

MORNING MIX

Anchor Brewing, ‘America’s first craft brewery,’ to close after 127 years

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Anchor Brewing, a beloved San Francisco company that is considered the oldest craft brewery in the United States, announced on Wednesday that it would close after 127 years of business.

The decision came as a result of declining sales and the economic pressures — including from the pandemic and inflation — that have affected many businesses in the brewing industry, the company said. Before the announcement, Anchor had ceased production of its popular Christmas Ale and stopped the national distribution of its beers.

Its 61 employees were given a 60-day notice Wednesday and will receive transition support and separation packages, the company said.

“[Anchor] was an essential part of San Francisco’s food and culture and social scene, so it’s a heartbreaking moment in time,” said Sam Singer, a spokesperson for the company, which was founded in 1896 and calls itself “America’s first craft brewery.”

“Dark, dark day for San Francisco beer drinkers,” SFGate editor in chief Grant Marek [tweeted](#).

Bart Watson, chief economist at the Brewers Association, a trade group of American breweries, said in a statement Wednesday that Anchor’s contribution to U.S. beer history “cannot be overstated.” He added that the craft brewing market had grown “radically” in recent decades, increasing competition even for strong brands.

“Anchor’s announcement partially reflects this new maturing era for craft, and should be taken in the context of the large and competitive market that Anchor helped create,” Watson said.

The company and its products — particularly its Anchor Steam beer — have deep roots in San Francisco. Steam beer dates back to the Gold Rush of 1849, when that style of brewing gained popularity as an inexpensive way to make quality beer, Singer said.

“The beauty of Anchor steam beer is that it tastes like San Francisco,” the San Francisco Chronicle’s Peter Hartlaub wrote Wednesday, asserting that the brew has never tasted better. “More specifically, it tastes like a cold foggy day, with notes of a sourdough factory, and a hint of the metallic rail of a cable car.”

Anchor has weathered its share of previous crises. Like much of the city, the brewery was destroyed by the deadly 1906 earthquake and fire, but its business rebounded and the company later reinvented itself as a “workingman’s beer,” the Chronicle reported.

After a 13-year shutdown during the Prohibition era, brewing resumed in 1933 — but by 1959, mass-produced beers had cut into Anchor’s sales, forcing its closure, though it would reopen under a new owner a year later. Bankruptcy reared its head again in 1965, only for Fritz Maytag — whose family founded the home appliance giant Maytag — to step in. His ownership is credited not just with reviving Anchor, but with revolutionizing microbrewing in the United States.

“Anchor was never just a brewery,” according to beer critic Jeff Alworth, who wrote that the tale of its rescue by Maytag became a “founding myth” for American craft beer. “Anchor was at once the past and the future, the proof that small breweries could exist outside an ecosystem of commodity canned lagers,” he wrote.

Maytag retired in 2010, after 45 years at the helm, selling Anchor to two Bay Area veterans of the drinks industry. Japanese brewery Sapporo purchased the company in 2017, a takeover still lamented by some Anchor fans. Then came the challenges brought on by the coronavirus, when scores of bars and restaurants closed down. More than 70 percent of Anchor’s products were sold at these venues, according to Singer.

The brewer tried to recover by producing bottled and canned beers to be sold at retail and liquor stores. “But it was really too late at that point to compete against others who held large shelf space in those retailers,” Singer said.

Tom Riley, an Anchor veteran of almost four decades who became brewmaster in 2020, said in a podcast interview last year that the company was a “craft brewing mecca” where he could experiment with new recipes — though he said that “it’s tough to play with the big boys.”

In another attempt to recover from plummeting sales, Anchor last month discontinued its Christmas Ale, which it has made since 1975, and restricted the sale of its beers to just California.

When those decisions were announced, Singer said Anchor received calls and emails from patrons who were concerned about whether the company would survive. He added that the company had received both an “outpouring of support” and “a great deal of sorrow” as it tried to stay afloat.

“The past month has been very bittersweet,” he said.

In Anchor's statement announcing its closure, the company said its repeated efforts to find a new owner in the past year had proved fruitless, though it was "possible that a buyer will step forward for the brewery as part of the liquidation process."

But fans aren't waiting. On Wednesday, the calls once again started coming in, Singer said, from people who wanted to know the bars, stores and restaurants where they could find what is likely to be the last batch of beer the company brewed.

Across from the brewery sits the Anchor Public Taps, which serves its beers. The pub will stay open temporarily to sell remaining inventory, including a small amount of its Christmas Ale, the company said Wednesday.

"We expect it to be crowded with people who are trying to get their last glass of Anchor," Singer said.