

STATE OF THE BEER INDUSTRY

Brewer's Association
Hill Climb

June 2024

Andrew Heritage
Chief Economist



DEPLETIONS / STRs



Beer

-3.3%



On-Premise

-4.4%



Off-Premise

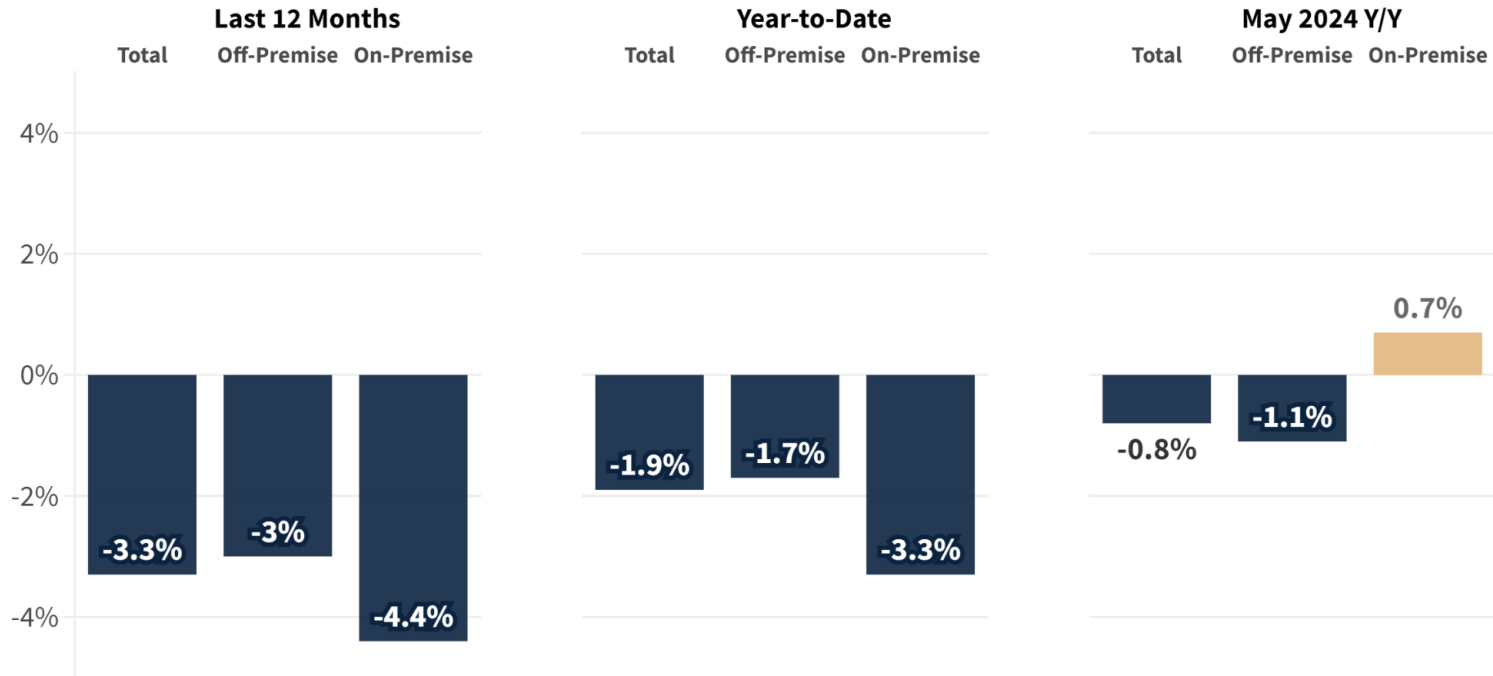
-3.0%

Source: Beer Institute STR (Rolling 12 Months - 6/1/23 to 5/31/24)



