Craft Beer and Cider Report 2023

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Acknowledgements

The author would like to thank Bord Bia for its support and input to the report. The co-operation of the Independent Craft Brewers of Ireland and Drinks Ireland is gratefully acknowledged. Special thanks are due to the 43 Irish microbreweries that responded to a survey, which formed the basis of this report.

Key Findings

In mid-2023 there were **79** Independent production microbreweries operating in ROI

20 new microbreweries entered the market from mid **2018** to mid **2023**

16 companies left the market during the same period

There was a **30%** increase on the 2017 figure in 2022

2017 **157,000hl** → 2022 **204,000hl**

Domestic sales increased from **126,500hl** in 2017 to **143,500hl** in 2022

The share of exports in total craft production increased from 2017 **19.4%** → 2022 **29.6%**

Overall beer production in Ireland increased by **0.8%** from 2017 - 2022

Craft beer production increased by almost **30%** from 2017 - 2022

An increase in market share of independent microbreweries from **2.0%** in 2017 to **2.5%** in 2022

Consumption of beer declined by **2.1%** in Ireland in the period 2017-2022

While that of Irish craft beer rose by **13.5%**

There was an increase in market share of independent microbreweries in consumption of beer

2017 **2.9%** → 2022 **3.4%**

The total turnover of craft beer producers in 2022 is estimated at **€52m**

7 microbreweries had a turnover of between **€1m - €3m**

3 had a turnover in excess of **€3m**

Over **90%** of microbrewers consider sustainability as extremely important to their company

Reducing energy use is the most common area for action, undertaken by **88.9%**

There is a high level of action on the part of microbrewers across a range of areas

- **69.4%** reducing water use
- **77.8%** reducing and recycling waste
- **77.8%** using more sustainable packaging

Production microbreweries in Ireland employed an estimated **664** people in 2022

Employment on a full time equivalent (FTE) basis has increased from **402** in 2017 to **555** in 2022

There are now microbreweries in **23** of the **26** counties in Ireland.

Introduction

1.1 Purpose and Scope

This report was prepared for Bord Bia. The purpose of the report is to document the size, output, exports and operations of the craft brewing sector in the Republic of Ireland, as the microbreweries emerge from the Covid-19 pandemic.[1]

The focus of this report is on the independent microbrewing sector in the Republic of Ireland. An independent microbrewery is defined as one that falls within the definition adopted in legislation for determining whether a brewery is eligible for a reduced rate of excise duty.[2] In essence, an independent microbrewery is one which is not under the legal or economic control of any other brewery and has a total output of beer not exceeding 75,000 hectolitres.

A relief of 50% from Alcohol Products Tax (APT) is available for beer produced in qualifying microbreweries, up to a maximum of 30,000 hectolitres (hl) in a calendar year. The relief applies to the tax rate applicable to beer exceeding 2.8% alcohol by volume.

Only microbreweries that have production facilities are included in the analysis of microbrewery numbers and operations. These production microbreweries also include pubs, hotels and restaurants that have a brewery on their premises.

The focus of this report is on these production microbreweries. However, the production of beer on contract for other companies is included in the estimates of production levels.

The report was prepared with the co-operation of the Independent Craft Brewers of Ireland (ICBI) and Drinks Ireland (IBEC).

1.2 Methodology

Based on an internet search, ICBI and industry sources, a list of microbreweries was developed and these microbreweries were subject to an electronic survey during the period May to June 2023. The response rate to the survey was good, with 43 or 59% of the microbreweries that were surveyed responding and providing substantial data. The data in the report is based on this survey and other research carried out by the author. Appendix 1 discusses the organisation of the survey, provides details of the response rates achieved.

1.3 Layout of the Report

The report is organised as follows: Section 2 summarises the recent performance of the independent microbrewing sector in Ireland in terms of numbers, output, revenues and market share. The product and operational characteristics of the industry are described in Section 3. Section 4 presents conclusions.

[1] *It is the sixth such report following publication of an initial study in 2014 and update studies in 2015, 2016, 2017 and 2018.*
[2] *See Revenue Commissioners PN 1888, December 2022. Relief from Alcohol Products Tax for Beer Produced in Qualifying Microbreweries and Cider and Perry produced by Qualifying Small Producers.*

Current Performance of the Independent Microbrewery Sector

2.1 Introduction

This section of the report reviews the current state of the microbrewery sector. It sets out the number of breweries in operation, their output levels, production capacity and market share as well as other relevant statistics.

2.2 Number of Microbreweries

It is estimated that in mid-2023, there were 79 independent production microbreweries operating in the Republic of Ireland.[3]

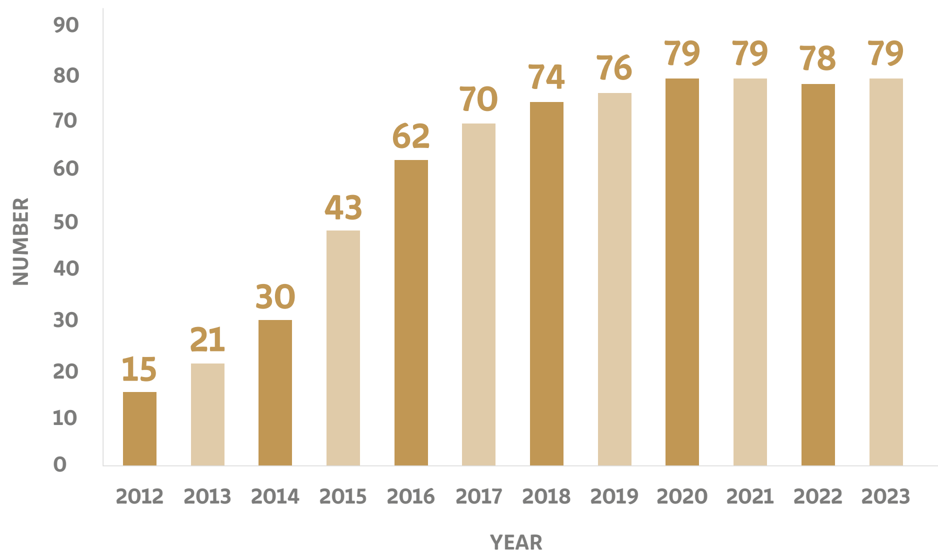
The number of production microbreweries has increased from 15 in 2012 to 79 in 2023, a more than fivefold increase. However, there were only four additional microbreweries operating in 2023 as compared to 2018. Figure 2.1 shows that after the substantial growth in the numbers from 2014 onwards, the number of microbreweries reached a plateau in the period since 2020.

