

MODERN Brewery Age



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The many faces of Greg Koch were on display during his keynote address at the recent Craft Brewers Conference in Boston, MA. In a bravura performance, the brash Stone Brewing Co. co-founder expounded, sang and Twittered for nearly an hour. "It was the best speech I have ever seen," said Harry Schuhmacher, publisher of *Beer Business Daily*. Mr. Koch told his audience that the strength of the craft segment lies in craft brewer's ethics, camaraderie, passion, willingness to collaborate with other craft brewers—and the fact that they don't make fizzy yellow beer. See story below.

Greg Koch tells aspiring craft brewers "Be passionate—mad passionate, or stay home"

There were more than a few aspiring craft brewers in the crowd at the recent Craft Brewers Conference in Boston, MA, and keynote speaker Greg Koch took time to give them a brief recipe for craft beer success. Koch told the wannabes that craft beer is for artisans, that "authentic is required" and they should "be remarkable." He also told them to be "mad passionate" about craft beer—or stay home.

Koch unleashed his own mad passion during his keynote speech, an hour-long

event that was part multi-media spectacle, part emotional paean to the magic of good beer and part hard-nosed business advice.

Mr. Koch started the address with a video commercial for craft brewing, with footage of some of America's best known craft brewers speaking about their love of brewing and the craft beer business.

Koch then segued into his speech, essentially telling craft brewers that they must stand by their guns if the craft brewing segment is to continue its upward trajectory.

"Craft brewing will continue to surge in the next two to four years, if we don't screw it up," he said. "We have to take advantage of the natural swing towards our kind of beer."

Mr. Koch said that ethics must be a key part of the mix. "There are retailers out there that are willing to sell their souls," he said. "But the pay-to-play model—with free goods and illegal incentives—won't thrive. Free glassware, free t-shirts, ball-game

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Belgian government asks for investigation of A-B InBev's 120-day payment practices

A Belgian Economic Minister has asked that country's competition authority to investigate whether Anheuser-Busch InBev is using its dominant market position to delay payments to suppliers. The informal investigation will focus on ABI's relationship

with its malt suppliers in Europe.

ABI has recently changed its terms of payment to 120 days from receipt of invoice, up from 30 days.

"We must see whether malt producers, the suppliers of brewer AB InBev, are in a

position that they have no other option. If that's the case then it could be abuse of a dominant position," Minister Vincent Van Quickenborne told Belgian public TV.

AB InBev said it is not the only large company to employ 120-day terms.

U.S. Craft at a glance

- There are 1489 craft breweries in operation with 4% national share.
- 8,493,765 craft bbls sold in '08
- Craft segment +6% in 2008
- Imports -3.4% in 2008
- 121 openings, 55 closures in '08
- +10.1% dollar value growth
- 9 micros passed the 15K bbl mark
- 29% increase in number of micros since 2005 (103 more breweries)
- 40 of top 50 regional craft brewers sold more beer in '08 than '07.



Lester Jones of the Beer Institute, analyst Bump Williams, Charlie Papazian, president of the Brewers Association and Paul Gatzka, director of the Brewers Association, discuss continued growth in the craft brew segment.

Bouyant U.S. craft brewers hold conference and trade show in Boston

The mood was ebullient at the Craft Brewers Conference this week in Boston, as the youthful craft brewing industry celebrated continued growth in the face of national economic meltdown.

About 2300 people (not including walk-ins) attended the recent Conference and BrewExpo, held at the Boston Trade Center on Boston Harbor.

"Beer is not recession-proof," Beer Institute economist Lester Jones observed, "but beer is not taking a nose dive like many other industries. Recessions slow the beer industry, but don't hurt overall volume significantly."

Craft beer has slowed, to be sure, down to single digit growth in 2008. Analyst Bump Williams said the slowdown in craft barrels and dollars is due to a number of factors, including distribution limitations, high cost of goods, big brewers hitting a "magic price point" with 18-packs, and an on-premise that is in decline.

Bump said this was also due to the very competitive beer market. "It's not just the big brewers," he said. "There are lot more craft brewers out there too. But the big brewers coming in a a lower price point have slowed the velocity of craft."

Bump said that craft may have also hit the wall on pricing. "We've hit that pricing threshold," he said. "There is very little

room to grow, and that will hurt category growth for awhile."

