Table of Contents

Letter from Chairman Tom Long ............................................................Page 1

Legislative Affairs .................................................................Page 2
  • Equitable Tax Legislation (BEER Act)
  • Keg Theft
  • Transparency in the Aluminum Market

Brand Beer ............................................................Page 4
  • Communications by the Numbers

Regulatory Affairs .............................................................Page 11
  • Food Safety Modernization Act
  • Dietary Guidelines

Commitment to Responsibility ................................................Page 14
  • Committed to Responsibility
  • Responsible Advertising and Marketing
  • Underage Drinking
  • Drunk Driving Prevention

Industry Snapshot ..............................................................Page 17
  • 2013 Statistical Review

Beer Industry Representation ..................................................Page 20
  • On Behalf of Beer
  • Worldwide Brewing Alliance

Beer Institute Officers, Directors and Representatives .......................Page 23
  • Beer Institute Officers and Directors
  • Ex Officio Representatives to the Board of Directors
A Faster, Smarter and Better Beer Institute

Over the last two years, we have seen significant changes to the beer industry: unrelenting economic pressure on our core consumers, increased competition, new assaults by our critics, and, at times, unnecessary and rancorous discord among brewers.

But as you will read in this Annual Report of the Beer Institute, and see from the program at our 2014 Annual Meeting, we have responded to these challenges. During my two years as Chairman of the Beer Institute, we've reshaped our trade association to be faster, smarter and a better representative of the entire beer industry.

Today, we have Brand Beer in full activation, taking the initiative to tell policymakers of our contribution to the economy, why beer deserves our hard-won commercial freedoms, and how we already pay more than our fair share of taxes.

Brand Beer brings the velocity, muscle and strategic thinking that we need in the policy and regulatory debates shaping our industry. It’s an effort in which everyone can – and should – get involved. You will hear more about Brand Beer over the course of our annual meeting in Washington, D.C.

In what may be the most lasting and important objective of the last two years, we have also built an industry response to hard liquor’s “standard drink” myth. The Know Your Drink platform is grounded in science, driven by facts, and built on a common sense approach to educating people on why beer is a better choice.

As you will learn during our annual meeting, the Beer Institute has succeeded in signing more than 100 co-sponsors of the BEER Act. The BEER Act is the industry’s best defense against an increase in the federal excise tax on beer. The threat of higher taxes is forever at our door and the BEER Act is the only comprehensive, fair and equitable tax legislation that covers all brewers, and therefore all beer drinkers.

Through the Beer Institute’s regulatory efforts, we have responded to unfair market practices that drive up the price of aluminum. The manipulation of the aluminum market, through warehouse practices and obscure loopholes in the governance of the commodity exchanges, has drained millions of dollars from the bottom lines of all brewers, big and small. The Beer Institute’s engagement with Congressional oversight committees and other U.S. regulators has brought fresh energy to the efforts to bring fairer, more transparent practices to the aluminum market.

And while it is early to claim victory, we are cautiously optimistic that the Beer Institute’s year-long efforts to address a Food and Drug Administration proposal to limit our ability to market spent grains will succeed. Earlier this spring, the Beer Institute professional staff won promises from the agency to amend the spent grains rule this summer. We worked with a coalition of other stakeholders, including the American Malt Barley Association and the National Milk Producers Federation, to present a calm, fact-based case to the FDA – and it worked.

As you can see, through policy communications, government affairs, regulatory affairs, and our ongoing efforts to build new and stronger coalitions in Washington, D.C., today’s Beer Institute is better positioned than ever to act on behalf of the entire industry.

I wish to thank all of you for support over the last two years of my chairmanship. It has been an honor to serve all of you, and I look forward to working with Luiz Edmond, of Anheuser-Busch, as he assumes the role as Chairman of the Beer Institute, and I take my turn at Vice Chair.

Cheers,

Tom Long
CEO, MillerCoors
Legislative Affairs

Equitable Tax Legislation

A divided 113th Congress continued to struggle throughout the past year to find common ground on any issue, and tax reform was no different. Major tax legislation was passed off to the next Congress, which many analysts predict may change significantly with this fall’s midterm elections. The retirement announcements from veteran lawmakers in the U.S. House of Representatives and the U.S. Senate are piling up. With a highly-charged political environment, there is potential for a large class of freshmen representatives come January 2015.

