

What's next for beer?

As the major brewers battle for share-of-stomach with wine and spirits, the craft brewers run away with the game

U.S. Beer Sales 2004 vs. 2003

	2004 Barrelage	2003 Barrelage	% Change
Domestic	180,950,000*	179,843,643	0.6%
Imports	23,849,825	23,518,724	1.4%
Exports	3,747,418	3,660,267	2.4%

*Estimate.

Note: Figures do not include non-alcohol products.

Export figure includes sales to U.S. military abroad and Puerto Rico.

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U.S. Beer Sales Domestic and Imported 2004/2003

	31-Gal. Barrels (in millions)		Percent of Total		Percent Gain or Loss	
	2004	2003	2004	2003	2004	2003
Domestic Beer	180.9*	179.8*	88.4	88.4	+0.6	-0.6%
Imported Beer	23.8	23.5	11.6	11.6	+1.4	+1.9%
Total Sales	204.7*	203.3*	100	100	+0.9	-0.2%

*Estimate.

Note: Does not include exports. Totals are tax-paid shipments.

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Barrelage of Top 11 U.S. Brewers, 2004 vs. 2003

	2004 Sales 31-Gal. Barrels	2003 Sales 31-Gal. Barrels	Barrelage Gain or Loss	Gain or Loss Percent
1. Anheuser-Busch	103,000,000	102,600,00	+400,000	+0.39%
2. Miller Brewing Co.*	38,600,000	38,000,000	+600,000	+1.58%
3. Coors Brewing Co	22,350,000	22,374,000	-24,000	-0.11%
4. Pabst Brewing Co.(1)*	7,300,000	7,900,000	-600,000	-7.59%
5. D.G. Yuengling & Son	1,380,691	1,320,000	+60,691	+4.60%
6. City Brewing Co.	1,312,000	948,189	+363,811	+38.37%
7. Boston Beer Co.	1,258,206	1,229,217	+28,989	+2.36%
8. Latrobe Brewing Co.*	1,050,000	1,100,000	-50,000	-4.55%
9. High Falls Brewing Co.*	720,000	750,000	-30,000	-4.0%
10.Sierra Nevada Brewing Co.	589,934	574,260	+15,674	+2.73%
11.Pittsburgh Brewing Co.	372,000	385,000*	-13,000	+3.38%

KEY: * = Estimate; (C) = Produces some volume under contract; (1) The Pabst Brewing Co. has closed all of its breweries, and now operates as a contract brewer, producing beer at Miller breweries. Contract brewer barrelage is reported by producer and seller, leading to some duplication of barrelage. Copyright 2005 Modern Brewery Age.

Last year wasn't a terribly exciting year in the beer business, unless you happen to be a top-tier craft brewer. Overall, the domestic brewers eked out a paltry 0.6% volume increase in 2004. Meanwhile, the crafters, that most dynamic sub-set of U.S. brewers, increased volume by 7%.

While the overall industry's 0.6% increase was a definite improvement from last year's 0.6% decrease, many beer executives were troubled by an industry seemingly locked in stasis. Even the imports stayed fairly level, with a 1.4% increase to 23,849,825 barrels. (On a side-note, export trends were actually positive for the first time in some years, with a 2.4% increase to 3,747,418).

A flat industry was not in the forecast for 2005. These were supposed to be the happy times for the U.S. brewers, as fresh cohorts of 21-year-olds enter the drinking population. These young cohorts are coming, but many of these new drinkers are being siphoned off by alternative beverages, not least spirits and wine. Spirits volume increased 3.1% in 2004, and wine jumped 2.7%.

The 21-34-year demographic is flirting heavily with vodka and pinot noir, and it shows in the numbers. The anecdotal evidence is particularly disheartening. One Heineken salesperson said he used to walk into his New York City nightclub accounts and see ranks of his green bottles lined up on the bar. Now, it's all martinis and Red Bull blends.

The brewing industry has reasonably active on the new product front, with flavored malt beverages (FMBs) and low-carb brews. But FMBs have been a double-edged sword, helping to fuel spirits

brand awareness even as they boosted sales. The segment seems to have reached its high point, with top brands like Smirnoff Ice and Mike's holding share, as the me-too brands drop out.

The interest in low-carb may have greater legs, even though some dietary watchers think that too has peaked. Nonetheless, low carb has certainly put Miller Brewing Co. back on the map.

Among the top brewers, Miller had the best year. They chalked up an estimated 600,000-barrel gain in 2004, an impressive performance given that A-B fought them for every barrel. The new Miller management has embraced aggressive marketing tactics, going head-to-head with Budweiser, and the approach seems to be working. Lite's continued rebirth took a lower growth trajectory than expected, but the brand performed solidly through the early part of the year.

Interestingly, in this year when new consumers seem to be looking for new things, craft beer made its comeback. The upper-echelon craft brewers have been enjoying this trend for the past few years, and have bolstered capacity accordingly. Now, many of them can meet the demand. Craft beer volume climbed 7%, handily surpassing competitive categories, both within and without the beer industry.