On the bright side, Bump noted that wholesalers and retailers continue to embrace craft for its high margins. "Craft has the richest margin/profit per case," he said. "You guys put money in the bank."

"Every distributor I work with wants craft beer in the worst way," he said. "You are the belles of the ball."

Bump said retailers are also starting to "get" craft. "But there are a lot that still don't get it," he noted. "Convenience is a wide open opportunity."

Bump said that craft has kept retail excitement high with new brands and packages. "Seasonals, variety packs and 750-ml corked bottles," he said. "There is a great menu of choices that retailers are talking about."

"Craft continues to be the price leader," he added. "And craft brewers are still drawing new shoppers to the category. As Harry Schuhmacher might say, you have the tail wagging the polecat, as big brewers are copying craft brewers."

Bump presented a slide, which he called the "cash box matrix" a graph combining case sales and dollar sales. Craft brewers were clustered in the high growth, high dollar part of the chart, while most of the big brewers were stuck on the low growth, low

dollar end.

Only two big brewers approached craft at the high end of the chart, and one of them was D.G. Yuengling ("Yuengling is poised to become a national brewer," Bump noted in passing).

"Craft is continuing to see phenomenal growth on a dollar case basis," Bump concluded.

Paul Gatzka, director of the Brewers Association, told the assembled group that 2008 was a good year for craft, with the segment up 6% in 2008.

Mr. Gatzka reported that there are now 1489 craft brewers in the United States, with just over 4% share of the U.S. beer market.

As an aside, he noted that imports, which compete for craft consumers, had a tough year in 2008. "Imports had their first negative growth year since 1991, down 3.4%, and the news for imports is no better in '09, they are down 19% in January/February."

Brewpubs have always been the most volatile sector of the craft segment, and 2008 was no exception. About 65 brewpubs opened, and 45 closed, marking the third year of more openings than closings. The average barrelage of a U.S. brewpub is now 703 31-gallon barrels.

The microbrewery segment (breweries

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Top 20 Segment Brands, case sales, 4-week and 13-week data ending 3/22/09

