

Kentucky's Microbrewery Industry



**August 16, 2018 - IJC Economic
Development & Workforce
Investment**

presented by

Kentucky Guild of Brewers

Kentucky's General Assembly's Work Enables Growth and Success

- **Thank you!** Your support and past legislative changes have made our growth possible.
- We are pleased to report our continued growth, additional expansions, new brewers and increased economic impact, revenue and employment from just one year ago.
- Passage of HB 136- Supporting brand growth!



Why Support the KY Craft Brewing Industry ?

Small businesses make up: **99.7%** of U.S. employers, **64%** of net new private-sector jobs, and **98%** of business exporting goods.

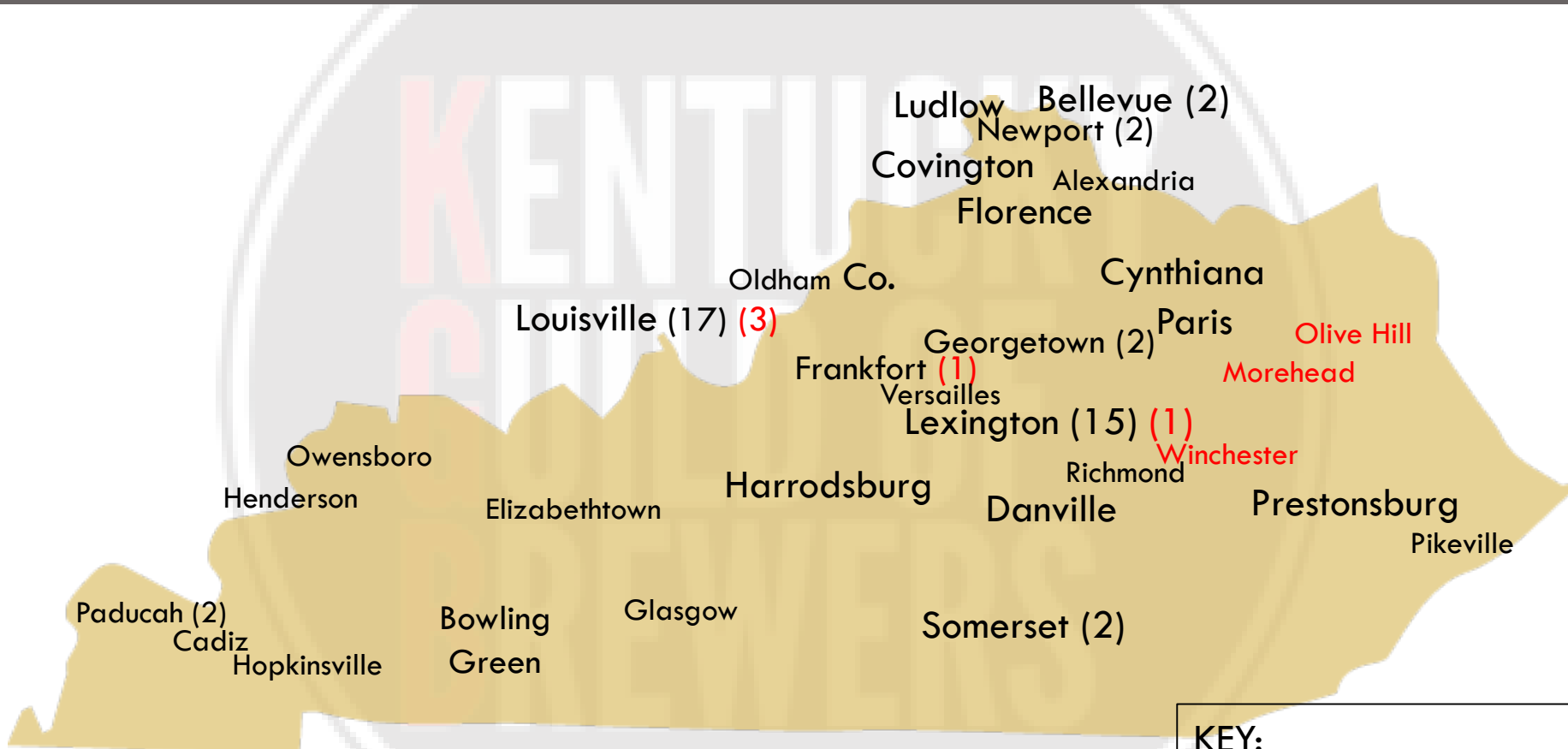
KY craft brewers are a significant manufacturing sector in KY, creating new job opportunities, investments and growing new industries while supporting Kentucky's economy.

