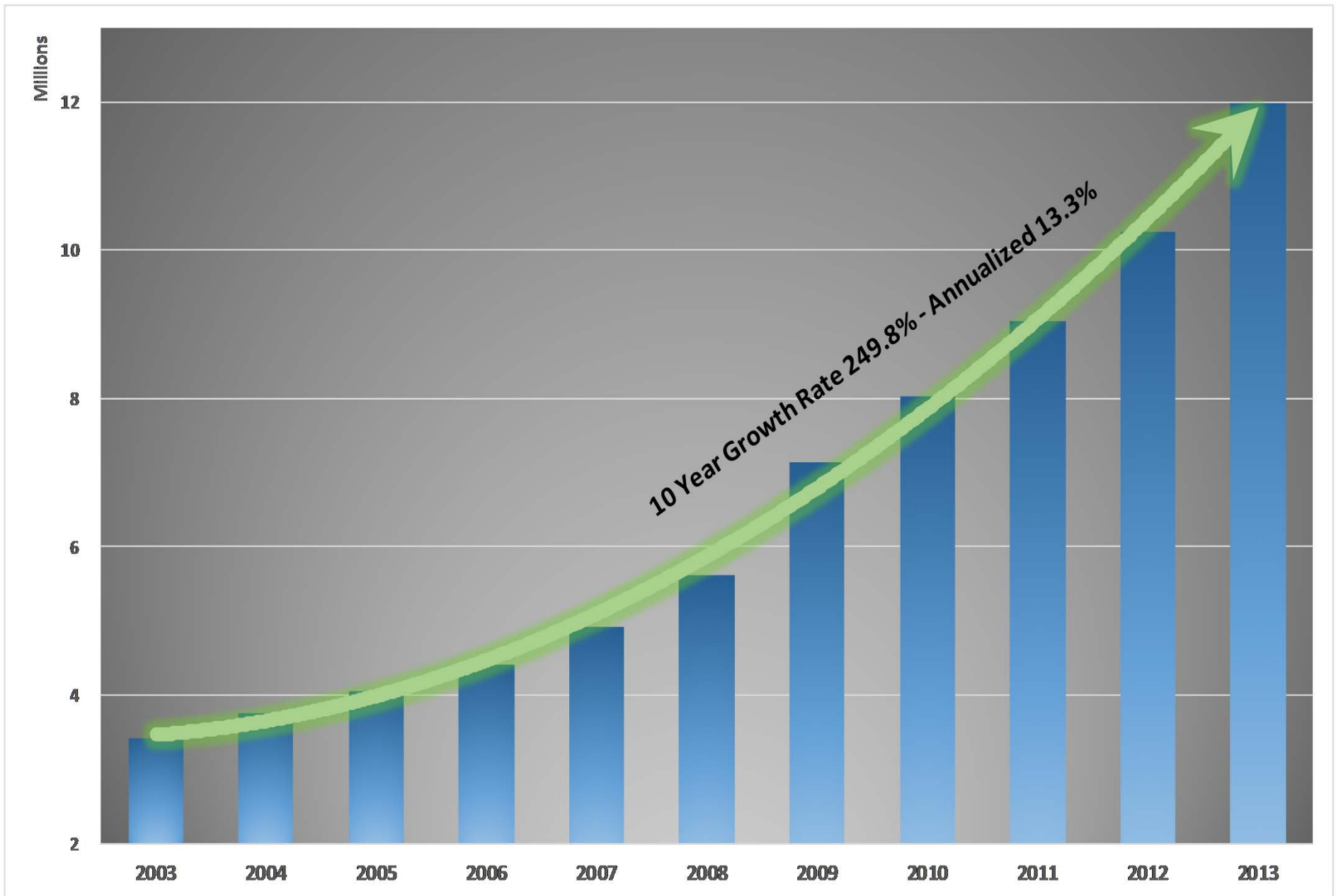
Powered by [WebLink Local™](#)

California Craft Brewers Association - PO Box 807, Sacramento CA 95812 - 916-228-4260