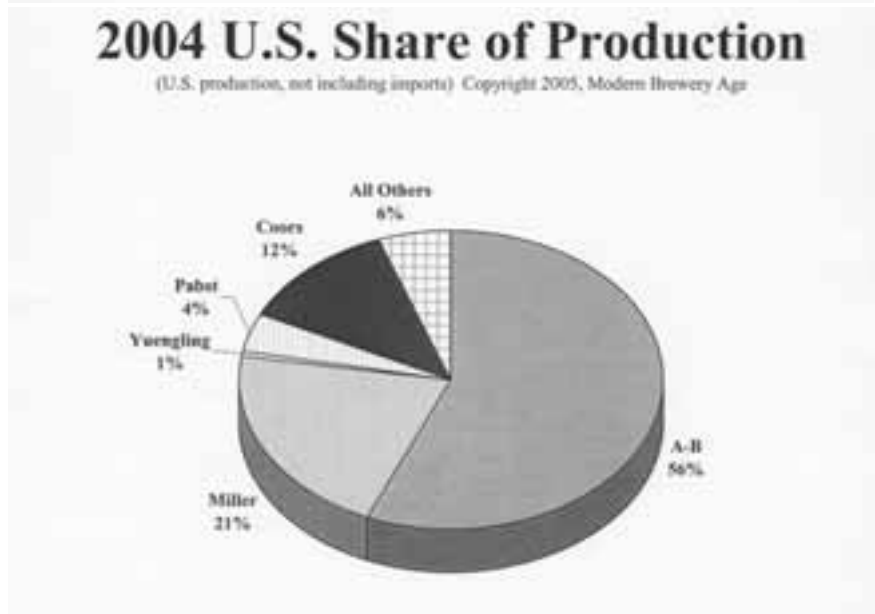
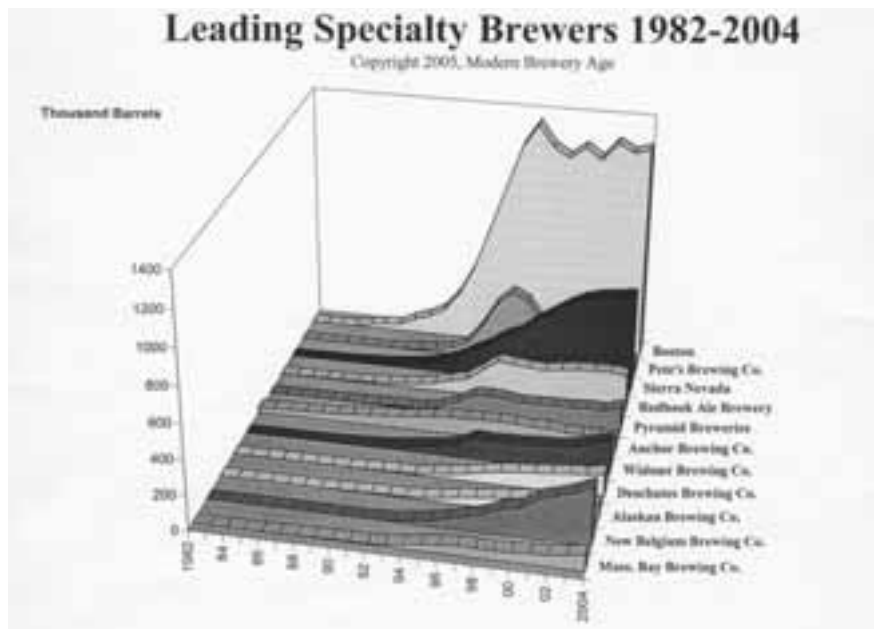
"Craft beer volume growth outpaced that of imports, large brewers, wine and spirits in 2004," noted Paul Gatza, Director of the Brewers Association, in Boulder, CO.

The Brewers Association estimates 2004 sales by craft brewers at 7,023,651 31-gallon barrels, up from 6,563,461 barrels in 2003, an increase of 460,190 barrels or 6.34 million case-equivalents.

As industry veteran Bob Wilson notes in our interview in this issue, "Many of today's consumers are drinking something other than lagers. The major brewers are selling just vanilla, while the 21-34 year-olds are looking for 28 flavors. This is one of the reasons the craft brewers are doing well again."

If one examines the barrelage figures, virtually ever brewer outside the top ten experienced decent growth. These gains were most concentrated in the upper echelon of the craft segment.

