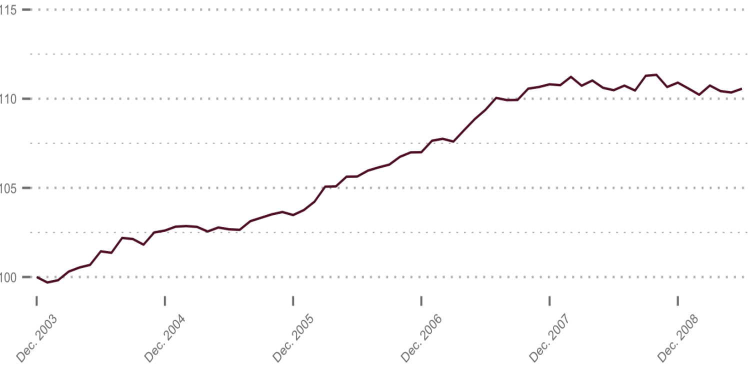
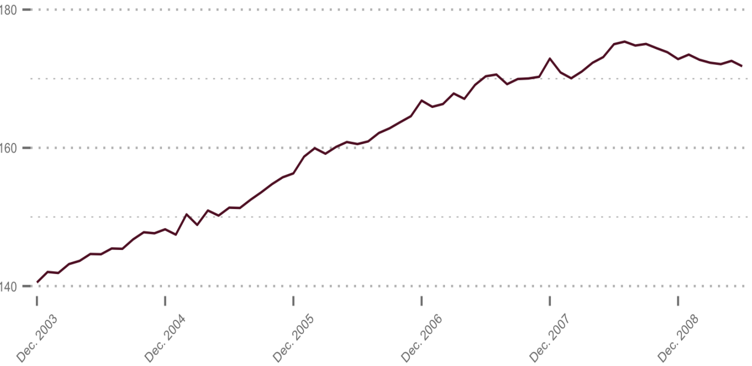
The Total Beverage Alcohol Overview

Period Ending: June 2009

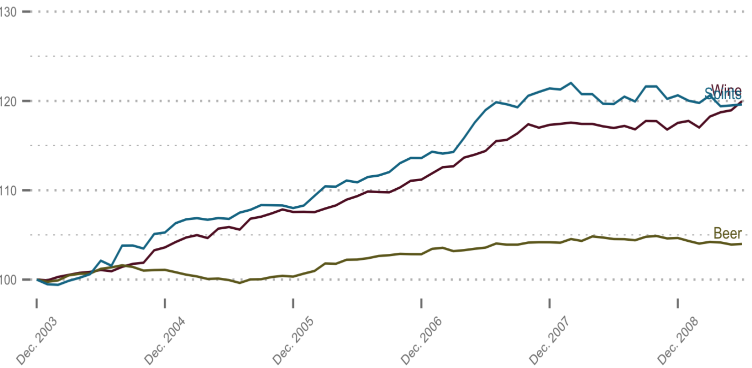
Total Beverage Alcohol Serving Index



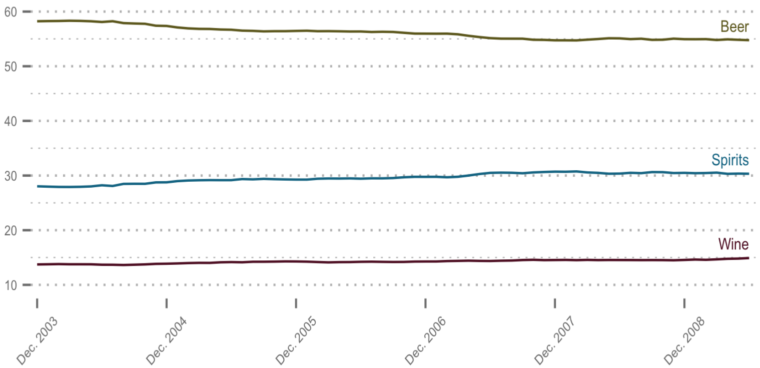
Total Beverage Alcohol Consumer Spending ($ Billions)



Serving Index by Category



Share of Servings by Category



All Figures are Rolling 12 Mths

About This Report

The Total Beverage Alcohol Overview is a monthly publication providing a complete view of Beer, Wine, and Spirits in the US Marketplace. The overview allows readers to put into context industry data from individual segments, such as scan data from retailers or control state sales, when compared to total market trends.