Excerpted from IRI Data Total **US Food, Drug & Convenience**

Top 20 Beer Brands	Four wk case sales	Cs Sales % Chg YA	Cs Share Of Cat	Cs Shr of Cat chg YA	Avg \$ per case	Avg \$ per cs chg	13-Week case sales	13-wk case sales chg YA
CATEGORY - BEER	85,654,600	(0.5)	100.0	0.0	\$19.29	\$0.54	279,121,300	0.5
BUD LIGHT	18,472,310	(2.6)	21.6	(0.4)	\$19.50	\$0.51	60,605,420	(0.2)
BUDWEISER	8,261,291	(7.6)	9.6	(0.7)	\$19.42	\$0.55	26,876,540	(7.2)
COORS LIGHT	6,129,985	2.2	7.2	0.2	\$19.18	\$0.59	20,172,000	3.1
MILLER LITE	5,946,561	(9.4)	6.9	(0.7)	\$19.17	\$0.66	19,831,840	(6.6)
NATURAL LIGHT	5,596,078	5.2	6.5	0.4	\$13.97	\$0.60	17,708,650	3.8
BUSCH LIGHT	3,385,825	4.3	4.0	0.2	\$13.75	\$0.48	10,957,080	4.1
BUSCH	3,187,902	6.1	3.7	0.2	\$14.02	\$0.48	10,174,630	5.7
MILLER HIGH LIFE	2,371,570	2.9	2.8	0.1	\$14.35	\$0.59	7,612,704	2.7
KEYSTONE LIGHT	2,177,490	14.3	2.5	0.3	\$13.37	\$0.64	6,913,994	14.8
CORONA EXTRA	2,084,027	(8.6)	2.4	(0.2)	\$30.05	(\$0.26)	6,988,260	(5.4)
NATURAL ICE	1,776,194	10.6	2.1	0.2	\$13.34	\$0.59	5,647,378	8.1
MICHELOB ULTRA LIGHT	1,397,456	(1.8)	1.6	(0.0)	\$22.69	\$0.71	4,577,825	0.7
HEINEKEN	1,330,865	(14.5)	1.6	(0.3)	\$31.18	\$1.05	4,616,763	(11.5)
ICEHOUSE	1,115,988	(3.9)	1.3	(0.0)	\$15.58	\$0.58	3,521,524	(7.4)
MILWAUKEES BEST LIGHT	886,343	(11.4)	1.0	(0.1)	\$12.43	\$0.70	2,927,483	(10.2)
BUD ICE	835,089	27.5	1.0	0.2	\$16.28	(\$0.72)	2,646,499	30.5
BUD LIGHT LIME	780,095	0.9	0.9	0.9	\$25.97		2,387,730	
MILLER GENUINE DRAFT	744,715	(20.3)	0.9	(0.2)	\$18.91	\$0.67	2,490,134	(17.1)
STEEL RESERVE HIGH GRAVITY	733,999	(4.8)	0.9	(0.0)	\$15.83	\$0.67	2,342,342	(7.8)
PABST BLUE RIBBON	686,154	23.9	0.8	0.2	\$14.79	\$0.85	2,207,230	17.0
Top 20 Premium	Four wk case sales	Cs Sales % Chg YA	Cs Share Of Cat	Cs Shr of Cat chg YA	Avg \$ per case	Avg \$ per cs chg	13-Week case sales	13-wk case sales chg YA
DOMESTIC PREMIUM	42,661,420	(2.8)	100.0	0.0	\$19.34	\$0.56	139,949,100	(1.1)
BUD LIGHT	18,472,310	(2.6)	43.3	0.1	\$19.50	\$0.51	60,605,420	(0.2)
BUDWEISER	8,261,291	(7.6)	19.4	(1.0)	\$19.42	\$0.55	26,876,540	(7.2)
COORS LIGHT	6,129,985	2.2	14.4	0.7	\$19.18	\$0.59	20,172,000	3.1
MILLER LITE	5,946,561	(9.4)	13.9	(1.0)	\$19.17	\$0.66	19,831,840	(6.6)
BUD ICE	835,089	27.5	2.0	0.5	\$16.28	(\$0.72)	2,646,499	30.5
MILLER GENUINE DRAFT	744,715	(20.3)	1.7	(0.4)	\$18.91	\$0.67	2,490,134	(17.1)
BUDWEISER SELECT	657,884	(8.0)	1.5	(0.1)	\$19.18	\$0.25	2,164,417	(8.5)
COORS	507,998	1.3	1.2	0.0	\$18.62	\$0.65	1,696,119	5.4
YUENGLING TRAD LAGER	427,022	25.6	1.0	0.2	\$21.27	\$1.07	1,308,258	22.2
MILLER GENUINE DRAFT LIGHT	358,350	275.5	0.8	0.6	\$19.71	\$2.98	1,124,798	260.8
BUDWEISER AMERICAN ALE	86,730	0.2	0.2	0.2	\$27.49		328,453	
MICHELOB GOLDEN DRAFT LT	72,269	(7.6)	0.2	(0.0)	\$18.38	\$0.46	247,083	(5.5)
YUENGLING BLACK AND TAN	47,726	19.8	0.1	0.0	\$21.69	\$1.41	136,591	10.5
YUENGLING LIGHT LAGER	46,642	38.5	0.1	0.0	\$21.66	\$1.64	132,520	26.9
BUD ICE LIGHT	21,284	(10.3)	0.0	(0.0)	\$18.00	(\$0.41)	65,226	(19.2)
LEINENKUGEL	16,852	6.8	0.0	0.0	\$15.50	\$0.41	55,624	(2.0)
LEINENKUGEL CLASSIC AMBER	12,065	0.0	0.0	0.0	\$26.98		12,101	
BUDWEISER ASSORTED	4,838	(12.6)	0.0	(0.0)	\$17.86	(\$1.54)	12,482	(29.1)
LEINENKUGEL LIGHT	3,348	(13.1)	0.0	(0.0)	\$13.34	\$0.90	11,954	(1.0)
MICHELOB GOLDEN DRAFT	3,028	3.4	0.0	0.0	\$16.61	\$0.90	8,923	(17.3)
Top 20 Sub-Premium	Four wk case sales	Cs Sales % Chg YA	Cs Share Of Cat	Cs Shr of Cat chg YA	Avg \$ per case	Avg \$ per cs chg	13-Week case sales	13-wk case sales chg YA
DOMESTIC SUB-PREMIUM	24,189,200	3.3	100.0	0.0	\$13.80	\$0.63	77,583,440	2.5
NATURAL LIGHT	5,596,078	5.2	23.4	0.4	\$13.97	\$0.60	17,708,650	3.8
BUSCH LIGHT	3,385,825	4.3	13.9	(0.0)	\$13.75	\$0.48	10,957,080	4.1
BUSCH	3,187,902	6.1	13.4	0.2	\$14.02	\$0.48	10,174,630	5.7
MILLER HIGH LIFE	2,371,570	2.9	10.2	(0.1)	\$14.35	\$0.59	7,612,704	2.7
KEYSTONE LIGHT	2,177,490	14.3	8.7	0.9	\$13.37	\$0.64	6,913,994	14.8
NATURAL ICE	1,776,194	10.6	7.1	0.5	\$13.34	\$0.59	5,647,378	8.1
ICEHOUSE	1,115,988	(3.9)	5.2	(0.4)	\$15.58	\$0.58	3,521,524	(7.4)
MILWAUKEES BEST LIGHT	886,343	(11.4)	3.3	(0.5)	\$12.43	\$0.70	2,927,483	(10.2)
PABST BLUE RIBBON	686,154	23.9	3.0	0.5	\$14.79	\$0.85	2,207,230	17.0
MILWAUKEES BEST ICE	680,715	(9.2)	2.5	(0.3)	\$12.39	\$0.95	2,184,410	(11.0)
MILWAUKEES BEST	615,725	(12.4)	2.3	(0.4)	\$12.65	\$0.63	1,978,127	(13.9)
MILLER HIGH LIFE LIGHT	270,899	(4.5)	1.1	(0.1)	\$13.11	\$0.46	904,450	(4.2)
OLD MILWAUKEE	243,045	(18.8)	0.9	(0.2)	\$12.86	\$0.78	819,017	(15.6)
KEYSTONE ICE	222,059	33.3	0.8	0.2	\$12.40	\$0.45	703,054	35.6
OLD MILWAUKEE LIGHT	103,956	(14.5)	0.4	(0.1)	\$12.28	\$0.77	368,064	(11.2)
BUSCH ICE	87,043	(2.2)	0.3	(0.0)	\$13.35	\$0.85	284,306	(3.3)
RED DOG	75,597	(25.6)	0.3	(0.1)	\$13.15	\$0.76	261,401	(21.7)
LONE STAR	70,905	12.4	0.3	0.0	\$16.13	\$1.06	216,096	11.7
BUD DRY	69,693	(0.4)	0.3	(0.0)	\$15.20	\$0.58	216,521	2.4
HAMMS	66,659	(11.5)	0.3	(0.0)	\$13.29	\$1.16	214,523	(14.2)

