

Massachusetts Craft Distillers Industry: 2018 economic snapshot

Craft spirits are a growing segment of the U.S. distilled spirits market. Over 1,500 distilleries generated \$3 billion in sales in 2017*. Massachusetts has an increasing number of licensed craft distillers as well. There were 18 licensed distilleries in 2015, compared to 23 in 2018. Over two-thirds of Massachusetts distilleries had increased production during that time. Massachusetts craft distilleries are forging forward, meeting consumer demand for unique and quality spirits.

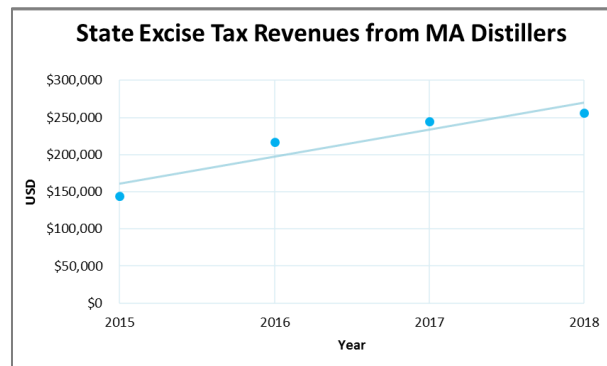
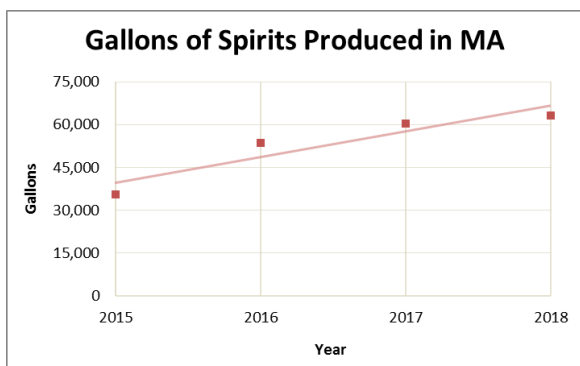
Overview of MA Craft Distilleries

The Massachusetts Department of Agricultural Resources partnered with the Massachusetts Craft Distillers Alliance, the Massachusetts Department of Revenue, and distillery businesses across the state to develop an economic snapshot of the sector. A distillery survey was administered and data on distilled spirit production was gathered.

Massachusetts craft distilleries produced over 63,000 gallons of craft spirits in 2018, a nearly 78% increase from 2015 volumes. Production quantities of distilled spirit were larger than expected. According to a 2015 distiller's survey, volume estimates were forecasted to grow 87.5% by 2020. Massachusetts distillers nearly met their 2020 volume goal in 2018, a significant accomplishment. Distillers are optimistic about continued growth. Over 85% of question respondents plan to increase their production capacity to meet projected growth.

The economic contributions of the craft distilling industry have broadly benefited the Massachusetts economy. Excise tax collected from distillers in 2018 totaled \$256,400. The industry employs 57 full-time and 65 part-time employees. Continued employment growth is likely as 75% of the distillery businesses plan to hire additional employees over the next two years. Agricultural products grown in Massachusetts are used by over 80% of respondents including cranberries, grapes, stone fruit, and maple syrup, among others. Distilled spirit production is a long term investment in terms of both time and resources. Craft distillery businesses are investing in the future of Massachusetts.

Massachusetts produced craft spirits are primarily sold through self-distribution, third party distribution, and tasting rooms. Each sales channel represents about a third of total volume sold across the state, though individual distillers differ in their market channel preference. Craft distillery tasting rooms provide an engaging experience, direct marketing sales, and an opportunity for consumer education. Massachusetts craft distilleries hosted over 100,000 visitors in 2018. Continued tourism promotion is important to build awareness of these businesses and their products.



*American Craft Spirits Association Data Project