Twenty new microbreweries entered the market in the period from mid-2018 to mid-2023. However, 16 companies left the market during the same period, leaving a net gain of four microbreweries.

The average of four new microbreweries per year in this period is much below the historic rate of entry. In the five year period to 2018, some 60 microbreweries, or 12 per annum, entered the market.

Of the 16 companies that left the market in the period 2018 to 2023, the majority were the result of outright closures. However, there was also a small number of mergers and acquisitions, which meant that their production capacity was not necessarily lost to the sector.

Figure 2.1: Total Number of Microbreweries by Year



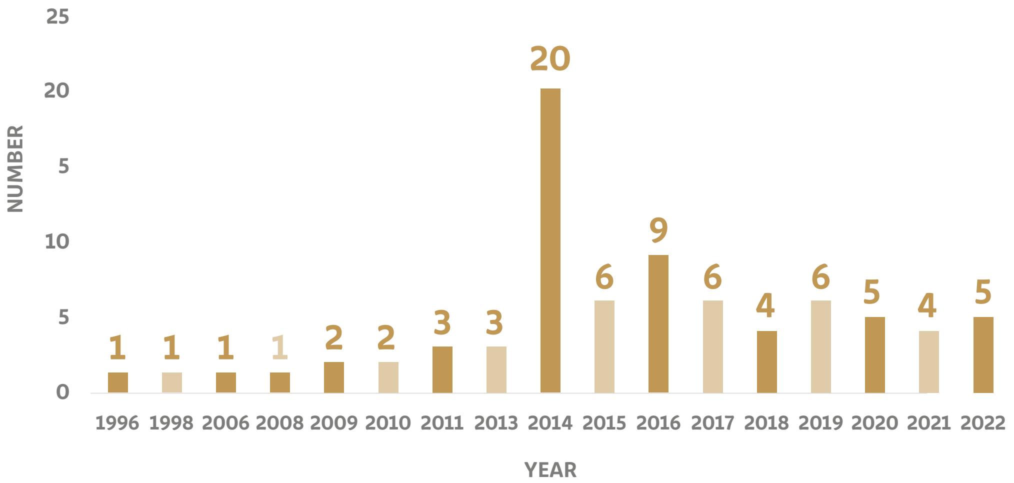
Source: Compiled by the author from survey and Bord Bia data. Figures refer to the number of breweries in production at approximately mid-year.

[3] *While every effort has been made to identify all existing microbreweries, it is possible that a small number may have been missed, particularly among contracting companies. It should be noted that data from all of the 79 microbreweries were not uniformly available. As a result, many of the tables presented below are based on fewer than 79 microbreweries.*

Five companies left the market in 2018/2019, before the pandemic impacted. Thus the trend towards an increasing number of closures, which was noted in the 2018 report, continued. While eleven companies have left the market since the pandemic impacted in 2020, it is clear that not all of these departures were due to the impact of the pandemic on the market, as closures had been occurring for a number of years prior to the onset of the pandemic.

The reduced rate of new entry means that the majority of microbreweries have now been in existence for at least seven years. Of the 79 microbreweries currently in existence, 40 entered the market before 2016.

Figure 2.2: Number of Microbreweries in 2023 by Year Production Commenced



Source: Compiled by the author based on survey data; refers to 79 production microbreweries in operation in mid-2023.

2.3 Output, Domestic Sales and Exports

The output of craft beer by independent production microbreweries amounted to some 204,000 hectolitres (hl) in 2022.[4] This represents a 30% increase on the 2017 figure of 157,000 hl. In absolute terms, output rose by 47,000 hl or by 5% per annum over the period 2017 to 2022.

This represents a significant reduction in the rate of growth of output compared to the period pre 2017. For example, in 2017 and 2016, output grew by 10.7% and 31.0% respectively.

Table 2.1 shows the breakdown of total production into domestic sales and exports. Domestic sales increased from 126,500 hl in 2017 to 143,500 hl in 2022, or by 2.6% per annum. In contrast, exports almost doubled from 30,500 hl to 60,300 hl, or by 14.6% per annum. It is clear that almost two-thirds of the increase of 46,900 hl over the period came from exports - 29,800 or 63.5%.

[4]All the figures in this section are estimates made by the author largely on foot of the 2023 survey and informed by previous surveys.

Table 2.1: Total Production, Domestic Sales and Exports, 2017 and 2022

	2017	2022	Absolute Change (hl)	Annual Growth Rate 2017-2022 (%)
Domestic Sales (hl)	126,500	143,500	17,000	2.6
Exports (hl)	30,500	60,300	29,800	14.6
Total Production (hl)	157,000	203,900	46,900	5.4

Source: Compiled by the author based on survey data.

As a result of the above trends, the share of exports in total craft production increased from 19.4% in 2017 to 29.6% in 2022 (see Figures 2.3a and 2.3b).

