

# The Saskatchewan Brewing Industry - Impact on the Provincial Economy

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## Introduction

This industry comprises establishments primarily engaged in brewing beer, ale, malt liquors and non-alcoholic beer. For the purpose of this study, the brewing industry excludes the retail activities of brew-pubs due to data limitations.

The Saskatchewan brewing industry in 2025 is in a state of both challenge and opportunity. The provincial government has recently introduced new incentives for small and medium-sized breweries, including lower beer markup rates and an increased production threshold for reduced rates, now set at 500,000 hectolitres. This policy aims to help local breweries expand and remain competitive, especially as small businesses across Canada face pressures from tariffs and inflation. However, many smaller Saskatchewan breweries are not yet at the scale to fully benefit from these changes.

Market performance has been mixed. While there is strong local support and a growing craft beer culture, the industry is expected to have declined slightly in value over the past five years. Broader economic pressures and shifting consumer preferences have contributed to this modest contraction.

Despite these challenges, Saskatchewan breweries are gaining national recognition for quality. For example, Pile O' Bones Brewing in Regina was named Best Brewery in Canada in 2024, winning seven national medals, and other local breweries have also received awards. The industry is known for embracing local ingredients and traditional methods, producing beers that reflect the province's agricultural heritage.

The brewing sector remains closely tied to local barley producers, although some farmers are shifting away from malting barley due to market challenges. Those who remain are focusing on quality and building strong relationships with brewers. There is also growth in the non-alcoholic beer segment, reflecting changing consumer tastes.

Trade and tariff issues have also affected the industry. Saskatchewan temporarily restricted some Canadian-made beers perceived as "American-branded" in response to international trade tensions, but this decision was reversed in March 2025 after criticism from industry groups. The reversal restored access to a full range of Canadian-brewed beers, benefiting local distributors, retailers, and brewers.

Looking forward, there is a concerted effort to position Saskatchewan as a leader in sustainable brewing and distilling, leveraging the province's agricultural strengths and fostering a supportive environment for new entrants.

## Economic Impact on the Saskatchewan Economy

The following is an attempt to more completely quantify the impact on the provincial economy in terms of output, gross domestic product, jobs, and labour income.

## Assumptions and Sources

- 2024 gross output of the Saskatchewan brewing industry (net of retail) was \$66.8M. (2021 output inflated to 2024 levels). (Statistics Canada Table: 36-10-0438 and Praxis)
- 2024 Saskatchewan brewing industry employment was 445 persons. (Statistics Canada Table 36-10-0480-01).

## Methodology

This analysis presents results based on standard methodologies for estimating economic contributions for sub-national geographies.

To estimate the impact of brewery production, Praxis's provincial economic model was employed which uses the latest provincial and national input-output tables. An input-output analysis is a form of macroeconomic evaluation based on the interdependencies between different economic sectors or industries. This method is commonly used for estimating the impacts of positive or negative economic shocks and analyzing the ripple effects throughout an economy. The Saskatchewan model contains 35 industries and 66 commodities. These models are based on a standardized method published by Statistics Canada and yield results like Statistics Canada's inter-provincial model and the Conference Board of Canada's STEAM Model.

## Definitions

Results below are the sum of direct, indirect, and induced impacts of the brewing industry. Direct impact is the total initial output shock. Indirect impact is the secondary impact that includes inter-industry transactions: purchases of inputs from supporting industries. Induced impact is the additional impact from changes in household spending as industries reduce labour in response to lower levels of demand for output. Gross Output measures total expenditures on local goods and services as well as payments to labour and business profits. Gross domestic product (GDP) measures net economic activity within a prescribed geographic area. It represents the payments made to final factors of production: labour, unincorporated business profits, and other operating surplus (corporate profits, interest income, inventory valuation adjustments, and capital consumption allowances). GDP excludes the value of intermediate goods and services used in production. Direct, indirect, and induced employment impacts are measured in positions. Labour income includes wages, salaries, and employer contributions to pensions and benefit packages.

## Results

Results are expressed in 2024 dollars and are the sum of direct, indirect, and induced impacts.

	Gross Output Impact (\$M)	Gross Domestic Product at Basic Prices (\$M)	Employment Impact (Jobs)	Labour Income Impact (\$M)
<b>Total Impacts (Direct, Indirect, and Induced)</b>	122.9	59.8	739.1	33.1

Sources: Statistics Canada Tables: 36-10-0438, 36-10-0480-01 and Praxis.