The data is assembled from several federal data sources, including The Alcohol and Tobacco Tax and Trade Bureau, The Bureau of Economic Analysis, US Customs, and The Census Bureau, as well as data provided by the California Board of Equalization. The overview is published approximately sixty to ninety days after the end of each monthly period, depending on the release of data from the various government agencies.

Volume is based on product entering the market which is primarily based on when federal taxes are paid on the various beverage types. Consumer spending is based on components of US Gross Domestic Product.

The cover of The Total Beverage Alcohol Overview graphically displays rolling twelve month industry trends since 2003. This highlights that beer has lost share to wine and spirits and that consumers are trading up with spending growing faster than consumption. The overview itself focuses on the last 24 months. Descriptions of the various data sets can be found at the end of this publication which we encourage users to read.

Generally speaking, the six-month or longer trends are more indicative of the overall market trends. Short-term volume trends can be highly volatile and are impacted by supplier fiscal years, market inventory adjustments, timing of production and shipments from domestic producers as well as logistical timing for imports.

1 Total Beverage Alcohol

Beverage Alcohol Serving Indices (2003 = 100)

	L12 Mths TY	L12 Mths LY	% Chg
Total Beverage Alcohol Index	110.76	110.71	0.046%
Beer Index	103.99	104.56	-0.554%
Wine Index	121.59	118.65	2.478%
Spirits Index	119.61	119.65	-0.031%

Share of Beverage Servings

	L12 Mths TY	L12 Mths LY	% Chg
Beer	54.77%	55.10%	-0.600%
Wine	14.90%	14.55%	2.431%
Spirits	30.33%	30.35%	-0.077%

Consumer Expenditures on Beverage Alcohol ($ Millions)

	L12 Mths TY	L12 Mths LY	% Chg
Total Beverage Alcohol	171,808	173,720	-1.10%

Servings are generally stable even with the current economic conditions. Wine is gaining share, primarily from beer with a little weakness in spirits. Consumers are conserving in all areas as demonstrated by the decline in spending on beverage alcohol.

Consumer Off Premise Expenditures ($ Millions)

	L12 Mths TY	L12 Mths LY	% Chg
Total All Food and Beverage	768,388	784,423	-2.04%
Total Beverage Alcohol	104,817	106,090	-1.20%
Beverage Alcohol as % of All Food & Bev	13.64%	13.52%	
Total Beer	50,794	51,318	-1.02%
Total Wine	30,273	30,627	-1.16%
Total Spirits	23,749	24,144	-1.64%

Price Indices for Consumer Expenditures Off Premise (2009 = 100)

	L12 Mths TY	L12 Mths LY	% Chg
Total Nondurable Goods	100.71	105.25	-4.31%
Total All Food and Beverage Off Premise	99.98	98.47	1.53%
Total Beverage Alcohol	99.94	96.67	3.39%
Total Beer	99.96	95.65	4.50%
Total Wine	100.01	97.85	2.21%
Total Spirits	99.82	97.38	2.50%

Average Price for Off Premise Consumption

	L12 Mths TY	L12 Mths LY	% Chg
Beer - Case of 24 - 12 Ounce	23.23	23.34	-0.47%
Wine - 750 ml	9.76	10.11	-3.44%
Spirits - 750 ml	14.80	15.04	-1.61%

Consumer spending off premise is soft, primarily driven by trading down. Beverage alcohol is seeing better pricing across the board from a Price index standpoint. ï£ijï£ijHowever this is totally offset by consumers trading down.