Despite these obstacles, the Beer Institute staff worked with member companies to advocate for fair, equitable and comprehensive beer excise tax legislation.

The Beer Institute is focused on preventing excise tax increases on all brewers and beer importers. Our position on federal excise taxes is clear: We oppose increased excise taxes on any beer drinker, and any brewer or importer, no matter the size.

The Brewers Excise and Economic Relief Act of 2013 (BEER Act) was introduced by Reps. Tom Latham (R-Iowa) and Ron Kind (D-Wis.) in the House and Sens. Mark Udall (D-Colo.), Roy Blunt (R-Mo.), David Vitter (R-La.) and Michael Bennet (D-Colo.) in the Senate in 2013. To date, the bill has more than 100 cosponsors in the House and 10 in the Senate. Support for the BEER Act sends a powerful message to Congressional negotiators: do not increase beer taxes.

Under the BEER Act of 2013:

- Brewers producing up to 15,000 barrels annually would pay no federal excise tax;
- Small brewers (producers of up to 2 million barrels annually) would pay no tax on the first 15,000 barrels and $3.50 on barrels 15,001 to 60,000;
- Small brewers would pay $9 per barrel for every barrel over 60,000 and up to 2 million barrels;
- Brewers of more than 2 million barrels annually, and all beer importers regardless of size, would pay $9 per barrel for every barrel.

The Beer Institute continues to educate lawmakers and their staffs about the substantial economic impact of beer to their states and districts through job creation, wages earned and taxes paid.
Keg Theft

Theft of beer kegs is a problem estimated to cost brewers and beer importers more than $50 million annually. The Beer Institute, in partnership with its members and other beer industry allies, has been working over the past two years to influence federal legislation to put effective measures in place to address this costly crime.

The Metals Theft Prevention Act of 2013 was introduced by Sen. Amy Klobuchar (D-Minn.). The Senator has been a tireless advocate for the industry on this issue and she continues to look for opportunities to move the bill through the legislative process and bring it to a vote.

Transparency in the Aluminum Market

Over the past year, the Beer Institute has been working with a coalition of manufacturing companies that use aluminum in an effort to address warehouse practices that we believe are distorting the market.

Specifically, the Beer Institute and the other aluminum users have asked the London Metal Exchange (LME), which oversees the metals warehouses, to reform the rules under which these warehouses operate. The Beer Institute has requested more transparency and accountability in the LME’s rules and practices, because they are drastically and unfairly affecting the market for aluminum, a vital commodity for the beer industry.

We also asked the LME to change the rules governing the warehouse ‘load-out’ practices. Current rules and warehouse practices are having an adverse impact on the aluminum market by creating long queues and stockpiles of metal.

We estimate that the total cost to all aluminum users for higher premiums and longer waits associated with the queues and unfair warehouse practices has accounted for more than $3 billion in additional costs. These unfair practices hurt the bottom line of nearly every brewer in America.

This issue was the focus of a 2013 Congressional hearing before the Banking, Housing and Urban Affairs Committee, which oversees financial institutions and consumer protection. As lawmakers and regulators learn more about this issue from the beer industry, they are increasing their concern and attention. While we have made significant progress in bringing this issue to light, the Beer Institute will continue working with Congress, regulators and the media to achieve necessary reforms and market-stabilizing changes.
Brand Beer

According to the Cook Political Report, one of the most trusted Washington sources on campaigns and elections, nearly one in five members of Congress has served for less than three years and the U.S. Senate has seen a 43 percent turnover rate since 2008. Today’s Congress is inexperienced and mostly unaware of the complexity and importance of America’s beer industry.

Over the last year, the Beer Institute’s Brand Beer public affairs program has been working to inform opinion leaders in Washington, D.C., in favor of beer, brewers and beer importers. Our goal remains unchanged: increase the industry’s profile with the intent of promoting the industry’s legislative agenda. That means protecting our industry from higher taxes and preventing threats from regulators and special interest groups opposed to or seeking to divide our industry. That job is even more important – and more challenging – with congressional turnover and inexperience.