RECENT MONTHS STRONGER FOR BEER

Sales-to-Retailer (STR) - Total Category

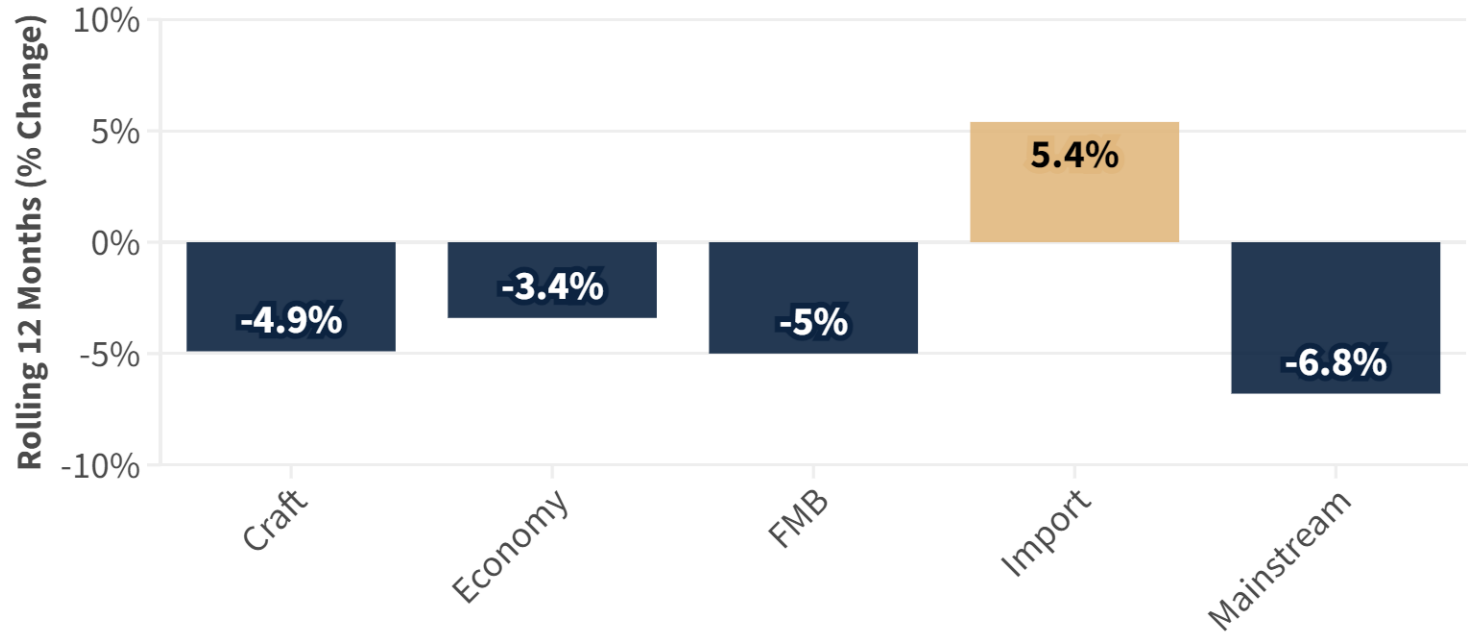


Source: Beer Institute Sales-to-Retailer



IMPORTS STRONGEST SEGMENT OVER PAST YEAR

Sales-to-Retailer (STR) by Segment

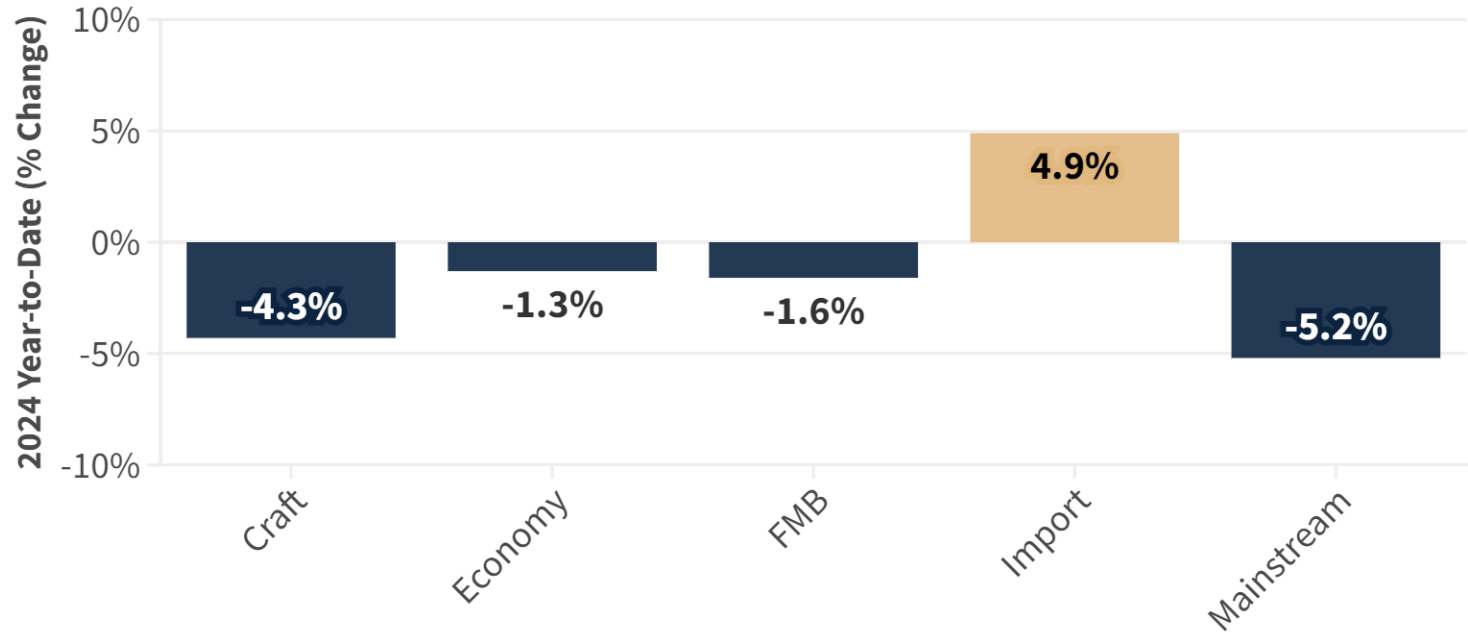