Consumer On Premise Expenditures ($ Millions)

	L12 Mths TY	L12 Mths LY	% Chg
Total at Eating & Drinking Places	267,502	278,681	-4.01%
Total Beverage Alcohol	66,991	68,903	-2.77%
Beverage Alcohol as % of Total Spent	25.04%	24.72%	

Price Indices for Consumer Expenditure On Premise (2009 = 100)

	L12 Mths TY	L12 Mths LY	% Chg
Eating & Drinking Places	100.08	97.16	3.00%
On Premise Beverage Alcohol	99.83	97.21	2.70%

Calculated On Premise Beverage Alcohol Percent Cost and Mark Up

	L12 Mths TY	L12 Mths LY	% Chg
Percent Cost	34.51%	33.97%	-1.59%
Mark Up Multiple	2.9	2.94	-1.56%

Total Equivalent Wholesale Value ($ Millions)

	L12 Mths TY	L12 Mths LY	% Chg
Total Beverage Alcohol	92,996	94,133	-1.21%
Beer	45,150	45,616	-1.02%
Wine	25,228	25,522	-1.16%
Spirits	22,618	22,994	-1.64%
TBA Off Premise	69,878	70,727	-1.20%
TBA On Premise	23,118	23,406	-1.23%

On premise spending has declined faster than off premise spending. It appears that some prices in the on premise may be up even though consumers seem to be trading down. In general, on premise operators are squeezing their margins in an attempt to attract consumers back into their establishments. Equivalent wholesale value is also declining as consumers have traded down.

2 Beer Entering Distribution in US

Overall beer volumes have slipped. Domestic beers are seeing some growth as consumers trade down.

Total Beer Entering Distribution (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	211,627,532	154,897,170	107,182,578	57,429,718	19,813,008
Last Year	212,805,888	156,576,294	108,580,077	57,905,012	19,681,914
% Change	-0.55%	-1.07%	-1.29%	-0.82%	0.67%

Domestic Beer Total (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	184,467,023	135,278,831	94,011,355	49,908,826	17,140,553
Last Year	183,845,261	135,233,849	94,068,718	49,689,776	16,942,641
% Change	0.338%	0.033%	-0.061%	0.441%	1.168%

Domestic Packaged Beer (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	166,816,268	122,270,223	85,159,891	45,171,021	15,392,420
Last Year	166,117,745	122,150,547	85,202,596	45,015,203	15,232,540
% Change	0.420%	0.098%	-0.050%	0.346%	1.050%

Domestic Beer in Kegs (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	17,650,755	13,008,608	8,851,464	4,737,805	1,748,133
Last Year	17,727,516	13,083,302	8,866,122	4,674,573	1,710,101
% Change	-0.43%	-0.57%	-0.17%	1.35%	2.22%

Total Imported Beer (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	27,160,509	19,618,339	13,171,223	7,520,892	2,672,455
Last Year	28,960,627	21,342,445	14,511,359	8,215,236	2,739,273
% Change	-6.22%	-8.08%	-9.24%	-8.45%	-2.44%

Imported Packaged Beer (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	24,958,753	18,080,266	12,155,140	7,036,976	2,493,576
Last Year	26,293,913	19,340,620	13,125,289	7,507,835	2,522,983
% Change	-5.08%	-6.52%	-7.39%	-6.27%	-1.17%

Imported Beer in Kegs (Barrels)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	2,201,756	1,538,073	1,016,083	483,916	178,879
Last Year	2,666,714	2,001,825	1,386,069	707,400	216,290
% Change	-17.44%	-23.17%	-26.69%	-31.59%	-17.30%

Volumes of imported beers are falling given their generally higher prices.

3 Wine Entering Distribution in US

The wine category has grown primarily driven by still wines.

