

*Great Lakes*  
**HOP & BARLEY**  
**CONFERENCE**

## Reflections From a Pint Half Full

Scott Graham, Michigan Brewers Guild  
March 1, 2019



# Scott Graham

- Northern MI Redneck
- Frankenmuth Brewery
- Siebel Institute
- Beer Wholesaler
- Big Buck Brewery
- Miller Brewing Company
- Michigan Brewers Guild



# Scott & Eric – Big Buck 1997



MiBeer.com





# Michigan Brewers Guild



# Michigan Brewers Guild

**A RISING TIDE:**  
*Stories from the  
Michigan Brewers Guild  
by Fred Bueltmann*



**\$20**  
*order today*

“... we often end up telling stories and being amazed at how far we’ve come.”



# U.S. Breweries

- 1612: First known brewery at New Amsterdam
- 1810: 132 breweries
- 1850: 431 breweries
- 1860: 1,269 breweries
- 1861: IRS is created
- 1862: \$1 per bbl. excise tax, USBA formed
- 1867: 3,700 breweries
- 1873: 4,131 breweries – High water mark



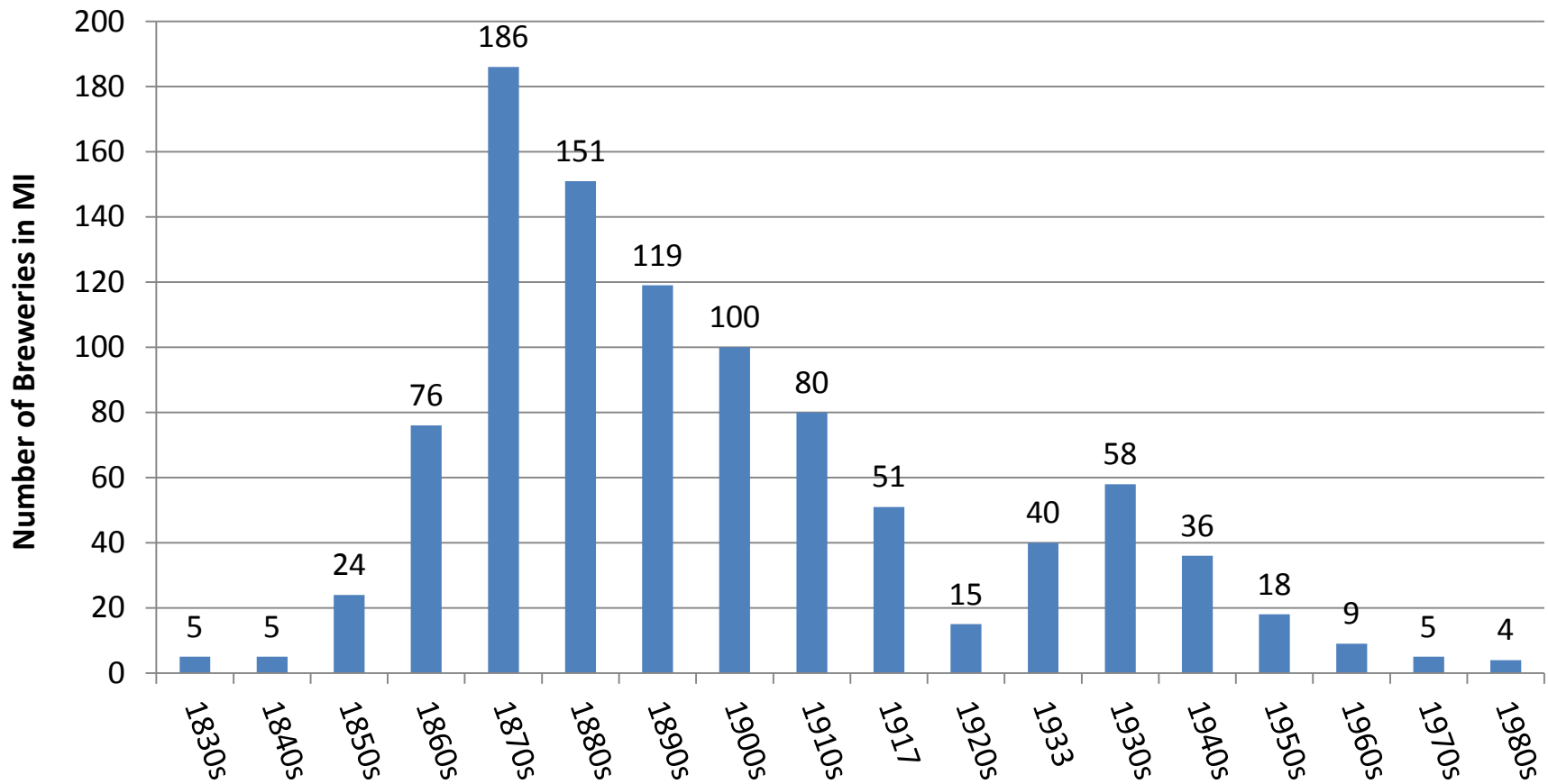
# U.S. Breweries

- 1880-1910: number of breweries declines
- 1910: approximately 1,500 breweries
- 1920-1932: Prohibition
- 1934: 756 breweries
- 1950: 407 breweries
- 1961: 230 breweries owned by 140 companies
- 1983: 80 breweries owned by 51 companies
  - Top 6 produce 92% of beer
  - Low water mark





## Historical Growth & Decline of Michigan Breweries (1830s - 1980s)





# U.S. Breweries Return

- 1969: Fritz Maytag purchases Anchor Brewing Company