Source: Beer Institute STR (Rolling 12 Months - 6/1/23 to 5/31/24)



ECONOMY & FMB SEGMENTS STRONGER IN 2024

Sales-to-Retailer (STR) by Segment

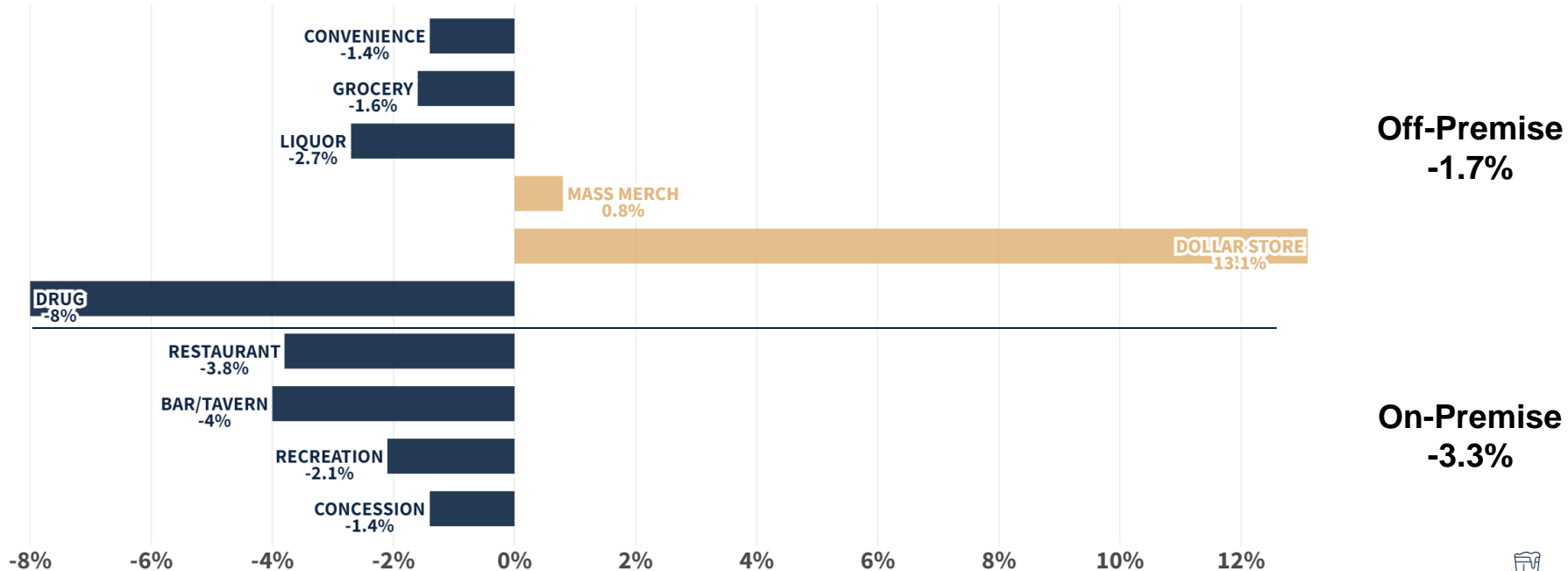


Source: Beer Institute STR (January 2024 - May 2024)



