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BeerBoard: On-Premise Beer Volume Declines for 4th Consecutive Period, -11% vs. May

Zoe Licata Jul. 12, 2022 at 10:32 AM

While the on-premise has had a steady recovery overall this summer, beer sales in the channel are taking a hit. On-premise beer volume fell for the fourth consecutive period this past weekend (July 7-10), declining -11% compared to the previous reported period (May 5-8), according to market research firm BeerBoard.

All 11 states tracked by BeerBoard recorded beer volume decline versus the previous period, led by New York (-20%). Michigan (-16.8%), Minnesota (-16.1%), Nevada (-13.8%), Florida (-12.8%) and Tennessee (-11.5%) also recorded double-digit declines.

Volume decreased -3.8% nationally compared to the same weekend in 2021, with 10 of the 11 states reporting year-over-year (YOY) declines, with the exception of New York, which was flat. Michigan recorded the highest YOY volume decrease (-15.4%), while California (-13.7%), Tennessee (-12.5%) and South Carolina (-10.7%) also had double-digit declines.

Rate of sale (ROS) also decreased in the period, falling -10.9% nationally versus the previous period, and -18.6% YOY. Seven of the 11 tracked states reported double-digit declines since May, led by New York (-17.8%), Minnesota (-14.9%) and Nevada (-14.8%). Georgia (+2.9%) was the only tracked state to report an increase in ROS compared to the previous period, although the state is still down -18.6% YOY.

All 11 states recorded double-digit ROS declines YOY, led by Tennessee (-29.7%). ROS in Michigan (-25.5%), Nevada (-21.4%) and Illinois (-20.3%) decreased more than 20% each.

And while the average number of taps per location remained at 19 nationally, the percentage of taps pouring declined -2.8% versus the May period to 70%, falling for the fourth consecutive period. Illinois (+1.5%) and California (+1.4%) were the only two states to increase pouring percentage between periods. Michigan (-5.2%), New York (-2.8%), Tennessee (-1.5%), Florida (-1.4%), Minnesota (-1.4%) and Nevada (-1.3%) each recorded declines, while the remaining three states (Georgia, Texas and South Carolina) were flat.

The only winner for the period appears to be craft beer, which increased on-premise volume share +1.7% versus the previous period to 35.9%, pulling directly from import volume (-1.7% to 16.5%). Craft also gained tap share (+0.6% to 57.5%), while imports lost tap share (-0.6% to 15.3%). While import losses are partially due to volume and tap share gains in the previous period from the Cinco de Mayo holiday (May 5), the segment is also down versus April, with volume share declining -0.3% versus the period (April 21-24) and tap share declining -0.4%.

Domestic beer maintained a 47.6% share of beer volume and 27.2% tap share.