The strength of sub-premium in this climate is even more evident in the combined food, drug and convenience numbers, but certain sub-premium brands are doing better than others.

Excerpted from IRI Monthly **Food, Drug & Convenience Data**

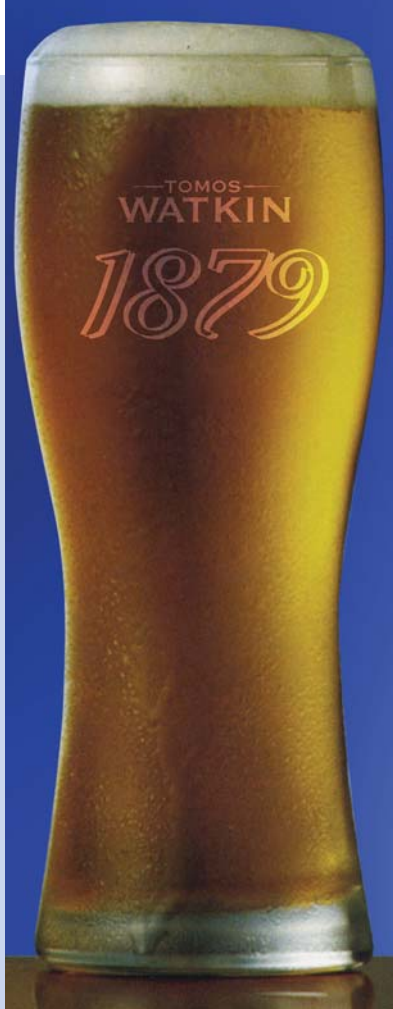
Top 20 Segment Brands, case sales, 4-week and 13-week data ending 3/22/09

