

# ALASKA

NORTH TO OPPORTUNITY

## ALASKA'S BREWING INDUSTRY

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF ECONOMIC DEVELOPMENT  
5/3/2017



## OVERVIEW

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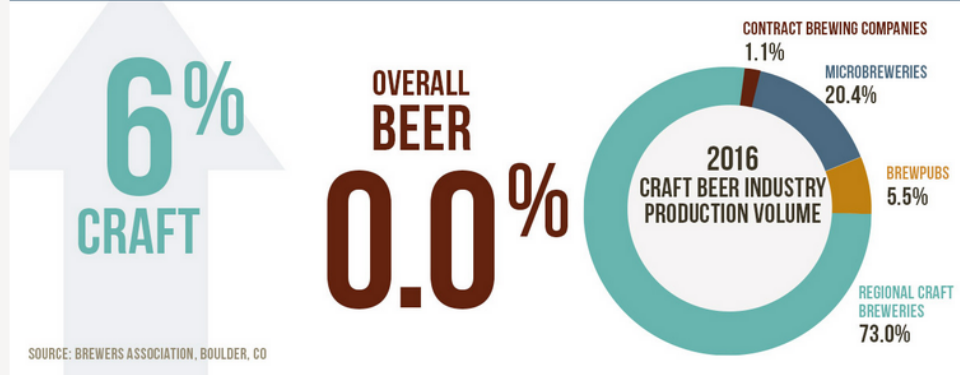
The brewing industry in Alaska brews, packages, and sells beer across the state, the nation, and the world.

The industry is considered a basic economic sector. It provides products outside of Alaska and it brings money into the Alaskan economy.

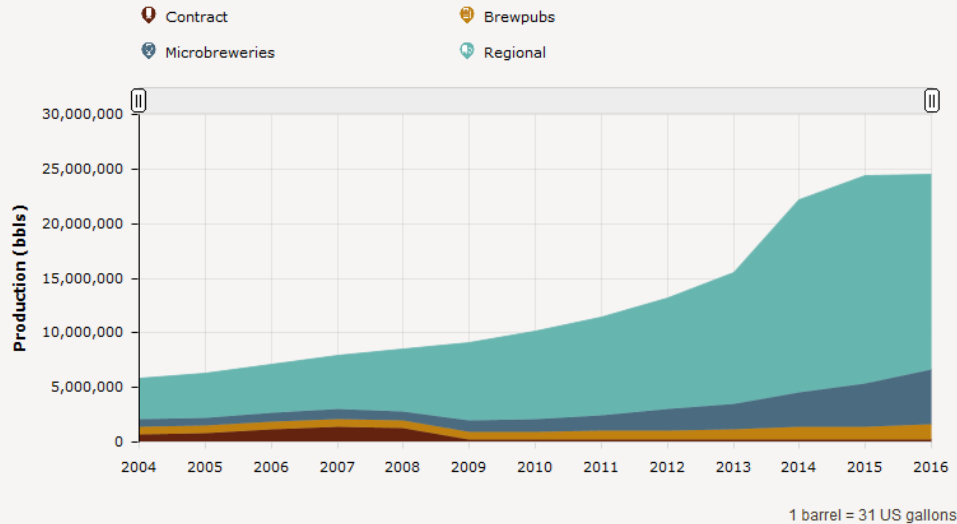
The industry is also a secondary sector, meaning it transforms raw materials into a finished product.



U.S. BEER PRODUCTION VOLUME 2016



Historical Craft Brewery Production by Category







# ALASKA

FIND A BREWERY ▶

STATE LAWS ▶



**5.3** Breweries per Capita\*  
(RANKS 8<sup>TH</sup>)  
\*per 100,000 21+ Adults

**\$**  
ECONOMIC IMPACT  
(2014)

**239**  
Million Economic Impact  
(RANKS 43<sup>RD</sup>)

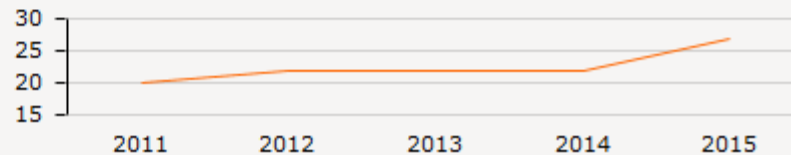
**469.09**  
Impact per Capita  
(RANKS 5<sup>TH</sup>)