Total All Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	323,015,293	244,428,005	155,686,100	81,921,659	28,140,751
Last Year	315,562,496	238,915,309	149,449,778	77,567,404	25,455,847
% Change	2.36%	2.31%	4.17%	5.61%	10.55%

Total All Still Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	292,018,191	221,203,920	142,432,825	74,837,051	25,637,431
Last Year	284,270,907	215,364,392	136,378,788	70,458,037	23,131,545
% Change	2.73%	2.71%	4.44%	6.22%	10.83%

Total All Sparkling Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	13,626,027	10,227,997	4,654,448	2,680,928	976,380
Last Year	13,726,867	10,413,029	4,509,539	2,644,151	959,915
% Change	-0.73%	-1.78%	3.21%	1.39%	1.72%

Total All Ciders and Coolers (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	17,371,075	12,996,089	8,598,827	4,403,680	1,526,940
Last Year	17,564,722	13,137,887	8,561,451	4,465,217	1,364,387
% Change	-1.10%	-1.08%	0.44%	-1.38%	11.91%

Total Domestic Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	224,270,324	168,560,291	105,338,817	54,492,540	18,418,350
Last Year	222,692,571	170,078,234	105,605,572	55,576,551	18,237,061
% Change	0.71%	-0.89%	-0.25%	-1.95%	0.99%

Domestic wine volumes are fairly stable.

Domestic Still Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	200,323,463	150,334,190	94,617,219	48,827,909	16,459,269
Last Year	198,655,029	151,733,215	95,045,852	49,811,660	16,388,939
% Change	0.84%	-0.92%	-0.45%	-1.97%	0.43%

Domestic Sparkling Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	8,461,826	6,602,532	3,000,932	1,746,316	615,268
Last Year	8,284,358	6,531,361	2,829,027	1,740,485	625,398
% Change	2.14%	1.09%	6.08%	0.34%	-1.62%

Domestic Ciders and Coolers (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	15,485,036	11,623,569	7,720,665	3,918,314	1,343,814
Last Year	15,753,183	11,813,657	7,730,692	4,024,405	1,222,724
% Change	-1.70%	-1.61%	-0.13%	-2.64%	9.90%

Total Imported Packaged Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	81,349,093	60,117,818	37,690,322	20,424,833	7,082,115
Last Year	83,554,889	61,189,480	38,118,855	19,234,264	6,460,786
% Change	-2.64%	-1.75%	-1.12%	6.19%	9.62%

Imported Packaged Still Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	74,298,852	55,119,833	35,158,645	19,004,855	6,537,876
Last Year	76,300,841	55,983,582	35,607,584	17,889,787	5,984,607
% Change	-2.62%	-1.54%	-1.26%	6.23%	9.24%

Imported Packaged Sparkling Wine (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	5,164,201	3,625,464	1,653,516	934,612	361,112
Last Year	5,442,509	3,881,668	1,680,512	903,665	334,516
% Change	-5.11%	-6.60%	-1.61%	3.42%	7.95%

Imported Packaged Ciders and Coolers (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	1,886,039	1,372,520	878,162	485,366	183,127
Last Year	1,811,539	1,324,229	830,758	440,812	141,663
% Change	4.11%	3.65%	5.71%	10.11%	29.27%

Imported Bulk Still Wine Packaged in US (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	17,395,876	15,749,896	12,656,961	7,004,287	2,640,286
Last Year	9,315,037	7,647,595	5,725,351	2,756,590	758,000
% Change	86.75%	105.95%	121.07%	154.09%	248.32%

Imported packaged wines are slipping in volume given their generally higher price points. Imported bulk packaged in USA is growing strongly given demand for lower priced products in the market.

4 Spirits Entering Distribution in US

Generally, the overall spirits market is flat with only Vodka showing positive trends offset by weakness in other categories.