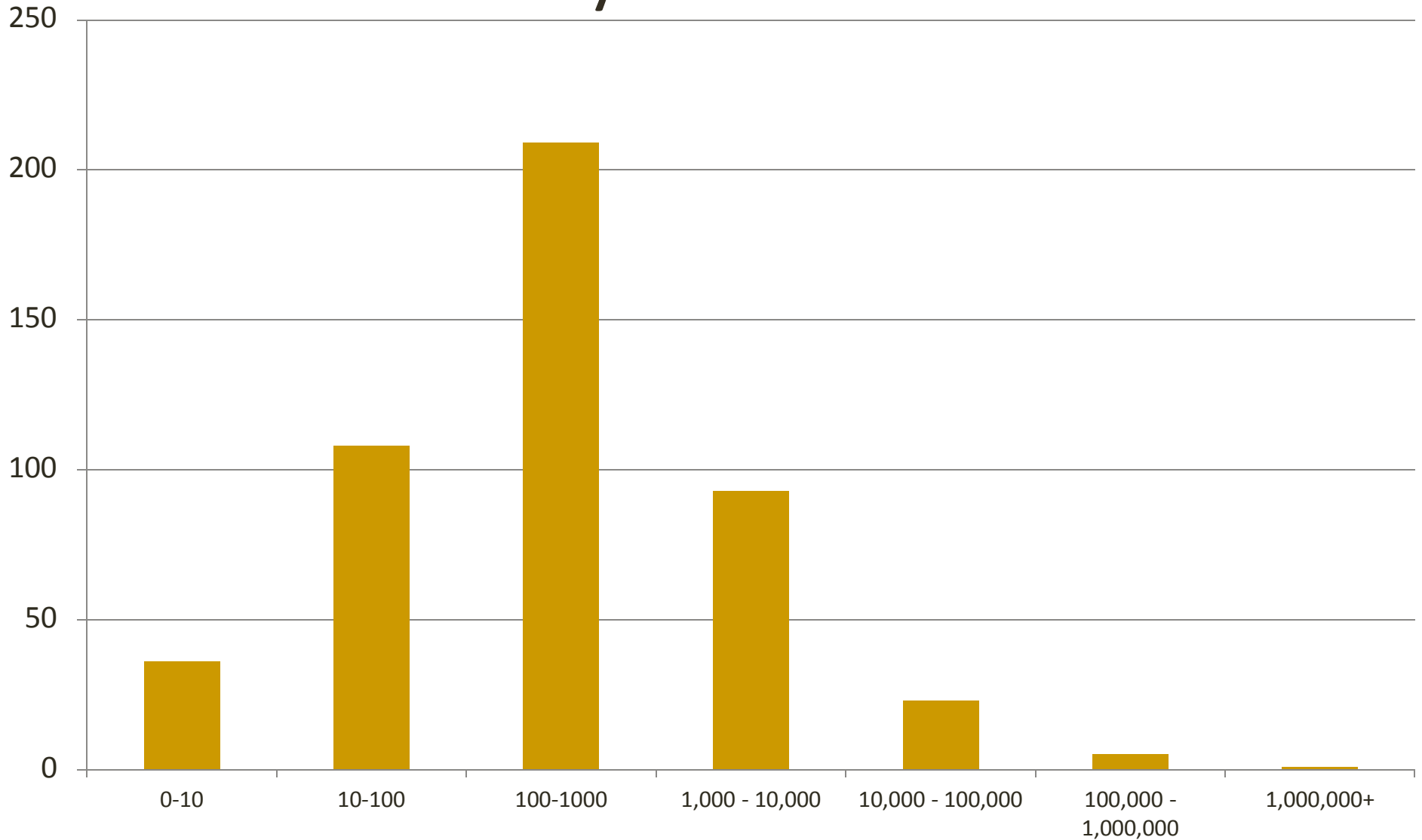
Craft Beer Total U.S. Barrels



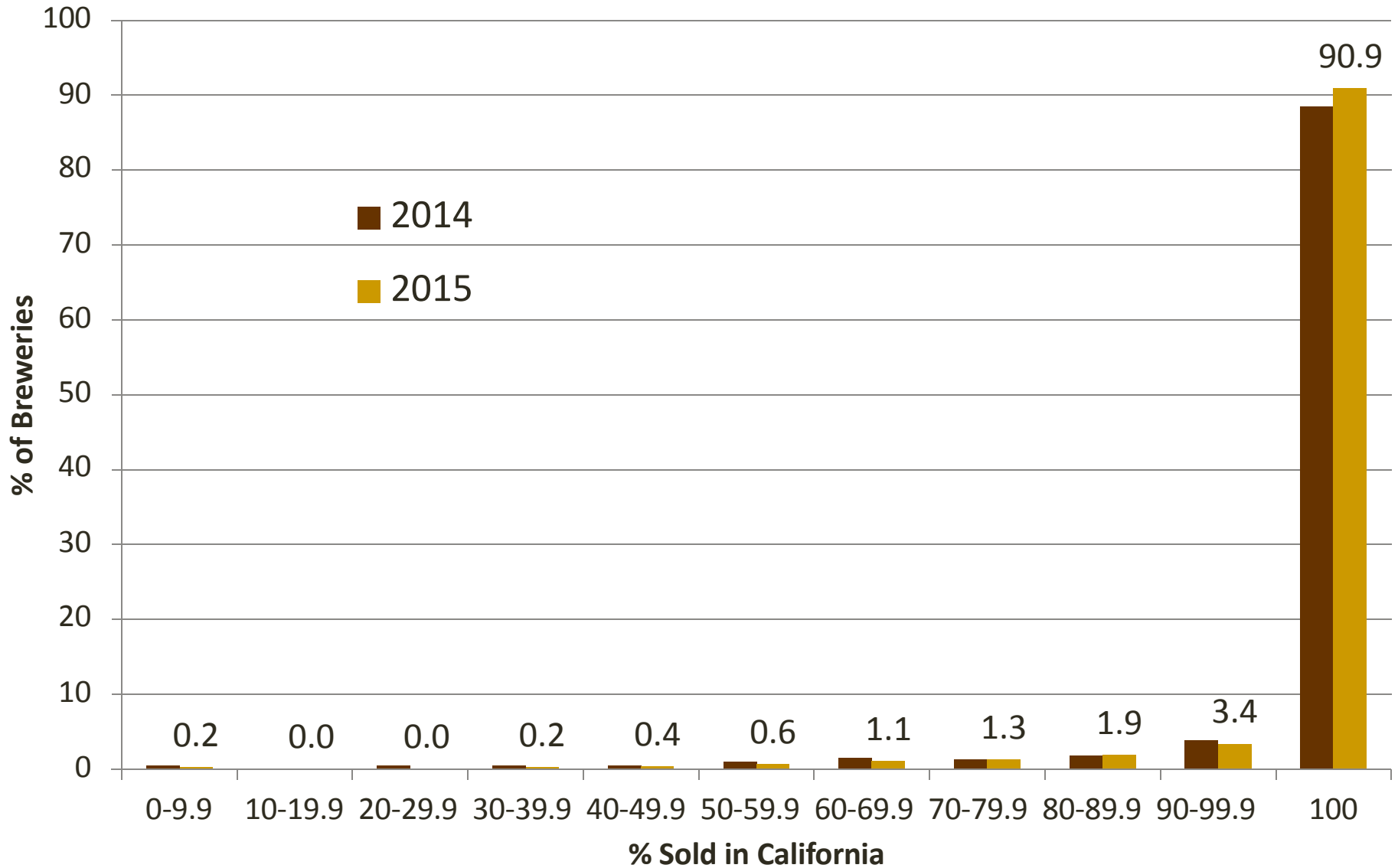
Regional - Craft Beer Total Barrels – 10 Years



