# Concerns rise for Southern California craft breweries amid tariff impact



In March 2023, a significant shift in trade policy has prompted concerns among craft breweries in Southern California, particularly surrounding potential cost increases for beer production. The imposition of a 25% tariff on steel and aluminum has raised alarms for businesses dependent on these materials, impactful enough to reverberate through the local brewing industry.

Daniel Muñoz, co-founder of the Orange-based craft brewery "Everywhere," articulated the immediate concerns of local brewers. Speaking to ABC7 Los Angeles, he noted that suppliers have begun notifying breweries about possible rising costs related to the tariffs. "They are letting us know that the prices were not changing in the immediate, but that they cannot promise that in the future," Muñoz stated, highlighting the uncertainty surrounding future expenses.

The ramifications of these tariffs extend directly to consumer pricing. With approximately 40% of their beer canned in aluminium, "Everywhere" faces a direct threat to their production costs. Muñoz mentioned that the brewery currently pays about 15 cents per can, a cost that comprises roughly 15% of their total production expenses. "If the cost of producing something goes up, that'll pass on to us and eventually pass on to the consumer," Muñoz added, indicating that consumers may soon find themselves facing increased prices at their favourite local establishments.

Additionally, the tariffs pose challenges beyond just canning costs. The brewing process relies heavily on steel fermentation tanks, which are already difficult to procure in the used market. Increased steel prices could limit availability and drive up costs for new tanks, a critical component of the production process. "If new steel is going up, that market probably shrinks even more, and it could be a potential challenge to find more tanks," Muñoz remarked.

Despite these hurdles, Muñoz expressed optimism about the brewery's future. He does not foresee any layoffs and confirmed that plans to open two new locations in Long Beach and Portland, Oregon, remain intact. This positivity is matched by patrons like Casey Golovko, who emphasised her commitment to supporting local businesses regardless of potential price increases. "I am choosing where my dollar goes nowadays depending on what the company is... I'm spending my money more on local businesses," Golovko said.

As the craft beer landscape in Southern California adjusts to these economic pressures, breweries will likely need to navigate the delicate balance between maintaining quality and managing rising costs. The market dynamics are in flux, and consumers may expect to witness changes in pricing structures as the full impact of the tariffs unfolds. This scenario underscores the importance for Alcoholic drink brands to strategically plan for cost implications, engage with suppliers proactively, and communicate transparently with their customer base to sustain loyalty during potential price fluctuations.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.cpapracticeadvisor.com/2025/02/26/tariff-on-aluminum-expected-to-pinch-craft-brewers-cause-consumer-price-increase/156577/> - This article corroborates the concern among craft breweries regarding the impact of a 25% tariff on aluminum, highlighting its effect on production costs and consumer prices.
* <https://spectrumnews1.com/ca/southern-california/business/2025/03/05/craft-beverage-producers-brace-for-effect-of-tariffs> - It supports the claim that tariffs on steel and aluminum could lead to increased costs for products like cans and brewing equipment in the craft beverage industry.
* <https://www.cbsnews.com/video/how-new-tariffs-could-make-beer-more-expensive/> - This video report explains how the tariffs could increase the cost of cans and equipment for craft breweries, potentially leading to higher beer prices.
* <https://www.cpapracticeadvisor.com/2025/02/26/tariff-on-aluminum-expected-to-pinch-craft-brewers-cause-consumer-price-increase/156577/> - Further emphasizes the challenge faced by breweries like Spiteful Brewing due to aluminum tariffs, similar to those faced by breweries in Southern California.
* <https://www.noahwire.com> - This source provides the original context about Southern California breweries facing concerns over cost increases due to tariffs.
* <https://spectrumnews1.com/ca/southern-california/business/2025/03/05/craft-beverage-producers-brace-for-effect-of-tariffs> - It also highlights the proactive strategies breweries might use to manage these cost increases, aligning with Muñoz’s optimism about his brewery’s future plans.
* <https://abc7.com/post/donald-trump-tariffs-aluminum-steel-could-raise-beer-prices-affect-socal-breweries/16120699/> - Please view link - unable to able to access data