Led by bellwether and category



TOP U.S. COMMERCIAL BREWERS

BREWER	LOCATION	2004 SALES 31-GAL. BARRELS	2003 SALES 31-GAL. BARRELS	VARIANCE AMOUNT (04-03)	VARIANCE PERCENT (04-03)	2004 PRODUCTION SHARE OF U.S. SALES	2004 MARKET SHARE OF U.S. SALES
1. Anheuser-Busch	St. Louis, MO	103,000,000	102,600,000	400,000	0.39%	55.77%	50.29%
2. Miller Brewing Co.*	Milwaukee, WI	38,600,000	38,000,000	600,000	1.58%	20.57%	18.55%
3. Coors Brewing Co.	Golden, CO	22,350,000	22,374,000	(24,000)	-0.11%	12.11%	10.92%
4. Pabst Brewing Co. (C)*	Milwaukee, WI	7,300,000	7,900,000	(600,000)	-7.59%	4.28%	3.86%
5. D.G. Yuengling & Son	Pottsville, PA	1,380,691	1,320,000	60,691	4.60%	0.71%	0.64%
6. City Brewery	LaCrosse, WI	1,312,000	948,189	363,811	38.37%	0.51%	0.46%
7. Boston Beer Co.	Boston, MA	1,258,206	1,229,217	28,989	2.36%	0.67%	0.60%
8. Latrobe Brewing Co.*	Latrobe, PA	1,050,000	1,100,000	(50,000)	-4.55%	0.60%	0.54%
9. High Falls Brewing Co.*	Rochester, NY	720,000	750,000	(30,000)	-4.00%	0.41%	0.37%
10. Sierra Nevada Brewing Co.	Chico, CA	589,934	574,260	15,674	2.73%	0.31%	0.28%
11. Pittsburgh Brewing Co.	Pittsburgh, PA	372,000	385,000	(13,000)	-3.38%	0.21%	0.19%
12. McKenzie River Corp.(C)*	San Francisco, CA	350,000	348,000	2,000	0.57%	0.19%	0.17%
13. New Belgium Brewing Co.*	Ft. Collins, CO	331,000	285,000	46,000	16.14%	0.15%	0.14%
14. J. Leinenkugel Brewing Co. (2)*	Chippewa Falls, WI	318,000	320,000	(2,000)	-0.63%	0.17%	0.16%
15. Spoetzl Brewery, Inc.	Shiner, TX	279,697	265,259	14,438	5.44%	0.14%	0.13%
16. Matt Brewing Co.	Utica, NY	233,200	228,700	4,500	1.97%	0.12%	0.11%
17. Redhook Ale Brewery	Seattle, WA	218,681	228,837	(10,156)	-4.44%	0.12%	0.11%
18. Widmer Bros. Brewing Co.	Portland, OR	199,000	169,806	29,194	17.19%	0.09%	0.08%
19. Joseph Huber Brewing Co.	Monroe, WI	155,808	74,346	81,462	109.57%	0.04%	0.04%
20. Pyramid Breweries	Kalama, WA	143,000	115,000	28,000	24.35%	0.06%	0.06%
21. Deschutes Brewing Co.	Bend, OR	135,000	118,186	16,814	14.23%	0.06%	0.06%
22. Mass Bay Brewing Co.	Boston, MA	94,575	79,340	15,235	19.20%	0.04%	0.04%
23. Alaskan Brewing Co.	Juneau, AK	90,400	86,900	3,500	4.03%	0.05%	0.04%
24. Boulevard Brewing Co.	Kansas City, MO	89,083	74,872	14,211	18.98%	0.04%	0.04%
25. Anchor Brewing Co.	San Francisco, CA	83,599	81,000	2,599	3.21%	0.04%	0.04%
26. Full Sail Brewing Co.	Hood River, OR	82,624	75,796	6,828	9.01%	0.04%	0.04%
27. Gluek Brewing Co.*	Cold Spring, MN	65,000	58,300	6,700	11.49%	0.03%	0.03%
28. Carolina Beer & Beverage	Mooreville, NC	61,500	63,215	(1,715)	-2.71%	0.03%	0.03%
29. Summit Brewing Co.	St. Paul, MN	59,782	55,936	3,846	6.88%	0.03%	0.03%
30. Shipyard Brewery	Portland, ME	50,508	45,255	5,253	11.61%	0.02%	0.02%
31. Portland Brewing Co.*	Portland, OR	50,000	51,375	(1,375)	-2.68%	0.03%	0.03%
32. Kalamazoo Brewing Co.	Galesburg, MI	47,378	38,738	8,640	22.30%	0.02%	0.02%
33. Magic Hat Brewing Co.	Burlington, VT	47,110	38,339	8,771	22.88%	0.02%	0.02%
34. Abita Brewing Co.	Abita Springs, LA	45,080	41,330	3,750	9.07%	0.02%	0.02%
35. Pete's Brewing Co. (C)*	Palo Alto, CA	44,818	68,169	(23,351)	-34.25%	0.04%	0.03%
36. Brooklyn Brewery*	Brooklyn, NY	44,800	42,010	2,790	6.64%	0.02%	0.02%
37. Rock Bottom Brewery+(chain)	Louisville, CO	42,346	N/A	42,346	-	0.00%	0.00%
38. Bridgeport Brewing Co.*	Portland, OR	42,000	40,128	1,872	4.67%	0.02%	0.02%
39. Rogue Ales	Newport, OR	38,084	33,076	5,008	15.14%	0.02%	0.02%
