



## The Economic Impact of the Craft Beer Industry in Iowa, 2015

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This study was prepared for  
The Iowa Economic Development Authority and  
The Iowa Wine and Beer Promotion Board by

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## Primary Findings:

# Iowa Economic Impact, 2014

- Increases in Output of \$100 million
- Generates 1,500 jobs
- Increases personal income by \$42 million

## Projected Growth , 2014-2019

- Production from 40,786 to 146,000 barrels
- Market share from 1.2% to 5.0%

## Iowa has a historical link to the craft brewing industry

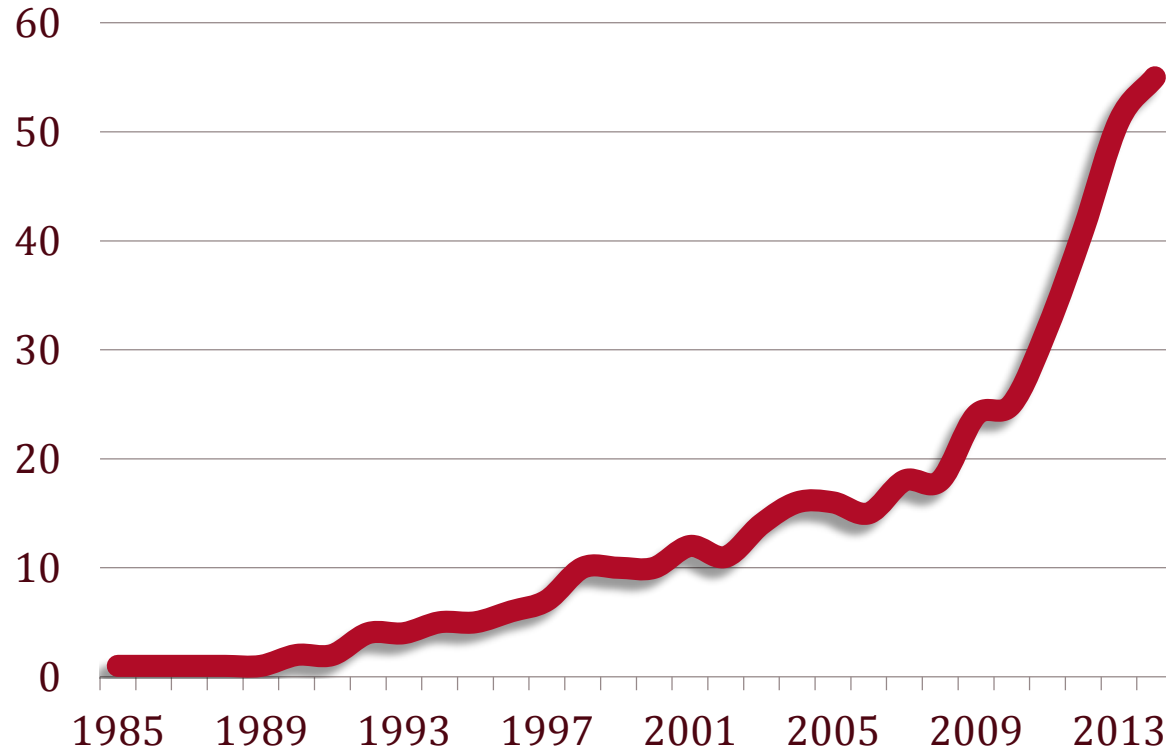


*Iowa has an interesting tie to the birth of the craft beer industry. Frederick Louis (Fritz) Maytag III established the first craft beer brewery when he purchased the Anchor Brewing Company in San Francisco in 1965.*



*He was the great-grandson of the founder of the Maytag Corporation, which was headquartered in Newton, Iowa.*