Breweries Are Small, CA Craft by 2015 Production

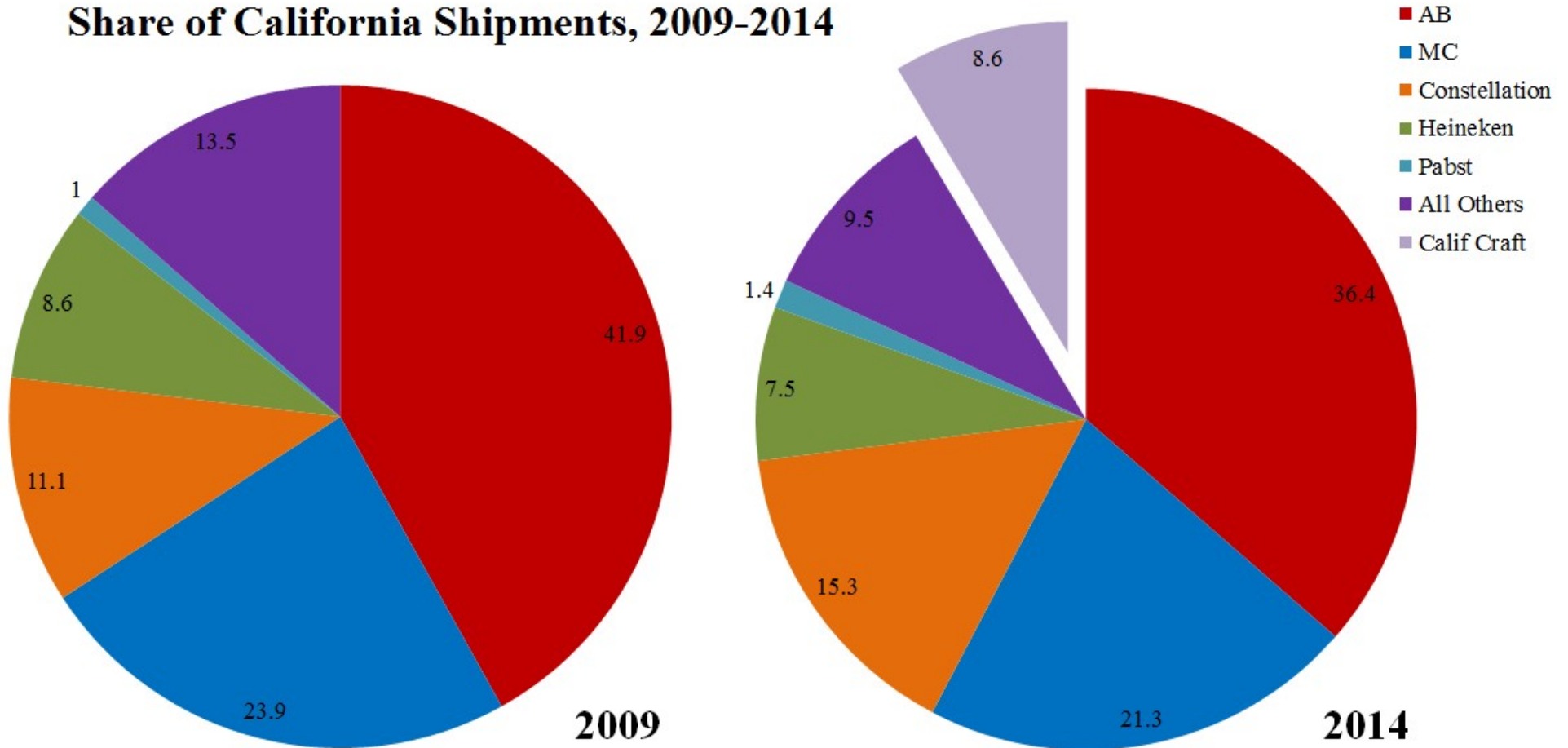


CA Breweries Are Small

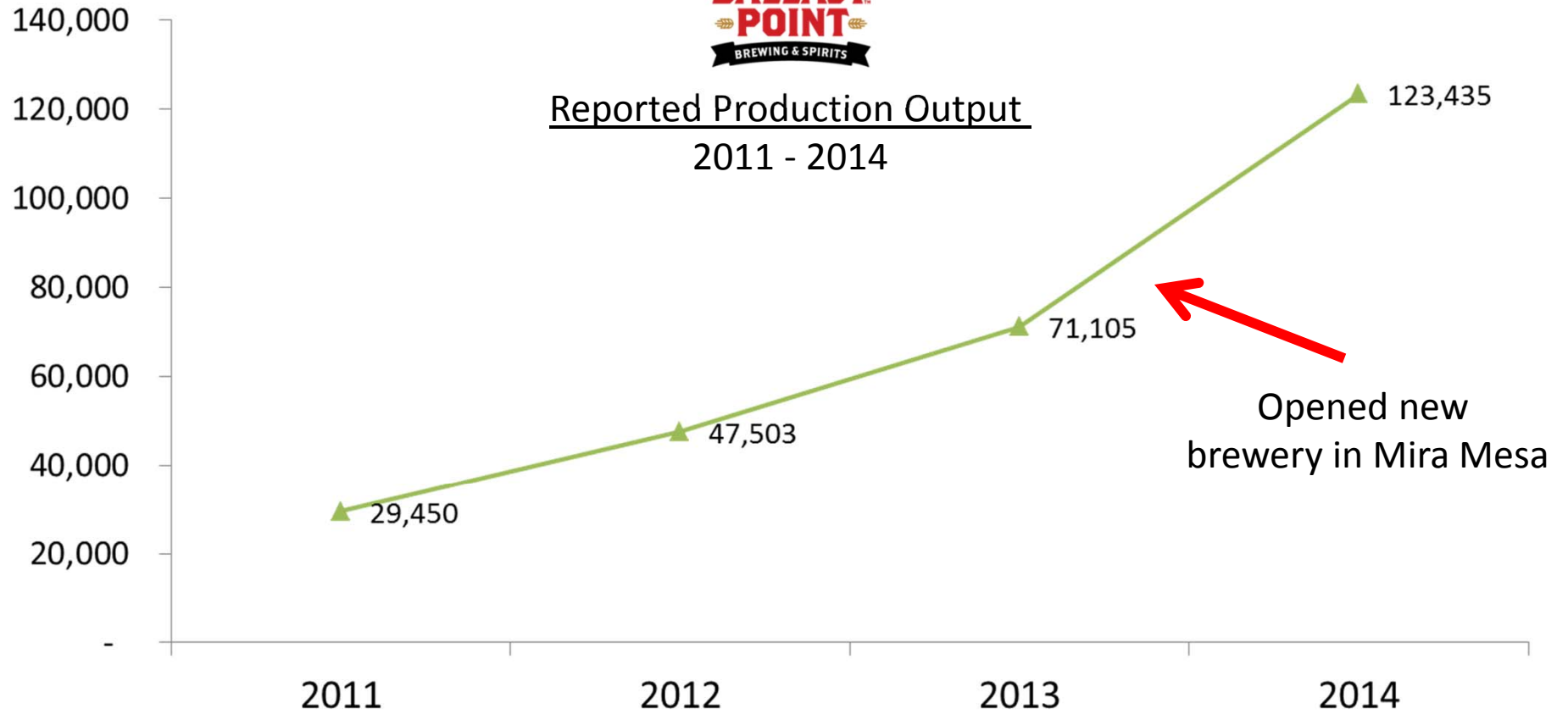


CA Production

Share of California Shipments, 2009-2014

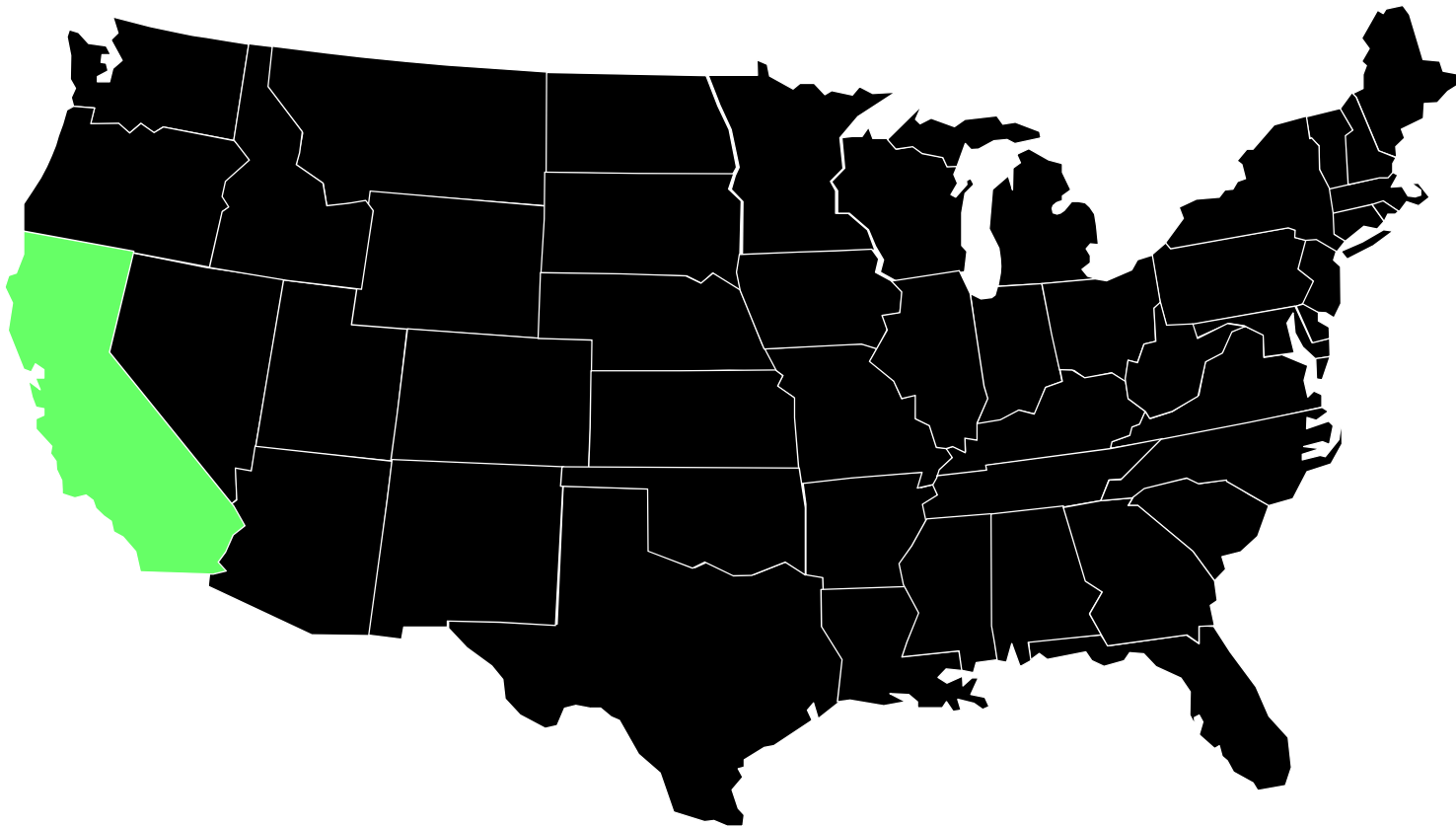


Ballast Point accelerated in 2014 after opening new brewery




Karl Strauss Brewing Company Distribution

45th largest craft brewer in U.S...and only available in one State!



85+ medals for quality in last 4 years and counting.....!

Economic Impact of Craft Brewing in San Diego

- Craft Brewing economic impact value to SD more than doubled in last 3 years
- \$300M in 2011  \$600M+ in 2015
- Surpasses impact of 2015 Super Bowl to AZ state economy (\$500M)

Number of Breweries and Brewpubs More Than Doubled in SD Since 2011

- 115+ at end of 2015
- 211% increase since 2011
- Driven by both new enterprises as well as expansion of established breweries and brewpubs
- \$847M+ in total annual industry sales in SD
- \$160M increase since 2011