40. Dixie Brewing Co.*	New Orleans, LA	38,000	37,000	1,000	2.70%	0.02%	0.02%
41. Straub Brewing Co.	St. Mary's, PA	33,437	35,896	(2,459)	-6.85%	0.02%	0.02%
42. Stone Brewing Co.	San Marcos, CA	32,159	24,500	7,659	31.26%	0.01%	0.01%
43. Kona Brewing Co.*	Kona, HI	31,192	16,500	14,692	89.04%	0.01%	0.01%
44. Flying Dog Brewery	Aspen, CO	30,048	25,561	4,487	17.55%	0.01%	0.01%
45. New Glarus Brewing Co.	New Glarus, WI	30,000	19,179	10,821	56.42%	0.01%	0.01%
46. Otter Creek Brewing Co.	Middlebury, VT	29,000	25,400	3,600	14.17%	0.01%	0.01%
47. Great Lakes Brewing Co.	Cleveland, OH	27,592	24,963	2,629	10.53%	0.01%	0.01%
48. Old Dominion Brewing Co.	Ashburn, VA	26,700	24,306	2,394	9.85%	0.01%	0.01%
49. Lagunitas Brewing Co.	Petaluma, CA	26,420	25,159	1,261	5.01%	0.01%	0.01%
50. Odell Brewing Co.	Ft. Collins, CO	26,050	26,017	33	0.13%	0.01%	0.01%
51. Big Sky Brewing Co.	Missoula, MT	25,400	22,450	2,950	13.14%	0.01%	0.01%
52. Utah Brewers Cooperative*	Salt Lake City, UT	23,000	N/A	23,000	-	0.00%	0.00%
53. Anderson Valley Brewing Co.*	Boonville, CA	21,050	19,000	2,050	10.79%	0.01%	0.01%
54. McMenamin's +(chain)	Portland, OR	20,706	19,750	956	4.84%	0.01%	0.01%
55. Dogfish Head Brewing Co.	Milton, DE	20,200	N/A	-	-	0.00%	0.00%
56. Boulder Beer Co.	Boulder, CO	20,000	17,923	2,077	11.59%	0.01%	0.01%
57. Victory Brewing Co.	Downington, PA	17,600	15,200	2,400	15.79%	0.01%	0.01%
58. North Coast Brewing Co.	Ft. Bragg, CA	17,553	18,095	(542)	-3.00%	0.01%	0.01%
59. Uinta Brewing Co.	Salt Lake City, UT	15,021	14,225	796	5.60%	0.01%	0.01%
60. D.L. Geary Brewing Co.*	Portland, ME	15,000	15,000	0	0.00%	0.01%	0.01%
61. Capital Brewery, Inc.	Middleton, WI	14,856	14,000	856	6.11%	0.01%	0.01%
62. Saint Louis Brewery+	St. Louis, MO	14,423	11,767	2,656	22.57%	0.01%	0.01%
63. Sweetwater Brewing Co.	Atlanta, GA	14,100	14,200	(100)	-0.70%	0.01%	0.01%
64. Hops Grillhouse/Brewery (chain)*	Tampa, FL	14,000	17,013	(3,013)	-17.71%	0.01%	0.01%
65. Wachusett Brewing Co.	Westminster, MA	10,848	9,356	1,492	15.95%	0.01%	0.00%
66. Yakima Brewing & Malting Co.	Yakima, WA	10,767	5,626	5,141	91.38%	0.00%	0.00%
67. Berkshire Brewing Co.	South Deerfield, MA	10,658	9,842	816	8.29%	0.01%	0.00%
68. Sprecher Brewing Co.	Milwaukee, WI	10,500	11,475	(975)	-8.50%	0.01%	0.01%
69. Flying Fish Brewing Co.	Cherry Hill, NJ	10,000	N/A	10,000	-	0.00%	0.00%
70. Four Peaks Brewing Co.	Tempe, AZ	9,600	6,900	2,700	39.13%	0.00%	0.00%
71. Saint Arnold Brewing Co.	Houston, TX	9,120	7,208	1,912	26.53%	0.00%	0.00%
72. Left Hand/Tabernash Brewing Co.	Longmont, CO	8,984	8,718	266	3.05%	0.00%	0.00%
73. Hale's Ales	Seattle, WA	8,161	8,343	(182)	-2.18%	0.00%	0.00%
74. Stoudt's Brewing Co.	Adamstown, PA	8,000	7,500	500	6.67%	0.00%	0.00%
75. Highland Brewing Co.	Asheville, NC	7,550	5,325	2,225	41.78%	0.00%	0.00%
76. Fish Brewing Co.	Olympia, WA	7,440	7,140	300	4.20%	0.00%	0.00%
77. Mad River Brewing Co.	Blue Lake, CA	7,100	7,464	(364)	-4.88%	0.00%	0.00%
78. Buzzards Bay Brewing Co.	Westport, MA	7,010	4,929	2,081	42.22%	0.00%	0.00%
79. Yards Brewing Co.	Philadelphia, PA	7,000	N/A	7,000	-	0.00%	0.00%
80. Blue Point Brewing Co.	Patchogue, NY	6,800	5,850	950	16.24%	0.00%	0.00%
81. Lakefront Brewery	Milwaukee, WI	6,132	5,447	685	12.58%	0.00%	0.00%
82. Tommyknocker Brewery	Idaho Springs, CO	6,100	N/A	6,100	-	0.00%	0.00%
83. Great Divide Brewing Co.	Denver, CO	6,002	5,100	902	17.69%	0.00%	0.00%
84. Brewery Ommegang	Cooperstown, NY	5,285	4,384	901	20.55%	0.00%	0.00%