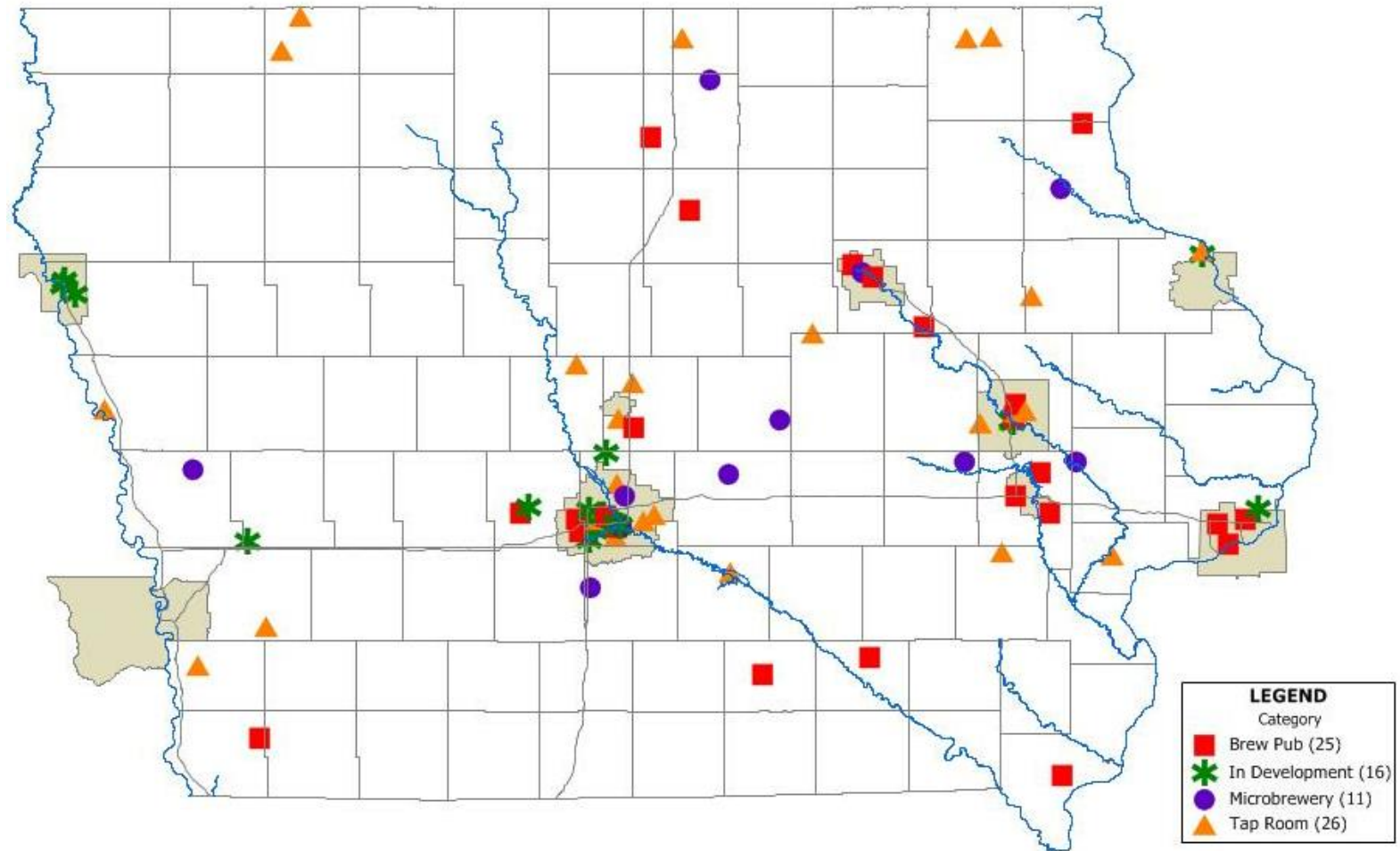
## Growth of Iowa Craft Breweries:



*The growth spurt since 2009 owes major credit to a law change that allowed craft breweries to begin producing high alcohol content (over 5% alcohol) beer.*