115+ Craft Breweries in San Diego County

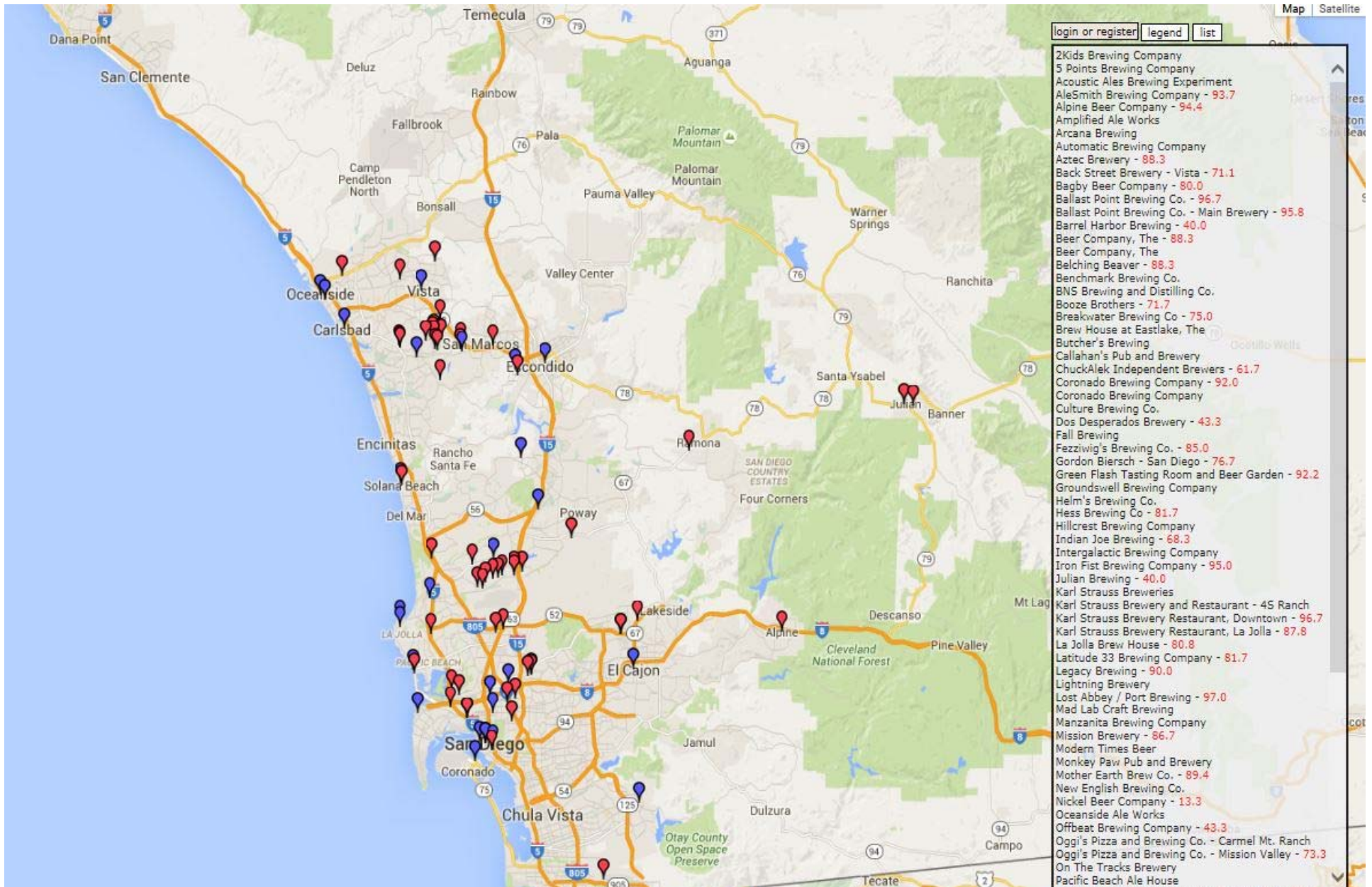