The slowdown in the rate of growth in the domestic market overall, the brewery closures and the reduced rate of entry indicate that domestic market conditions are much more difficult than in the past. A full analysis of the reasons for the changed market conditions is outside the scope of this report. However, as part of the survey, brewers were given the opportunity to comment on any matter that they wished to raise. By far the most common issue raised was the extent to which the sector was being held back in the on-trade by difficulties in gaining access to taps.

Figure 2.3a: Share of Total Craft Production: Domestic Sales and Exports, 2017 (%)

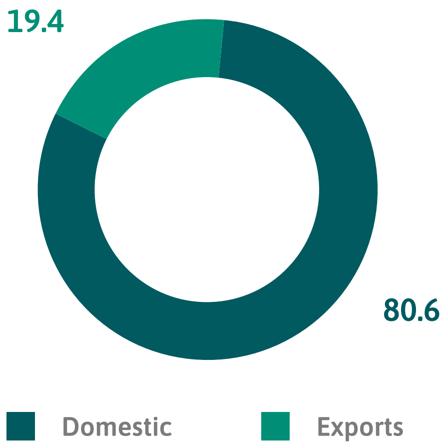
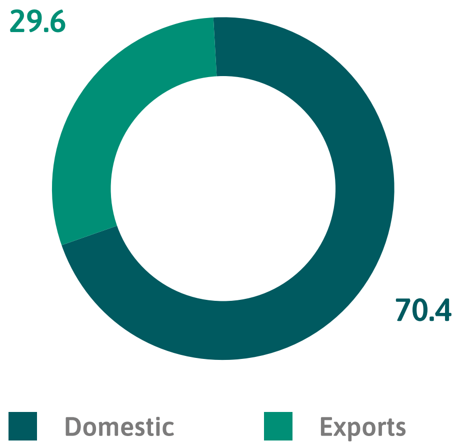


Figure 2.3b: Share of Total Craft Production: Domestic Sales and Exports, 2022 (%)



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2.4 Size Structure and Output

Of 77 breweries in production in 2022[5], 36 or 46.8% produced 500hl of beer or less in that year. A further 10 or 13% of breweries produced between 500hl and 1000hl of beer, so that 60% of microbreweries produced 1,000 hl or less. Only 10 microbreweries or 13% produced more than 5,000hl in 2022 (see Table 2.2). The table shows that overall there was a small increase in microbrewery size between 2017 and 2022.

Some of the 36 microbreweries that were in the 500 hl of beer or less category in 2022, produced only very small amounts, so that this group accounted for 9,200 hl in aggregate or just 4.5% of the total output of the sector (see Table 2.3). In contrast, the 10 microbrewers that produce more than 5,000 hl accounted for 138,000 hl in total, or more than two-thirds of the output of the sector.

Table 2.2: Size Distribution of Microbreweries, 2017 and 2022

Size Category In Hectolitres	Number of Microbreweries 2017	Proportion of Microbreweries 2017 (%)	Number of Microbreweries 2022	Proportion of Microbreweries 2022 (%)
Up to 500	31	44.3	36	46.8
501-1,000	14	20.0	10	13.0
1,001-2,000	6	8.6	12	11.7
2,001-5,000	11	15.7	9	15.6
More than 5,000	8	11.4	10	13.0
All	**70**	**100.0**	**77**	**100.0**

Note: Compiled by the author from survey data and other sources; based on 70 production microbreweries in 2017 and 77 in 2022.

Table 2.3: Size Distribution of Microbreweries and Share of Output 2017 and 2022

Size Category	Output 2017 (HL)	Proportion of Output 2017 (%)	Output 2022 (HL)	Proportion of Output 2022 (%)
Up to 500	6,519	4.4	9,223	4.5
501-1,000	11,974	8.1	7,108	3.5
1,001-2,000	10,874	7.3	12,402	6.1
2,001-5,000	35,519	23.9	37,400	18.3
More than 5,000	83,575	56.3	137,774	67.6
All	**148,462**	**100.0**	**203,907**	**100.0**

Note: Compiled by the author from survey data and other sources; based on 70 production microbreweries in 2017 and 77 in 2022.

[5] *Two of the 79 breweries were temporarily contracting out production, as they upgraded their facilities.*

2.5 Irish Microbrewery Market Share

Drinks Ireland reports that total beer production in Ireland amounted to 8,083,000 hl in 2022.[6] The Irish independent microbrewery production of 204, 000 hl in 2022 represents 2.5% of the production market.

Drinks Ireland estimate the consumption of beer in Ireland at 4,260,000 hl for 2022. Of the 204,000hl produced by independent microbreweries in 2022, some 144,000 hl were sold in the domestic Irish market, indicating an Irish independent microbrewery share of domestic beer consumption of 3.4%.

While overall beer production in Ireland increased by 0.8% in the period 2017-2022, independent craft beer production increased by almost 30 %, leading to an increase in market share of independent microbreweries from 2.0% in 2017 to 2.5 % in 2022.

Consumption of beer declined by 2.1% in Ireland in the period 2017-2022, while that of Irish craft beer rose by 13.5%, so that there was also an increase in market share of independent microbreweries in consumption of beer from 2.9% in 2017 to 3.4% in 2022.

Table 2.4: Irish Craft Beer Market Shares, 2017 and 2022 (%)

Craft Beer Market Share (%) in	2017	2022
Production (%)	2.0	2.5
Consumption (%)	2.9	3.4

Note: Compiled by the author from survey data and data from the Revenue Commissioners and Drinks Ireland.