DOLLAR STORES GAINING SHARE, RECENT ON-PREMISE MONTHS STRONGER

Sales-to-Retailer (STR) by Channel
Year-to-Date (2024)

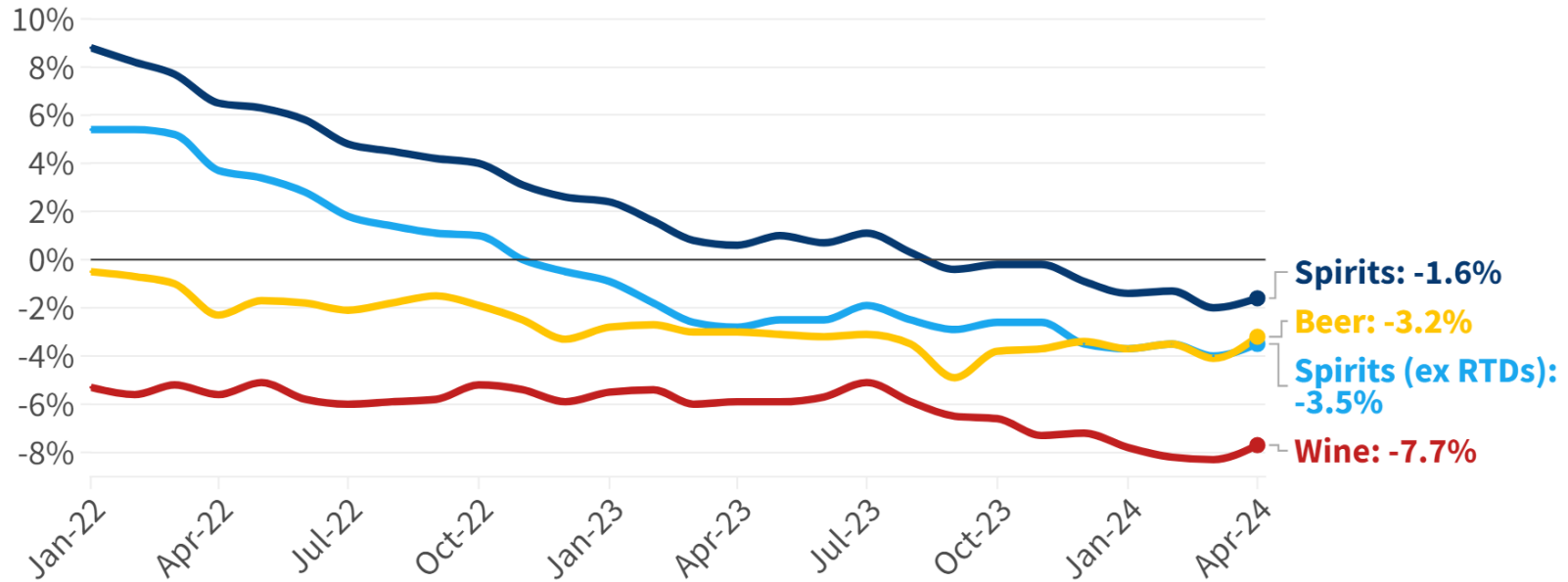


Source: Beer Institute STR (Rolling 12 Months – 6/1/23 to 5/31/24)



