

INDUSTRY REVIEW ISSUE

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A NEW REALITY

CRAFT BREWERS FORGE AHEAD DESPITE CHALLENGES



BREW PUBS

A WEALTH OF
OPPORTUNITY





BY BRANDON HERNÁNDEZ

In 2024, brewpubs were down 2.8% year-over-year from a production standpoint. That negative figure comes as no surprise given the number of unprecedented challenges currently facing the U.S. craft brewing industry. But it's important to note that brewpubs outperformed craft as a whole (down 3.9%), and that this market segment fared better than both taprooms (-4.1% on average) and microbreweries (-7.5%).

According to brewpub owners, despite difficult conditions, their business model still presents a wealth of opportunities unavailable to production breweries and even satellite sampling spaces. Key among them is the ability to have meaningful, in-person interactions with consumers, satisfy patron expectations via a universally familiar restaurant model, and differentiate one's business on multiple fronts, including beer, food, service, environment, events, programming, and more.

While a brewpub is a business that manufactures and sells beer, it's a hospitality venue above all else, especially in the eyes of consumers.

BACK TO BASICS

For Grant Scorsone, co-founder of South Pittsburgh brewpub Spoonwood Brewing, 2024 started off with a bang. Revenue from January through June was in line with 2023, which had been a very good year for the 10-year-old business. But with the onset of July came a drastic and completely unexpected plummet: takeout business dropped dramatically, and the business' total guest count decreased by 20%. >>

The downturn came despite building a solid reputation. Spoonwood took over a decrepit dive bar, leveled it, and in its place erected a new, family-friendly brewery-restaurant. The space now seats 200 and boasts dual patios to accommodate an additional 80 guests, with the outdoor area doubling as a concert space referred to by many as the “Red Rocks of Western Pennsylvania.” During the pandemic, without the benefit of its comfortable environs, the brewpub, as so many others had to do, pivoted to takeout and to-go beer, before graduating to Plexiglassed, socially distanced service.

Scorsone was unable to pinpoint any singular reason for the sudden downturn. At first, he believed it was the recent departure of Spoonwood’s head chef of eight years. There had admittedly been some bumps in the road where food quality was concerned, but by then he says his team was well on its way to addressing that.

From there, Scorsone made the logical jump to economics, but that seemed implausible. Despite rapidly rising costs of goods, labor, and utilities, Spoonwood had

made the conscious decision to absorb the bulk of it and hadn’t increased food prices since November of the previous year.

With those potential causes unlikely, Scorsone then took a step back and put himself in the shoes of his patrons, especially the ones who appeared to have retreated.

“We are a suburban brewpub with lots of family patrons, and we understood that families were facing tough decisions on discretionary spending,” says Scorsone. He vowed to give those families as many reasons as possible to visit Spoonwood. “We celebrated minor holidays. We got better at posting great pictures of our food, beers, and cocktails. We communicated with our staff what we believed was happening and asked them to be a part of changing the dynamic.”

That request extended from front-of-house, to kitchen, to brewery. Scorsone says he received immediate buy-in from all factions—they went on to analyze their day-to-day interactions and got back to some of the basic building blocks of the hospitality industry.

“The basics became important. Little things like smiles. Making sure people were happy with what they were receiving,” said Scorsone. “Our brewery brought back some customer favorites, and we started promoting our 10-year anniversary. We gave thanks to everyone who allowed us to succeed over the past decade.”

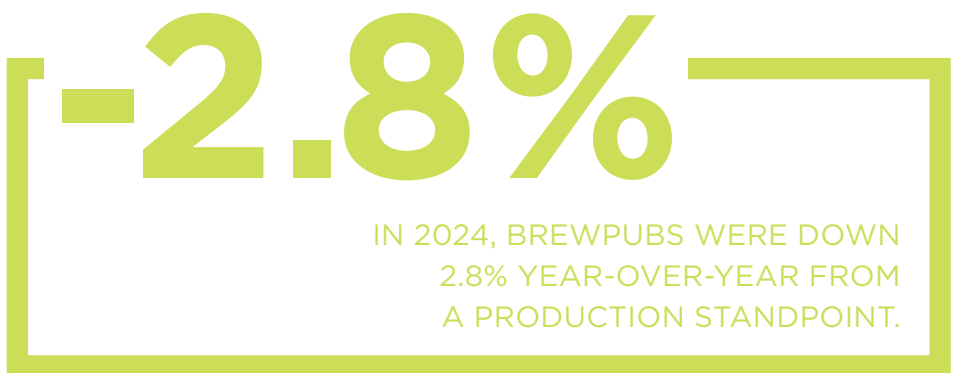
It sounds simple, but Scorsone admits that it took a lot of hard work. And in the end, it was successful for Spoonwood, which brewed 882 barrels last year, down just 2% from 2023. Scorsone says November and December were so good that the business nearly broke even for the last six months of the year. It’s instilled long-term change to weather a storm that still has no end in sight.