[6] *Drinks Ireland IBEC. 2023*

Figure 2.4: Percentage Change in Production Levels. 2017-2022 (%)

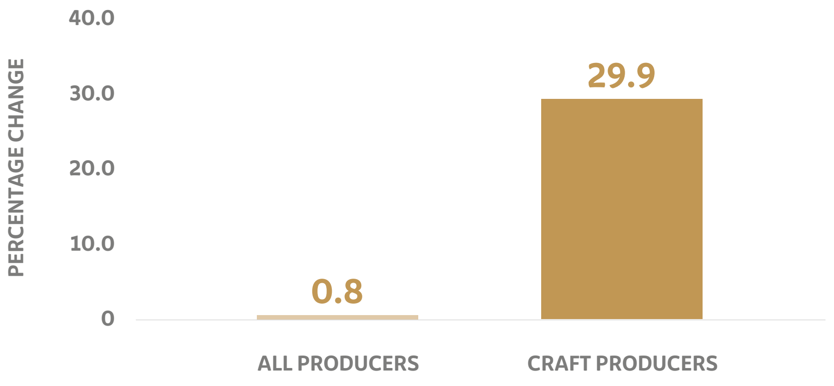
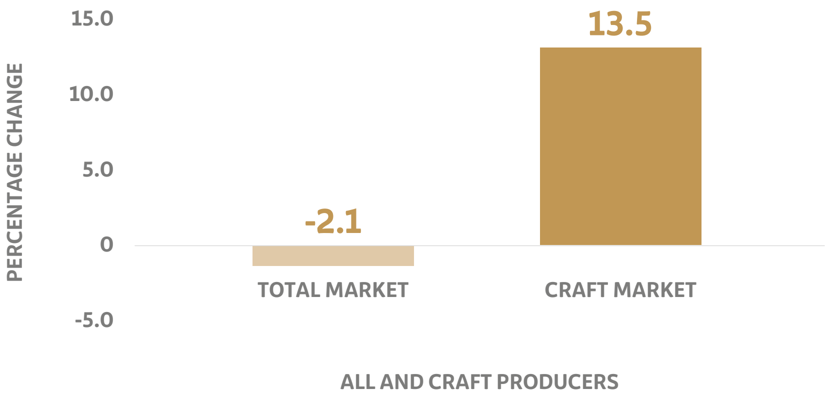


Figure 2.5: Percentage Change in Domestic Consumption, 2017 -2022 (%)



2.6 Turnover

The total turnover of craft beer producers in 2022 is estimated at some €52m. Most microbreweries have modest revenues: 31 breweries or 30% had a turnover less than €100,000 in 2022 (See Table 2.5). At the other end of the scale, seven microbreweries had a turnover of between €1m and €3m, while three had a turnover in excess of €3m.

Larger microbreweries account for a disproportionally large amount of total turnover. The top ten microbreweries account for 69% of the total turnover of the sector. In contrast, the 31 microbreweries with revenues less than €100,000 accounted for just 4% of the total.

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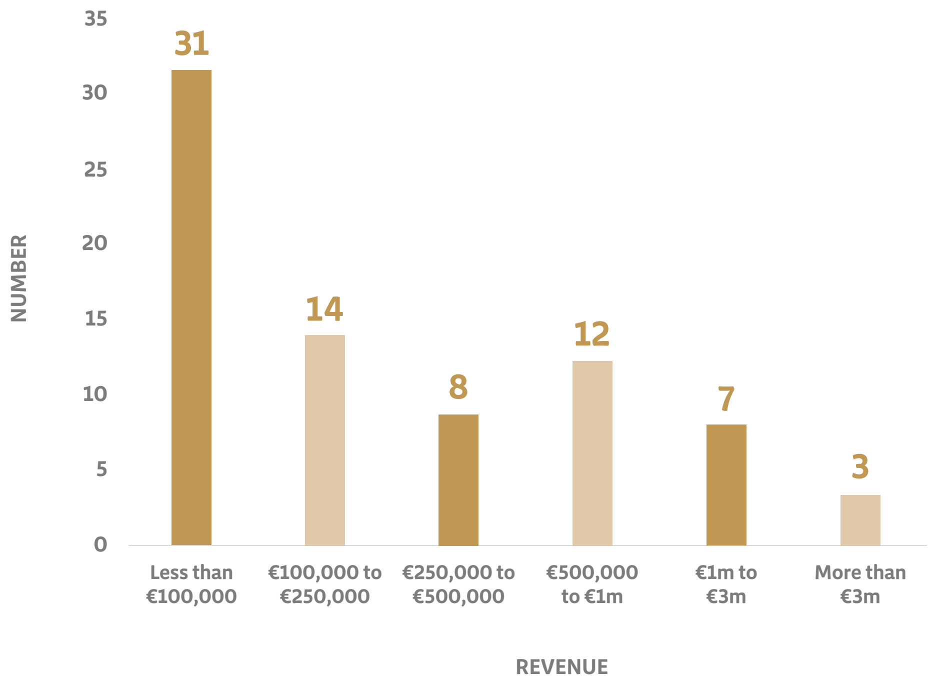
Table 2.5: Revenue by Size of Microbrewery, 2022

Revenue	Number of Microbreweries	Aggregate Revenue (€000)	Proportion of Revenue (%)
Less than €100,000	31	1,958	3.8
€100,000 to €250,000	14	2,285	4.4
€250,000 to €500,000	8	2,722	5.3
€500,000 to €1m	12	9,027	17.4
€1m to €3m	7	15,664	30.2
More than €3m	3	20,179	39.0
Total	**75**	**51,835**	**100.0**

Note: Estimated by the author based on survey data; refers to 75 microbreweries. There is some rounding of revenue figures. The revenue estimates are particularly subject to error, as relatively few respondents were prepared to give exact revenue figures.

Figure 2.5: Number of Microbreweries by Revenue Category, 2022



Note: Estimated by the author based on survey data; refers to 75 microbreweries.

2.7 Exporting and Export Markets

Of the survey respondents who provided information on exporting, 50% were engaged in exporting in 2022. This is an unchanged proportion of firms exporting compared with 2017.