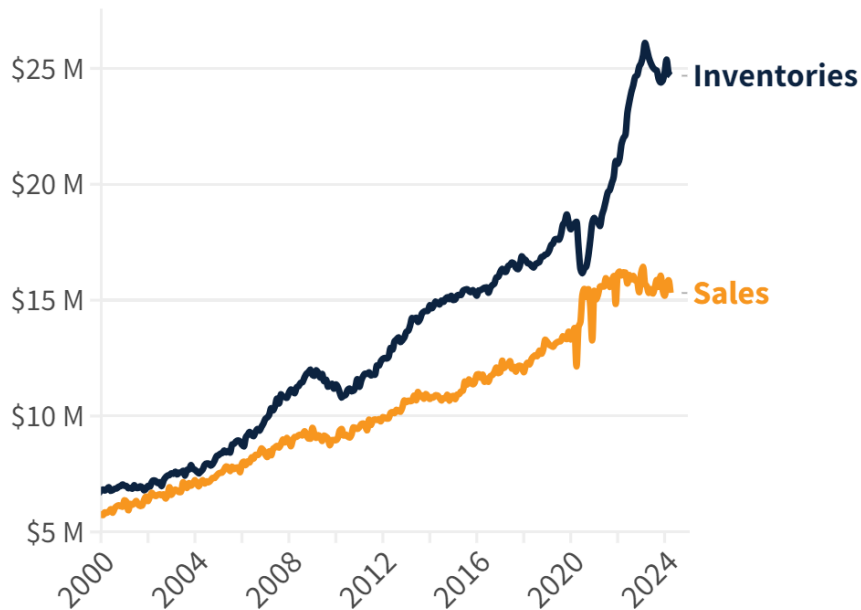
LIQUOR ON STEEPEST DECLINE ACROSS ALCOHOL

Depletions (% Change in Volume, Last 12 Months)



ALCOHOL INVENTORY STOCKS REMAIN ELEVATED

Beverage Alcohol Inventories and Sales (Millions of Dollars)