Total All Spirits (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	190,990,010	141,039,892	91,000,631	47,461,080	16,840,329
Last Year	191,049,236	144,251,352	92,624,205	49,067,379	16,656,794
% Change	-0.031%	-2.226%	-1.753%	-3.274%	1.102%

Total All Whisky (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	41,932,902	31,238,919	19,203,890	9,958,256	3,568,337
Last Year	41,878,102	32,078,125	20,007,519	10,284,042	3,664,335
% Change	0.13%	-2.62%	-4.02%	-3.17%	-2.62%

Total All Vodka (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	59,792,449	43,920,435	29,117,710	15,377,965	5,361,426
Last Year	57,117,153	42,931,813	27,984,722	14,293,189	5,317,482
% Change	4.68%	2.30%	4.05%	7.59%	0.83%

Total All Other Spirits (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	89,264,660	65,880,539	42,679,030	22,124,860	7,910,566
Last Year	92,053,980	69,241,413	44,631,965	24,490,149	7,674,977
% Change	-3.03%	-4.85%	-4.38%	-9.66%	3.07%

Total Domestic Spirits (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	99,202,794	73,397,894	48,521,707	24,692,622	8,408,147
Last Year	95,062,745	72,492,274	47,975,896	24,806,663	8,526,379
% Change	4.36%	1.25%	1.14%	-0.46%	-1.39%

Domestic spirits are showing growth, likely driven by generally lower prices.

Domestic Whisky (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	17,712,151	13,183,404	8,171,266	4,018,851	1,405,838
Last Year	17,047,638	13,332,638	8,669,024	4,450,461	1,712,220
% Change	3.90%	-1.12%	-5.74%	-9.70%	-17.89%

Domestic Vodka (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	39,260,268	29,041,979	19,468,167	10,312,217	3,250,431
Last Year	37,791,575	28,737,281	19,084,099	9,234,552	3,485,468
% Change	3.89%	1.06%	2.01%	11.67%	-6.74%

Other Domestic Spirits (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	42,230,375	31,172,511	20,882,274	10,361,554	3,751,879
Last Year	40,223,532	30,422,355	20,222,774	11,121,650	3,328,691
% Change	4.99%	2.47%	3.26%	-6.83%	12.71%

Total Imported Packaged Spirits (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	50,997,795	37,688,819	22,815,965	12,421,200	4,835,104
Last Year	52,794,460	39,499,485	23,993,049	13,370,065	4,991,254
% Change	-3.40%	-4.58%	-4.91%	-7.10%	-3.13%

Imported packaged spirits have shown softness driven by their generally higher prices.

Imported Packaged Whisky (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	11,449,777	8,688,664	4,885,497	2,857,129	1,045,345
Last Year	11,930,324	9,204,538	5,280,930	2,901,235	1,114,943
% Change	-4.03%	-5.60%	-7.49%	-1.52%	-6.24%

Imported Packaged Vodka (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	17,355,979	12,684,374	7,959,964	4,063,489	1,644,270
Last Year	17,202,115	12,617,704	7,903,645	4,345,911	1,638,468
% Change	0.89%	0.53%	0.71%	-6.50%	0.35%

Other Imported Packaged Spirits (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	22,192,039	16,315,781	9,970,504	5,500,583	2,145,490
Last Year	23,662,020	17,677,243	10,808,474	6,122,918	2,237,843
% Change	-6.21%	-7.70%	-7.75%	-10.16%	-4.13%

Total Bulk Imported Spirits Packaged in US (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	40,789,421	29,953,180	19,662,959	10,347,258	3,597,077
Last Year	43,192,032	32,259,593	20,655,260	10,890,652	3,139,161
% Change	-5.56%	-7.15%	-4.80%	-4.99%	14.59%

Bulk Imported Whisky Packaged in US (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	12,770,974	9,366,852	6,147,127	3,082,276	1,117,154
Last Year	12,900,140	9,540,949	6,057,565	2,932,346	837,172
% Change	-1.00%	-1.82%	1.48%	5.11%	33.44%

