



Survey #1

Effects of COVID-19 on the
Canadian Craft Brewing Sector

April 24th, 2020

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To all Members of Parliament in Canada,

We present for your consideration the results of a survey conducted during the period April 15-April 21, 2020. From approximately 1,100 craft breweries and brewpubs in Canada we received 317 responses, giving our survey results a confidence level of 95% with a 5% margin of error. We received responses from all ten provinces and all three territories.

In the last 10 years, approximately 1,000 craft breweries and brewpubs have opened across the country. During that same timeframe, no other business sector that we know of has invested billions of dollars to establish new manufacturing facilities in hundreds of locations in every province and territory in Canada, many of them small communities.

Craft breweries provide the communities in which they do business, your communities, with more than good beer. They create new jobs and provide economic stimulation to the entire surrounding area. Craft breweries invest in their communities, and local residents adopt the brewery as their own.

Craft breweries are independently owned and operated by Canadians. When a patron spends money at a craft brewery, the money not only stays in Canada, it stays in the community.

However, most craft breweries in Canada are in trouble. Even before COVID-19, most were not yet profitable. Though overall revenues and market share continue to grow, the nature of a small manufacturing business is that it needs constant reinvestment, especially in the early years. What's more, most craft beer businesses are actually three businesses: a manufacturing company, a licensed restaurant, and a retail store. For these reasons, the COVID-19 pandemic has been devastating to the Canadian craft beer community.

I've attached the results of our survey. The key points are as follows:

- 91% of craft breweries opened in 2010 or later, and 79% opened in 2015 or later
- 44% of breweries report a Y-Y revenue drop of over 50% in March, and 55% anticipate the same or worse in April
- 61% of breweries have cash reserves of 3 months or less
- 5% have closed temporarily; another 14% say they don't know how much longer they can stay open
- 38% of craft breweries did not qualify for the Canada Emergency Wage Subsidy in March
- 21% predict they will not qualify for CEWS in April, and another 32% are not sure yet
- 65% of all brewery employees have been laid off
- Of all laid-off employees, CEWS will be used to bring back 31% of them; the rest will stay unemployed
- 16% of craft breweries were involved in making hand sanitizer, primarily for use in their local community

As you and your staff work to support the businesses in your riding, please consider the contributions that craft breweries have made in your communities. Now they need your help.

We will keep you informed of our efforts in Ottawa to secure additional relief funding. We are asking that you support us so that your breweries can continue to deliver positive contributions to the economy and to the spirit of their communities, your communities.

Thank you,

A handwritten signature in black ink, appearing to read 'Rick Dalmazzi', with a stylized flourish at the end.

Rick Dalmazzi
Executive Director
Canadian Craft Brewers Association

Canadian Craft Brewers Association Survey #1



Q1. Which best describes the current state of your business?

Answer Choices	Responses	
We are managing and can maintain it for an indefinite number of months.	90	31.3%
We are struggling but we'll figure out how to survive for at least a few months.	139	48.3%
We're really hurting and don't know how much longer we can stay open.	41	14.2%
We intend to close the business temporarily in the next 30-60 days.	2	0.7%
We intend to close the business permanently in the next 30-60 days.	1	0.3%
We have closed the business temporarily.	15	5.2%
We have closed the business permanently.	0	0.0%
Answered	288	100%

Q2. You have enough cash to keep your business going for:

Answer Choices	Responses	
Less than 2 months	94	31.6%
2 or 3 months	88	29.6%
4 or 5 months	41	13.8%
6 to 12 months	45	15.2%
More than 12 months	29	9.8%
Answered	297	100%

Q3. Before COVID-19 hit, approximately how many people did you employ (combination of full-time and part-time)?

6,409

Answered **295**

Q4. As of April 15th, approximately how many people were still employed?

2,229

Answered **295**

Q5. In the month of March 2020, how much did your revenue change compared to March 2019? (pick the closest one)

Answer Choices	Responses	
Down by 50% or more	127	43.9%
Down by 25%	73	25.3%
Down by 10%	30	10.4%
About the same	25	8.7%
Up by 10%	13	4.5%
Up by 25%	10	3.5%
Up by 50% or more	11	3.8%
Answered	289	100%

Q6. In the month of April 2020, how much do you expect your revenue to change compared to April 2019? (pick the closest one)

Answer Choices	Responses	
Down by 50% or more	160	55.4%
Down by 25%	64	22.1%
Down by 10%	20	6.9%
About the same	14	4.8%
Up by 10%	12	4.2%
Up by 25%	9	3.1%
Up by 50% or more	10	3.5%
Answered	289	100%

Q7. Regarding the Canada Emergency Wage Subsidy (CEWS), did you qualify for the first period? (Your March 2020 revenue needed to be at least 15% lower than March 2019 OR 15% lower than the average of January and February 2020.)

Answer Choices	Responses	
Yes we qualified.	126	43.0%
No we didn't qualify.	111	37.9%
Not sure yet.	56	19.1%
Answered	293	100%

Q8. Staying with the Canada Emergency Wage Subsidy (CEWS), do you think you will qualify for the second period? (If you qualified for the first period you automatically qualify for the second. You also qualify for the second period if your April 2020 revenue is at least 30% lower than April 2019 OR 30% lower than the average of January and February 2020.)

Answer Choices	Responses	
Yes we will qualify.	138	46.9%
No we won't qualify.	63	21.4%
Not sure yet.	93	31.6%
Answered	294	100%

Q9. If you qualify for CEWS, what percentage of your staff will you be able to keep from laying off, or bring back from layoff? (pick the closest one)

Answer Choices	Responses	
0%	50	18.5%
25%	96	35.4%
50%	49	18.1%
75%	38	14.0%
100%	38	14.0%
Answered	271	100.0%

Q10. Is your brewery producing hand sanitizer, or is your beer being used to produce it elsewhere?

Answer Choices	Responses	
Yes.	46	15.6%
No.	249	84.4%
	Answered	295
		100.0%