Beer prices could be on the rise due to CO2 shortage and supply chain shortfalls, says expert

23 September 2022, by Max Esterhuizen

While the beer industry reports that they have enough supply for current operations, a CO2 shortage could impact smaller and independent breweries with higher prices, says a Virginia Tech beer expert.

"The beer industry supply chain is not efficient enough to absorb small changes, the ripples are being felt right now," says Herbert "Bruce" Bruce, an assistant professor in the Department of Food Science and Technology and co-creator of Fightin' Hokies Lager. "It's not clear if the CO2 supply can support additional demand, at least in the short term. Most breweries, especially regional and larger ones, will be able to meet current production schedules. Remember the aluminum shortage? We didn't run out of beer then and I think this will be similar."

There are some outcomes that Bruce expects from the CO2 shortage. One of those, Bruce says, is potential production delays or higher prices as breweries, who already run on a tight margin, have to pay more for their supplies.

Breweries produce an excess of CO2 during fermentation but need to blow off this CO2, especially early in the fermentation process, when many off-flavors and odors are produced. Some breweries have the equipment to collect this CO2, filter and clean the gas, and store it for later uses, such as carbonating the beer after filtration and flushing tanks, cans and bottles in preparation for filling. Bruce does expect some breweries to make changes to reduced CO2 usage and invest in this equipment due to the shortage.

"Some breweries will invest in CO2 recovery equipment as a result of this shortage but many will just pay more for their ingredients," Bruce says. "This will hit the smaller independent breweries the hardest, especially those who bottle or can their beers where you need an external source of CO2 to package the beer."

Provided by Virginia Tech