

Voluntary Report – Voluntary - Public Distribution

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Report Name: Craft Beer Seminar Highlights Sector Growth and Progress

Country: Costa Rica

Post: San Jose

Report Category: Beverages, Export Accomplishments - Marketing, Trade Events and Shows, Export Promotion Programs

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Report Highlights:

A July 29 seminar brought together roughly 100 Costa Rican craft brewers, retailers, restauranteurs, and enthusiasts to promote new brewing products and training courses to further develop the Costa Rican craft beer sector. FAS/San José expects increased sales of featured U.S. products (including hop resin extract, malt, and other brewing inputs) over the next 12 months and will continue to work with importers and craft brewers to differentiate U.S. inputs in this small, but growing, craft beer market.

With some 200 micro-breweries, the Costa Rican craft beer scene is growing, albeit from a very small base. FAS/San José estimates craft beer represents less than 5 percent of the total 196 million of liters of beer produced in Costa Rica in 2022. Unlike many markets around the world, beer consumption in Costa Rica grew by six percent in 2022, while craft beer grew as a share of total consumption.

Costa Rican beer consumption is dominated by major national brands (i.e., Imperial, Pilsen, and Bavaria), which are all a variation on lager-type beer. While micro-brewers have been producing and selling local craft beers in Costa Rica for more than 25 years, the craft brewing scene has picked up considerable pace in the last 10 years, as craft brewers have improved their quality and the diversity of their offerings. Though the pandemic was a major setback, the industry's dedicated artisans have recovered quickly; most craft beer is produced and distributed through 'brew pubs,' which, along with other food service establishments, were shut down by COVID-19 restrictions on gatherings.

With a considerably higher price point – often \$3 to \$7 per individual bottle – craft beer consumption is concentrated among more affluent consumers in the San José metropolitan area and in tourism destinations (particularly those along the Pacific beaches of Guanacaste and Puntarenas); industry sources estimate nearly half of craft brewers are located in the San José metropolitan area. The relative diffusion of brewing activity significantly complicates brewing input distribution logistics and economies of scale, raising craft breweries' inputs costs and the eventual consumer price.

The July 29 event in San José attracted attendees from all over the country interested in improving their skills, improving their products, and reducing their costs. U.S. input suppliers presented different ingredients or products at the event (hops, yeast, malt, fermentation solutions, and equipment), providing insight into potential product applications as well as anticipated effect on brewers' bottom lines.

Among the more provocative products was a hop resin extract from New York firm [Hopsteiner](#) that could help brewers reduce costs by importing the hop flavor profile ingredient in a format with longer shelf-life and reduced by-products from the brewing process. More importantly, the product has a value to weight ratio high enough to offset air freight costs; air freight avoids the complications of consolidating sufficient quantities of imported products to fill a sea freight container. FAS/San José expects the first hop resin extract to arrive in January 2024 - available in formats as small as 500 grams.

Costa Rica has historically been a small and inconsistent market for U.S. malt, but Minnesota-based [Rahr](#) appears to have established a foothold in 2023. U.S. malt exports should continue to capitalize on U.S. proximity to Costa Rica, reducing shipping times and cost relative to European malts, which have traditionally dominated the market. A Rahr representative educated seminar attendees on malt analysis and how to use this data as a brewer to develop flavor profiles across different beer styles.

The U.S. subsidiary of [Micro Matic](#) highlighted a range of U.S.-manufactured brewing equipment to fit the needs of craft brewers at all stages of their development, including glycol-cooled long-draw systems to help brew pubs keep beer cold all the way from a walk-in keg cooler to the consumer. A Micro Matic representative also provided a short course on good dispensing practices to ensure consumers

consistently receive the best-tasting beer experience, a key point in a market where craft brewers are working to distinguish their products from the more-established mass-market offerings.

The London, England-based Institute of Brewing and Distilling promoted the Spanish-language version of their General Certificate in Brewing (GCB). Costa Rica has the second-highest number of GCB-certified brewers in the region, underscoring brewers' commitment to their craft and to the future of the sector.

As the sector continues to mature, the United States appears well-positioned to supply Costa Rican craft brewers with the ingredients they need to continue to grow. FAS/San José will follow up with local importers over the next 12 months to track the progress of products introduced during the seminar.

Attachments:

No Attachments.