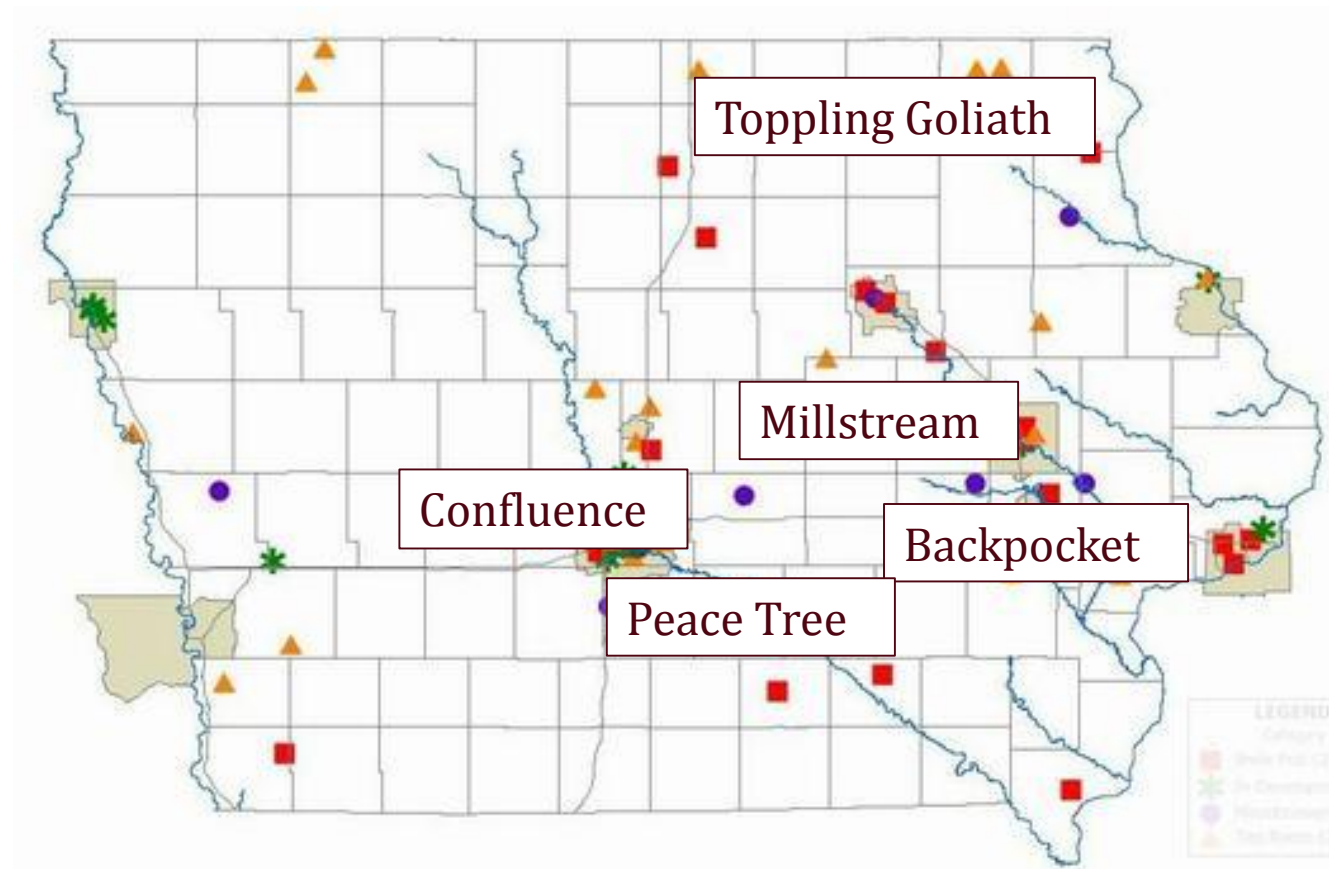
Breweries and brewpubs are currently located in 29 Iowa counties.



