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American Beer Drinkers Say “Cheers” to Sound Public Policy

CONSUMER ACTION for a STRONG ECONOMY

Americans love their beer.

Since the early 1990s, sales at liquor stores have risen from roughly $1.7 billion to $5.9 billion. The average drinking age American purchases. And though sales did drop during Covid, they have mostly rebounded.

While store coolers appear stacked with a near endless array of brands from which to choose, most consumers are unaware that just two companies control 2/3rds of the entire U.S. market, or that quintessentially "American" brands such as Budweiser, Michelob, and Bud Light are owned by foreign companies.

In 2008, a Brazilian-led investment group purchased Anheuser-Busch, turning the formerly St. Louis- heartland based juggernaut into a subsidiary of AB InBev, the Belgian-Brazilian global conglomerate that bills itself as "the world's largest brewer." As the owner of some of the most popular beers brands in America, and due to its immense income, AB InBev wields outsized amounts of influence, both in beer, and politics.

AB InBev stifles the competition to advance its interests by combining sophisticated and well-funded political, lobbying, advertising machines. As the publication NOTUS recently reported, following a consumer backlash to Bud Light's "woke" advertising deal with transgender social media personality Dylan Mulvaney, AB InBev has maintained an "unblinking commitment to its long-game political influence efforts," spending "more than $5 million each year on federal lobbying efforts in 2023, 2024 and 2025." The company has already spent $1,430,000 on federal lobbying during the first three months of 2026. These numbers are much higher than any of its competitors, leading to concerns about how much influence it has on the politicians who are supposed to regulate the beer industry.

AB InBev's powerful lobbying presence are augmented by the company's advertising muscle, most recently highlighted by Bud Light's sponsorship of the Ultimate Fighting Championship's "UFC 250" at the White House.

Its long-running "Choose Beer Grown Here" and "Made of America" marketing campaigns, launched as part of an effort to rebrand in the aftermath of the Mulvaney debacle, have largely obscured the fact that the company's corporate headquarters are located in Leuven, Belgium, not in middle America like their advertising would have you believe. Moreover, the foreign company has been closing domestic facilities here in our country and also cutting sales for American farmers in recent years. It is difficult to reconcile the advertising campaign and the donations to MAGA politicians with the company's actions.

These recent developments should come as no surprise. AB InBev has a reputation for using its enormous wealth, power and resources to game the system and manipulate public opinion.

In the early 2010s, AB InBev attempted to purchase controlling interest in the Mexican beer manufacturer, Grupo Modelo. Rightly seeing this as the formation of a monopoly, the Justice Department stepped in to prevent the acquisition. As part of the 2013 U.S. Department of Justice settlement to "maintain competition in the beer industry nationwide", the DOJ dictated that AB InBev sell Modelo's entire U.S. business, the Mexican brewery Piedras Negras and other assets to American-based Constellation Brands Inc.

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In its announcement of the settlement, the DOJ stated, "Before the merger, there were two competitors—Modelo and ABI—and ABI owned a substantial stake in Modelo. The companies' proposed merger would have reduced those two competitors to one—ABI. The proposed settlement announced today will create an independent, fully integrated and economically viable competitor to ABI. This is a win for the $80 billion U.S. beer market and consumers."

The DOJ hoped the settlement would create a more competitive marketplace for the U.S. beer business and U.S. consumers. Thirteen years later, it's clear the U.S. beer industry has benefitted from the DOJ settlement as the number of domestic small and independent craft brewers exploded from 4,803 in 2015 to 9,578 in 2025. Small and independent brewers now make up 13.4% of US beer sales.

Thus, the main benefit of the DOJ settlement was the prevention of further concentration. Without the divestiture, ABI would have controlled roughly 46% of the U.S. beer market. The DOJ's theory was that Modelo imports acted as a pricing constraint. In other words, ABI would announce annual price increases and Modelo often declined to follow, forcing ABI to moderate.

Preserving an independent, well-capitalized third competitor in Constellation Brands (behind ABI and MillerCoors) kept that pricing discipline alive, which aided the overall competitive environment in the domestic beer market. Effectively, the DOJ was attempting to preserve a check and balance system in the beer market, similar to the checks and balances we're supposed to have in our government.

DOJ Decree Didn't Address Craft Brewers' Biggest Concerns

Unfortunately, the DOJ decree didn't address craft brewers' biggest structural concerns, which focus on distribution. Distribution is a huge problem for the independent brewer, as the number of distributors has dropped by over one third since 1980, causing each distributor to carry nearly 1000 products on average. Small brewers simply get lost in the shuffle. This is complicated further by large company's, like ABI, owning distributors.

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AB InBev has also created distribution incentives that limit independent shelf space, acquired successful craft breweries to swallow up market share, and lobbying for favorable state laws that disproportionately burden small operations. AB InBev often incentivizes major distributors to prioritize its products, leaving independent brewers struggling to find reliable distribution channels. In some states, it's even illegal for a brewer to self-distribute, placing the advantage firmly with large companies like AB InBev.

Furthermore, AB InBev will subsidize refrigeration or pay for prime shelf space at big box stores and chains, effectively pricing out smaller producers. State franchise laws, historically intended to protect small wholesalers, often lock independent breweries into binding contracts with one-sided terms.

In sum, while the DOJ agreement was good for craft brewers in the sense that a more concentrated market would have been worse for them, it wasn't designed to help them directly, and the pervasive distribution problems that matter most to small brewers were left mostly unchanged.

AB InBev has been aggressively lobbying in multiple states for a reduction or even repeal of the sales tax on American made beer. In Florida, such a measure has passed the House, though it has not been yet considered by the Senate. A bill has been introduced in Iowa to reduce the tax on beer for American made beers by over four dollars per barrel. "Foreign import beer," defined as beer manufactured and brought into the U.S., would continue to be taxed at the existing rate.

As President Trump prepares to renegotiate the 2020 United States-Mexico-Canada Agreement (USMCA) agreement, it is likely AB InBev will attempt to replicate its state efforts at the federal level.

AB InBev controls nearly half of the domestic beer market. Let that sink in. A foreign company controls half the US beer market. A gigantic tax break for "American beer" would deliver nearly half its benefit to a foreign conglomerate that, when Canadian trade tensions flared after President Trump's tariff announcements, ran a "Made in Canada" ad campaign celebrating its Canadian workers and Canadian barley.

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AB InBev recently announced a $3.6 billion investment in Mexico and its Mexican executives stood beside the Marxist Mexican President Sheinbaum pledging solidarity with Mexico. This is not a company that cares about American beer. This is a global giant that cares most about its bottom line. American beer should be made by, and for, American, not a global corporation that has no loyalty to the American way.

Policymakers should be addressing AB InBev's unfair distribution practices with craft brewers, instead of providing a huge tax break for a company that hurts consumers and doesn't represent real American beer.

At the same time, let's help American consumers by rewarding domestic beer companies that hold down prices, create space for craft brewers, and keep AB InBev from achieving the kind of monopoly power the DOJ feared.

By fostering greater market competition, let's further develop a domestic beer market where craft brewers can grow and consumers can have greater choice.

In 2026, winners and losers in the American marketplace should not be determined by politicians. As many of us prepare to celebrate America's 250th anniversary with a cold one, the last thing policymakers should be doing is rewarding a foreign conglomerate that doesn't play by the rules with a giant tax break.