Bulk Imported Vodka Packaged in US (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	3,176,201	2,194,081	1,689,580	1,002,259	466,726
Last Year	2,123,463	1,576,828	996,977	712,726	193,545
% Change	49.58%	39.15%	69.47%	40.62%	141.15%

Other Bulk Imported Spirits Packaged in US (9LEs)

	L12 Mths	L09 Mths	L06 Mths	L03 Mths	L01 Mth
This Year	24,842,246	18,392,247	11,826,252	6,262,723	2,013,197
Last Year	28,168,428	21,141,816	13,600,718	7,245,580	2,108,443
% Change	-11.81%	-13.01%	-13.05%	-13.56%	-4.52%

Imported bulk spirits bottled in the USA are a mixed picture with producers balancing domestic spirits and imported bulk to optimize their cost profile.

Data Descriptions

Beverage Alcohol Serving Index
Uses 12 months ending December 2003 as the base period.
A beer serving is assumed to be 12 ounces.
A wine serving is assumed to be 5 ounces for traditional still and sparkling wines and 12 ounces for cider and wine based coolers.
A spirits serving is assumed to be 1 1/2 ounces.
This gives a way of measuring serving growth year on year as well as relative scale of how much the category has grown since 2003.
Share of Beverage Servings
Gives the trend of share of consumption across categories as well as the year on year trend.
Consumer Off Premise Expenditures
Sourced from components of GDP.
Shows share of beverage alcohol versus total food and beverage expenditures as well as consumer spending trends.
Price Indices For Consumer Expenditures Off Premise
Based on updated price indices that use 2009 as the base year.
Gives a perspective of how real prices have changed since 2009 as well as the year on year price increases across a category.
Using the price indices in combination with volume trends and dollar expenditure trends will give an indication of mix change (trade up).
For instance if dollars spent are up 4%, volume is up 1% and the price indices is up 1%, this would imply that mix is driving the other 2%.
Average Price for Off Premise Consumption
This is a directional calculation based on historical share of market for off premise which are:
75% of all beer, 80% of all wine, and 70% of all spirits are sold off premise.
Consumer On Premise Expenditures
Sourced from components of GDP.
Total spent at eating and drinking places excludes consumer spending for meals in schools and limited service restaurants.
On Premise Beverage Alcohol Percent Cost and Mark Up
Directional calculation of the percent cost or mark up for beverage alcohol on premise.
This uses ancillary category share referenced under Average Price for Off Premise Consumption.
A declining Percent Cost or an increasing Mark Up Multiple indicates On Premise Operators attempting to increase their margins.

Data Descriptions

Total Equivalent Wholesale Value

A directional calculation of the wholesale value of all beverage alcohol in the US.
Some supply is not sold through wholesalers such as control state sales or some product sold direct to retailers.

Beer Entering Distribution in US

Only includes tax paid volume shipped to the US market and shows 12 month, 9 month, 6 month, 3 month, and 1 month trends.
All data is in Barrels which equates to 31 gallons or 13.04 9L cases.

Wine Entering Distribution in US

Only includes tax paid volume shipped to the US market and shows 12 month, 9 month, 6 month, 3 month, and 1 month trends.
The majority of bulk wine bottled in the US enters the market tax paid. The data uses an algorithm to flow this volume into the market.
Packaged Ciders and Coolers includes cider, wine based coolers, and wines packaged under 27 CFR 24.218 such as domestic fruit flavored wines.

Spirits Entering Distribution in US

Only includes tax paid volume shipped to the US market and shows 12 month, 9 month, 6 month, 3 month, and 1 month trends.

Available Publications

The Total Beverage Alcohol Overview
Overview of Beer, Wine, and Spirits in the US Market

Beer Market Facts
Coming June 2015

Wine Market Facts
Coming June 2015

Spirits Market Facts
Coming June 2015

Total Beverage Alcohol Annual Review
Coming August 2015

Please visit the bw166.com website for more information