- 1977: Jack McAuliffe opens New Albion Brewing Co.
- 1980: Ken Grossman opens Sierra Nevada Brewing Co.
- 1982: Bert Grant opens first brewery/restaurant –  
Yakima Brewing & Malting Company
- 1984: Micro breweries begin to spread
- 1990: Sierra Nevada Brewing Co. produces 31,000 bbls.
- 1994: 84 microbreweries & brewpubs in CA  
= More than entire US in 10 years prior
- 1995: 500 breweries



# Interesting Dates

- 1969: Fritz Maytag
- 1977: Jack McAuliffe
- 1980: Ken Grossman
- 1982: Bert Grant
- 1982: Ted Badgerow
- 1985: Larry Bell
- 1985: Jim Koch
- 1987: Ferdinand Schumacher
- 1989: Scott Graham



# 1850-1873: 25 Years (roughly)

- Breweries flourish in US
  - 1850: 431 breweries
  - 1873: 4,131 Peak number pre-prohibition



# 1880-1910: 25 Years (roughly)

- Breweries decline in number in US
  - 1873: 4,131 Peak number pre-prohibition
  - 1910: About 1,500 breweries
  - Period of competition, efficiency & consolidation



# 1920-1933 Prohibition



# 1934-1983: 50 Years (roughly)

- Breweries decline in number in US
  - 1934: Post Prohibition surge
  - 1950: 407 breweries
  - 1961: 230 breweries (140 companies)
  - 1983: 80 breweries (51 companies)
    - Top 6 brewers account for 92% of production



# 1980-2005: 25 Years

- 1980: 92 breweries
- 1985: 110 breweries
- 1990: 284 breweries
- 1995: 800 breweries
- 2000: more than 1,500 breweries
- 2005: just under 1,500 breweries