PRODUCTION

**209,644**  
Barrels of Craft beer  
produced per year  
(RANKS 23<sup>RD</sup>)

**12.7**  
Gallons per 21+ Adult  
(RANKS 4<sup>TH</sup>)

NUMBER OF BREWERIES PER YEAR



Source: Brewers Association, Statistics by State, [www.brewersassociation.org](http://www.brewersassociation.org)



## INDUSTRY SIZE

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Sales of craft beer have more than tripled in Alaska during the past 10 years from one million gallons to 3.6 million, and sales of locally-produced craft beer increased more than fourfold during the same time period.

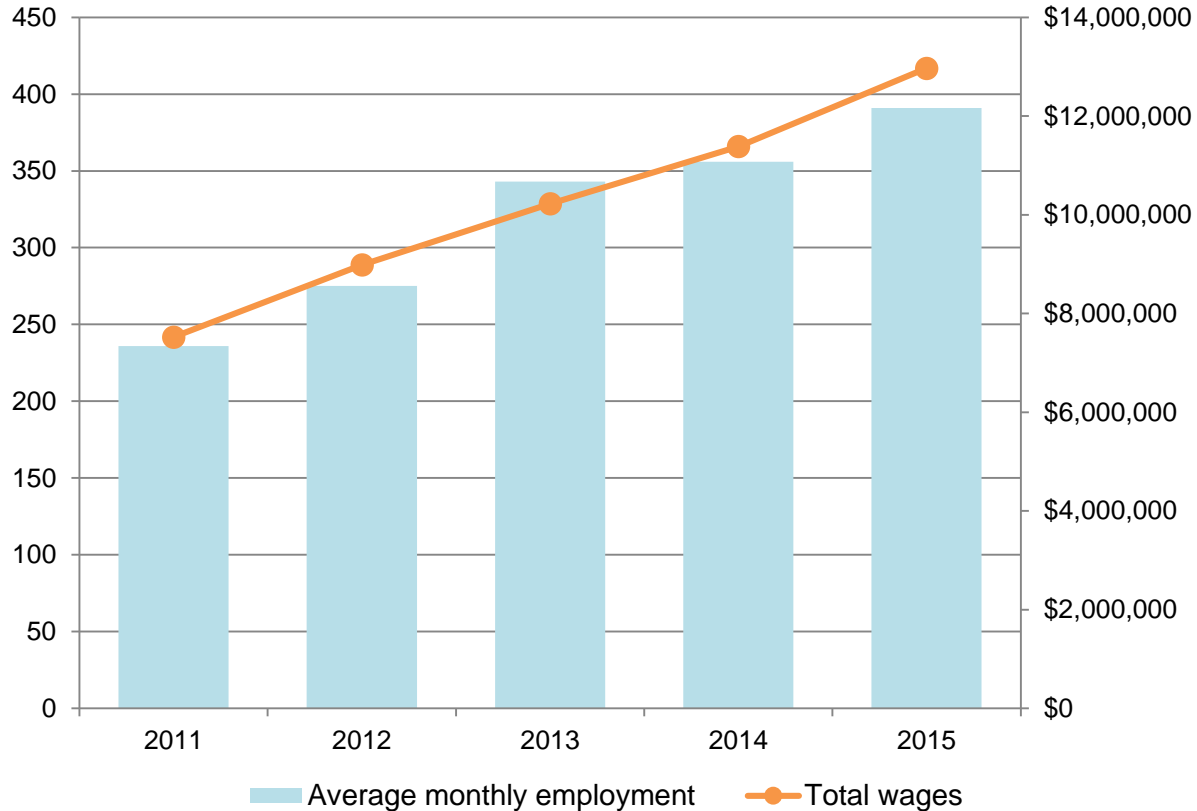
There are currently 39 breweries in Alaska:

- All but one are microbreweries that produce fewer than 15,000 barrels\*/year
- Nine of these are brewpubs that are restaurant-breweries selling 25% or more of their beer on site
- One is a regional brewery with production at approximately 160,000 barrels/year