“Moving forward, our management team meets weekly to review the events calendar, labor, food, maintenance, and anything else that needs attention,” says Scorsone. That added attention on all fronts has made a big difference, but even the most concerted efforts can’t fix everything in a multifaceted, arduous business climate.

“Quarter one of 2025 appears to be back into a more predictable groove, but trying to run a brewpub based on historical markers such as food cost, labor cost, or gross revenues is nearly impossible,” he said. “I would stand a better chance of being struck by lightning than finding patrons who are willing to pay—or are capable of paying—for a deliciously made burger for which my food cost is in the 25 to 30% range.”

EMPLOYEES ARE A PRECIOUS RESOURCE

Jesse Sensenig first fell in love with beer while he and his wife, Amanda, were living in Colorado. Like so many before him, he



Goshen Brewing Company, Goshen, Ind.



plunged down a fermentation-science rabbit hole, homebrewing at a “relentless” pace before dipping his toes in commercial waters via an internship at a small production brewery. While an affection for quality ales and lagers was at the heart of it all, there was something the Sensenigs were even more infatuated with: craft brewery culture.

The camaraderie and communalism driving the industry and its fanbase is what spurred the couple to open Goshen Brewing in the Indiana college town of the same name in 2015.

“We pushed to open a space that was focused on community, great beer, food, music, and events. No TVs, just a space for locals to come together,” says Jesse Sensenig. “We are solar- and wind-powered, we collaborate with local businesses and community members on events, and we treat people with respect and dignity.”

That altruistic all-around approach has served the Sensenigs well over the past decade, earning them long-term patronage that has helped their brewpub make it through both the pandemic and more recent trials facing all U.S. brewers. Goshen’s 2024 production numbers were almost identical to the previous year’s (538 barrels, down 3% from 2023). Revenue figures are also similar but came up slightly short of 2023’s.

“Managing the costs of food, goods, services, insurance, and other line items has been an ongoing challenge,” Sensenig admits. “We make changes in menu pricing and efficiency only to have those changes met with increased pricing from our vendors.”

It’s a familiar conundrum for craft brewers, but rather than fixate on the unfixable, the Sensenigs have opted to double down on what they can control. For them, that

means their product, service, and first and foremost, their staff.

“We have a strong team that we treat fairly, and we look to them for creative ways to get people in the door and keep them coming back,” he said.

This technique of not only being open to ideas but soliciting them from employees has worked well at Goshen. Together, the Sensenigs’ team has established a successful roster of outdoor music shows and other events that resonates with customers and convinces them to return on a consistent basis. This is also true of less obvious programming—on Tuesdays for example, where the only dish on the menu is pad Thai, guests who wear their Pad Thai Tuesday shirts get \$3 off their order. Sensenig says his brewpub is packed every Tuesday. It’s also packed during their spin-off summer event during which patrons can “pad Thai-dye” their Goshen-branded merch.

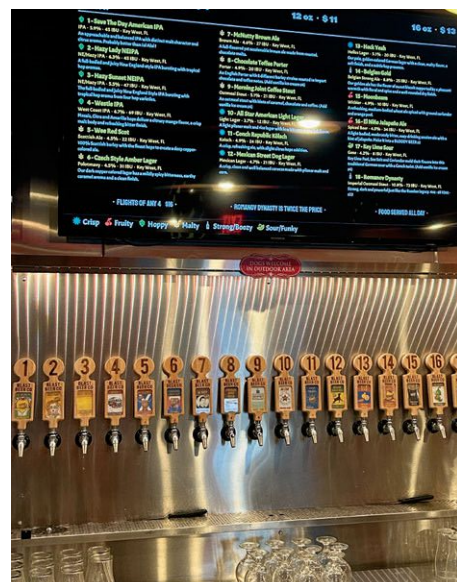
It takes a village, but rather than simply take from their village, the Sensenigs constantly look for ways to reward staff for their hard work and contributions.