Through smart, targeted and strategic communications, Brand Beer promotes the common positions of brewers, beer importers and supply-chain industries on taxes, regulation and other important issues. Over the last year, the Beer Institute hosted ‘policy days’ on Capitol Hill, inviting in staff from hundreds of congressional offices. We sponsored major Beltway events, such as the annual Radio and Television Correspondents Association dinner and National Journal’s Political Pursuits event. We scored major media hits, like a favorable editorial in the New York Post calling for lower taxes on brewers. Through Brand Beer’s channels on earned, digital and social media, we collected more than 99 million media impressions with positive messages about responsibility, economic impact, alcohol policy and taxes.

Brewers, beer importers and the valuable brewing supply chain – from hops and barley farmers to can and bottle manufacturers – put more than two million Americans to work and generate $246.6 billion in economic impact. Washington, DC, influencers are bombarded every day with messages from countless industries vying for their attention, but we have a great story to tell, and we are telling it effectively.
By the Numbers

99 MILLION
positive media impressions and 2,161 earned media stories in 2013.

THIRTY WEEKS
of digital paid media in four flights since the end of 2012.

35-50 PERCENT
Click-through rates exceeding national average by 35-50 percent.

Published 16 positive
Opinion-Editorials focused on reducing the federal beer excise tax and

Held four different Beer Policy Day events in 2013, more than

130 Congressional offices contacted.

did 12 radio interviews in targeted House Ways & Means and Senate Finance Committee districts.

Developed and launched social media pages on Facebook and Twitter, reaching

1.5 MILLION PEOPLE.
Earned Media Samples

**Politico Pro**

Proposed FDA rule threatens cows' ‘happy hour’

“The cows love it. We have a waiting list.”
— Chris Thorne, VP of communications for the Beer Institute

**Bloomberg News**

As someone who's a bit obsessed with beer and probably spends too much money on this stuff, the weeks surrounding the Fourth of July represent a sweet slice of nirvana, because it's a time when America's shopping list looks like mine.

According to data recently released by the Beer Institute, sales of beer topped that of all other food and beverage categories measured by the Nielsen Company during the two weeks ending on July 7, 2012.

That means more than baby formula, more than hot dogs, more than those delicious little beer cafes that the wind eat up before you get there, America is busy buying beer for the Fourth of July — it's America's top-selling holiday.

The Beer Institute also released an updated ranking of which states purchase the most and the least beer. The top five beer buying states include this:
Events
Advertising

Digital

Print

Video
Social Media Engagement
Beer industry is important – and overtaxed

By Post Editorial Board

Quick. What’s the most expensive ingredient in beer? Hops? Yeast? Malt?

If you guessed none of the above, you’d be right. The real answer is taxes. Across America, taxes account for about 40 percent of your average brew. One big reason is a federal excise tax imposed after Prohibition to discourage consumption.

The Competitive Enterprise Institute points out that the beer industry in America supports more than 1 million jobs and $1 billion in economic activity. Here in the Empire State, beer directly accounts for more than 60,000 jobs. The point is that beer is an industry which is both important to our economy and way overtaxed.

Right now, there are two bills in Congress offering some relief. The Brewers Excise and Economic Relief Act would lower excise taxes across the board. The Small Brewer Reinvestment and Expanding Workforce Act would confine this relief to smaller brewers.

We see no reason to make our tax laws even more complicated by carving out special treatment for a preferred class, even if that happens to be the neighborhood microbrewer. Large breweries are important, too, employing thousands of New Yorkers who make, distribute and sell beer. Why should they have to pay if their competitors don’t have to? Especially since the small breweries wouldn’t suffer under the BEER Act. In fact, if you make less than 15,000 barrels, you’d pay no excise tax — good news for backyard brewers.

We support equal relief for all. And if Congress ever sobered up, it would surely realize the best and fairest course would be to get rid of this tax altogether.

Filed Under: Alcohol, Beer, Editorial, Taxes
Regulatory Affairs

Influencing the Regulation of the Food Safety Modernization Act

After closely tracking developments with the Food Safety Modernization Act (FSMA), the Beer Institute determined that action was required on multiple fronts to affect the Food and Drug Administration’s (FDA) proposed interpretation of this legislation. The goal of our 18 month-long effort to engage the FDA is to exempt hops and brewers’ spent grains from additional, unnecessary and costly regulation, as proposed by the FDA under this new law.