Those who were engaged in exporting, were asked to rank their top four export markets in order by export volume. Twelve export markets were mentioned, with France, Italy and the UK identified as the most important markets in that order. Other markets to feature strongly were the Netherlands and the USA.

Half of microbrewers do not currently export, but two-thirds of these intend to export in the next three years. This is considerably up on the 2017 figure of 57%. When would-be exporters were asked to nominate the markets with the most potential for them, Italy emerged as their first choice, followed by UK, France and the USA.

2.8 Production Capacity

The survey asked respondents to report their current annual capacity. Based on the data provided, output in 2022 represented 57% of the capacity of production microbreweries.[7] Overall, it is clear that capacity in the sector is high relative to current output. However, excess capacity is lower than at the time of the 2018 survey when the capacity utilisation was assessed at 49.5% for 2017.

In addition, when projected output for 2024 is compared to current capacity, the capacity utilisation rate rises to 86.1%. Almost one-third of microbreweries have projected output ambitions that exceed 90% of their capacity, indicating that they will have to invest in additional capacity in the near future, if they are to continue to grow.

[7] Based on 38 microbreweries.

Operational Characteristics of Microbreweries

3.1 Introduction

This section of the report presents information on the product mix of microbreweries and their operational characteristics, such as their distribution channels and packaging options.

3.2 Product Lines

Microbreweries carry 7 regular product lines and 8 seasonal product lines on average, with a total of 14 overall. [8]

On average, microbreweries have introduced four new product lines in the last two years.[9] However, one in five have not developed a new product in the last two years. For those who have, new products make up 29% of their total output.

Over a quarter of firms carry a non-alcohol product (27.8%). For these firms, non-alcohol product lines account for 3.6% of their output, on average.

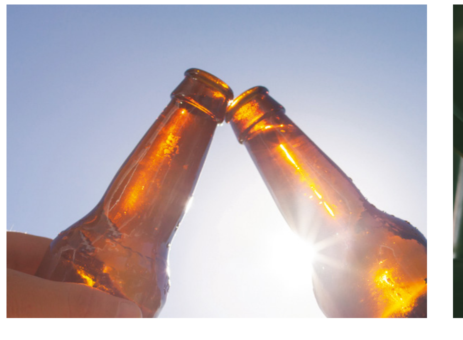
3.3 Packaging

Microbreweries have a number of ways of packaging their product: bottles, cans, kegs or casks. Table 3.1 sets out the number and proportion of microbreweries using each packaging option. Keg is the most frequently used packaging option with all responding microbreweries using that packaging option. Bottle is the next most favoured option with 63.9%. Cask is the least used option at 22.2%. Only 4 (11.1%) of the surveyed microbreweries used all four packaging options.

Table 3.1: Number and Proportion of Microbreweries using Various Packaging Options, 2022.

Packaging Option	Number of Microbreweries	Proportion (%)
Bottle	23	63.9
Can	21	58.3
Cask	8	22.2
Keg	36	100.0

Note: based on 36 respondents



[8] Based on 36 respondents. The total is less than the sum as, some microbreweries carry seasonal product lines only.
[9] This figure may exaggerate the level of product innovation, as for new entrants all their products will fall into this category.

3.4 Distribution

Microbreweries have a number of distribution channels open to them. They can distribute their product themselves or use a wholesaler/distributor. Table 3.2 sets out the proportion of microbreweries using each channel in 2022. The most common distribution channel is directly by producers to the on trade: 80.6% of microbreweries use this channel. The next most common channel is indirectly through a wholesaler or distributor (63.9%). A surprisingly high proportion of microbreweries sell directly from their own brewery or premises (55.6%). This follows the change in legislation in 2018 to permit this activity.[10]

Microbreweries typically use at least two or three out of the four identified channels to some degree. However, only 11.1% of microbreweries used all four distribution channels.

Table 3.2: Number and Proportion of Microbreweries using Various Distribution Channels, 2022

Distribution Channel	Number of Microbreweries	Proportion (%)
Directly by your company from your brewery premises	20	55.6
Directly by your company through your own pub, hotel or restaurant	13	36.1
Directly by your company through other pubs, hotels or restaurants	29	80.6
Directly by your company through other retail outlets e.g. off-licenses, shops	26	72.2
Indirectly through a wholesaler or distributor	23	63.9
Other	5	13.9

Note: based on 36 respondents

3.5 Sustainability Measures

Microbreweries were asked to rate the importance of sustainability to their operations. Table 3.3 shows that microbrewers attach a high level of importance to sustainability issues. Over 90% of microbrewers considered sustainability as extremely or very important to their company.

[10] *Intoxicating Liquor (Breweries and Distillers Act, 2018)*

Table 3.3: Importance of Sustainability to Microbrewers, 2022

Importance Level	Number of Microbreweries	Proportion of Microbrewers %
Extremely Important	17	47.2
Very important	16	44.4
Somewhat Important	3	8.3
Not so important	0	0.0
Not at all important	0	0.0
All	**36**	**100.0**

Note: based on 36 microbreweries

Microbrewers have been taking a range of measures to promote sustainability within their companies. Table 3.4 sets out the key areas in which they have taken action. Reducing energy use is the most common area for action, undertaken by 88.9% of microbrewers. However, there is a high level of action on the part of microbrewers across a range of areas, including reducing water use (69.4%), reducing and recycling waste (77.8%), and using more sustainable packaging (also 77.8%).

Microbrewers were asked to identify specific initiatives they were currently engaging in to enhance the sustainability of their companies. Table 3.5 presents the range of specific initiatives that they identified, which are very wide-ranging.

Finally, on average approximately two-thirds of a microbrewery's output is sold within 50 kilometres of the brewery premises.