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85.	SKA Brewing Co.	Durango, CA	4,525	4,030	495	12.28%	0.00%
86.	Slesar Bros. Brewing Co.	Boston, MA	4,403	4,484	(81)	-1.81%	0.00%
87.	Arcadia Brewing Co.	Battle Creek, MI	4,216	4,006	210	5.24%	0.00%
88.	Allagash Brewing Co.	Portland, ME	4,043	3,598	445	12.37%	0.00%
89.	Sudwerk Privatbrauerei*	Davis, CA	3,950	3,900	50	1.28%	0.00%
90.	Ithaca Beer Co.	Ithaca, NY	3,700	3,100	600	19.35%	0.00%
91.	Lake Placid Brewery+	Lake Placid, NY	3,653	2,968	685	23.08%	0.00%
92.	Brew Brothers	Reno, NV	3,500	3,000	500	16.67%	0.00%
93.	High Point Brewing Co.	Butler, NJ	3,400	3,100	300	9.68%	0.00%
94.	Wynkoop Brewing Co.+	Denver, CO	3,174	2,810	364	12.95%	0.00%
95.	Grand Teton Brewing Co.	Jackson, WY	3,167	N/A	3,167	-	0.00%
96.	Three Floyds Brewing	Munster, IN	3,075	2,220	855	38.51%	0.00%
97.	Sun Valley Brewing Co.	Hailey, ID	3,000	580	2,420	417.24%	0.00%
98.	Southern Tier Brewing Co.	Lakewood, NY	3,000	N/A	3,000	-	0.00%
99.	Ballast Point Brewing Co.	San Diego, CA	2,950	N/A	2,950	-	0.00%
100.	Weyerbacher Brewing Co.	Easton, PA	2,944	2,610	334	12.80%	0.00%
101.	Gritty McDuff's+*	Freeport, ME	2,850	2,663	187	7.02%	0.00%
102.	Marin Brewing Co.+	Larkspur, CA	2,787	2,841	(54)	-1.90%	0.00%
103.	Monte Carlo Brewery+	Las Vegas, NV	2,750	2,840	(90)	-3.17%	0.00%
104.	Atlantic Brewing Co.	Bar Harbor, ME	2,741	3,225	(484)	-15.01%	0.00%
105.	Rock Bottom-Chicago+	Chicago, IL	2,650	2,200	450	20.45%	0.00%
106.	Moylan's Brewery+	Novato, CA	2,640	2,465	175	7.10%	0.00%
107.	Glacier Brewhouse	Anchorage, AK	2,604	2,000	604	30.20%	0.00%
108.	Weeping Radish Brewery*	Manteo, NC	2,500	2,200	300	13.64%	0.00%
109.	Free State Brewing Co.+	Lawrence, KS	2,380	2,410	(30)	-1.24%	0.00%
110.	Rock Bottom-Denver+	Denver, CO	2,341	3,534	(1,193)	-33.76%	0.00%
111.	Coronado Brewing Co.	Coronado, CA	2,200	2,000	200	10.00%	0.00%
112.	Custom Brewcrafters, Inc.	Honeoye Falls, NY	2,191	2,063	128	6.20%	0.00%
113.	Sierra Blanca Brewing Co.	Carrizozo, NM	2,108	1,929	179	9.28%	0.00%
114.	Angel City Brewing Co.	Culver City, CA	2,080	1,850	230	12.43%	0.00%
115.	Olde Burnside Brewing Co.	East Hartford, CT	2,000	1,950	50	2.56%	0.00%
116.	Lake Superior Brewing Co.	Duluth, MN	2,000	1,763	237	13.44%	0.00%
117.	Alltech Lexington Brewery	Lexington, KY	1,880	1,460	420	28.77%	0.00%
118.	Dillon Dam Brewery	Dillon, CO	1,876	1,794	82	4.57%	0.00%
119.	Scuttlebutt Brewing Co.	Everett, WA	1,872	1,609	263	16.35%	0.00%
120.	Rock Bottom Brewery-Portland	Portland, OR	1,765	1,200	565	47.08%	0.00%
121.	Sante Fe Brewing Co.	Sante Fe, NM	1,750	1,070	680	63.55%	0.00%
122.	Rock Bottom-Arlington+	Arlington, VA	1,722	N/A	1,722	-	0.00%
123.	Upstream Brewing Co.	Omaha, NB	1,705	1,740	(35)	-2.01%	0.00%
124.	Rock Bottom-Pittsburgh+	Pittsburgh, PA	1,684	N/A	1,684	-	0.00%
125.	Rock Bottom-La Jolla+	La Jolla, CA	1,642	1,574	68	4.32%	0.00%
126.	Rock Bottom-San Jose	San Jose, CA	1,583	N/A	1,583	-	0.00%
127.	Erie Brewing Co.	Erie, PA	1,557	1,638	(81)	-4.95%	0.00%
128.	Rock Bottom-San Diego+	San Diego, CA	1,536	N/A	1,536	-	0.00%
129.	Rohrbach Brewing Co.	Rochester, NY	1,530	1,385	145	10.47%	0.00%
130.	Couer d'Alene Brewing Co.	Couer d'Alene, ID	1,500	1,200	300	25.00%	0.00%
131.	Lewis & Clark Brewing Co.	Helena, MT	1,500	N/A	1,500	-	0.00%
132.	Rock Bottom-Bethesda	Bethesda, MD	1,483	1,496	(13)	-0.87%	0.00%
133.	Rock Bottom-Desert Ridge+	Phoenix, AZ	1,465	N/A	1,465	-	0.00%
134.	Beach Chalet Brewing Co.	San Francisco, CA	1,400	1,200	200	16.67%	0.00%
135.	Rock Bottom-Westminster+	Westminster	1,395	N/A	1,395	-	0.00%
136.	Rock Bottom-Brewery-Long Beach+	Long Beach, CA	1,363	N/A	1,363	-	0.00%
137.	Mishiwaka Brewing Co.	Mishiwaka, IN	1,350	1,310	40	3.05%	0.00%
138.	Rock Bottom-Warrenville+	Warrenville, IL	1,327	N/A	1,327	-	0.00%
139.	Rock Bottom-Indianapolis+	Indianapolis, IN	1,317	N/A	1,317	-	0.00%
140.	Rock Bottom-Arrowhead+	Glendale, AZ	1,314	N/A	1,314	-	0.00%
141.	Rock Bottom-Phoenix+	Phoenix, AZ	1,299	N/A	1,299	-	0.00%
142.	Midnight Sun Brewing Co.	Anchorage, AK	1,297	1,224	73	5.96%	0.00%
143.	Upstream Brewing Co. #2	Omaha, NB	1,292	N/A	1,292	-	0.00%
144.	Big Horn Brewing Co.	Salem, OR	1,255	1,252	3	0.24%	0.00%
216.	Rock Bottom-Minneapolis+	Minneapolis, MN	1,244	1,200	44	3.67%	0.00%
146.	Denver Chophouse+	Denver, CO	1,224	N/A	1,224	-	0.00%
147.	Fitger's Brewhouse+	Duluth, MN	1,207	980	227	23.16%	0.00%
148.	Lengthwise Brewing	Bakersfield, CA	1,200	1,302	(102)	-7.83%	0.00%
149.	Oaken Barrel Brewing Co.	Greenwood, IN	1,200	1,250	(50)	-4.00%	0.00%
150.	Santa Barbara Brewing Co.	Santa Barbara, CA	1,200	1,200	0	0.00%	0.00%
151.	Port Townsend Brewing Co.	Port Townsend, WA	1,200	1,050	150	14.29%	0.00%
152.	Southampton Publick House+	Southampton, NY	1,200	1,000	200	20.00%	0.00%
153.	Wild River Brewing Co.+	Grant's Pass, OR	1,200	850	350	41.18%	0.00%
154.	Brown's Brewing Co.	Troy, NY	1,183	988	195	19.74%	0.00%
155.	Breckenridge Brewery-Breckenridge	Breckenridge, CO	1,180	1,150	30	2.61%	0.00%
156.	Sly Fox Brewing Co.	Phoenixville, PA	1,150	848	302	35.61%	0.00%
157.	Rock Bottom-Des Moines+	Des Moines, IA	1,149	N/A	1,149	-	0.00%
158.	Rock Bottom-King of Prussia+	King of Prussia, PA	1,146	N/A	1,146	-	0.00%
159.	Flat Branch Brewing Co.	Columbia, MO	1,145	1,075	70	6.51%	0.00%
160.	Pelican Pub & Brewery+	Pacific City, OR	1,129	750	379	50.53%	0.00%
161.	Rock Bottom Brewery-Cincinnati+	Cincinnati, OH	1,127	N/A	1,127	-	0.00%
162.	Moab Brewing Co.+	Moab, UT	1,100	N/A	1,100	-	0.00%
163.	Rock Bottom-Milwaukee+	Milwaukee, WI	1,100	N/A	1,100	-	0.00%
164.	Jack Russell Brewing Co.	Camino, CA	1,100	N/A	1,100	-	0.00%
165.	Walnut Brewery+	Boulder, CO	1,080	1,082	(2)	-0.18%	0.00%
166.	Thirsty Bear Brewing Co.	San Francisco, CA	1,080	1,066	14	1.31%	0.00%
167.	Rock Bottom-Bellevue+	Bellevue, WA	1,067	N/A	1,067	-	0.00%
168.	Rock Bottom-South Denver+	Englewood, CO	1,063	N/A	1,063	-	0.00%