*\*One barrel is 31 gallons, or 330 12-ounce servings of beer.*



## BEVERAGE MANUFACTURING EMPLOYMENT

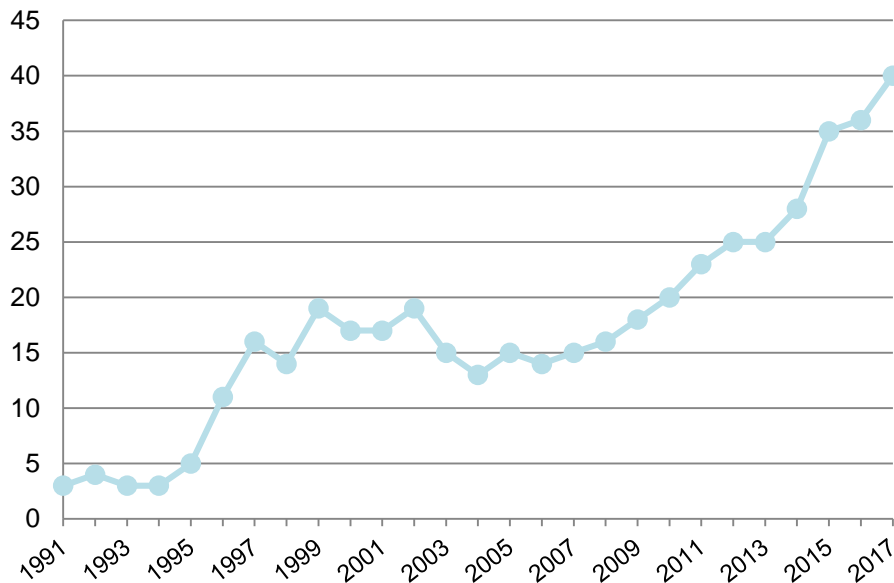


Source: Alaska Department of Labor



## INDUSTRY GROWTH

Number of Breweries in Alaska



From 2011 to 2015:

- 52% growth in breweries
- 66% growth in employment
- 72% growth in wages
- 33% growth in production
- 27% growth in taxes collected on beer qualifying for reduced tax rate

Source: U.S. Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau



## ECONOMIC IMPACT IN 2015

	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impacts
Jobs (Full Time Equivalent)	1435.9	514.6	330.9	2281.4
Total Business Income	\$339,853,340	\$104,134,838	\$48,130,492	\$492,118,669
<b>IN-STATE EXPENDITURES</b>				
Payroll & Owners Income	\$47,030,465	\$33,348,537	\$15,934,688	\$96,313,690
Fees & Taxes Paid	\$27,585,752	\$5,733,831	\$2,249,047	\$35,568,630
Rents & Dividends Paid	\$9,359,307	\$17,140,452	\$10,704,817	\$37,204,577
<b>Total In-State Expenditures</b>	<b>\$83,975,524</b>	<b>\$56,222,821</b>	<b>\$28,888,553</b>	<b>\$169,086,897</b>
Percent Retained in Alaska	24.71%	53.99%	60.02%	34.36%

Source: *Brewers Guild of Alaska*

# Paste

## 10 of Alaska's Best Craft Breweries and Distilleries

By Claire Volkman | September 30, 2016 | 12:34pm

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FOOD & DRINK

## ALASKA IS AN UNTAPPED BEER PARADISE



By ZACH MACK  
Published On 07/27/2016  
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## EXPORT POTENTIAL

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- The industry manufactures value-added products that offer an opportunity for export to national and international markets.
- Export Opportunities for Alaska Distilleries and Breweries: Study of Foreign Market Opportunities report detailed four foreign markets – Canada, China, Germany and South Korea.
  - Canada, China, and South Korea scored highest as export markets for Alaska beer.
  - Based on research of consumer trends most mentioned countries, especially Germany, have trends toward consuming more “natural” products, with high-quality grains, lower caloric content, and chemical additives. This fits with the Alaska brand.
  - Millennials are among the most important consumption groups in each country, having driven the market growth of craft beer and liquor in the US.