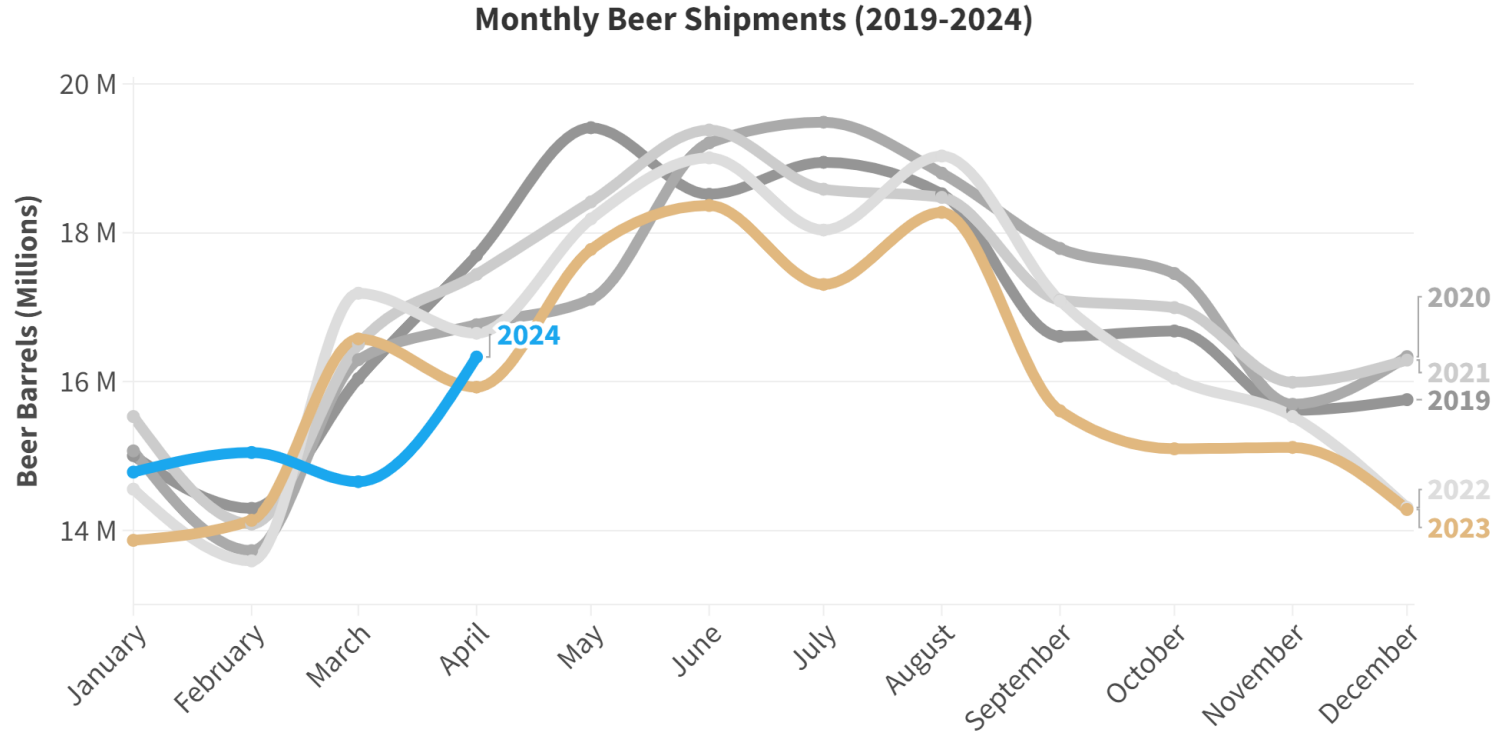
Ratio of Inventories to Sales



Source: Census Bureau



TOO EARLY TO SAY WHERE 2024 ENDS UP



Source: Beer Institute, Beer/Malt Shipments



NON-ALC BEER GROWING EXPONENTIALLY



1.9 MM

Estimated 2023
NA Beer Barrels

86%

Beer \$ share
of total NA Alcohol

32%

Y/Y Growth of \$
value in 2023

VIBECESSION? CONSUMER CONFIDENCE DIPPED IN MAY

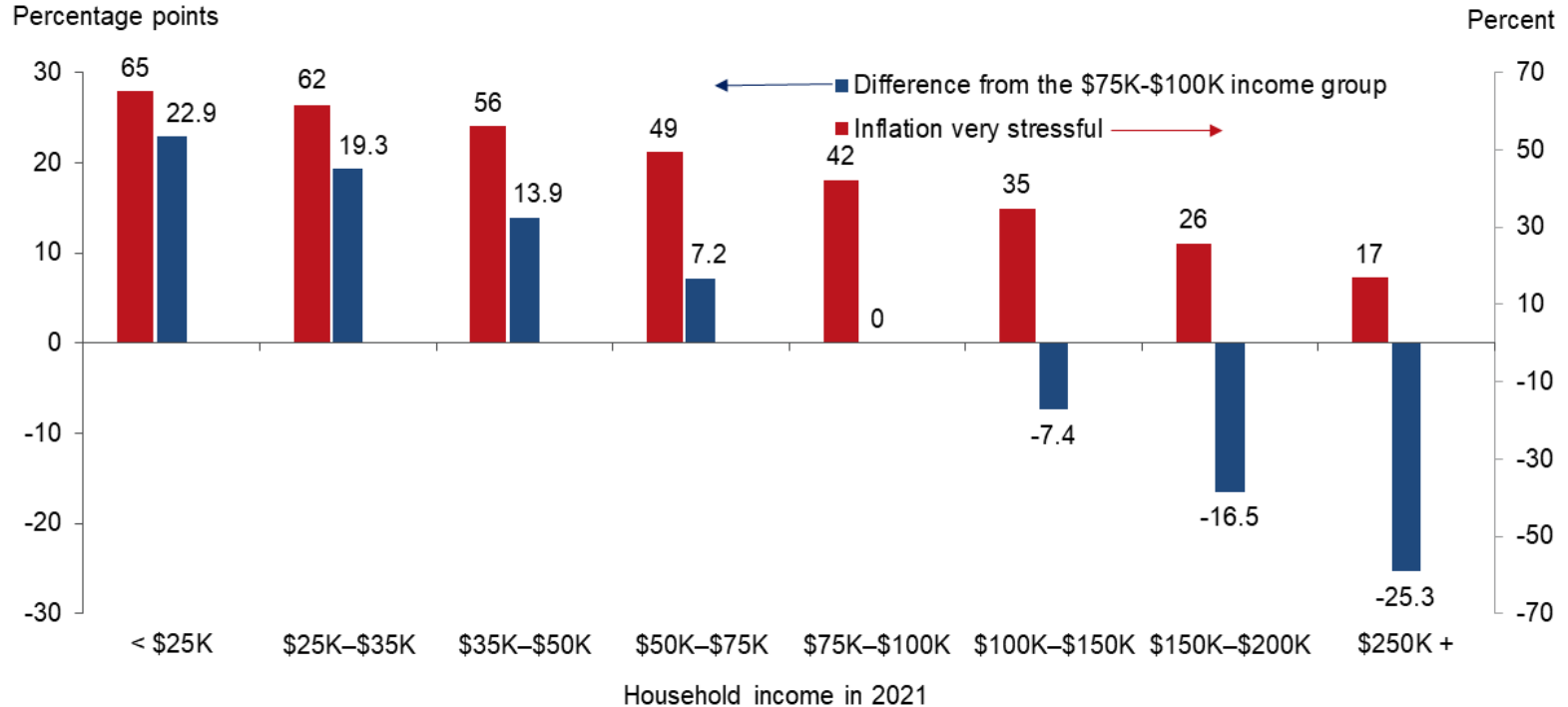
University of Michigan Consumer Confidence Index