# 2005-2030 25 Years

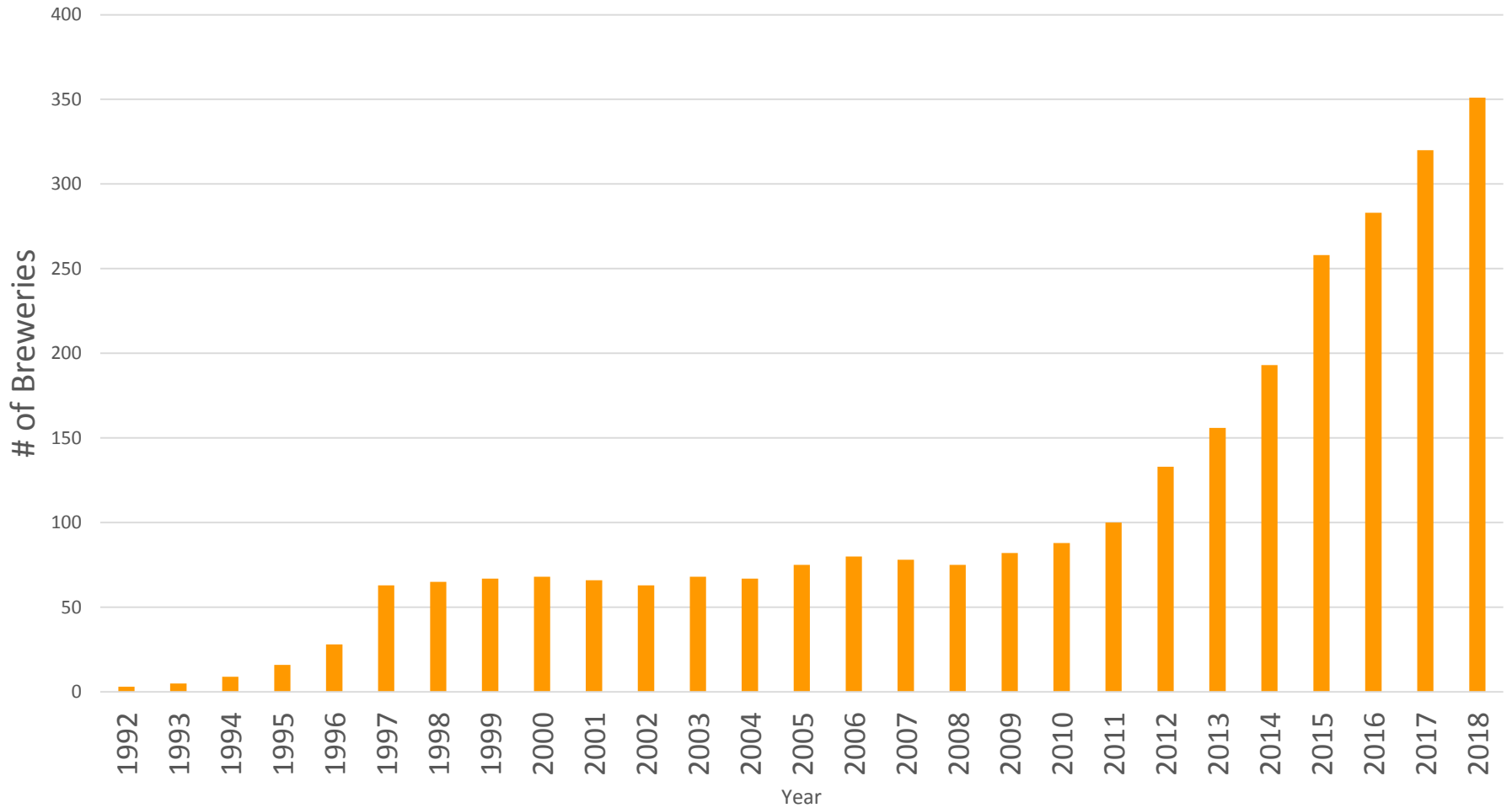
- 2005: Just under 1,500 breweries
- 2010: More than 1,800 breweries
- 2015: More than 4,500 breweries
  - New high water mark
- 2018: More than 7,000 breweries
- 2020:
- 2025:
- 2030:







# Breweries in Michigan



# Breweries Beyond 2018

- More breweries yet to come
- Maturing market
- Business challenges



# Conversations About the Industry

- Mid to late 1990s – novel interest
- Mid 2000s – trendy fad
- 2010 – industry & business focused
- 2018 – saturation, competition



# Developments in the Industry

- Michigan water
- Michigan hops
- Michigan barley
- Michigan malt
- Challenging business environment



# Fresh, Clean Water



The Michigan Brewers Guild's purpose is to promote and protect the craft beer industry in Michigan and a core part of our mission is to monitor and assure a healthy brewing industry. A consistent and reliable supply of quality raw materials is fundamental to the success of our brewing industry and water is the single largest raw material used by every brewery in the state.