Table 3.4 Numbers and Proportion of Microbrewers by Key Areas for Sustainability Measures, 2022

Key Areas for Sustainability Measures	Number of Microbreweries	Proportion of Microbrewers (%)
Reducing water use	25	69.4
Reducing energy use	32	88.9
Using renewable energy sources	17	47.2
Reducing and or recycling waste	28	77.8
Using more sustainable packaging	28	77.8
Other	7	19.4

Table 3.5: Specific Sustainability Initiatives being taken by Microbrewers

Energy conservation initiatives	Use of nitrogen instead of carbon dioxide
Investment in solar panels	Use of professional energy assessors
Investment in hydro electricity	Use of professional water treatment specialists
Wood fired energy in brewery	Planting of trees
Sourcing malt and hops locally	Consigning waste products to anaerobic digester
Investment in electric delivery vehicles	Insulation of premises
Water harvesting	Participation in ENSO
Recycling packaging	Changing configuration of glycol waste separation
Recycling waste grain	Investment in automated CIP system
Participation in Bord Bia's Origin Green	Use of spent grain for silage
Plant redesign to reduce water use	Adopting LEAN principles
Upgrading heat exchangers	

3.6 Employment

Microbreweries provide employment in the brewing process, in marketing and distribution of the product, as well as in general administration. Because many breweries are small or in the start-up phase, they often employ personnel on a part-time basis. Equally, because demand is subject to variation and seasonal products are produced, staff are also employed on an occasional basis.

Production microbreweries in Ireland employed an estimated 664 people in 2022. Of the total of 664 persons employed, 488 represent full time jobs. There were also an estimated 115 employed part-time, and 61 persons employed on a seasonal basis.

Employment on a full time equivalent (FTE) basis has increased from 402 in 2017 to 555 in 2022, a 30.7% increase.

Of the 664 persons employed, an estimated 239 or 37%, are female.[11] Three-quarters of microbreweries have a staff member with a formal brewing qualification. It is estimated that there are some 100 persons in the sector as a whole with formal brewing qualifications, amounting to 21% of all persons employed full-time.

There are now microbreweries in 23 of the 26 counties in Ireland. Employment in the craft beer sector is therefore relatively widely distributed throughout the country.

Microbreweries also sustain employment indirectly through the purchase of material inputs from domestic sources: on average microbreweries purchase 72.4 % of malted barley and 13.6% of hops from within Ireland.

[11] *This is almost double the proportion of females compare to the 2018 survey and may be exaggerated because sampling errors.*

Conclusions

- It is estimated that in mid-2023, there were 79 were independent production microbreweries operating in the Republic of Ireland. However, there were only four additional microbreweries operating in 2023 as compared to 2018.
- After the substantial growth in the numbers from 2014 onwards, the number of microbreweries has reached a plateau in the period since 2020.
- Twenty new microbreweries entered the market in the period from mid-2018 to mid-2023. However, 16 companies left the market during the same period, leaving a net gain of four microbreweries.
- The output of craft beer by independent production microbreweries amounted to some 204,000 hectolitres (hl) in 2022. This represents a 30% increase on the 2017 figure of 157,000 hl. In absolute terms, output rose by 47,000hl or by 5% per annum over the period 2017 to 2022.
- Domestic sales increased from 126,500hl in 2017 to 143,500hl in 2022, or by 2.6% per annum. In contrast, exports almost doubled from 30,500hl to 60,300hl, or by 14.6% per annum. It is clear that almost two-thirds of the increase of 46,900hl over the period came from exports - 29,800 or 63.5%.
- As a result of the above trends, the share of exports in total production increased from 19.4% in 2017 to 29.6% in 2022.
- An estimated 50 % were engaged in exporting in 2022. This is an unchanged proportion of firms exporting compared with 2017.
- While half of microbrewers do not currently export, two-thirds of these intend to export in the next three years. This is considerably up on the 2017 figure of 57%. In general, the sector is becoming much more export oriented.
- The slowdown in the rate of growth in the domestic market overall, the brewery closures and the reduced rate of entry indicate that domestic market conditions are much more difficult than in the past. Microbrewers indicate that the sector is being held back in the on-trade by difficulties in gaining access to taps.
- While overall beer production in Ireland increased by 0.8% in the period 2017-2022, independent craft beer production increased by almost 30 %, leading to an increase in market share of independent microbreweries from 2.0% in 2017 to 2.5 % in 2022.
- Consumption of beer declined by 2.1% in Ireland in the period 2017-2022, while that of Irish craft beer rose by 13.5%, so that there was also an increase in market share of independent microbreweries in consumption of beer from 2.9% in 2017 to 3.4% in 2022.
- Ten microbrewers that produce more than 5,000hl accounted for 138,000hl of production in total, or more than two-thirds of the output of the sector. Thus, the output of the microbrewing sector continues to be dominated by relatively few microbrewers.
- The total turnover of craft beer producers in 2022 is estimated at some €52m. Most microbreweries have modest revenues: 31 breweries or 30% had a turnover less than €100,000 in 2022. At the other end of the scale, seven microbreweries had a turnover of between €1m and €3m, while three had a turnover in excess of €3m.