Excerpted from IRI Data Total **US Food , Drug & Convenience**

Top 20 Import	Four wk case sales	Cs Sales % Chg YA	Cs Share Of Cat	Cs Shr of Cat chg YA	Avg \$ per case	Avg \$ per cs chg	13-Week case sales	13-wk case sales chg YA
IMPORT	8,235,357	(5.4)	100.0	0.0	\$28.21	\$0.29	27,099,610	(2.1)
CORONA EXTRA	2,084,027	(8.6)	25.3	(0.9)	\$30.05	(\$0.26)	6,988,260	(5.4)
HEINEKEN	1,330,865	(14.5)	16.2	(1.7)	\$31.18	\$1.05	4,616,763	(11.5)
TECATE	648,454	2.0	7.9	0.6	\$19.66	\$0.55	2,145,850	10.8
MODELO ESPECIAL	624,820	23.9	7.6	1.8	\$26.40	(\$0.92)	1,998,313	24.5
CORONA LIGHT	343,778	(3.0)	4.2	0.1	\$29.03	(\$0.49)	1,124,106	0.0
GUINNESS DRAUGHT	287,726	0.9	3.5	0.2	\$32.75	\$1.67	549,082	(2.9)
LABATT BLUE	282,069	(4.6)	3.4	0.0	\$19.32	\$0.31	990,600	(1.6)
HEINEKEN PREMIUM LIGHT	209,723	(16.1)	2.5	(0.3)	\$30.61	\$1.12	747,123	(11.7)
LABATT BLUE LIGHT	194,767	6.1	2.4	0.3	\$18.52	\$0.44	695,639	7.4
DOS EQUIS XX LAGER	166,709	5.8	2.0	0.2	\$28.81	\$2.95	529,185	17.3
NEWCASTLE BROWN ALE	160,375	(11.0)	1.9	(0.1)	\$33.16	\$1.35	526,599	(9.6)
FOSTERS LAGER	139,930	(9.0)	1.7	(0.1)	\$25.10	\$0.74	445,141	(11.1)
STELLA ARTOIS LAGER	139,090	11.9	1.7	0.3	\$35.60	\$1.38	521,927	33.1
BECKS	139,032	(3.5)	1.7	0.0	\$28.61	\$0.34	498,002	5.2
PACIFICO	110,906	(6.8)	1.3	(0.0)	\$28.89	\$0.27	407,754	6.0
GUINNESS EXTRA STOUT	96,215	4.0	1.2	0.1	\$33.86	\$1.07	217,135	(1.4)
AMSTEL LIGHT	84,503	(19.4)	1.0	(0.2)	\$30.25	\$1.32	301,659	(14.8)
SAINT PAULI GIRL	81,299	(19.8)	1.0	(0.2)	\$25.44	\$1.59	245,975	(18.5)
MOLSON CANADIAN	79,277	(9.8)	1.0	(0.0)	\$20.21	\$1.21	275,585	(4.9)
RED STRIPE	73,377	(5.7)	0.9	(0.0)	\$31.67	\$1.05	267,270	(0.2)
Top 20 Craft	Four wk case sales	Cs Sales % Chg YA	Cs Share Of Cat	Cs Shr of Cat chg YA	Avg \$ per case	Avg \$ per cs chg	13-Week case sales	13-wk case sales chg YA
CRAFT	1,925,275	3.6	100.0	0.0	\$31.25	\$1.25	6,647,498	4.4
SIERRA NEVADA PALE ALE	180,912	0.3	9.4	(0.3)	\$31.87	\$0.71	596,933	(3.2)
SAM ADAMS BOSTON LAGER	154,558	(16.0)	8.0	(1.9)	\$30.44	\$1.07	540,448	(14.9)
SHINER BOCK	106,793	(0.1)	5.5	(0.2)	\$27.47	\$0.90	360,284	1.9
NEW BELGIUM FAT TIRE	97,577	5.8	5.1	0.1	\$32.45	\$1.16	332,542	14.0
SAMUEL ADAMS SEASONAL	75,583	(6.5)	3.9	(0.4)	\$30.90	\$1.23	339,669	11.5
WIDMER HEFEWEIZEN	51,363	(9.4)	2.7	(0.4)	\$30.01	\$0.23	179,811	(8.1)
SAMUEL ADAMS LIGHT	45,095	(24.6)	2.3	(0.9)	\$30.04	\$0.97	162,245	(24.4)
SAMUEL ADAMS VARIETY PACK	36,893	(7.8)	1.9	(0.2)	\$29.03	\$0.46	146,667	5.3
