

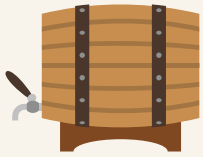
A Tale of TWO CRAFTS



PMMI, The Association for Packaging and Processing Technologies, reviewed the trends, machinery, and growing use of automation in the craft beer and craft spirits industry in the U.S.

CRAFT BREWING

CRAFT BREWERY EXPANSION CONTINUES AT A SLOWER RATE



12.7% of the beer market **by volume**



23% of the beer market **by revenue**



7,000+ establishments in 2018



Increase in number of closures: 94 in 2016; 129 in 2017



95% of craft brewers are **reinvesting**:

- Purchase new equipment
- Hire new employees
- Increase employee benefits
- Increase charitable contributions

CRAFT DISTILLING

CRAFT DISTILLERIES OPEN AT ACCELERATED PACE



1,835 establishments in 2018

Over 15% from the previous year



\$3.7bn in total sales in 2018

30% increase from the previous year

STAYING SMALL WITH TACTICAL GROWTH:

- Batch consistency (**authentic**)
- Ingredient sourcing (**responsible and local**)
- Product availability (**niche patronage**)

DIFFERENT GROWTH STAGES / MATURITY. SIMILAR CHALLENGES AND NEEDS.



SPACE CONSTRAINTS: 62% spending increase on capital equipment in the next two years.



OUTSOURCING: Contractors used to supplement or take over production, to keep up with demand.



IMPLEMENTING AUTOMATION: 77% foresee automating manual operations for washing, accumulating, filling, capping, labeling, and end-of-line packaging.



PACKAGING CONSIDERATIONS: Strong focus on quality, recyclability, cost reduction and consumer demand.



SMALL-BATCH CHANGEOVER: New formulations, flavors, styles, and varieties are all trending.

C O - L O C A T E D



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