“Invest in your employees and promote from within. We have never hired out of house for a manager or shift-leader position. The brewery and head chef positions would be the only ones where we would consider an outside hire. Even so, we never have,” says Sensenig. “Give employees profit-sharing if you have it and be open about the business.”

GIVE THE PEOPLE WHAT THEY WANT

When Tadd Maudlin started homebrewing while attending Purdue University in 1990, he had no aspirations of opening a brewpub. Even when he went pro after a friend convinced him that his gluten-reduced beers could fill a gaping hole in the beer aisle, he refused to commit to a physical location, much less a brewpub. Instead, he entered into a contract agreement with an Orlando brewery to produce his recipes under the moniker Blast Beer Co.

“My distributor got the beer in Winn-Dixie stores and Total Wine & More. Growth was slow, but I regularly visited



Southernmost Pint Brewpub, Key West, FL

Photos courtesy of Goshen Brewing Company, Southernmost Pint Brewpub



Spoonwood Brewing Company, Pittsburgh, Pa.

2024 TOP 10 INDIVIDUAL BREWPUBS BY REGION*

Northeast Region (CT, DE, DC, ME, MD, MA, NH, NJ, NY, PA, RI, VT, VA, WV)

Rank	Company	State	Sales (bbls)	% change
1	Iron Hill Brewery	PA	13,750	0%
2	Right Proper Brewing Company	DC	9,750	116%
3	Moat Mountain Smoke House and Brewing Co	NH	7,081	-5%
4	Ever Grain Brewing Co.	PA	6,488	-10%
5	Druthers Brewing Co	NY	5,500	2%
6	Voodoo Brewing Co	PA	4,956	-10%
7	Greenport Harbor Brewing Co, LLC	NY	3,857	1%
8	Commonwealth Brewing Co.	VA	3,781	-10%
9	North Country Brewing Co. LLC	PA	3,670	-10%
10	New York Beer Project	NY	3,633	8%

South Region (AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX)

Rank	Company	State	Sales (bbls)	% change
1	Pinthouse Pizza North	TX	23,066	3%
2	Legion Brewing Company	NC	12,414	2%
3	Smoky Mountain Brewery	TN	5,820	-5%
4	Anthem Brewing Co	OK	4,549	31%
5	Asheville Brewing Co	NC	3,765	-6%
6	Tucker Brewing Company	GA	3,682	23%
7	Union Bear Brewing Co.	TX	3,343	219%
8	Blowing Rock Brewing Company	NC	3,151	-12%
9	Southern Grist Brewing Company	TN	3,112	-5%
10	Booneshine Brewing Company	NC	2,892	1%

Mountain West Region (AZ, CO, ID, MT, NV, NM, UT, WY)

Rank	Company	State	Sales (bbls)	% change
1	Prost Brewing Company	CO	11,017	5%
2	Bosque Brewing Co	NM	9,376	-4%
3	Outer Range Brewing Co	CO	8,500	42%
4	O.H.S.O. Eatery + NanoBrewery	AZ	6,203	8%
5	Mountains Walking Brewery	MT	5,000	87%
6	Second Street Brewery	NM	4,200	5%
7	Arizona Wilderness Brewing	AZ	4,100	35%
8	Philipsburg Brewing Co	MT	3,859	-5%
9	Red Leg Brewing Company	CO	3,788	27%
9	Big Dog's Brewing Co	NV	3,551	18%

*Does not include do-not-publish breweries.

each store and checked the displays to make sure inventory was good," says Maudlin. "I earned a spot in the refrigerated section in less than a year. Then it really started to sell."

Bullish on his brand and product, Maudlin made plans to open a retail location for Blast in his hometown of Key West in 2023. He signed a lease, but while floor plans were being drawn up, Maudlin's distributor suddenly went bankrupt. Unable to find a new distribution partner that would get Blast beer into grocery chains, he changed tactics. The kitchen sections of the retail spot's floor plans were amended to include a one-barrel brewhouse, and in November 2023, he officially joined the brewpub sect with the opening of Southernmost Pint.