DESCH MIRROR POND PALE	34,187	5.9	1.8	0.0	\$29.98	\$0.41	121,288	7.2
REDHOOK LONG HAMMER IPA	33,298	1.4	1.7	(0.0)	\$30.24	\$1.79	116,293	9.4
SIERRA NEVADA SEASONAL	32,093	46.9	1.7	0.5	\$30.82	(\$0.07)	119,969	42.3
REDHOOK ESB	31,795	(21.7)	1.7	(0.5)	\$28.96	\$1.15	116,861	(13.4)
PYRAMID HEFE WEIZEN ALE	29,996	1.2	1.6	(0.0)	\$29.61	\$0.40	102,664	3.4
PYRAMID THUNDERHEAD IPA	21,093	132.2	1.1	0.6	\$23.88	(\$4.44)	40,790	44.3
MAGIC HAT NO 9 ALE	19,465	50.8	1.0	0.3	\$33.55	\$1.44	65,937	57.5
NEW BELGIUM SEASONAL	18,845	24.9	1.0	0.2	\$30.97	\$0.57	64,535	12.0
ALASKAN AMBER	18,553	(3.2)	1.0	(0.1)	\$30.57	(\$0.12)	69,165	8.1
DESCH BLACK BUTTE PORTER	17,343	(0.4)	0.9	(0.0)	\$30.79	\$0.41	62,125	3.4
LONG TRAIL ALE	17,117	10.5	0.9	0.1	\$31.10	\$1.31	60,922	13.3
BOULEVARD WHEAT	16,891	14.1	0.9	0.1	\$28.27	\$0.74	55,337	14.8
Top 20 Malt Liquor	Four wk case sales	Cs Sales % Chg YA	Cs Share Of Cat	Cs Shr of Cat chg YA	Avg \$ per case	Avg \$ per cs chg	13-Week case sales	13-wk case sales chg YA
DOMESTIC MALT LIQUOR	2,396,312	(0.3)	100.0	0.0	\$15.38	\$0.73	7,657,295	(2.1)
STEEL RESERVE HIGH GRAVITY	733,999	(4.8)	30.6	(1.5)	\$15.83	\$0.67	2,342,342	(7.8)
KING COBRA	296,231	2.0	12.4	0.3	\$12.93	\$0.69	939,516	0.9
OLDE ENGLISH 800 MALT LIQ	257,149	(0.5)	10.7	(0.0)	\$15.78	\$0.68	843,940	(1.6)
HURRICANE HIGH GRAVITY	244,509	34.4	10.2	2.6	\$14.51	\$0.72	777,049	35.3
MICKEYS MALT LIQUOR	208,072	6.0	8.7	0.5	\$19.11	\$0.69	654,570	4.7
COLT 45 MALT LIQUOR	196,291	(7.8)	8.2	(0.7)	\$15.27	\$0.95	615,692	(9.6)
SCHLITZ MALT LIQUOR	124,256	(17.0)	5.2	(1.0)	\$15.11	\$0.75	405,573	(15.1)
HURRICANE MALT LIQUOR	96,286	15.9	4.0	0.6	\$12.40	\$0.71	308,819	5.6
MAGNUM	53,298	(23.2)	2.2	(0.7)	\$12.41	\$1.02	177,620	(20.0)
STEEL RSRV TRIPLE EXPORT	52,059	(18.3)	2.2	(0.5)	\$16.49	\$0.96	180,465	(13.7)
OLDE ENGLISH HG800	42,888	30.8	1.8	0.4	\$15.80	\$0.58	124,927	7.5
SCHLITZ HIGH GRAVITY LAGER	22,218	753.8	0.9	0.8	\$16.92	(\$0.44)	64,974	919.7
MICKEYS ICE ALE	12,314	(1.7)	0.5	(0.0)	\$16.84	\$0.78	41,077	(4.1)
CAMO SILVER ICE	10,476	(43.0)	0.4	(0.3)	\$18.37	\$1.65	32,909	(40.5)
CAMO BLACK ICE	9,540	0.4	0.4	0.0	\$18.17	\$1.19	29,043	18.2
BULL ICE	9,211	(34.6)	0.4	(0.2)	\$16.65	\$1.17	29,994	(38.2)
COUNTRY CLUB MALT LIQUOR	8,725	(2.7)	0.4	(0.0)	\$13.25	\$1.13	27,658	6.2
ST IDES MALT LIQUOR	3,911	1.6	0.2	0.0	\$16.33	\$0.71	12,501	(6.8)
COLT 45 DOUBLE MALT	1,642	(1.4)	0.1	(0.0)	\$17.80	\$0.52	5,173	(14.5)
SILVER THUNDER MALT	1,619	19.0	0.1	0.0	\$12.14	\$0.33	5,313	18.1

