

COVID-19 Crushes Craft Distillers

New Study from American Distilling Institute / Distilled Spirits Council of the U.S.



Craft distillers are an integral part of the communities in which they operate. In 2019, they directly employed over 15,000 people in the U.S., and their sales reached nearly \$1.8 billion, representing a total retail value of almost \$3.2 billion. Unfortunately, as part of the hospitality industry, craft distillers have been negatively impacted by COVID-19 closings, resulting in over \$700 million in annualized lost sales for craft distillers (or 41 percent of total craft business) and almost 4,600 lost jobs.

Impact of COVID-19 Restrictions on Craft Distillers

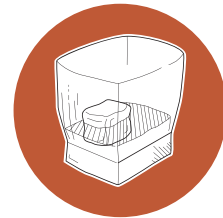
Key Findings



The craft distilling industry has been forced to **furlough 4,600 employees** – almost 31 percent of all employees.

Due to lost tasting room sales and lost wholesale sales, craft distillers are projected to lose \$700 million in annualized sales, representing a **loss of 41 percent of total craft business**.

More than 40 percent of craft distillers report that their **wholesale business is down 25 percent or more; 11 percent said they have lost all of their wholesale business**.



Craft distillers rely heavily on sales through on-site tasting rooms, which have been hit hard by the pandemic.

- In 2019, an estimated \$919 million of craft distiller revenues came from on-site sales; more than 40 percent of craft distillers derive more than 50 percent of their business from tasting rooms sales.
- Approximately 40 percent of craft distillers reported that their on-site sales were down 25 percent or more; more than 15 percent said that their tasting rooms were completely shut down.

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Key Findings on the Size of the Craft Distilling Market

Craft distilling is a \$1.8 billion industry, generating approximately \$3.2 billion in retail sales in 2019.

There are more than 2,000 craft distilleries operating in the U.S. that collectively generate more than 15,000 direct jobs.

Craft distillers act as economic drivers in their communities, creating jobs and buying products and services from local farmers and tradesmen.

Craft distillers are small businesses within the hospitality industry.

- 45 percent of craft distillers operate in just one state; only 12 percent of craft distillers operate in more than 10 states.
- 70 percent employ 10 or fewer employees; 55 percent employ 1-5 workers.
- Approximately 60 percent sell less than 2,500 cases per year.



About the Survey

The ADI/DISCUS study was conducted to analyze the size of the craft distilling market and determine what impact COVID-19 restrictions have had on craft distillers in the United States in terms of sales and jobs. It includes feedback from nearly 300 distilleries across all 50 states and the District of Columbia.