

Arkansas beer production soars by 14% in 2023

14% surge comes despite rising costs and changing norms

By John Magsam, *Arkansas Democrat-Gazette*

Arkansas beer production surged in 2023 -- mostly on gains made by a single brewery.

Beer-makers in the Natural State brewed 60,782 barrels of beer and hard seltzer products in 2023, up 14% when compared with 53,511 barrels for the prior year, according to figures provided by the Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration.

When converted to gallons, the state's brewers produced 1.95 million gallons of beer in 2023 compared with 1.71 million gallons in 2022. A barrel of beer contains 31 gallons.

Little Rock-based Lost Forty Brewery remained the state's largest beer maker in 2023. It operates under a microbrewery restaurant permit and made 16,381 barrels, up 5% from 15,666 barrels in 2022. The brewery was responsible for nearly 27% of the state's total brew production in 2023.

The state's second largest beer maker, Springdale-based Core Brewing and Distilling, produced 14,940 barrels of beer and hard seltzer in 2023, surging 77% from 8,435 barrels in 2022. Core operates under a small brewery permit and its increased production made up 89% of the state's 2023 growth.

Lacie Bray, co-founder of Ozark Beer Company in Rogers and president of the Arkansas Brewers Guild, said while production volume numbers in 2023 were positive, the industry is challenged by increasing raw material, packaging and shipping costs.

"Nothing is easy about running a brewery these days, which makes the numbers from 2023 a real celebration and testament to the hard work, grit, and sheer perseverance of the Arkansas breweries," she said.

Bray said the industry also faces the challenges of changing social behavior -- with younger patrons choosing not to consume as much alcohol as previous generations -- along with the wide variety of alcoholic beverages consumers can choose from and folks not going to bars and taprooms as much as they once did.

Bentonville Brewing Company produced the third largest amount of beer in 2023 with 6,251 barrels, up 14% from 5,460 in 2022. Rogers-based Ozark Beer Company was ranked fourth with 5,560, up 3% from 5,412. Flyway Brewing Company in North Little Rock produced the fifth largest amount of beer for the period with 2,234 barrels, down 6% from 2,386.

Tim Thompson, president of Lost 40 said the brewery had a strong year in 2023. He said its Rock Hound IPA brand sold well in 2023 and has become its No. 1 product, with sales pulling just ahead its perennial customer favorite Love Honey Bock.

In 2024 and moving into 2025, he predicts Lost 40's Second Rodeo Light Beer, made with Arkansas rice, is positioned for more growth and will soon be competing with the other two top beers for dominance. He said the thing that's slowed Second Rodeo sales has been lack of production capacity, something that's expected to change with the addition of new tanks and a new canning line in 2025.

"The new line will double our canning capacity and improve product quality," Thompson said.

Beer production in the United States was down 5.1% to 173 million barrels in 2023. Craft beer, which made up 13.3% of the market, was down 1% to 23.4 million barrels.

Bart Watson, chief economist for the Brewers Association, a trade group for craft brewers in the United States, said in an interview that Arkansas' performance was strong compared with its peers, noting that industry wide production is down as beer makers struggle with higher input costs, competition and other challenges.

He said in Arkansas, where there are still relatively few brewers, a single brewery, in this case Core, can dramatically skew annual production statistics when it makes significant production gains.

In response to emailed questions, Jesse Core, founder of Core Brewing and Distilling, said in 2023 the operation produced 20,165 barrels in total, when an additional 5,225 barrels from contract manufacturers is added to the product made in Arkansas.

He said growth came from a combination of expansion of the Core's hard seltzer line Scarlet Letter, the company's entry into ready to drink products, and its private label partnerships.

"We will be up approximately 5% in 2024, and 2025 is shaping up for 30% plus growth," he said.

Arkansas brewers working under small brewery permits produced 42,966 barrels of beer in 2023, up 16% from 36,773 barrels in 2022. There were 47 active permits listed in the small brewery production category, with three of those being issued during 2023, according to the state. Four permits reported zero production in 2023.

Breweries operating under microbrewery restaurant permits brewed 18,086 barrels of beer in 2023, up 8% from 16,738 barrels for 2022. There were 12 active permits listed by the state in 2022, including microbrewery private clubs and three of those reported zero production for the period.