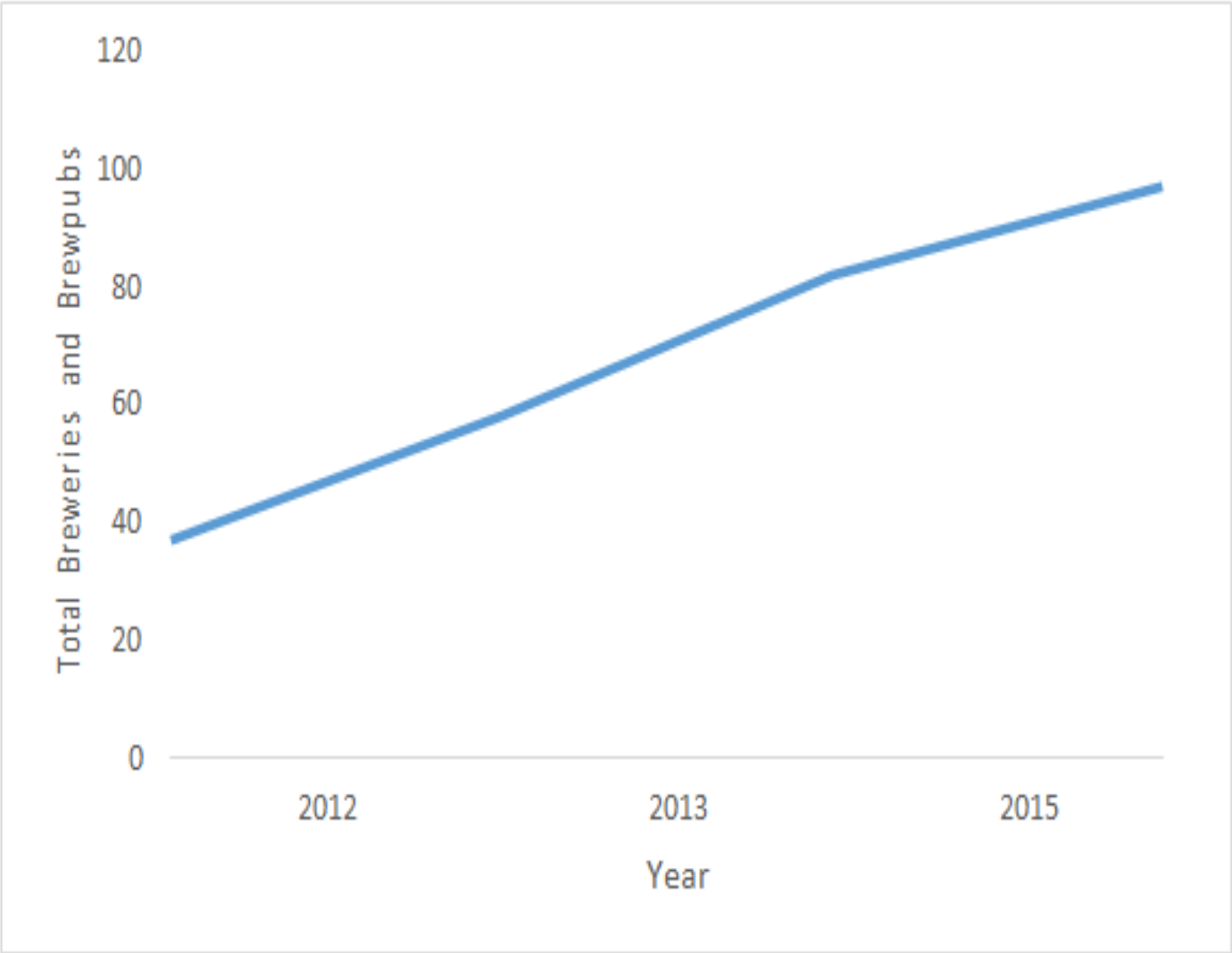