	BREWER	LOCATION	2004 SALES 31-GAL. BARRELS	2003 SALES 31-GAL. BARRELS	VARIANCE AMOUNT (04-03)	VARIANCE PERCENT (04-03)	2004 PRODUCTION SHARE OF U.S. SALES	2004 MARKET SHARE OF U.S. SALES
169.	Belfast Bay Brewing Co.*	Belfast, ME	1,050	950	100	10.53%	0.00%	0.00%
170.	Red Rock Brewing Co.	Salt Lake City, UT	1,046	N/A	1,046	-	0.00%	0.00%
171.	Carolina Brewery	Chapel Hill, NC	1,034	998	36	3.61%	0.00%	0.00%
172.	Hops of Newington+	Newington, CT	1,019	1,215	(196)	-16.13%	0.00%	0.00%
173.	Rock Bottom-Stuart Street+	Boston, MA	1,014	N/A	1,014	-	0.00%	0.00%
174.	Tustin Brewing Co.	Tustin, CA	980	980	0	0.00%	0.00%	0.00%
175.	Rock Bottom Brewery-Seattle+	Seattle, WA	962	N/A	962	-	0.00%	0.00%
176.	Sleeping Lady Brewing Co.	Anchorage, AK	950	N/A	950	-	0.00%	0.00%
177.	Blind Tiger Brewery+	Topeka, KS	918	1,005	(87)	-8.66%	0.00%	0.00%
178.	Hoptown Brewing Co.	Pleasanton, CA	910	850	60	7.06%	0.00%	0.00%
179.	Kreb's Brewing Co.	Krebs, OK	900	N/A	900	-	0.00%	0.00%
180.	Rock Bottom-Scottsdale+	Scottsdale, AZ	866	N/A	866	-	0.00%	0.00%
181.	AleSmith Brewing Co.	San Diego, CA	855	800	55	6.88%	0.00%	0.00%
182.	DC Chophouse Brewery+	Washington, DC	805	N/A	805	-	0.00%	0.00%
183.	Fox River Brewing Co.	Oshkosh, WI	803	785	18	2.29%	0.00%	0.00%
184.	Bosco's Squared+	Memphis, TN	800	717	83	11.58%	0.00%	0.00%
185.	Fox River Brewing Co. #2	Appleton, WI	797	717	80	11.16%	0.00%	0.00%
186.	Rock Bottom-Cleveland+	Cleveland, OH	797	N/A	797	-	0.00%	0.00%
187.	San Francisco Brewing Co.+	San Francisco, CA	796	853	(57)	-6.68%	0.00%	0.00%
188.	Blue Corn Cafe+	Sante Fe, NM	788	751	37	4.93%	0.00%	0.00%
189.	McGuire's Irish Pub & Brewery+	Pensacola, FL	785	772	13	1.68%	0.00%	0.00%
190.	Barrington Brewery+	Great Barrington, MA	782	755	27	3.58%	0.00%	0.00%
191.	Rock Bottom-Braintree+	Braintree, MA	772	N/A	772	-	0.00%	0.00%
192.	Magnolia Pub & Brewery+	San Francisco, CA	770	750	20	2.67%	0.00%	0.00%
193.	Stewart's Brewing Co.	Bear, DE	760	603	157	26.04%	0.00%	0.00%
194.	Richbrau Brewing Co.	Richmond, VA	720	700	20	2.86%	0.00%	0.00%
195.	Moonlight Brewing Co.	Fulton, CA	710	707	3	0.42%	0.00%	0.00%
196.	Ramapo Valley Brewpub+	Suffern, NY	688	761	(73)	-9.59%	0.00%	0.00%
197.	Blue Corn Cafe & Brewery+	Albuquerque, NM	670	648	22	3.40%	0.00%	0.00%
198.	Flossmoor Station Brewing CO.	Flossmoor, IL	610	695	(85)	-12.23%	0.00%	0.00%
199.	Brew Moon+	Honolulu, HI	600	600	0	0.00%	0.00%	0.00%
200.	Rowland's Calumet Brewing Co.	Chilton, WI	585	581	4	0.69%	0.00%	0.00%
201.	Rock Bottom-Irvine+	Irvine, CA	574		574	-	0.00%	0.00%
202.	Bosco's Nashville Brewing Co.	Nashville, TN	573	572	1	0.17%	0.00%	0.00%
203.	Huntington Beach Beer Co.+	Huntington Beach, CA	567	559	8	1.43%	0.00%	0.00%
204.	Old Market Pub & Brewery+	Portland, OR	550	500	50	10.00%	0.00%	0.00%
205.	Firehouse Brewing Co.	Rapid City, SD	546	533	13	2.44%	0.00%	0.00%
206.	Firehouse Brewing Co.	Rapid City, SD	546	533	13	2.44%	0.00%	0.00%
207.	Seven Barrel Brewery+	West Lebanon, NH	528	537	(9)	-1.68%	0.00%	0.00%
208.	Oregon Trail Brewing Co.*	Corvallis, OR	500	500	0	0.00%	0.00%	0.00%
209.	Stone Cellar Brewpub+	Appleton, WI	500	439	61	13.90%	0.00%	0.00%
210.	Roslyn Brewing Co.	Roslyn, WA	500	270	230	85.19%	0.00%	0.00%
211.	Hyannisport Brewing Co.	Hyannis, MA	500	N/A	500	-	0.00%	0.00%
212.	R.J. Rockers Brewing	Spartanburg, SC	495	210	285	135.71%	0.00%	0.00%
213.	Trumer Brewing Co. (est. 9/04)	Berkeley, CA	475	N/A	475	-	0.00%	0.00%
214.	Cleveland Chophouse+	Cleveland, OH	473	N/A	473	-	0.00%	0.00%
215.	Hops of Alexandria+	Alexandria, VA	468	396	72	18.18%	0.00%	0.00%
216.	Siletz Brewing Co.	Siletz, OR	412	350	62	17.71%	0.00%	0.00%
217.	Milford Brewing Co.*	Milford, NJ	400	300	100	33.33%	0.00%	0.00%
218.	Anacapa Brewing Co.	Ventura, CA	375	350	25	7.14%	0.00%	0.00%
219.	Boscos Little Rock+	Little Rock, AR	369	115	254	220.87%	0.00%	0.00%
220.	Draught House Brewery+	Austin, TX	350	350	0	0.00%	0.00%	0.00%
221.	Great Adirondack Brewing Co.	Lake Placid, NY	335	260	75	28.85%	0.00%	0.00%
222.	Spiljer Ales	Cortland, NB	302	300	2	0.67%	0.00%	0.00%
223.	Montgomery Brewing Co.	Montgomery, AL	282	N/A	282	-	0.00%	0.00%
224.	Pacific Coast Brewery+	Oakland, CA	268	275	(7)	-2.55%	0.00%	0.00%
225.	Norwich Inn+	Norwich, VT	199	192	7	3.65%	0.00%	0.00%
226.	Race Brook Brewpub+	Uncasville, CT	170	201	(31)	-15.42%	0.00%	0.00%
227.	Sly Fox Brewing #2 (est. 11/04)	Royersford, PA	100	N/A	100	-	0.00%	0.00%
228.	Frank-N-Stein+	Ferndale, WA	6	5	1	20.00%	0.00%	0.00%
229.	Olde Saratoga Brewing Co.	Saratoga, NY	N/A	15,135	(15,135)	-	0.01%	0.01%
230.	Lost Coast Brewing Co.	Eureka, CA	N/A	13,856	(13,856)	-	0.01%	0.01%
231.	Smuttynose Brewing Co.	Portsmouth, NH	N/A	8,246	(8,246)	-	0.00%	0.00%
232.	Bayern Brewing Co.	Missoula, MT	N/A	7,899	(7,899)	-	0.00%	0.00%
233.	Bayhawk Ales, Inc.	Irvine, CA	N/A	6,343	(6,343)	-	0.00%	0.00%
234.	James Page Brewing	Minneapolis, MN	N/A	5,250	(5,250)	-	0.00%	0.00%
235.	Avery Brewing Co.	Boulder, CO	N/A	4,984	(4,984)	-	0.00%	0.00%
236.	Speakeasy Ales	San Francisco, CA	N/A	4,875	(4,875)	-	0.00%	0.00%
237.	Butte Creek Brewing	Chico, CA	N/A	4,000	(4,000)	-	0.00%	0.00%
238.	Drake's Brewing Co.	San Leandro, CA	N/A	3,500	(3,500)	-	0.00%	0.00%
239.	Oak Creek Brewing Co.	Sedona, AZ	N/A	3,250	(3,250)	-	0.00%	0.00%
240.	Moose's Tooth Brewing Co.	Anchorage, AK	N/A	2,480	(2,480)	-	0.00%	0.00%
241.	Coopersmith's Brewing Co.+	Ft. Collins, CO	N/A	1,867	(1,867)	-	0.00%	0.00%
242.	Coronado Brewing Co.	Coronado, CA	N/A	1,570	(1,570)	-	0.00%	0.00%
243.	Cornelius Pass Roadhouse+	Hillsboro, OR	N/A	1,532	(1,532)	-	0.00%	0.00%
244.	Smoky Mountain Brewing Co.	Gatlinburg, TN	N/A	1,425	(1,425)	-	0.00%	0.00%
245.	Steamworks Brewing Co.	Durango, CO	N/A	1,401	(1,401)	-	0.00%	0.00%