Source: University of Michigan



INFLATION MOST STRESSFUL FOR LOW-INCOME HOUSEHOLDS



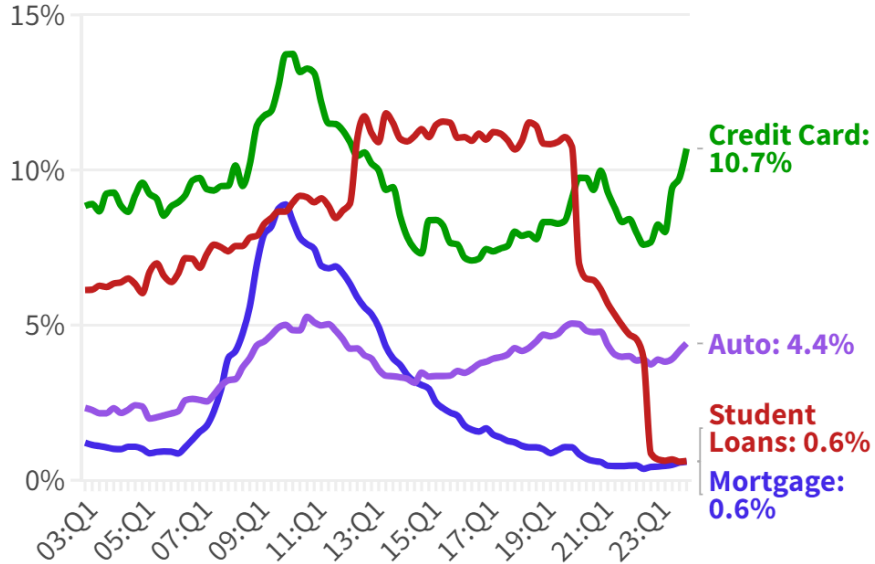
NOTES: Income is pretax. Households with income of \$75,000-\$100,000 are the base case when measuring inflation stress.

Source: Federal Reserve Bank of Dallas



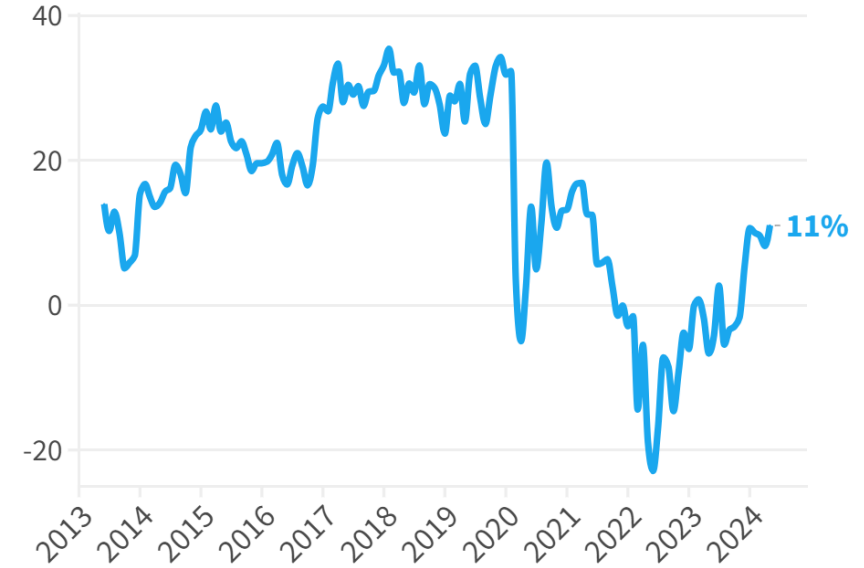
CREDIT CARD & AUTO DELINQUENCIES RISING, BUT CONSUMER EXPECTATIONS IMPROVING

Percent of Balances 90+ Days Delinquent by Loan Type



Source: New York Fed Consumer Credit Panel/Equifax

Net Household Financial Situation, Year Ahead (Better-Worse)



Source: Federal Reserve Bank of New York, Survey of Consumer Expectations

A photograph of several hands holding beer glasses, clinking them together in a toast. The glasses are filled with golden beer and have a thick head of white foam. The background is a blurred indoor setting, likely a bar or restaurant, with warm lighting. A large white arrow shape points from the left towards the text.

Cheers!

Andrew Heritage
Chief Economist
aheritage@beerinstitute.org