Direct impact is confined to the manufacturing sector, with indirect impacts prominent in the Crop Production, Utilities, Construction, Wholesale Trade, Retail Trade, Transportation and Warehousing, Information and Cultural Industries, Finance, Insurance, Real Estate and Rental and Leasing, Professional, Scientific and Technical Services, Administrative and Support, Waste Management and Remediation

Services, and Accommodation and Food Services industries. Induced impacts, which represent the additional impacts of consumer spending of wages earned, is concentrated heavily within the Retail Trade and Service industries.

In addition to the provincial core model, Praxis has developed several satellite modules. One relevant module to this project is the fiscal module. This module provides a more thorough representation of the impact of a project on government revenues. Typical economic impact models will only provide results in terms of indirect taxes. Praxis’s economic impact model extends this to include personal income taxes, corporate and unincorporated business taxes, as well as resource revenues, and excise taxes. The fiscal module is updated annually upon the release of the federal and provincial government budgets.

	Personal Income Tax	Corp Income Tax	Taxes on Unincorp. Business Profits	Sales Tax	Fuel Tax	Tobacco Tax	Total
<b>Provincial Government Revenue Impacts (\$M)</b>	3.51	0.69	0.77	1.68	0.62	0.34	<b>7.60</b>
<b>Federal Government Revenue Impacts (\$M)</b>	5.72	0.86	1.15	0.47	na	na	<b>8.20</b>

Source: Praxis

### Key Take Aways

- The brewing industry contributes **\$122.9 million** in gross output and **\$59.8 million** to GDP.
- It supports approximately **739 jobs** and generates **\$33.1 million** in labour income.
- The sector delivers **\$7.6 million** in provincial and **\$8.2 million** in federal government revenues, primarily through personal and corporate income taxes, sales taxes, and other levies.
- Economic benefits extend well beyond direct manufacturing, with substantial ripple effects across agriculture, services, trade, and other key industries.

### Opportunities for Brewers

- Expansion through incentives is a key opportunity. The provincial government has introduced reduced beer markup rates and increased the production threshold for these rates to 500,000 hectolitres. This creates a strong incentive for breweries to scale up operations and increase output, especially for those nearing the new threshold. While many small breweries are not yet at the scale to fully benefit, those with growth ambitions can leverage these incentives to expand market share and production capacity.
- Product innovation and diversification offer further potential. The non-alcoholic beer segment is growing significantly, driven by changing consumer preferences, especially among millennials and Gen Z. Breweries can capitalize on this trend by developing high-quality, locally-sourced non-alcoholic options. Additionally, Saskatchewan breweries are gaining national recognition for quality, with award-winning products that highlight local ingredients and traditional methods. There is room for further innovation in flavors, styles, and packaging to attract new customers.
- Branding and local identity are also important. Breweries that use Saskatchewan-grown barley and other local inputs can differentiate themselves and appeal to consumers seeking authentic, locally-made products. Success stories, such as Pile O' Bones Brewing being named Best Brewery

in Canada, demonstrate the potential for local brands to achieve national prominence and drive demand.

- Sustainability and environmental leadership represent another growing area. There is a concerted effort to position Saskatchewan as a leader in sustainable brewing. Breweries investing in carbon capture, waste reduction, and energy efficiency can access funding and appeal to environmentally conscious consumers. Partnerships with local farmers to repurpose brewing byproducts, such as spent grain for livestock feed, create additional value and support sustainability goals.

### Opportunities for Suppliers

- Agricultural linkages remain strong. The brewing sector is closely tied to local barley producers. As craft beer production requires more malt than mainstream beer, there is ongoing demand for high-quality malting barley and opportunities for farmers to supply niche and specialty grains. The rise of small malting operations and demand for unique, customized malts present opportunities for new entrants and existing suppliers to serve the craft segment.
- Packaging, logistics, and equipment suppliers can also benefit. Tariffs and supply chain disruptions have increased the value of sourcing packaging materials domestically. Suppliers can capitalize by offering competitive, locally-available solutions for cans, bottles, and cardboard. As breweries scale up, there is a growing need for efficient storage, delivery, and distribution services. Businesses offering these logistics solutions can support industry growth and reduce logistical burdens for brewers.
- Sustainability solutions are in demand as well. Companies specializing in composting brewing waste or providing waste-to-value solutions can partner with breweries to enhance sustainability and reduce environmental impact. Suppliers of equipment that reduces water and energy consumption are sought after as breweries invest in sustainable operations and seek to lower costs.
- Business services and support represent another opportunity. There is demand for technical, financial, and marketing expertise to help breweries navigate regulatory changes, access funding, and expand into new markets. Innovation hubs and training programs support new entrants and existing businesses in developing skills, accessing funding, and innovating in product development and packaging.