A few bright spots in imports, notably the Mexican brands and Stella. Bellweather crafts flat or down, a trend that bears watching.

Excerpted from IRI Monthly **Food, Drug and Convenience Data**



Tomos Watkins 1879 Lager

A Welsh brewer has produced a special lager dedicated to the small band of British soldiers who defended Rorke's Drift against 4,500 attacking Zulu warriors 130 years ago. The beer will be imported by St. Killian's Import Co. of Kingston, MA. The brewer has said that a percentage of the profits from the new beer will go to British armed forces' charities.

The new beer is brewed by the Swansea-based Hurns Brewery. "Whatever the right and wrong of a conflict, we feel we have a duty to acknowledge the courage of our brave brothers and sisters or sons and daughters who put their lives in harm's way in our name," said Phil Parry, co-owner of Hurns brewery. "It will allow people across Wales to drink to the memory of the Rorke's Drift defenders."

For Americans the name Rorke's Drift may seem obscure. It was a battle during the Zulu War that took place on January 22, 1879. Zulu warriors had overrun a small British Army at Isandhlwana in Zululand, slaughtering 1,800 British soldiers. Hours later, a large force of Zulu warriors, estimated at nearly 5,000 men, attacked a nearby supply depot and hospital, defended by a company (about 100 men) of the 2nd Battalion, 24th Regiment of Foot. Wave after wave of Zulu attacks were beaten back, and the defence of Rorke's Drift earned 11 Victoria Crosses—Britain's equivalent of the Medal of Honor—for the defenders.

ABI to use one beechwood supplier

Anheuser-Busch InBev has announced that it is terminating a 62-year relationship with one of its beechwood suppliers, the Beechwood Corporation of Millington, TN.

The brewer will now use one beechwood chip maker, the Beech Manufacturing Co., located in Frohna, MO.

"We have a long history of efficiently purchasing quality goods," Dave Peacock, president of Anheuser-Busch told reporters.

Tom Urani, the president of the Beechwood Corporation wrote a letter to the *St. Louis Post Dispatch*, protesting what he called his summary dismissal, but admitting that he himself might have set the bidding process in motion.

According to a report in the *St. Louis Post Dispatch*, the brewer began examining its beechwood procurement policies about a year ago, probably as part of the Blue Ocean program. A-B asked for quotes on different volumes of chips, including some small lots of chips. Mr. Urani told A-B that the small runs were not economical, and suggested to A-B that the company concentrate its beechwood procurement on one supplier. A-B then requested a bid for the full volume of chips it uses in a year, an order valued between \$3 and \$4 million. Both suppliers submitted bids, and apparently the Beech Co.'s bid was lower.

Urani has lamented his company's dismissal in the press. "[Anheuser-Busch] was difficult to deal with, but fair," he told reporters. "With InBev, it's all gone. You're not family. You're the guy who got outbid by a nickel or two."

A-B has stressed that it will continue to purchase the same quantity of beechwood chips, and has reaffirmed its commitment to the beechwood aging process.