In our first comments to the FDA, we asked that hops be added to the list of produce that is exempt from regulation under FSMA. Hops are not consumed raw and are quite safe for human consumption.

In our second letter to the FDA, the Beer Institute was joined by the American Malting Barley Association (AMBA) in asking the FDA to exempt brewers’ spent grains from FSMA human food regulations because they are safe and merely the byproduct of brewing. We filed a third, similar comment letter, again with AMBA, asking for the same exemption when brewers’ spent grains are used for animal feed. In their separate comments, the National Milk Producers Federation singled out the Beer Institute’s leadership on the issue and for working with a coalition of industry stakeholders, including producers of both milk and barley malt, to persuade the FDA to make changes.

Brewers have been marketing spent grain to animal producers for centuries – literally dating back to when we first began brewing beer as a civilization – and there has never once been an incident where someone has gotten sick from this practice. The proposed rules are onerous, expensive and unnecessary.

Regulation of brewers’ spent grain would cost the industry millions of dollars in annual compliance costs, millions of dollars in disposal costs and many millions of dollars more in lost revenue without improving public health and safety. The Beer Institute estimates that an average package brewery could incur costs of $13.6 million per year in upfront and re-occurring costs.

We will continue the talks we began a year ago with the FDA and other industry groups to make sure the amended rule we expect this summer allows brewers to continue this practice of marketing spent grain in the safe, sanitary and swift manner that the industry has exhibited for hundreds of years.

In a show of cooperation and trust between the FDA and the Beer Institute, the FDA asked the Beer Institute to inform the industry and trade media that news reports of a requirement that brewers “dry and package” spent grains are erroneous. The FDA says there is no such requirement, and we worked with media and membership to correct that misimpression.
Dietary Guidelines

The U.S. Dietary Guidelines is in the midst of being systematically reviewed, edited and re-published by the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Agriculture (USDA). This is a process that occurs every five years. The Dietary Guidelines serve as federal policy on nutrition and as such are advocated by all federal agencies with oversight of food and nutrition, and by the nation’s health and nutrition professionals. The Dietary Guidelines Advisory Committee (DGAC), which is comprised of independent nutrition experts, has begun to meet and will provide an updated set of recommendations to inform the drafting of the Dietary Guidelines policy document in 2015.

The Dietary Guidelines, and the process by which they are written and shaped, is important to brewers and beer importers because of implications on consumer behavior in the marketplace, as well as regulatory and tax policy.

The Beer Institute recently submitted comments to the DGAC urging them to remove the misleading definition of a “standard drink” and the confusing reference point of 0.6 fluid ounces of alcohol from the next set of recommendations. Language intended to instruct consumer behavior on how to moderate alcohol consumption needs to accurately correspond to typical and customary drinking occasions. The Beer Institute’s position is that there are distinct differences between beer and other beverage categories, and it is misleading to tell consumers or policymakers that “a drink is a drink,” when, in fact, beer and hard liquor are made, served and consumed differently.
Our public comments, posted on the Dietary Guidelines website, argue that the language guiding behavior on alcohol needs to be replaced with something that more accurately corresponds to consumer behavior. Information provided in the Dietary Guidelines must provide better information to consumers who wish to moderate their drinking so those consumers more accurately understand how much alcohol they’re consuming, regardless of which alcohol beverage they choose.

A 2013 ruling from the Alcohol and Tobacco Tax and Trade Bureau (TTB) underscores the fact that not all drinks are the same. This TTB ruling is important because it recognized that a label disclosure for alcohol that fails to account for variations in alcohol content between products could seriously mislead consumers. Dr. Robert Pandina of the Rutgers University Center for Alcohol Policy stated:

“Americans need better guidance about healthy drinking. The Dietary Guidelines aren’t very useful. They don’t parallel the drinking habits of the American public.”

We will continue advocating for guidelines that adequately inform consumers about variations in alcohol content and properly represent beer, brewers and beer importers.
Committed To Responsibility

For American brewers and beer importers, social responsibility is paramount – including everything from land and water stewardship to eliminating drunk driving and underage drinking. There are hundreds of responsibility and sustainability programs supported by major brewers and importers across the country.