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- Output in 2022 represented 57% of the capacity of microbreweries. When projected output for 2024 is compared to current capacity, the capacity utilisation rate rises to 86.1%. Almost one-third of microbreweries have projected output ambitions that exceed 90% of their capacity, indicating that they will have to invest in additional capacity in the near future, if they are to continue to grow.
- Microbreweries carry 7 regular product lines and 8 seasonal product lines on average, with a total of 14 overall. Typically, have introduced four new product lines in the last two years. However, one in five have not developed a new product in the last two years. For those who have, new products make up 29% of their total output.
- Over a quarter of firms carry a non-alcohol product (27.8%). For these firms, non-alcohol product lines account for 3.6% of their output, on average.
- Over 90% of microbrewers consider sustainability as extremely or very important to their company.
- Reducing energy use is the most common area for action, undertaken by 88.9% of microbrewers. However, there is a high level of action on the part of microbrewers across a range of areas, including reducing water use (69.4%), reducing and recycling waste (77.8%), and using more sustainable packaging (also 77.8%).
- Production microbreweries in Ireland employed an estimated 664 people in 2022. Of the total of 664 persons employed, 488 represent full time jobs. There were also an estimated 115 employed part-time, and 61 persons employed on a seasonal basis.
- Employment on a full time equivalent (FTE) basis has increased from 402 in 2017 to 555 in 2022, a 30.7% increase. There are now microbreweries in 23 of the 26 counties in Ireland. Employment in the craft beer sector is therefore relatively widely distributed throughout the country.
- Microbreweries also sustain employment indirectly through the purchase of material inputs from domestic sources: on average microbreweries purchase 72.4% of malted barley and 13.6% of hops from within Ireland.

Craft Cider Report 2023

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Key Findings

There are **12** producers in the craft cider sector

They produced an estimated **13,600hl** in 2022

Exports in 2022 were **10.4%** of the total production

This translates into **1,400hl** of exports in 2022 and domestic sales of **12,200hl**

The export markets identified included

Netherlands, Australia, Belguim, South Korea, France, Italy

The total consumption of cider in the Republic of Ireland amounted to **556,714hl** in 2022

Craft cider production accounted for **2.2%** of total cider domestic consumption

7 craft cider producers who responded to the survey had

7 product lines **5** on a regular basis

2 on a seasonal basis

4 out of seven craft cider producers introduced new product lines in the last two years

accounting for **18.0%** of sales on average.

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2 out of seven craft cider producers carried a low or non-alcoholic product line.

these accounted for **15%** of sales on average.

Craft cider producers typically supply both the on-trade and off-trade directly rather than through a wholesaler or distributor.

4 sold off their own premises

4 through a wholesaler or distributor.

Over **50%** of sales are within **50km** of the cider producer's premises

On average **52.9%** of craft cider producers source apples and or pears from their own orchard.

It is estimated that there are **54** persons employed in the sector.

68% FEMALE

32% MALE

The most common sustainability initiatives taken by cider producers

Reducing energy use

and using more

Sustainable packaging

Introduction

1.1 Purpose and Scope

This report was prepared for Bord Bia. The purpose of the report is to document the size, output, exports and operations of the craft cider sector in the Republic of Ireland.

The focus of this report is on the independent craft cider sector in the Republic of Ireland. An independent cider producer is defined as one that falls within the definition adopted in legislation for determining whether a producer of cider and or perry is eligible for a reduced rate of excise duty. In essence, an independent producer is one that is legally and economically independent of any other producer of cider and perry and whose annual output does not exceed 10,000 hectolitres.

A relief from Alcohol Products Tax of 50% is available for cider and perry produced by qualifying small producers. The maximum quantity of cider and perry on which relief is allowed for any qualifying producer of cider and perry in any calendar year is 8,000 hectolitres. The relief, which was introduced in 2022, applies to tax payable at the rates applicable to cider and perry exceeding 2.8% alcohol by volume but not exceeding 8.5% by volume.[1]

The report was prepared with the co-operation of Cider Ireland and Drinks Ireland (IBEC).

1.2 Methodology

Based on an internet search and industry sources, twelve producers of cider in the Republic of Ireland were identified. These cider producers were subject to an electronic survey during the period June to July 2023. Seven of the twelve producers responded to the survey. Given the small number of craft cider producers in Ireland and the partial response to the survey, the scope for analysis of the survey data was limited. This is reflected in the presentation of the results below.

1.3 Layout of the Report

The report is organised as follows: Section 2 summarises the recent performance of the independent cider sector in Ireland in terms of numbers, output, revenues and market share. The product and operational characteristics of the industry are described in Section 3. Section 4 presents conclusions.

[1] *See. Revenue Commissioners. Relief from Alcohol Products Tax for beer produced in qualifying microbreweries and cider and perry produced by qualifying small producers December 2022 (Revised)*

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Current Performance of the Independent Craft Cider Sector

2.1 Introduction

This section of the report reviews the current state of the craft cider sector. It sets out the sector's output levels, production capacity and market share as well as other relevant statistics.

2.2 Output

Based on the survey, the aggregate output of the twelve producers in the sector is estimated at 13,600hl for 2022. The craft producers surveyed anticipate that output in 2023 will rise by 22.6% to reach 16,600hl. Capacity utilisation is measured at 29%, so there is substantial scope for expansion.

2.3 Exports

Five out the seven producers indicated that they exported some product. Based on their responses, exports in 2022 were 10.4% of the total production. This translates into 1,400hl of exports in 2022 and domestic sales of 12,200 hl.

The export markets mentioned by the seven cider producers were Netherlands, South Korea, Australia, France, Belgium and Italy.

Of the two surveyed producers that are not currently exporting, one indicated their intention to do so in the near future.

2.4 Irish Craft Cider Sector Market Share

In 2022, the total consumption of cider in the Republic of Ireland amounted to 556,714hl.[2] With domestic sales of approximately 12,200hl, craft cider production accounted for 2.2% of total cider domestic consumption.

2.5 Turnover

Of the seven producers, three had annual revenues less than €50,000, two had revenues in the range €100,000 to €200,000 and two had revenues in excess of €1m.

[2] *Based on the Revenue Commissioners Quarterly Excise Statistics.*

Operational Characteristics of Cider Producers

3.1 Introduction

This section of the report contains information on cider producer product lines and operational characteristics, such as their distribution channels and packaging options.

3.2 Product Lines

On average, seven responding producers had 7 product lines, with an average of 5 on a regular basis and 2 on a seasonal basis. Most cider producers are producing beverages other than cider and perry, which adds to the number of products.