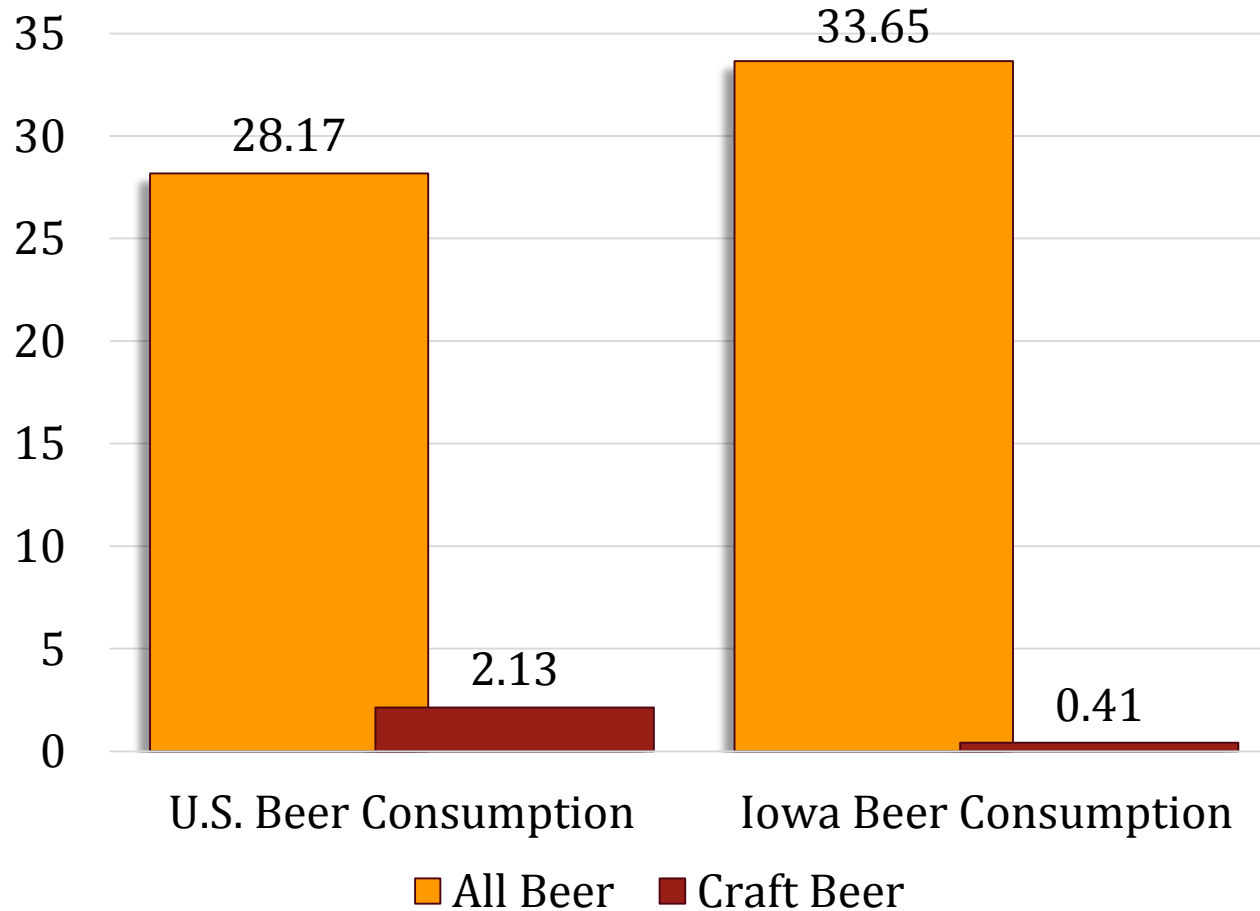


## Top Craft Beer Producers in the State

*During 2014, the top five breweries accounted for 57.5% of total beer production in the State. The top 10, accounted for over 87%.*



