

Craft beer sales skyrocket, but discount debate continues

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July 29, 2017

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A customer shops in the craft-beer section of NB Liquor's York Street Train Station retail store in Fredericton.
Photo: The Canadian Press

The new, low price of domestic, mainstream 24-packs of beer in New Brunswick doesn't appear to be hurting the craft beer market, which has seen a 45 per cent increase in sales since last summer.

But it might not be helping either, says the president of a provincial craft beer association.

New statistics provided by NB Liquor show sales of provincially made craft beers took a moderate dip in recent weeks - with \$911,769 in sales during the past four weeks, compared to \$1,005,673 in sales during a similar period in May and June.

But Mark Barbour, a spokesman for NB Liquor, said such fluctuations are normal, noting that something as simple as a stretch of bad weather could lower beer sales month to month.

"There could be a number of factors," he said. "But it's easy to see the craft beer sector is growing."

Year-to-year, New Brunswick-made craft beer sales from NB Liquor stores and kegs accounted for \$627,499 between June 27 and July 24, 2016. Those sales jumped to \$908,526 litres a year later, for the period between June 26 and July 23, 2017.

NB Liquor permanently lowered the price of several popular 24-packs of domestic, mainstream suds from \$43 a case to \$35.99 as of June 26.

Last summer, the liquor corporation experimented with a similar, but limited-time beer sale. Sales of those beers shot through the roof, as drinkers stocked up.

New figures provided by NB Liquor show the corporation rung up sales of \$8.9 million for flats of Alpine Lager, Bud Light, Budweiser, Coors Light, Molson Canadian, Moose Light, and Sleeman Clear during the first month under the new lower price. NB Liquor could not provide a comparison to the months previous to the new price.

"When we broke the news [we were changing the price for some domestic beers] the craft industry was worried this was going to affect them. We believed otherwise. Now the sales are proving the industry isn't being hindered," he said.

He said the lowered price could be giving some beer fans more disposable income to sample some new craft beers.

Stephen Dixon, president of the New Brunswick Craft Alcohol Producers Association, disagrees.

Dixon said he still feels the mainstream beer discount is harmful to small breweries, in that the lower prices could change people's buying habits.

"You've got people who only drink macro beers. That guy is only going to drink that one beer, the only beer he's ever enjoyed and you're not going to change his mind. And that's fine. You've got other people now who only drink craft beers for a lot of reasons - flavour, local, you name it," he said.

"And then you've got people who dabble. They're on the fence. Maybe it depends on the occasion. They walk into a liquor store and they may be undecided. If they look at a product and see that it's almost \$10 off, it'll impact a lot of people's decisions."

He said he's pleased with the overall growth of New Brunswick's small breweries over the past year, but that the industry could be growing even stronger and quicker with better support from the provincial government.

New Brunswick Craft Alcohol Producers Association and economic development agency Ignite Fredericton have said recently the industry would be better served by policy changes, specifically taxation

and market access.

The province has indicated it wants to help the growing industry.

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