One of these initiatives is the Federal Trade Commission’s (FTC) We Don’t Serve Teens program that provides parents and other adults with the tools they need to help reduce teen drinking. To support the program, the country’s major brewers and importers garnered 7.1 billion media impressions through advertisements and billboards in major media markets carrying the program’s logo and message: “Please don’t serve teens.”

This is just one example of dozens showing the commitment to responsibility by beer brewers and importers. The latest government and academic reports reveal positive trends, but there is more work to be done.

Responsible Advertising and Marketing

Brewers and beer importers have a longstanding commitment to responsible advertising practices, dating back to when our industry’s marketing and advertising code was first established in the 1930s. The code has been adapted over time to meet changing social norms and our continued commitment to responsibility.

In 2014, the FTC released their fourth major study on alcohol industry compliance with self-regulatory advertising and marketing guidelines. After examining advertising placements of 14 companies during the first six months of 2011, the Commission reinforced its support for self-regulation and found that:

- 97.3 percent of total advertising impressions were due to placements that met the 21+ audience standard.
- 93.1 percent of all ad placements made by the 14 companies met the 21+ audience standard.

Results from specific media included:
- 94 percent of ads on national television;
- 98 percent of ads on local television;
- Over 99 percent of ads in magazines;
- 100 percent of ads in newspapers; and
- Over 99 percent of ads placed on measured Internet media.
The Beer Institute urges all beer companies to abide by the Advertising and Marketing Code, and to pay particular attention to digital communications—websites, apps, social networks and other new media. The Beer Institute and its membership will continue to work with the FTC and other regulators to ensure our record of responsibility continues.

The Beer Institute allows all members of the public to request a review of any advertising or marketing effort from a brewer or beer importer by our independent Code Compliance Review Board (CCRB). The CCRB is an important part of the beer industry’s commitment to responsible advertising practices. Over the past year, the Board met to consider consumer complaints and to hear from alcohol beverage industry experts about market trends, the current media landscape and emerging advertising and marketing mediums. While the code did not change during this period, the Beer Institute continues to investigate the policies of new media companies, and how they could influence the advertising and marketing activities of brewers and beer importers.

In addition, the Board reviewed two consumer complaints filed regarding brewer television commercials. In accordance with the Advertising and Marketing Code, the Beer Institute immediately posted the Board’s decision letters regarding these complaints on the Beer Institute’s website. The Board found that the commercials complied with the Beer Institute’s Advertising and Marketing Code.

**Underage Drinking Reached New Record Lows**

Brewers and importers are committed to responsibility. Brewers invest heavily in programs to keep alcohol out of the hands of underage consumers. Beer companies consistently provide guides for parents to use when talking with their children about responsible and legal alcohol consumption. Research has shown that parents are by far the largest influence on their teens’ drinking choices. The industry also promotes ID programs with distributors and retailers and works with college campuses to support alcohol abuse prevention and awareness programs for students.

Indicators in 2013 and 2014 show record-low levels of underage drinking among 12-17-year-olds, according to the federal government’s National Survey on Drug Use and Health. Since record keeping began in 2002, past-month drinking is down 27 percent, binge drinking has declined 33 percent and heavy drinking has dropped 48 percent.

Another government study, the University of Michigan’s Monitoring the Future survey of 8th, 10th, and 12th-graders’ drug and alcohol use, reported that alcohol use and binge drinking continued their long-term declines in 2013, reaching their lowest points in the history of the study.

Furthermore, a 2013 annual survey from the University of California Los Angeles revealed that the percentage of college freshmen who spent six or more hours “partying” in a typical week during their
The senior year of high school reached a new record low: down 65 percent since 1987, when the question was first asked. The survey also revealed that only 35 percent of college freshmen reported drinking beer in 2013, down 53 percent from its peak in 1982.

The research is encouraging, but more work remains to be done. The Beer Institute will continue working with its members to promote the safe, responsible and legal consumption of our products.

**Drunk Driving Prevention**

For decades, brewers and beer importers have been working with partners, such as taxi providers and retailers, to eliminate drunk driving. We want the roadways to be safe for our friends and families, too. As part of the beer industry’s effort to prevent drunk driving, we support designated driver campaigns, safe rides home and retailer trainings. Our companies encourage responsible beer consumption at sporting events and other major concerts and festivals.