EDITOR'S NOTE: The chart above is a ranking of the top reporting national and craft brewers. The chart is not all inclusive, but does include most major producers. There are now approximately 1400 U.S. brewers, the majority pub operations with average production under 1200 barrels per annum. KEY: *=Modern Brewery Age estimate; += brewpub; (*) barrelage includes some contract production; (C)=contract brewer, a company that produces beer at another brewer's facility; N/A=barrelage not available, or company not in operation; (1) Miller Brewing Co. figure is an estimate, adjusted to subtract J. Leinenkugel volume. A separate estimate of Leinenkugel volume is included for historical purposes (2) Pabst now produces all beer under contract at Miller breweries. Those brewers that did not report before our deadline but would like inclusion in a future chart should send 2004-2003 barrelage figures by e-mail to pete@breweryage.com. An updated version of this chart will be published in our next edition. Brewers can also fax data to (203) 852-8175 Attn: Modern Brewery Age. Copyright Modern Brewery Age, 2005.

Production Draught and Package Sales and Total Taxpaid Removals of Malt Beverages

For Calendar Years 1946-2003 (Quantities in 31 Gallon Barrels). Beer Institute figures.

Calendar Year	Production	Package Removals	% of Total	Draught Removals	% of Total	Total Taxpaid Removals
1946	83,312,516	53,010,253	66.6	26,530,243	33.4	79,540,496
1947	91,742,212	58,899,477	67.6	28,272,887	32.4	87,172,334
1948	88,125,320	58,699,355	69.0	26,367,959	31.0	85,067,314
1949	88,618,322	59,443,805	70.3	25,113,802	29.7	84,557,607
1950	88,178,356	59,487,512	71.8	23,342,616	28.2	82,830,137
1951	89,742,138	61,706,743	73.6	22,116,893	26.4	83,823,636
1952	90,489,824	63,359,469	74.7	21,477,011	25.3	84,836,480
1953	92,104,063	65,830,505	76.5	20,214,611	23.5	86,045,116
1954	88,940,268	63,927,035	76.7	19,377,986	23.3	83,305,021
1955	90,285,488	66,179,019	77.9	18,789,255	22.1	84,977,274
1956	90,338,445	67,087,002	78.9	17,921,154	21.1	85,008,156
1957	89,465,986	66,982,200	79.4	17,388,825	20.6	84,371,025
1958	90,120,512	67,168,341	79.6	17,256,368	20.4	84,424,709
1959	93,127,427	70,308,462	80.2	17,313,897	19.8	87,622,359
1960	93,415,363	70,955,595	80.7	16,957,244	19.3	87,912,839
1961	95,030,031	71,910,757	80.0	17,117,674	19.2	89,028,431
1962	96,831,989	74,128,498	81.3	17,068,659	18.7	91,197,157
1963	100,631,563	76,343,134	81.4	17,446,808	18.6	93,789,942
1964	105,897,968	80,685,951	81.8	17,958,041	18.2	98,643,992
1965	108,221,725	82,624,078	82.3	17,796,839	17.7	100,420,917
1966	113,037,193	86,531,831	83.0	17,730,210	17.0	104,262,041
1967	116,550,659	89,579,475	83.7	17,394,922	16.3	106,974,397
1968	122,407,762	94,007,957	84.4	17,407,741	15.6	111,415,698
1969	127,311,042	98,991,915	85.1	17,279,482	14.9	116,271,397
1970	133,123,267	104,619,875	85.9	17,240,131	14.1	121,860,006
1971	137,479,910	110,026,703	86.4	17,370,566	13.6	127,397,269
1972	141,336,930	114,219,578	86.7	17,589,085	13.3	131,808,663
1973	148,601,510	120,340,835	86.9	18,127,596	13.1	138,468,431
1974	156,147,443	127,227,705	87.5	18,236,377	12.5	145,464,082
1975	160,598,916	130,229,488	87.6	18,414,297	12.4	148,643,785
1976	163,656,955	132,125,154	87.9	18,262,233	12.1	150,387,387
1977	170,507,857	138,673,342	88.4	18,240,789	11.6	156,914,131
1978	179,656,544	144,585,652	88.9	18,120,235	11.1	162,705,887
1979	184,187,771	148,684,013	88.4	19,431,684	11.6	168,115,697
1980	194,086,267	152,346,481	87.9	21,020,539	12.1	173,367,020
1981	193,687,085	154,545,763	87.5	22,150,730	12.5	176,696,493
1982	194,349,406	153,606,164	87.0	22,968,671	13.0	176,574,835
1983	195,123,375	154,186,944	86.9	23,307,984	13.1	177,494,928
1984	193,021,392	152,640,123	86.9	22,839,376	13.1	175,479,499
1985	193,307,822	153,362,068	87.6	21,769,542	12.4	175,131,610
1986	196,498,984	157,422,686	88.1	21,298,341	11.9	178,721,027
1987	195,420,205	156,872,204	88.2	20,976,382	11.8	177,848,586
1988	198,024,766	157,934,409	88.6	20,299,638	11.4	178,234,047
1989	200,124,365	159,433,057	88.9	19,963,928	11.1	179,396,985
1990	203,658,410	163,998,656	88.9	20,475,177	11.1	184,473,833
1991	202,370,518	160,930,740	88.7	20,518,639	11.3	181,449,379
1992	202,107,862	159,809,506	88.4	20,559,366	11.4	180,874,804
1993	202,638,596	160,337,440	88.6	20,563,370	11.4	180,900,810
1994	202,039,109	160,122,576	89.1	19,564,706	10.9	179,687,282
1995	199,215,197	157,947,168	89.3	18,955,400	10.7	176,902,568
1996	201,050,049	159,213,737	89.5	18,746,053	10.5	177,959,790
1997	198,904,373	159,359,238	89.8	18,093,839	10.2	177,453,077
1998	198,130,339	159,935,547	90.2	17,383,919	9.8	177,319,466
1999	198,251,742	162,582,242	90.5	17,046,914	9.5	179,629,156
2000	199,173,709	162,644,340	90.7	16,710,730	9.3	179,355,070
2001	199,332,251	163,550,113	90.6	16,494,110	9.1	180,422,561
2002	200,406,545	165,599,785	90.7	16,628,422	9.2	182,596,473
2003	196,722,477	163,319,190	90.6	16,621,931	9.2	180,279,439

Data collected by the Beer Institute, Washington, D.C. Note: 2002/2003 figures are estimates.

leader Boston Beer Company, the top ten crafters added an estimated 200,000 barrels of additional volume. Percentage increases were not the wild triple digit increases of yore, but that is also significant—many of the larger craft brewers are now operating from an appreciable base.