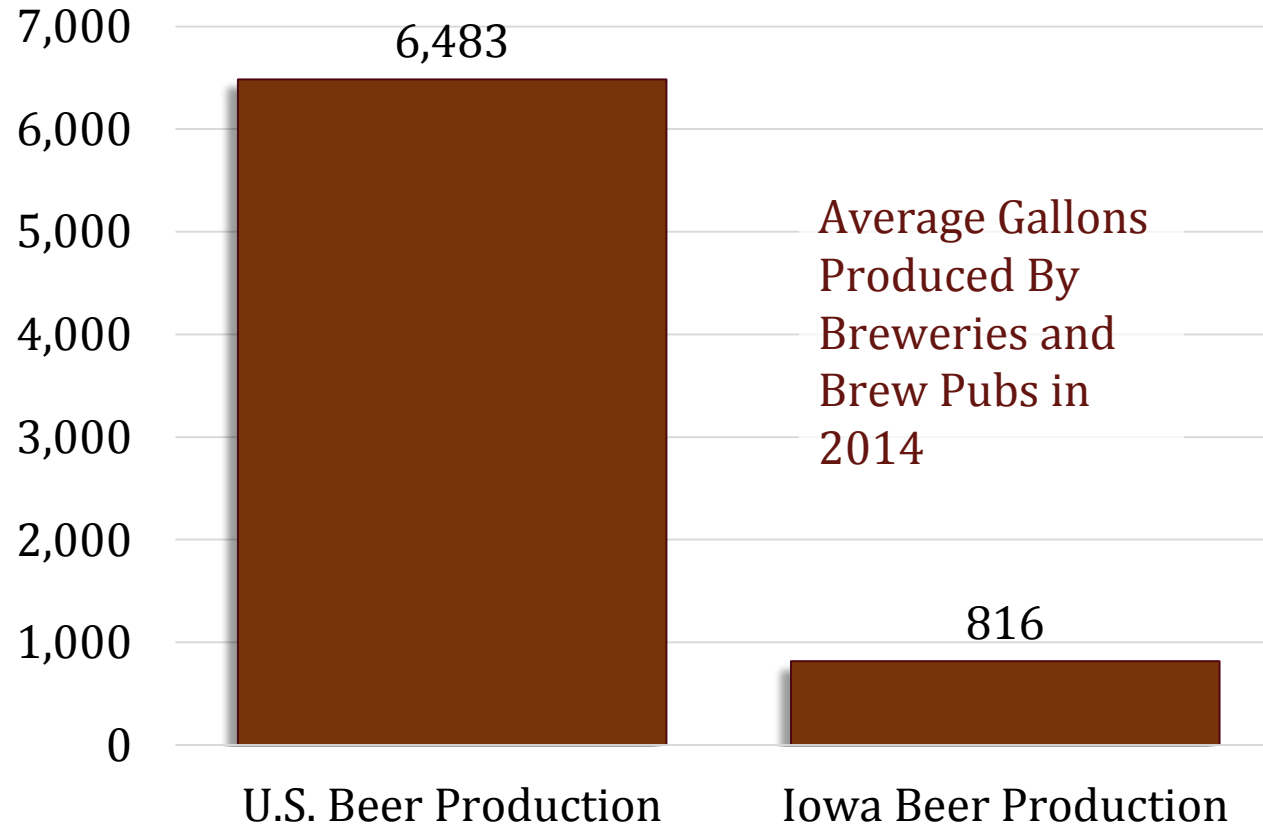
## Per Capita Beer Consumption in Gallons



*In 2012, Iowans consumed more beer per capita than the nation, but less of it was craft beer*