The craft brewing industry is no longer just a urban industry. Kentucky has craft brewers in both rural and urban areas across the Commonwealth revitalizing distressed properties, building and supporting communities and creating direct manufacturing, tourism and retail sector jobs while supporting a host of indirect jobs and industries.

KY tourism revenue is up. As is interest in KY craft beer festivals and events bring in tourist from all over the nation. 2018 KY Craft Bash still in its infancy, brought in over 1400 people, from 16 different states -1/3 of the US, selling out hotel room blocks at the Omni, and event sales were up 45%.



KENTUCKY BREWERIES: Where are they?



KEY:
- Existing Brewery Location (62)
- Brewery Location in Planning (8)

DIRECT IMPACT

KY Craft Brewers continued growth results in direct economic impact in the Commonwealth:

- Investment of new dollars in Kentucky.
- KY based Infrastructure.
- Industry revenue & sales.
- Wages & benefits to Kentuckians they employ.
- Tax revenue (Federal, State & Local).



Kentucky's Craft Brewers Continued Growth & Economic Impact



- **KY now has 62 licensed craft /microbreweries** representing over 50 different KY companies. **14 additional new breweries, have either opened or are currently in planning stages to open (8 in planning) since January 2018.**
- **31 breweries have expanded** to the tune of an **additional \$22 million** in KY investment. **25 additional breweries are in expansion planning** which would add an additional **\$6.9 million** for a new investment total of **\$ 28.9 million.**
- **KY craft beer has an annual economic impact of \$657 million for the Commonwealth.** KY ranks 27th in the nation on positive economic impact for our state- even though we rank 40th for the number of breweries located in our state.
- **KY craft brewers export to more than 42 states and over 25 countries.**
- Continue gaining positive results from global trade trips.

Kentucky's Growth & Economic Impact cont.



- KY craft brewers now **directly employ more than 800 Kentuckians. Added an additional 147 new jobs since January 2018.**
- Our KY brewers projected production is approximately 151,000 barrels. A 50% increase since 2016 and 21% jump over 2017 production.
- KY new craft brewers and existing brewers expansions have continued to lead to the location, creation and expansion of various NEW support industries now in the Commonwealth.
- Our brewers partner with the KY Department of Agriculture, Local Farmers, KY Tourism, Arts and Heritage Cabinet and Kentucky's Economic Development Cabinet to advance the Commonwealth.
- Enhance tourism through synergies with our KY Distillers (*Willett partnership and the KY Proud Beer Series*) etc.



Tariffs, Impact to KY Craft ?

Impacts to the KY craft brewing industry- Its not just our exports!

- **Exports of KY craft beer** abroad
 - **Steel-** kegs, brewing equipment and tanks
 - **Aluminum-**cans
 - **Other-** equipment, cleaning machines, valves, pipes, boiler shells, boards and panels
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- Who are some of our trade partners?
 - Largest concern- current uncertainty & potential increased costs & impacts for KY investments
 - Actual impacts or cost increases- not known at this time
 - What are we doing? Remaining active in communication with Congressional leaders. National Association engaged.
 - Our request & commitment- To share if and how the tariffs are impacting our KY based businesses and industry (positive or negative, price increases etc.)



THANK YOU