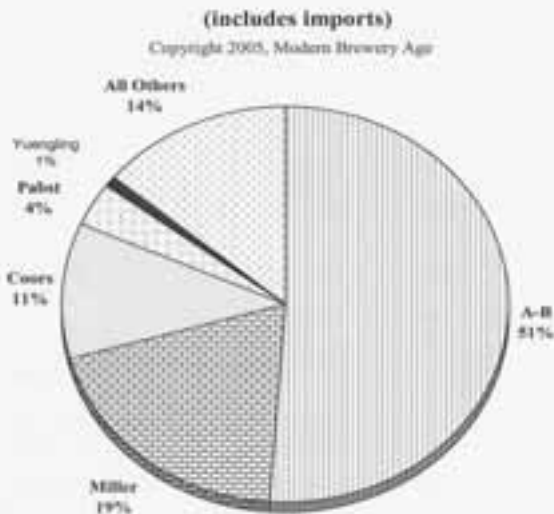
The mini-boom in craft was also in stark contrast to the static position of the top brewers. We've noted Miller's position on the comeback trail. When Miller added 600,000 barrels, those are 600,000 barrels that A-B would have gotten, had the new SABMiller management bobbled the ball as their predecessors did. But SABMiller has made the game a lot tougher for Anheuser.

When Anheuser-Busch adds 400,000 domestic barrels, as they did in 2004, that has to count as a bad year. Fortunately for Anheuser, the company no longer operates in one dimension. Management could happily contrast the logy domestic numbers with sparkling performance overseas, where Budweiser may soon be as ubiquitous as Coca-Cola.

And, of all the major brewers, A-B seems to be the one that sees the future most clearly. One can learn a lot from simply watching what kind of beer is coming out of A-B brewhouses. The debut of Michelob Ultra coincided with the low-carb fad. In 2004, it was B(e), the Red Bull slayer, and now it is Budweiser Select, a no-aftertaste, low-carb, low-calorie lager beer. If no-aftertaste, low-cal low-carb is the future of beer, then it is a bleak future indeed. But A-B deserves credit for attempting to ease women and young adult consumers into the beer fold, albeit with small beer.

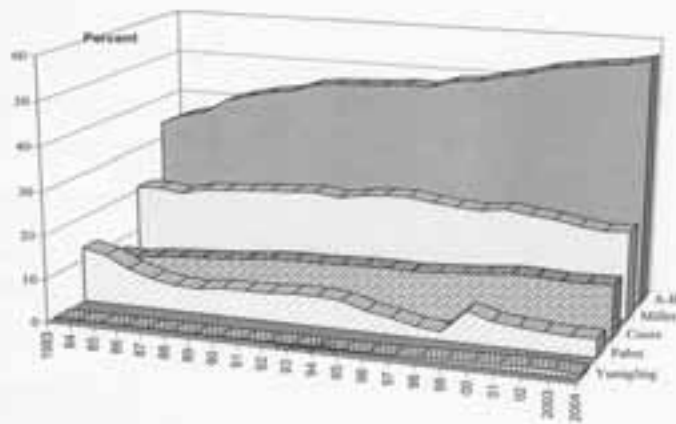
Number three brewer Coors lost a few barrels in 2004, but the travails of Coors Light were nothing compared to the big news in Golden. After much back and forth, the Molson and Coors families finally consummated their long-sought merger. Many analysts complained that the merger brought nothing in potential added sales, but for the Coors and Molson families this was

2004 Market Share-Top Brewers



Domestic Share of Production Current Top Five Brewers 1983-2004

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Decennial Production, Population and Per Capita Production, 1860-2000

YEAR	BARRELS	POPULATION	PER CAPITA
1860	3,812,346	31,443,321	3.8
1870	6,574,617	38,558,371	5.3
1880	13,347,111	50,155,783	8.2
1890	27,561,944	62,947,714	13.6
1900	39,330,848	75,994,575	16.0
1910	59,485,117	91,972,266	20.0
1920	9,263,280	105,710,620	2.7
1930	3,681,183	122,775,046	0.9
1940	54,891,737	131,669,275	12.9
1950	88,807,075	151,325,798	18.2
1960	94,547,867	179,323,175	16.3
1970	134,653,881	203,302,031	20.5
1980	188,373,657	226,542,199	25.8
1990	203,658,410	248,718,301	25.4
2000	199,173,709	281,421,906	21.9

Figures compiled by the Beer Institute

beside the point. The two companies had become odd men out in North America. Both are old-line family companies, where the founding families still take great pride in the process of brewing. By merging, they headed off any number of acquisitive foreign brewers who had been eyeing these two brewers. Cynics say the acquirers will simply seek to buy the combined Coors/Molson, but there's no doubt the founding families have bought some time. The combined brewery is a respectable colossus, bestriding North America and the U.K., together with a weak toehold in Brazil. If the company can make progress in Brazil, and enter additional emerging markets, it has a good shot at an independent future among the top ten world brewers.

The Pabst brands continued to subside gradually into the firmament, despite Blue Ribbon's nascent retro appeal. But other breweries in the old second tier are showing the way. The D.G. Yuengling Brewing Co. enjoyed another year of growth, building depth in existing markets before it takes its next big plunge.

The standout in the second tier would have to be City Brewing Co., which operates in G. Heileman's old flagship plant. The company reported a substantial barrel increase in 2004, placing them alongside Yuengling and Boston Beer. Some analysts look askance at their numbers, but no one doubts they have the capacity.

Running the old big regional breweries is one of the toughest jobs in the business, but these companies are making a go of it. High Falls has been putting new products out, and has added imports to the mix, while Pittsburgh Brewing Co. continues to come out with cutting edge packaging. Both companies seem to have stabilized as they enter 2005.

The beer business had a flat '04, and the major culprits are the agile distillers and vintners. Consumers are looking for new tastes, and brewers are now trying to provide them. For A-B, that means making beers that are less and less like beer. For craft brewers, it has meant making more and more real beer. As 2005 unfolds, we'll see which approach puts more malt and hops into the glass. ■