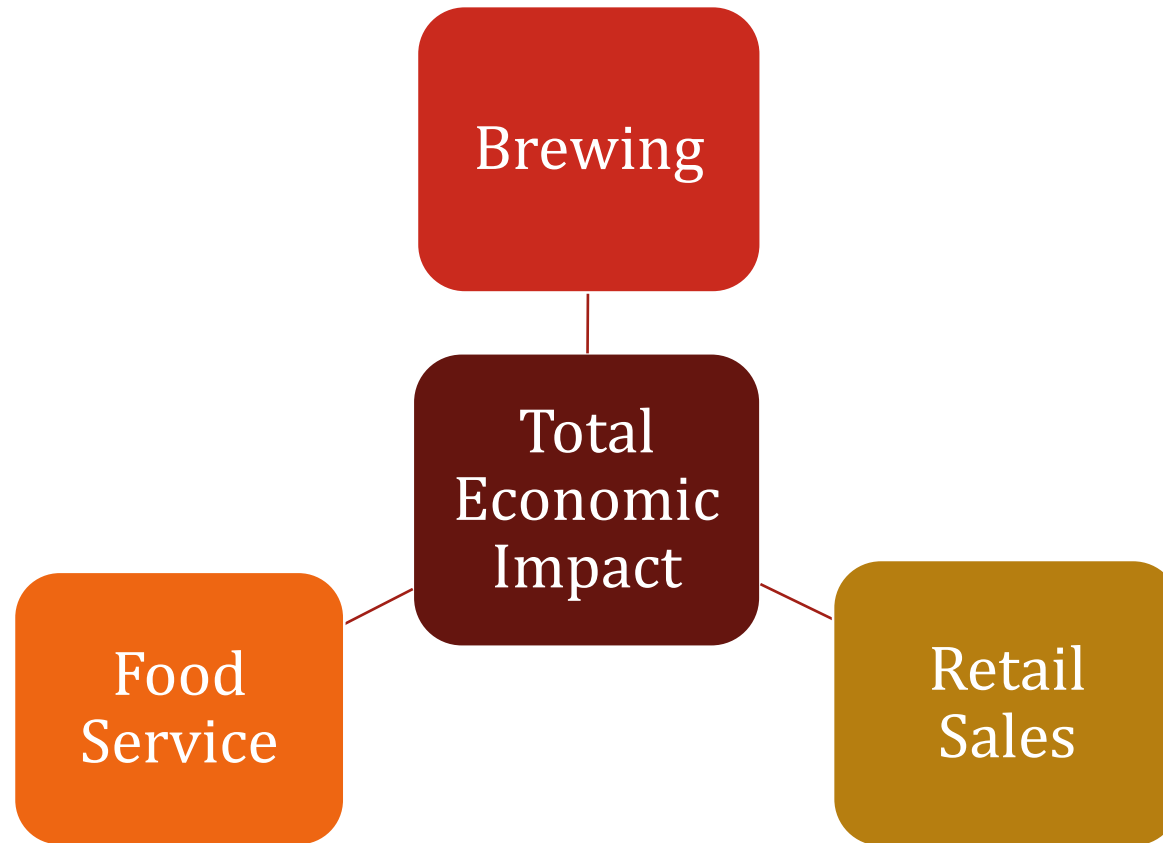


## Annual Average Craft Beer Production



*In 2014, Iowa breweries and brew pubs ranked 49<sup>th</sup> in the nation in average beer production*

## The Economic Impact Included Three Operations



## Brewing Operations are Local-Input Intensive

- *Involves both Production Breweries and Brew Pubs*
- *67% of input purchases were from in-state vendors*
- *In 2014, \$13 million of the \$20 million purchases of brewing inputs were from Iowa firms*

Brewing Inputs	Share of Total	Share from Iowa
Rent, Capital Cost	36%	100%
Labor	21%	100%
Packaging & Labeling	17%	16%
Hops, Grains, Chemicals	16%	23%
Utilities	3%	84%
All other	7%	53%
Total	100%	67%



## Food Service Operations are also Local-Input Intensive

- *Involves the Restaurant operations of Brew Pubs*
- *89% of input purchases were from in-state vendors*
- *In 2014, \$37 million of the \$41 million purchases of food inputs were from Iowa firms*

Food Service Inputs	Share of Total	Share from Iowa
Rent, Capital Cost	33%	100%
Labor	32%	100%
Food	28%	60%
All other	7%	77%
Total	100%	89%

## Retail Sales Involve the Use of Distributors

- *This operation involves both Production Breweries and Brew Pubs*
- *65% of the sales are through Iowa distributors, 35% were out-of-state sales*
- *In 2014, \$3.6 million of the \$10.4 million sales were to out-of-state purchasers*

Retail Sales Inputs	Share of Total	Share from Iowa
Rent, Capital Cost	1%	100%
Labor	11%	100%
Wholesale Cost	88%	100%
Total	100%	100%

# The 2014 Impact of the Iowa Craft Brewing Industry



## Total Economic Impact on Iowa

	Jobs	Income	Output
Direct Effect	1,283	\$31.2m	\$65.9m
Indirect Effect	82	\$4.3m	\$14.5m
Induced Effect	155	\$6.5m	\$19.7m
Total Effect	1,520	\$41.9m	\$100.2m