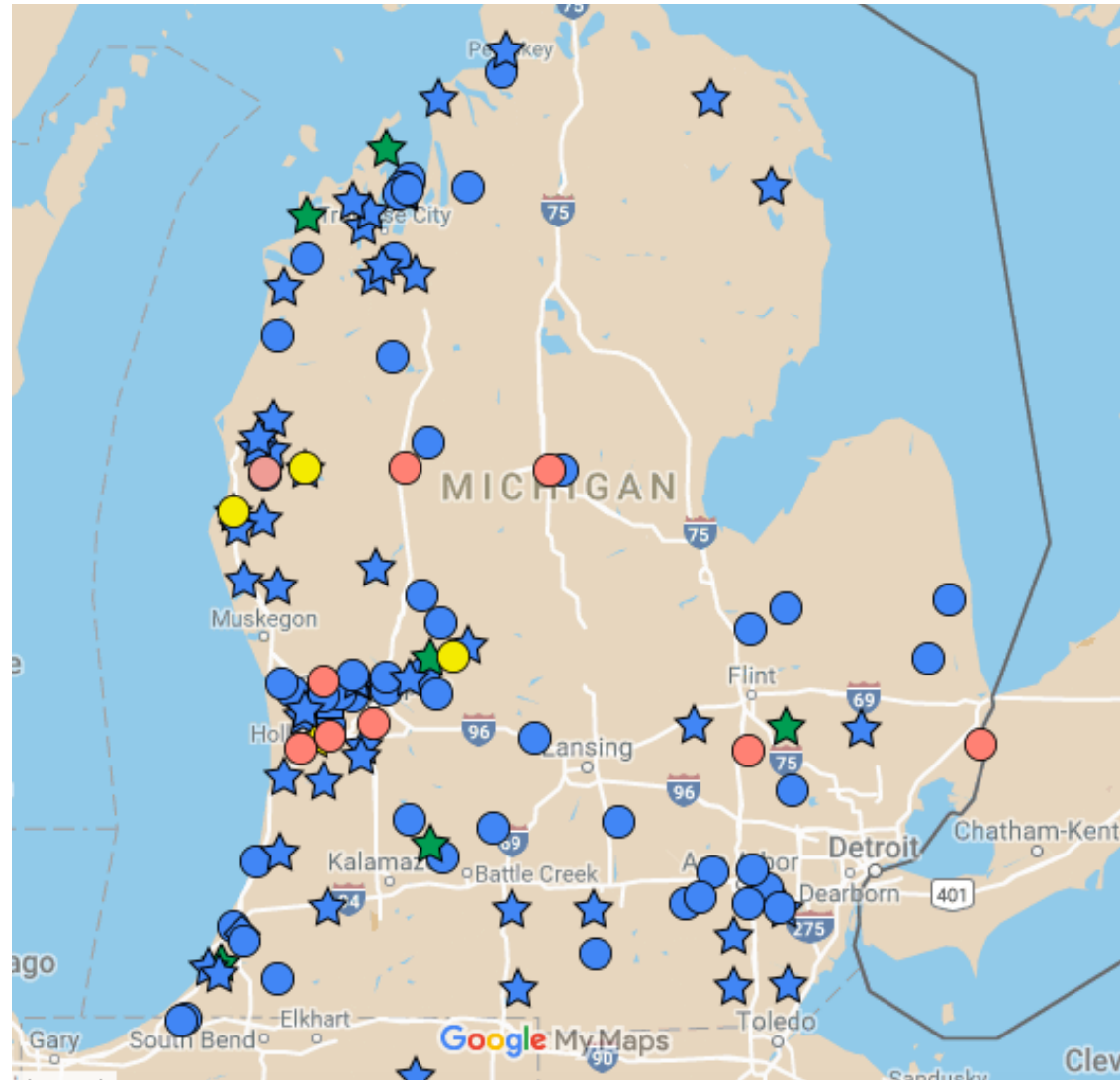


Michigan breweries have a strategic advantage by operating in a region with an abundant supply of clean, fresh water and breweries rely on that water to succeed now and in the future. Any disruption in the supply of clean water would be devastating to our thriving brewing industry and it is critical that we preserve and protect this valuable natural resource. The Michigan Brewers Guild is opposed to any policy, industry or infrastructure that threatens the security of the water supply in our state.