According to the U.S. Department of Transportation’s National Highway Traffic Safety Administration, drunk-driving fatalities have decreased 51 percent since 1982 and 21 percent in the past five years. But even one life lost would be too many. Brewers and beer importers remain diligent in efforts to work with educators, retailers, community organizations and law enforcement to prevent these avoidable deaths.
The Beer Institute research department continued to work closely with members to track the U.S. malt beverage industry on many levels. In addition to our standard reporting of production, imports-exports and state shipments, we also compiled data on total sales to retail volume and dollars. We are pleased to report that total sales to retail grew one percent to reach $105.5 billion dollars, despite experiencing a 1.2 percent decrease in volumes. This is a direct result of trading up by consumers, as 25 percent of industry volumes and 35 percent industry dollars are now attributed to the high-end beer segments.

The data are divided up into two categories – on-premise sales (beer purchased and consumed away from home) and off-premise sales (beer purchased for consumption at home). Sales in restaurants led the on-premise category, earning $23.6 billion, representing 22.4 percent of the share of total dollars. This is a very important channel for brewers, as the National Restaurant Association reported its own membership is poised to add 20,000 new locations and 600,000 new employees in 2014. Overall, on-premise retailers earned $56.2 billion in beer sales in 2013. For the off-premise category, convenience stores led the way by earning $18.1 billion, accounting for 17.2 percent of sales. The convenience channel also enjoyed store growth with more than 2,000 new stores according to the National Association of Convenience Stores (NACS) Industry Store count data. Overall, total off-premise sales to retail amounted to $49.3 billion in 2013.

Once again, beer sales far outpaced our competitors in terms of total dollar and total volume sales within the alcohol beverage sector. The chart below has a complete breakdown of the sales data and highlights the leaders in each category.
## 2013 Sales to Retail Dollars and Volume

<table>
<thead>
<tr>
<th>2013 Trade Channels</th>
<th>Retail Dollars (Billions)</th>
<th>Share of Dollars</th>
<th>Volume Barrels (Millions)</th>
<th>Share of Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bar/Tavern</td>
<td>$18.9</td>
<td>17.9%</td>
<td>15.3</td>
<td>7.7%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$23.6</td>
<td>22.4%</td>
<td>13.9</td>
<td>7.0%</td>
</tr>
<tr>
<td>Concessionaire</td>
<td>$3.1</td>
<td>2.9%</td>
<td>1.1</td>
<td>0.6%</td>
</tr>
<tr>
<td>Recreation</td>
<td>$9.7</td>
<td>9.2%</td>
<td>4.9</td>
<td>2.5%</td>
</tr>
<tr>
<td>Military On Premise</td>
<td>$0.4</td>
<td>0.4%</td>
<td>0.1</td>
<td>0.1%</td>
</tr>
<tr>
<td>Other On Premise</td>
<td>$0.5</td>
<td>0.5%</td>
<td>0.4</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Sub Total of On Premise</strong></td>
<td><strong>$56.2</strong></td>
<td><strong>53.3%</strong></td>
<td><strong>35.7</strong></td>
<td><strong>17.9%</strong></td>
</tr>
<tr>
<td>Supermarket/Grocery</td>
<td>$12.8</td>
<td>12.1%</td>
<td>42.7</td>
<td>21.4%</td>
</tr>
<tr>
<td>Convenience</td>
<td>$18.1</td>
<td>17.2%</td>
<td>61.5</td>
<td>30.9%</td>
</tr>
<tr>
<td>Package Liquor</td>
<td>$13.5</td>
<td>12.8%</td>
<td>40.7</td>
<td>20.4%</td>
</tr>
<tr>
<td>Drug Store</td>
<td>$1.4</td>
<td>1.3%</td>
<td>5.1</td>
<td>2.6%</td>
</tr>
<tr>
<td>Mass Merchandise</td>
<td>$2.3</td>
<td>2.2%</td>
<td>8.8</td>
<td>4.4%</td>
</tr>
<tr>
<td>Military Off Premise</td>
<td>$0.2</td>
<td>0.2%</td>
<td>0.7</td>
<td>0.4%</td>
</tr>
<tr>
<td>Other Off Premise</td>
<td>$1.0</td>
<td>0.9%</td>
<td>3.9</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Sub Total Off Premise</strong></td>
<td><strong>$49.3</strong></td>
<td><strong>46.7%</strong></td>
<td><strong>163.4</strong></td>
<td><strong>82.1%</strong></td>
</tr>
<tr>
<td><strong>Total All Channels</strong></td>
<td><strong>$105.5</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>199.1</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
2012 Beer Serves America