Chart 1: Total Breweries and Brewpubs in San Diego County, 2012-2015

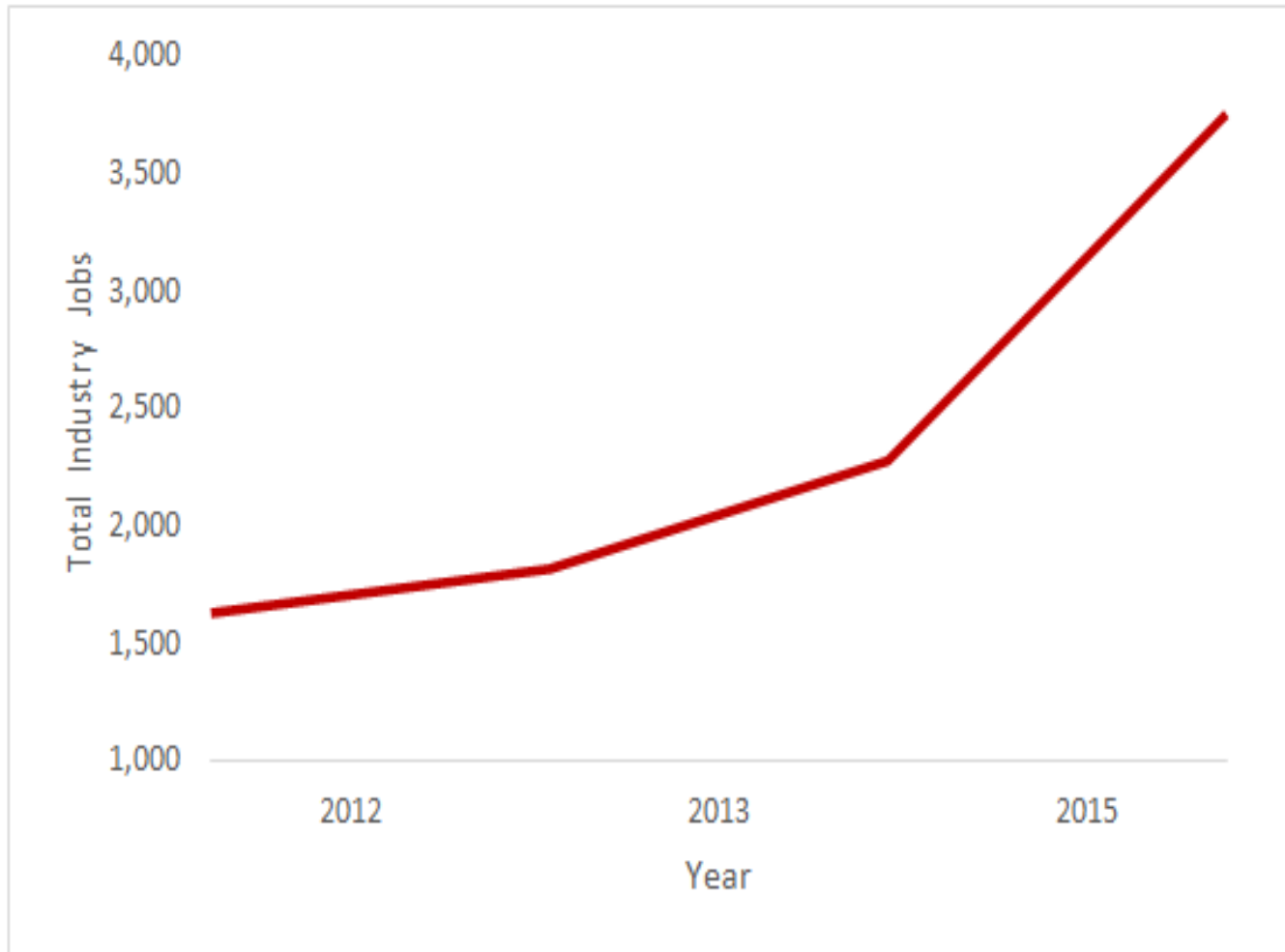


Source: Nat'l University System Institute For Policy Research

Economic Impact of Craft Brewing in San Diego

- Industry job growth has soared
- SD Breweries directly created 3,752 jobs in 2014 vs 6203+ jobs in 2015
- 122% increase since 2011
- Driven mostly by expansion efforts of larger craft breweries in SD

