

# CRAFT BUSINESS DAILY

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## Lights are On, But Taps are Gone in the On-Premise

While the majority of on-premise establishments have opened their doors by now, we still have a long way to go before things get back to where they were in the on-premise, the latest Pour Report from BeerBoard shows.

Recall BeerBoard is a digital analytical tool for on-premise retailers and suppliers, which manages more than \$1 billion in retail draft beer sales. So they have a decent universe to draw from for on-premise trends.

**OPEN RATE STEADY CLIMBING.** It may come as a bit of a surprise to hear that the majority of establishments BeerBoard tracks are currently open for business. The open rate, which BeerBoard defines as “locations open and pouring beer,” stood at 86% in the latest weekend tracked, July 3-5. For some perspective, the open rate was at 16% back in the weekend of May 8-10, “the first weekend states truly began to reopen,” the company notes.

**NUMBER OF TAP HANDLES DOWN BIGTIME.** The vast array of draft beer choices we had become accustomed to prior to the pandemic, simply isn't there anymore. Over a summer weekend in 2019, the average number of tap handles at an establishment stood at 29, per BeerBoard. For the past two weekends tracked in 2020 (June 19-21 and July 3-5) the average number of taps is less than half of that at 14. Of the 10 states highlighted by BeerBoard – FL, GA, TX, TN, SC, NY, IL, MI, MN, NV – eight of them have seen their number of tap handles decrease by 50% or more year over year. The two exceptions are Texas, down 46.2%; and Michigan, down 34.8%. Then too, it could be awhile before we see the number of tap handles back on the rise, given that the....

**PERCENTAGE OF TAPS POURING ARE ON THE DECLINE.** Yep, the percentage of taps pouring on a national level has declined 10% (or five percentage points) over the past two weeks, going from 49% of taps pouring during the June 19-21 weekend to 44% in the latest weekend, July 3-5, per BeerBoard.

One may surmise that this recent decline is due to bar reclosures in states like Florida and Texas, and they certainly are a part of it, down 11.3% and 9.6%, respectively, in percentage of taps pouring over the past two weeks.

But surprisingly, states like Illinois and New York, two states that have not walked back reopening efforts, have actually seen bigger drops over the past two weeks.

Both states' percentage of taps pouring were on the rise for the two weeks heading into June 19-21, but dropped double digits (-13.9% in Illinois and -12.9% in New York) for the latest two weeks to July 3-5.

Only two of the 10 states highlighted in this BeerBoard data set have seen their percentage of taps pouring grow in the latest weekend (July 3-5) vs. the two weeks prior (June 19-21): Minnesota, up 4.7%; and Nevada, up 11.9%. Yet those two states still have less than half of their taps currently pouring at 45% and 47%, respectively.

Again, if an establishment has half the taps it used to have, and less than half of those taps are pouring, then it may be a minute before we start to see establishments bring on any more taps.

All of the above sounds like bad news for craft, but the segment has managed to gain both volume share and tap share over the past month.

**CRAFT ACTUALLY GROWING SHARE IN THE ON-PREMISE.** Over the first weekend in June, craft's volume share stood at 28% and its tap share was at 51.3%. Its volume share and tap share has grown steadily since then to 32.5% and 54.3%, respectively, during the latest weekend July 3-5. Those share gains seem to be coming directly out of import beer too, which has seen its volume share and tap share drop from 19.1% and 18.6% in June to 14% and 11% in July.