Four out of seven producers had introduced new product lines in the last two years. For these four producers, the average number of new product lines was 1.8, accounting for 18.0% of sales on average.

Two out of seven carried a low or non-alcoholic product line. For these two producers, these low or non-alcoholic product lines accounted for 15% of sales on average.

[7] Based on 38 microbreweries.

3.3 Packaging

Of six cider producers for whom data was available, all six used bottles. One made use of cans, two of kegs and 1 used bag-in-box. Four out of six used bottles exclusively.

3.4 Distribution Method

All six cider producers supplied both the on-trade and off-trade directly. Four sold off their own premises and four through a wholesaler or distributor. When a respondent sold from their own premises it accounted for 63.3% of their sales on average.

Local sales are very important. Over 50% of sales are within 50 kilometres of the cider producer's premises.

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Table 3.1: Distribution Method Employed by Craft Cider Producers

Distribution Method	Of Six Cider Producers Responding, Number of Firms using this Distribution Method	For those using this Distribution Channel, the Proportion of Sales was (%)
Directly by your company from your farm or premises	4	63.3
Directly by your company through pubs, hotels or restaurants	6	12.5
Directly by your company through other retail outlets (e.g. off-licenses, shops)	6	23.3
Indirectly through a wholesaler or distributor	4	46.3
Other	1	10.0

Source: Derived from survey results

3.5 Apple and Pear Sourcing and Use

All seven producers sourced apples and or pears from their own orchard. On average 52.9% of these inputs were sourced from the producer's own orchard. Only one producer imported apples and or pears, amounting to 20% of these inputs for that producer.

Four out of seven producers sold apple and pears to third parties.

3.6 Employment

It is estimated that there are 54 persons employed in the sector. Of these an estimated 26 are full time, 12 are part time and 16 are seasonal. The involvement of workers on a seasonal basis is therefore quite high. Some 68% of the workforce is male and 32% female.

3.7 Importance of Sustainability

Four of the seven craft cider producers rated sustainability issues as being extremely important to their company, with the remaining three producers considering it very important.

The most common sustainability initiatives taken by cider producers were reducing energy use and using more sustainable packaging, with six out of seven producers adopting these measures. Measures aimed at waste reduction and or recycling were adopted by five producers. See Table 3.2.

Table 3.2: Sustainability Measures adopted by Craft Cider Producers

Sustainability Measure	Of Seven Producers, the Number Adopting this Measure was
Reducing Water Use	2
Reducing Energy Use	6
Using Renewable Energy sources	3
Reducing and or Recycling Waste	5
Using more Sustainable Packaging	6
Other	2

Source: Derived from survey results

Cider producers are currently engaged in sustainability initiatives such as:

- Energy conservation measures;
- Introducing a biomass boiler for heating water;
- Solar panels for generating electricity;
- Orchard practices to encourage bio-diversity and carbon sequestration;
- Use of reed beds for waste water filtration; and
- Introducing recyclable packaging

Conclusions

- There are twelve producers in the craft cider sector and they produced an estimated 13,600hl in 2022;
- Exports in 2022 were 10.4% of the total production. This translates into 1,400hl of exports in 2022 and domestic sales of 12,200 hl;
- The export markets identified included the Netherlands, South Korea, Australia, France, Belgium and Italy;
- In 2022, the total consumption of cider in the Republic of Ireland amounted to 556,714hl. With domestic sales of approximately 12,200hl, craft cider production accounted for 2.2% of total cider domestic consumption;
- On average, seven responding craft cider producers had 7 product lines, with an average of 5 on a regular basis and 2 on a seasonal basis. Most cider producers are producing beverages other than cider and perry, which adds to the number of products.
- Four out of seven producers had introduced new product lines in the last two years. For these four producers, the average number of new product lines was 1.8, accounting for 18.0% of sales on average.
- Two out of seven craft cider producers carried a low or non-alcoholic product line. For these producers, these low or non-alcoholic product lines accounted for 15% of sales on average.
- Craft cider producers typically supply both the on-trade and off-trade directly. Four sold off their own premises and four through a wholesaler or distributor.

- Local sales are very important. Over 50% of sales are within 50 kilometres of the cider producer's premises.
- Craft cider producers tend to source apples and or pears from their own orchard. On average 52.9% of these inputs were sourced from the producer's own orchard.
- It is estimated that there are 54 persons employed in the sector. Of these an estimated 26 are full time, 12 are part time and 16 are seasonal. The involvement of workers on a seasonal basis is therefore quite high. Some 68% of the workforce is male and 32% female.
- Craft cider producers rated sustainability issues as being extremely or very important to their company.
- The most common sustainability initiatives taken by cider producers were reducing energy use and using more sustainable packaging,

[10] *Intoxicating Liquor (Breweries and Distillers Act, 2018)*

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Appendix 1: Organisation of the Survey

Introduction

This Appendix summarises the approach adopted to the Survey of microbrewing companies.

Identifying the Population

The first task was to identify the population of microbrewing companies to be surveyed.. Based on an internet search and industry sources, a list of microbrewing companies was developed. This list identified 79 production microbreweries companies that were in operation in mid-2023.

Survey Methodology

The survey was undertaken electronically using Survey Monkey. A questionnaire was developed and dispatched to respondents via Survey Monkey. Respondents could then fill in the survey electronically by ticking boxes in respect of closed questions or writing in answers.

Sample Size

The survey focused on the 73 production microbreweries. Six microbreweries were excluded because of lack of contact details.

Questionnaire

A questionnaire was developed for use in Survey Monkey. The emphasis was on the use of closed questions, so that the response could be in the form of ticking boxes. It was designed so that it could be completed in approximately five minutes if respondents had the information to hand.

Survey Response

Of the total of 73 production microbreweries companies, one opted out. 47 opened the survey and 43 provided data – an effective response rate of 59%.

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