"That was the name of one of Blast's first three beers. It was a golden ale and the 16-ounce cans we used mimicked the red, black, and yellow color scheme on Key West's Southernmost Point buoy. People loved it," he says. "When I asked my wife what we should call the brewpub, she replied, 'Southernmost Pint, of course.'"

Maudlin says sales have doubled year over year and he expects volume to be up again in 2025. He attributes much of the brewpub's profitability to keeping things small and lean. Since opening, he has personally brewed every one of his beers, one single-barrel batch at a time. The brewpub produced 134 barrels in 2024, up 415%. Despite the time and elbow grease required to keep beer flowing from 18 taps, he makes a point of being both visible and available at his business.

"I sit at the bar and work on my computer. People talk to me, compliment me on the beer, and ask for certain styles they

Photos courtesy of Spoonwood Brewing Company



miss. I make them,” says Maudlin. “Find out what people want and give it to them.”

Maudlin revels in talking with customers but concentrates most of his conversational energy on listening. While unique nuances can be gleaned from such interactions, hearing the same thing over and over can also drive a point home. “What I hear most is people telling me they used to homebrew a long time ago, but eventually there were so many craft breweries nearby, they didn’t need to do the work anymore. But now so many places are heavy on IPAs. They say they wish more breweries had a variety of beer styles like I do.”

That wealth of styles has been key to Southernmost Pint’s early success, but there’s much more to it. Just like Scorsone at Spoonwood and Sensenig at Goshen, Maudlin benefits from the strong team he’s cultivated, most of whom came from the local charter boat industry and, as he puts it, have the highest customer service standards he has ever seen. And like both aforementioned businesses, environment and amenities have helped take things to the next level.

“We blow a traditional conch shell to announce the start of happy hour. We have the area’s largest projector screen on our patio, and we play retro music videos all day and night. We have a lot of fun.”

And so do Southernmost Pint’s customers, 90% of whom consist of visitors versus residents. Maudlin is selling more than beer—he’s providing a sense of place.

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NB



Breakside Brewery, Portland, Ore.

2024 TOP 10 INDIVIDUAL BREW PUBS BY REGION*

North Central Region (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI)

Rank	Company	State	Sales (bbbls)	% change
1	Noon Whistle Brewing	IL	8,750	-6%
2	Granite City Food (Corp)	MN	5,545	16%
3	Nocterra Brewing Company	OH	3,614	-2%
4	Alter Brewing Company	IL	3,450	3%
5	MORE Brewing Company	IL	3,302	-18%
6	Fox River Brewing Co	WI	3,200	-3%
6	Great Dane Pub and Brewing Co	WI	3,027	-14%
8	Four Day Ray Brewing	IN	2,923	8%
9	HighGrain Brewing Co.	OH	2,886	9%
10	Swine City Brewing Company	OH	2,790	-12%

Pacific Northwest Region (AK, OR, WA)

Rank	Company	State	Sales (bbbls)	% change
1	McMenamins Breweries	OR	15,030	-7%
2	Double Mountain Brewery	OR	5,395	-7%
3	Barley Brown’s Beer	OR	4,494	7%
4	49th State Brewing	AK	3,821	-7%
5	Broken Tooth Brewing	AK	3,707	-5%
6	Backwoods Brewing Company	WA	3,446	-4%
7	Diamond Knot Brewing Co.	WA	2,859	-5%
8	Old Stove Brewing Company	WA	2,439	-5%
9	Brick West Brewing Company	WA	2,400	-13%
10	Steeplejack Brewing Company	OR	2,315	-7%

Pacific Region (CA, HI)

Rank	Company	State	Sales (bbbls)	% change
1	Alvarado Street Brewery & Grill	CA	17,063	10%
2	Garage Brewing Company	CA	5,503	0%
3	Moonraker Brewing Co.	CA	4,621	13%
4	Kern River Brewing Co	CA	4,204	8%
5	Bootleggers Brewery	CA	3,827	0%
6	Highland Park Brewery	CA	3,007	3%
7	Hana Koa Brewing Co.	HI	2,821	60%
8	Mare Island Brewing Co., LLC	CA	2,500	55%
9	Long Beach Beer Lab	CA	2,174	0%
10	Lengthwise Brewing Co	CA	2,160	-7%

*Does not include do-not-publish breweries.