The beer-related businesses that include brewers, beer importers, wholesalers, retailers and all their suppliers contributed $246.6 billion to the U.S. economy in 2012. This represents 1.6 percent of total U.S. gross domestic product in 2012. The industry's economic contribution includes more than 2 million jobs paying $79 billion in wages as well as more than $49 billion in federal, state and local taxes generated and paid, including consumption taxes. Detailed national, state and local statistics are available on www.BeerServesAmerica.org.

<table>
<thead>
<tr>
<th>Total U.S. Economic Impact</th>
<th>Jobs</th>
<th>Wages (billions $)</th>
<th>Economic Contribution (billions $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Brewery</td>
<td>43,970</td>
<td>$3.6</td>
<td>$35.5</td>
</tr>
<tr>
<td>Direct Wholesale</td>
<td>129,510</td>
<td>$7.9</td>
<td>$16.8</td>
</tr>
<tr>
<td>Direct Retail</td>
<td>903,540</td>
<td>$20.3</td>
<td>$40.9</td>
</tr>
<tr>
<td>Supplier Impact</td>
<td>352,960</td>
<td>$19.8</td>
<td>$69.3</td>
</tr>
<tr>
<td>Induced Impact</td>
<td>585,140</td>
<td>$27.4</td>
<td>$83.9</td>
</tr>
<tr>
<td>Total Jobs/Contribution</td>
<td>2,015,120</td>
<td>$78.9</td>
<td>$246.6</td>
</tr>
</tbody>
</table>

Business and Personal Taxes (income, fica, and futa) $39.0
Consumption Taxes (excise, sales, and others) $10.2
On Behalf of Beer (2013-2014)

The Beer Institute represents America’s brewers, beer importers and suppliers throughout the year at conferences and events hosted by governments, non-profits, media and other important stakeholders.

* Denotes conference/meeting at which BI staff spoke.
+ Denotes conference/meeting at which BI displayed its trade booth.

July 2013

- Beer Institute Annual Membership Meeting – Chicago, Ill.

August 2013

- DC Beer Week – Washington, DC
- Governors Highway Safety Administration Annual Meeting – San Diego, Calif.
- National Conference of State Legislators (NCSL) Trade Show – Atlanta, Ga. *

September 2013

- American Beverage Institute Annual Meeting – Orlando, Fla.
- Boulevard Brewing – Kansas City, Mo. *
- California Beer and Beverage Distributors Meeting – San Francisco, Calif. *
- National Beer Wholesalers Association Annual Convention – Las Vegas, Nev. *
- National Conference of State Liquor Administrators (NCSLA) Northern/Southern Regional Conference – Oklahoma City, Okla.
- Rogue Ales – Portland, Ore. *

October 2013

- Army and Air Force Exchange Services Beer Summit, Dallas, Texas *
- Center for Alcohol Policy Alcohol Law Symposium – Washington, DC
- Great American Beer Festival – Denver, Colo.
- International Center for Alcohol Policies - Global Actions: Initiatives to Reduce Harmful Drinking – Washington, DC
- Master Brewers Conference – Austin, Texas *
- Worldwide Brewing Alliance Meeting – Philadelphia, Penn.*

November 2013

- Beer Marketers Insights Fall Seminar – New York, N.Y.
December 2013

- Barley Growers Conference – Grand Forks, N.D. *
- Techniques for Effective Alcohol Management (TEAM) Board Meeting – Washington, DC

January 2014


February 2014

- National Barley Growers Association Board Meeting – Washington, DC *
- North American Breweries Annual Wholesaler Meeting – Costa Rica *

March 2014

- American Beverage Institute Spring Member Meeting – Las Vegas, Nev.
- Beer Industry Electronic Commerce Coalition (BIECC) Spring Meeting – Chicago, Ill.
- Constellation Brands Beer Division Wholesaler Meeting – Orlando, Fla.
- MillerCoors Distributor Convention – San Diego, Calif.