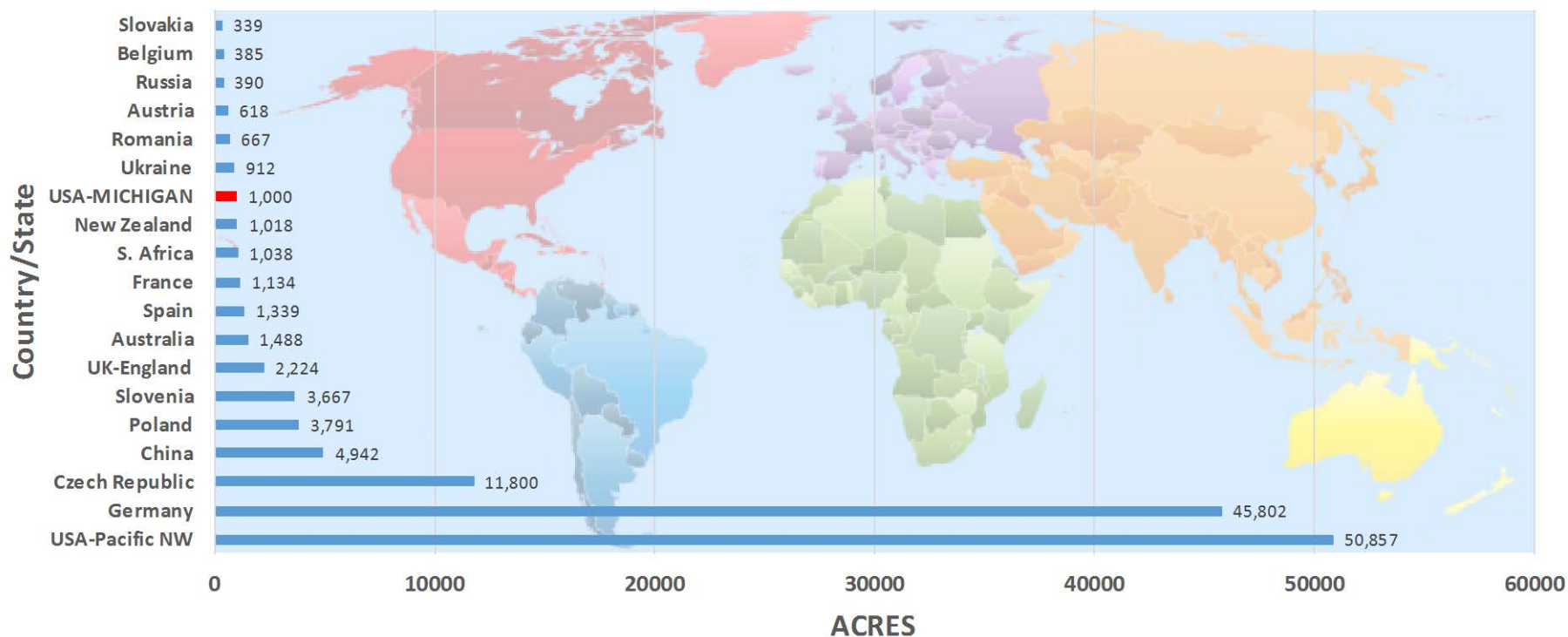


# 2016 Michigan Hop Acreage





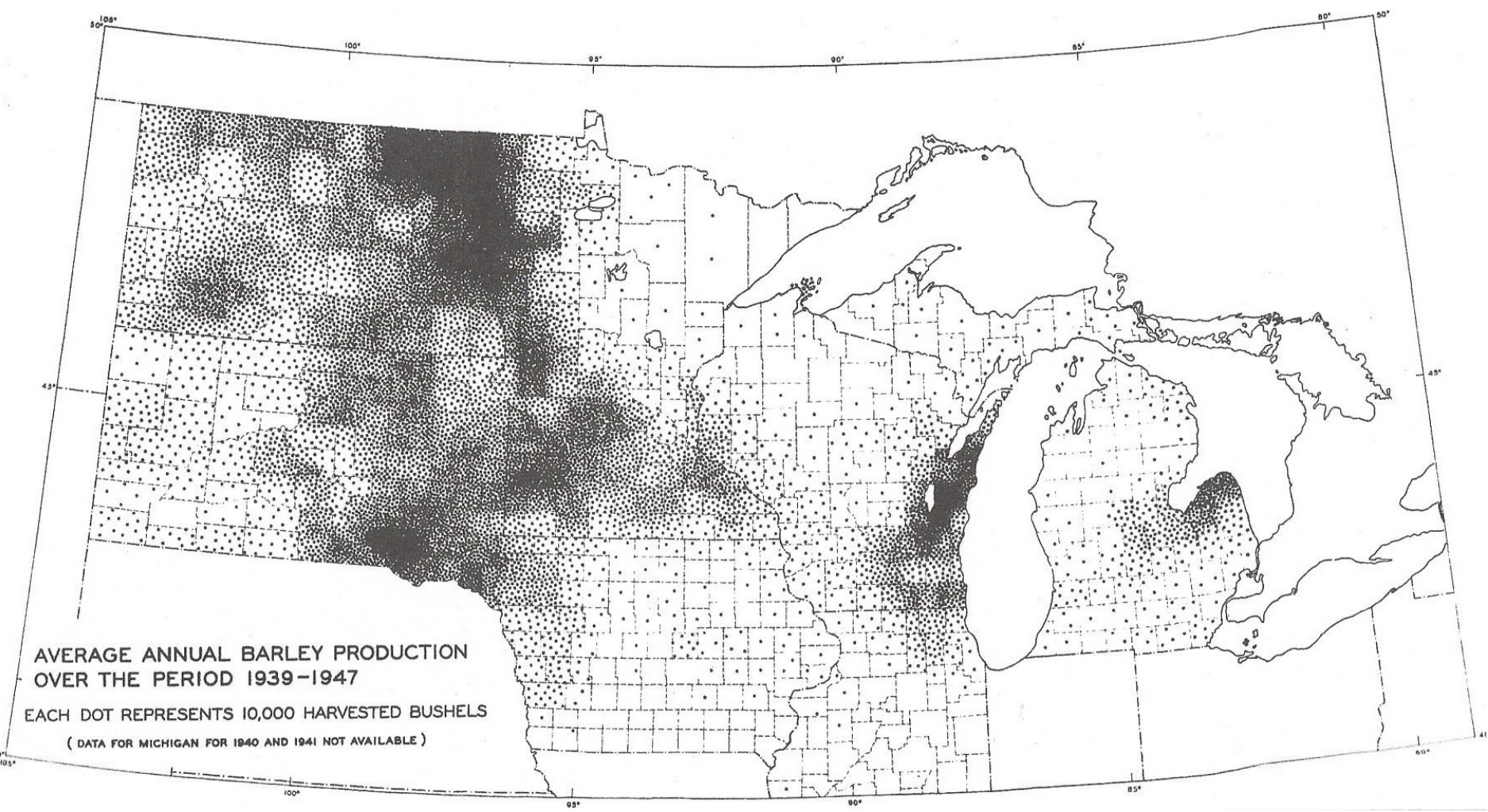
# 2016 Global Hop Acreage





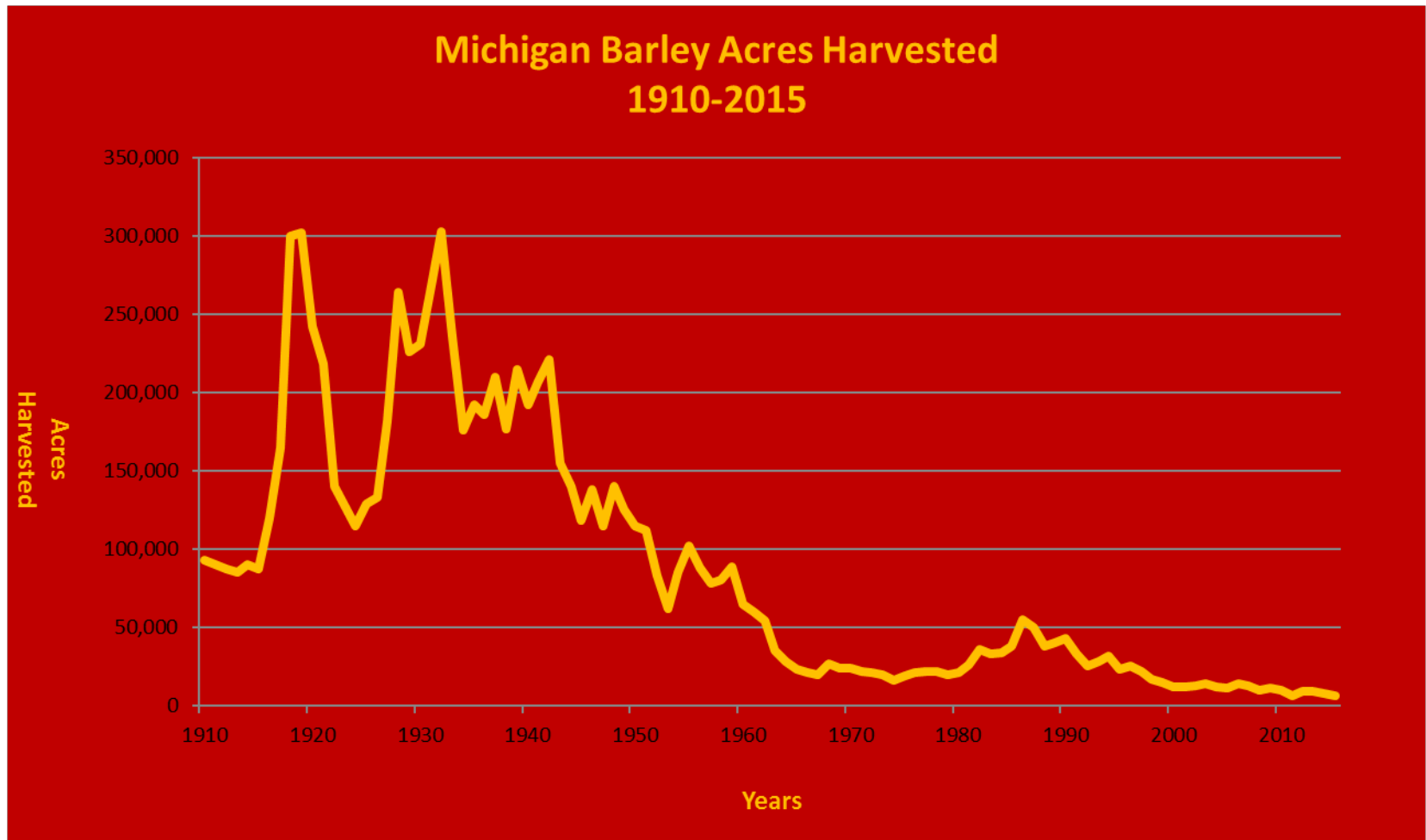


# Average Annual Barley Production





# Michigan Barley Harvests





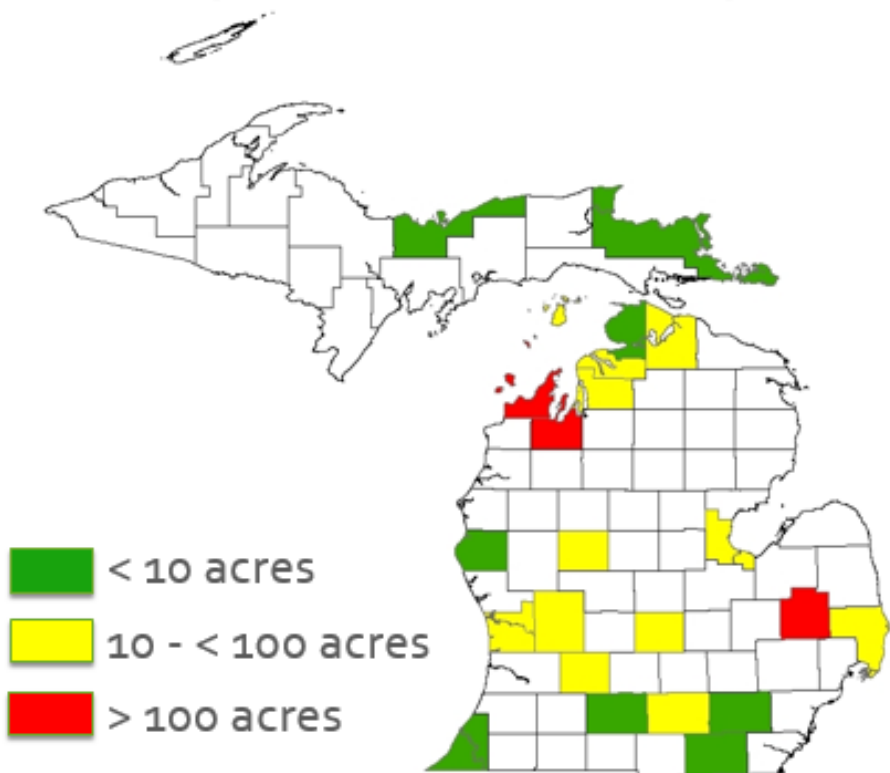
# Michigan Barley



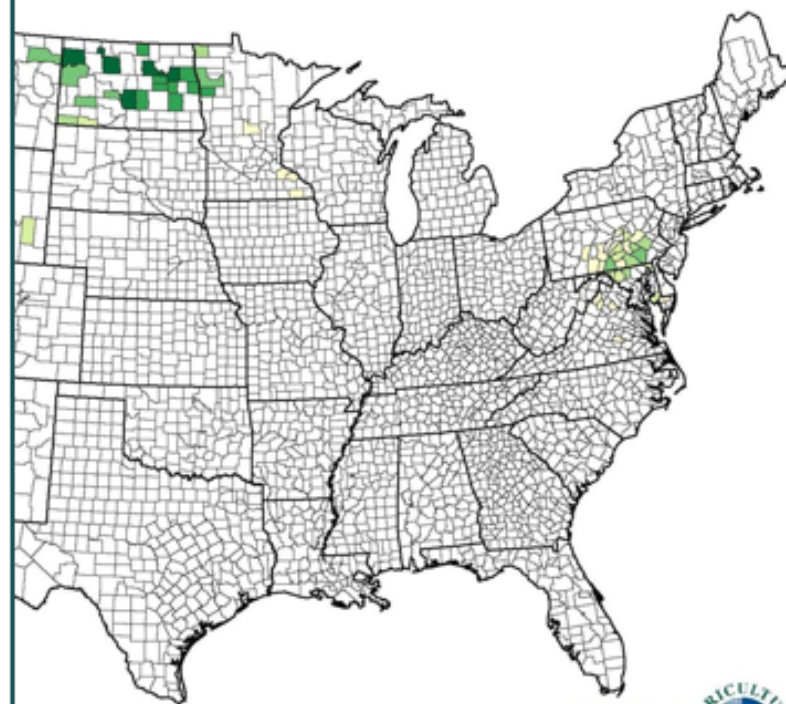