Chart 2: Direct Craft Brewing Industry Jobs in San Diego County, 2012-2015



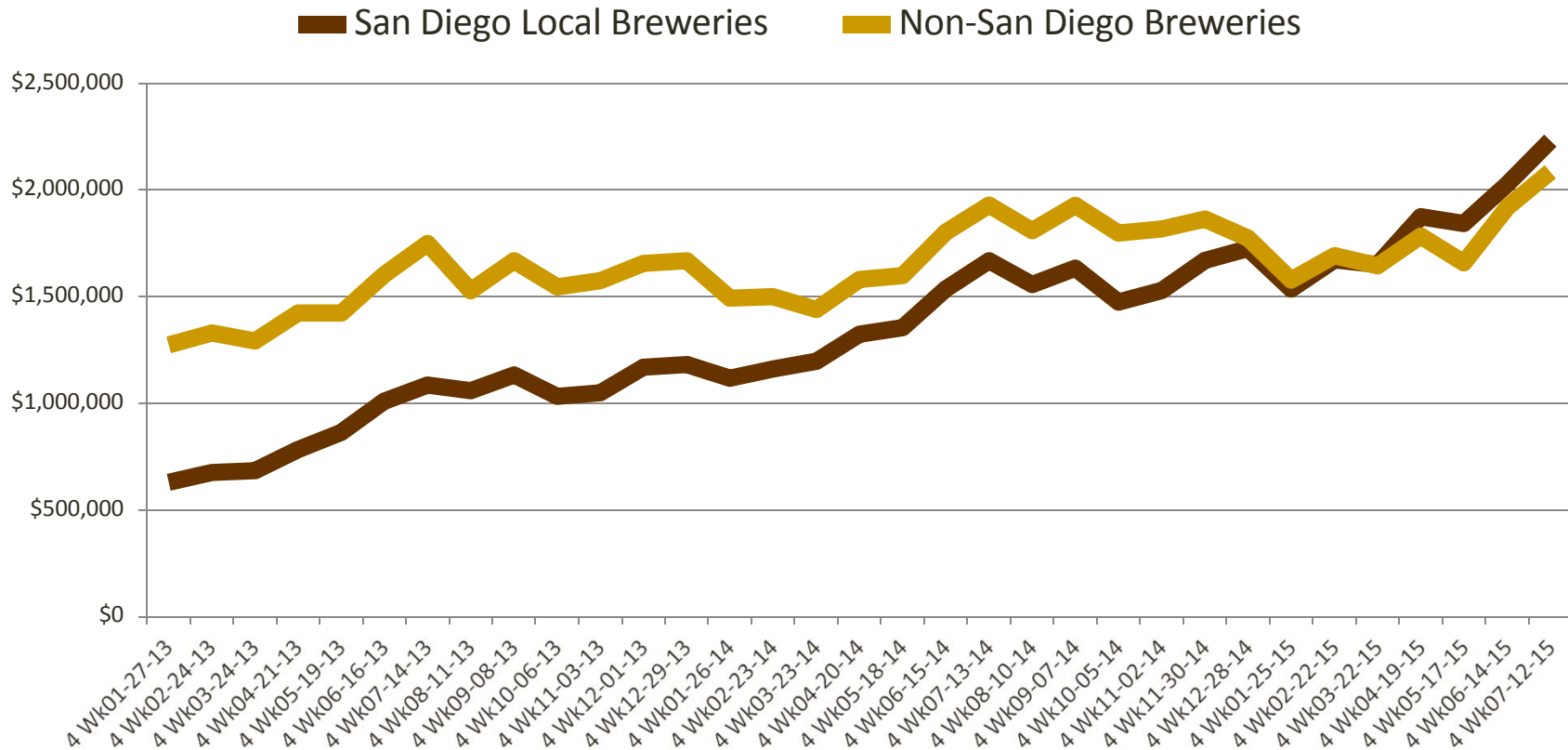
Source: Nat'l University System Institute For Policy Research

Local Craft vs Other Craft Vendors

San Diego Supermarkets

➤ Local Craft Brewer Dollar Sales passed Non-Local Craft Brewers sales earlier this year

Dollar Sales



Source: IRI InfoScan IRI San Diego, CA FOOD Market Quad Weeks Jan 27, 2013 through July 12, 2015

**STAY THIRSTY
SAN DIEGO!!!**