April 2014

- ABMRF/The Foundation for Alcohol Research Spring Board Meeting – Baltimore, Md.
- Craft Brewers Conference – Denver, Colo. *
- National Beer Wholesalers Association Legislative Conference – Washington, DC *

May 2014

- Beer Institute Annual Meeting – Washington, DC *
- Brewbound Conference – Boston, Mass.
- National Alcohol Beverage Control Association (NABCA) Annual Conference – Phoenix, Ariz. *
- SAVOR Craft Beer – Washington, DC
- Techniques for Effective Alcohol Management (TEAM) Board Meeting – St. Louis, Mo.
Beer Institute Hosts Worldwide Brewing Alliance Annual Meeting

The Worldwide Brewing Alliance (WBA) was established in 2003 with the objective of disseminating and exchanging best practices and information on social responsibility, environmental sustainability and product integrity issues for the global brewing industry. This is done through regular member communication and an annual meeting, publications and the organization's website.

The WBA represents the brewing sectors in Australia, Canada, China, Europe, Japan, Korea, Latin America, Russia, Ukraine and the U.S., representing nearly 88 percent of the world's beer production.

In October 2013, the Beer Institute hosted the WBA Annual Meeting in Philadelphia. The gathering was attended by representatives from beer industry trade associations around the world, member companies and the Global Brewers Initiative.

Looking for collaborative action and common ground, all trade associations agreed to increase information sharing and coordination for the shared good of the category. The Beer Institute presented on Brand Beer, the state of the U.S. industry, alcohol policy issues and hosted several on-premise beer dinners that were warmly received.
Beer Institute Officers and Directors

N. Thompson Long  
BI Chairman  
& Senior Director; CEO  
MillerCoors

Doug Bailey  
BI Vice Chairman of the Management Committee  
and Treasurer; Vice President, Industry Affairs  
Anheuser-Busch

Luiz Fernando Edmond  
BI Vice Chairman  
& Senior Director; CEO  
Anheuser-Busch

Jim Ryan  
BI Alternate Director; Senior Vice President, Corporate Affairs  
Constellation Brands  
Beer Division

Dolf van den Brink  
BI Director; President & CEO  
HEINEKEN USA, Inc.

Stacy Tank  
BI Alternate Director; Senior Vice President and Chief Corporate Relations Officer  
HEINEKEN USA, Inc.

Bill Hackett  
BI Director; President  
Constellation Brands  
Beer Division

Mary Jane Saunders  
Vice President, General Counsel & Secretary  
Beer Institute

Stephen K. Hindy  
BI Director; Chairman & President  
Brooklyn Brewery

Chris Thorne  
Vice President, Communications  
Beer Institute

Timothy H. Scully  
BI Chairman of the Management Committee; Vice President, Government Affairs  
MillerCoors
Ex Officio Representatives to the Board of Directors

Larry J. Bell  
*President*
Bell’s Brewery

Robert R. Budway  
*President*
Can Manufacturers Institute

Shawn Welch  
*Vice President, Sales and Marketing, North America*
Owens-Illinois

Richard Doyle  
*Chairman & CEO*
Harpoon Brewery

Alex Barth  
*President*
John I Haas, Inc.

Gary Fish  
*President*
Deschutes Brewery, Inc.

L.S. Gimbel III  
*CEO & Chairman*
S.S. Steiner, Inc.

Ken Grossman  
*President & Master Brewer*
Sierra Nevada Brewing Company, Inc.

Steve Henn  
*Group President*
ITW Hi-Cone

Marla Jeffrey  
*President*
Gusmer Enterprises, Inc.

Kim Jordan  
*CEO & Co-Founder*
New Belgium Brewing Company

Brett Joyce  
*President*
Rogue Ales

Jim Koch  
*Founder & Brewer*
Boston Beer Company

Phil Rosse  
*President*
Mike’s Hard Lemonade

Gary V. Lee  
*President & CEO*
Rahr Malting Company

Kris Sirchio  
*CEO*
North American Breweries

Nick Matt  
*Chairman & CEO*
Matt Brewing Company

Andrew Thomas  
*CEO*
Craft Brew Alliance, Inc.