# Michigan Barley Acreage

2015 Survey – Estimate 1,000 acres barley for malt



Barley 2015  
Harvested Acres by County  
for Selected States





# Michigan Malthouses

## MICHIGAN MALTHOUSES

*Map updated November 2016*



1. U.P. Malt Company
2. Superior Malt
3. Artisan Malts
4. Valley View Farm\*
5. Empire Malting Co.\*
6. Great Lakes Malting Co.\*
7. Michigan Malt\*
8. Koops' Malt Haus
9. Fedora Malthouse
10. Pilot Malt House\*
11. Emergent Malt
12. Mitten State Malt
13. Motorcity Malt\*
14. Arrowhead Malt
15. Macon Creek Malt

*\*In production, all others under construction*

To be listed on this map, contact Ashley McFarland  
ashlymc@anr.msu.edu or (906) 439-5176  
[msue.anr.msu.edu/topic/malting\\_barley/malting](http://msue.anr.msu.edu/topic/malting_barley/malting)

# Conclusions & Observations

- The future is exciting
- Michigan beer and agriculture will continue to bond
- Local supply chain in MI is a logical development
- Product differentiation – terroir
- Craft brewer usage rates & preferences
- Growth potential locally and beyond



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**DRINK  
MICHIGAN  
BEER™**

**Cheers!**



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