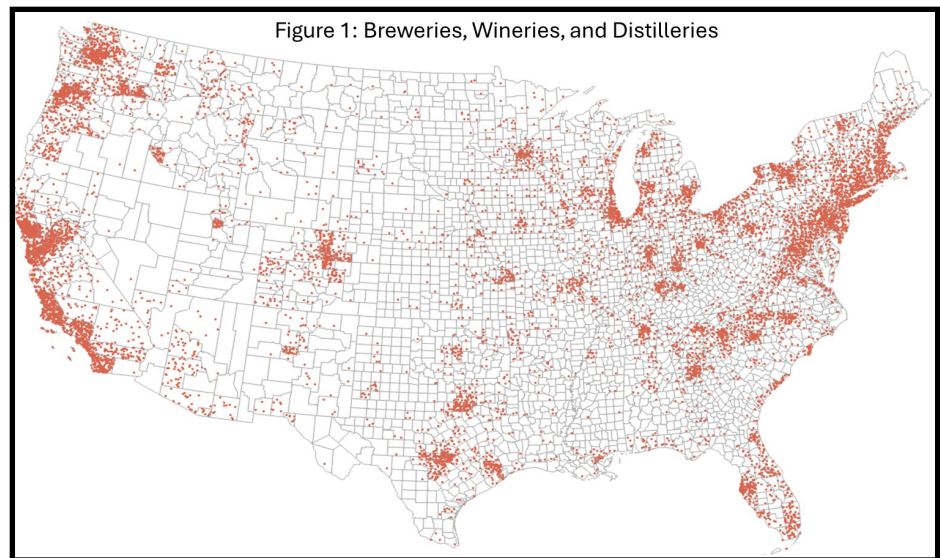




Given the strong German heritage in the settlement patterns of Wisconsin, it is not surprising that beer is a culturally relevant touch point. Indeed, the Milwaukee Brewers are named in honor of the strong heritage of breweries in Wisconsin. The state's first commercial brewery is thought to have been established by John Phillips in 1835 in Mineral Point, but it was short-lived. The first long-lasting brewery was Julius Weisner's brewery in Milwaukee, founded in 1840. While the brewery industry has gone through periods of consolidation, there has been significant growth over the last 20 years. In 2001 there were 15 breweries in Wisconsin employing about 1,200 people but by 2022 the number of breweries expanded to 107 employing over 3,700 people. This rapid growth has been driven almost exclusively by the growth in consumer demand for locally sourced craft beer.

This growth not limited to breweries and craft beer, but also growth in wineries and distilleries. In 2001 there were only nine wineries in Wisconsin employing just over 120 people and there were no distilleries. By 2022 the number of wineries grew to 66 employing 797 people and 25 distinct distilleries employing 220 people. This rapid growth reflects changes in consumer demand including interest in craft and artisan products, growing interest in variety and experimentation with beer, wine, and distilled products, along with a stronger "farm-to-table" ethos and easing of regulations in attempts to encourage local and regional entrepreneurial activities.

Nationally, Wisconsin has a strong geographic cluster of breweries, wineries, and distilleries on par with some of the most populated areas in the country along the West Coast and the Northeast. Importantly, this analysis excludes bars and taverns, which if included, would elevate Wisconsin even further. Within the state, breweries, wineries, and distilleries are largely concentrated



in Door County, Madison, and Milwaukee. Relative to the other sectors in this series, these businesses need not be geographically close to the farm supply of inputs. Instead, they can locate closer to the demand (i.e. population centers). Still, the local craft beverage scene reach most corners of the state to some extent. This reflects the need for access to customers for many of these firms.



State Of Wisconsin
**DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION**



Economic Development Administration
University Center
DIVISION OF EXTENSION
UNIVERSITY OF WISCONSIN-MADISON



Given the relatively rapid growth in the number of breweries, wineries, and distilleries across Wisconsin, it is not surprising that the industry makes an important contribution to the larger Wisconsin economy. Using an economic model of the Wisconsin economy for 2022, we estimate that this industry contributes almost 11,200 jobs, \$769 million to labor income (wages, salaries and proprietor income), \$1.48 billion to total income (labor income plus all other sources of income such as dividends, interest, rent and transfer payments such as social security), and \$3.38 billion to industrial sales or revenues (Table 1). The economic activity supported by the brewery, wine and distillers industry also generates tax revenues to flow to all levels of government. This includes income and sales taxes, property taxes, along with fees and charges amongst other sources of government revenue. This industry accounts for \$182.7 million in revenues flowing to local governments within Wisconsin, \$77.0 million to state government, and \$191.7 million to the federal government. This distribution of tax revenues to the various levels of government is reflective of the distribution of overall tax flows.

Table 1: Contribution to Wisconsin Economy				
	Employment	Labor Income (MM\$)	Total Income (MM\$)	Industry Sales (MM\$)
Breweries-Wineries-Distilleries	11,192	\$769.0	\$1,481.8	\$3,381.6
Economic Multiplier	2.185	2.005	1.868	1.687

Table 2: Contribution to Government Revenues				
	Local Govt. (MM\$)	State Govt. (MM\$)	Federal Govt (MM\$)	Total (MM\$)
Breweries-Wineries-Distilleries	\$182.7	\$77.0	\$191.68	\$374.40

Although Wisconsin has a strong tradition of breweries, such as Schlitz, Pabst, and Miller in Milwaukee or G. Heileman in La Crosse or Leinenkugel in Chippewa Falls, the craft brewing industry, such as New Glarus Brewing or Lakefront Brewery, has also expanded. In addition, while Wisconsin had a modest winery industry centered around fruit wines in Door County, there has been significant growth in more traditional wines such as those produced by Wollersheim Winery in Prairie Du Sac. Indeed, the growth in artisan cheeses and local wineries have yielded synergies around tourism clusters such as the wine and cheese trail in the Driftless region of southwestern Wisconsin. Building on these changes in consumer tastes and preferences, the potential growth in craft distilleries, such as Driftless Glen Distillery or J. Henry and Sons Bourbon, is further evidence of the potential of this particular economic cluster.