



Stacks of canned beer are ready to go March 19 as Luke Krall uses a forklift to move kegs at Sunriver Brewing Co.'s production facility in Sunriver. Dean Guernsey/Bulletin photo

Despite losses in sales, Central Oregon breweries *remain flexible*

BY SUZANNE ROIG • The Bulletin

No one has to remind craft brewer Packy Deenihan that he must remain flexible and innovative.

It's an integral part of his business plan.

Brewers innovate with flavors all the time. The past year is no exception. Some used the COVID-19 period of great disruption as a time to renovate, revamp and rebrand. Others used the time to shift to selling more packaged products to consumers because their keg sales were depressed by restaurant closures or limited capacity imposed by the government as a way to contain the spread of the virus.

The results of their work line store shelves, jockeying with the next brewer for consumer attention. In 2020, more than 1.14 million barrels of malted beverages were sold in Oregon by 224 brewers, compared to 1.46 million barrels sold in 2019 by 265 brewers, according to data provided by the Oregon Liquor Control Commission.

"No one knows what the distribution (difference) is between packaged beer versus keg beer," said Deenihan, president and co-owner of Bend Brewing Co. "I think it will still tilt toward packaged beer. A large part of the community still feels safer at home."

As the number of positive COVID-19 cases wane and fewer people die from the virus, brewers are seeing draft beer sales increase. At the height of the pandemic when deaths and cases soared, draft beer sales at Bend Brewing Co. were nearly zero, Deenihan said. They are also seeing sales from their collaborations.

On March 19, Bend Brewing Co. and Newport Avenue Market released a limited-release beer to benefit the Hunger Prevention Coalition of Central Oregon. A portion of the sale of every 4-pack

goes to the coalition.

While partnerships, or beer for a purpose, are not unusual, it is unusual for a grocery store to partner with a brewer.

"Two big iconic super-local businesses collaborating," Deenihan said. "It's unique for a brewery to collaborate with a grocery store. Normally we collaborate with other breweries, but this one really works."

At the start of the pandemic, it became quickly apparent that brewers needed their product in consumer-ready packages, said Christina LaRue, Oregon Brewers Association executive director. Quickly they had to rev up their canning lines, obtain more cans or hire a mobile canner.

"There are more cans out there now, but there's only so much retail space in the market or bottle shops," she said. "That won't change. For every brewer who falls off the shelf, there's another to replace it."

At established large breweries like Deschutes Brewery and Sunriver Brewing Co., they were able to shift easily. At Boneyard Beer, which is now under the

Deschutes Brewery umbrella, the brewery had to ramp up canning plans because keg sales were nearly extinct. Some of the larger breweries will be able to keep up, La Rue said. Others will have to juggle.

"Everyone is pretty tentative right now," La Rue said. "We've seen in the past 12 months how quickly things can change. Resilience is the main lesson from the past 12 months. The craft brewing industry will hold on to that."

"They've learned how to adapt and change and not to jump too quickly."

Draft beer sales are increasing every day, said Michael LaLonde, Deschutes Brewery CEO. It's a question of managing production schedules between bottles or cans and draft that's based upon demand, LaLonde said.

"With the reopening of the on-premise sales, our keg racking line is super busy," LaLonde said. "Everyone is cranking away, working hard to deliver to demand"

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Whiskey makers face worsening hangover from EU tariff dispute

BY BRUCE SCHREINER
Associated Press

LOUISVILLE, Ky. — A hangover from Trump-era tariff disputes could become even more painful for American whiskey distillers unless their entanglement in a trans-Atlantic trade fight is resolved soon.

Bourbon, Tennessee whiskey and rye whiskey were left out of recent breakthroughs to start rebuilding U.S. trade relations with the European Union and the United King-

dom in the wake of Donald Trump's presidency. Tariffs were suspended on some spirits, but the 25% tariffs slapped on American whiskey by the EU and UK remain in place. And the EU's tariff rate is set to double to 50% in June in the key export market for U.S. whiskey makers.

A leading spirits advocate is imploring top U.S. trade envoy Katherine Tai to not leave whiskey producers behind. The Distilled Spirits Council of the United States urged her to press

for an immediate suspension of the European tariffs and to secure agreements removing them.

"Swift removal of these tariffs will help support U.S. workers and consumers as the economy and hospitality industry continue to recover from the pandemic," the council said in a recent statement after Tai was confirmed by the Senate.

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Kentucky distilleries craft

95%

of the world's bourbon supply