Note from a St. Louisian

Last week we ran a story about the Emerson Corporation's boycott of Budweiser, and solicited a comment from a Missouri brewer (not current or former Anheuser-Busch). "I think A-B is getting a lot of flak for doing the things that all big companies do," he said. "The old A-B was a special kind of big company, now it's just another big company, and we have to get used to that. And I thought the Emerson boycott was pretty hypocritical. There is no company that has been faster to outsource labor than Emerson. Most of their engineering jobs went to China long ago."



Seat Saver reinvents the coaster

The Seat Saver coaster is designed to fit over the neck of a bottle to allow a bar patron to stake their claim to the bottle, and to the seat.

Danny Lane said he conceived of the SeatSaver with fellow bartender Eric Tecosky while working behind the bar at Jones Hollywood in West Hollywood. "The millionth customer of the night asked me to watch their seat/drink while they stepped outside for a smoke. As I laid a bar nap over their drink as I had so many times before, I turned to Eric and said that we should invent a way to save seats. He said, 'What are we gonna do, re-invent the coaster?' After weeks of brainstorming, we finally thought why not just put a hole in a coaster?"

"Given the smoke-free environs in bars & restaurants and the multi-functional benefits our coaster provides brands, bartenders, bars and customers, we think our coaster is the bar coaster of tomorrow," Lane said. "And to make it easy, brands, bars whomever, can it through their existing vendors, all for likely the same price they're paying for the traditional coaster. We feel that the brewer that jumps on and does a big regional or national push with Seat Saver coasters is going to benefit in a big way. From increased visibility, sure, but also from all the buzz that these coasters create nightly from appreciative bartenders and customers.

"We have interest from a bunch of brewers but bureaucracy being what it is, it's hard to get in touch with the right people at many of the medium to big beer brands," Lane added.

Info at www.theseatsaver.com

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Wholesaler Events

April 22-25—New York Beer Wholesalers Association 2009 Spring Business Meeting, Disney's Grand Floridian Resort & Spa, Orlando, Florida.

June 24-28—Virginia Beer & Wine Wholesalers' Associations. 20th Annual Joint Convention at the Ritz-Carlton, Amelia Island, Florida. For more information, contact Shelley Gravatt at (804) 783-2655 (SGravatt1@aol.com).

September 22-25—The National Beer Wholesalers Association Annual Convention and Bi-Annual Trade Show. Caesar's Palace, Las Vegas, NV.

October 12-13—The Associated Beer Distributors of Illinois' Annual Convention, Jumer's Hotel & Casino in Rock Island, Illinois. Contact: Carol Z. Shirley, vp admin, Tel: 217-528-4371 or e-mail to: carol.shirley@abdi.org

November 11-13—California Beer & Beverage Distributors 62nd Annual Convention at the Estancia LaJolla Hotel

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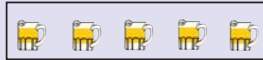
experience The accumulation of knowledge or skill from direct participation in events or activities

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Brew Notes: Oskar Blues

Tasting notes from the tasting panel for Modern Brewery Age, by Pete Reid, editor of *Modern Brewery Age*; with regulars Gregg Glaser, editor of *Yankee Brew News*, and Tom Conti and Robert Lachman of the YBN tasting panel. Joining us each week is a rotating cast of tasters, to include Dr. Steve Victor, formerly of Yale University; Lt. Commander Von Bair, USN, ret.; expat-Briton Gerry Nicholls, graphic designer Phil Simpson, videographer Paul Lin; Greg Zannella, field sales director for Northeast Beverage of Orange, CT; Michael Anstendig, a writer for *New York Magazine* on-line; Marty Juliano, a Northeast rep for the Sierra Nevada Brewing Co., and Frank Fermino, brewer at the John Harvard's Brewhouse in Manchester, CT (and occasionally Caroline Glaser, wife to Gregg). Samples for tasting should be sent to Modern Brewery Age LLC, 44 Indian Valley Road, Weston, CT 06883.

Alaskan Pale Alaskan Brewing Co. Juneau, AK



Our tasters enjoyed this well-made golden ale as a nice change-up from the heavy IPAs that dominate the market. It's a very pale ale, the color of a golden lager, with a fresh clean hop aroma marked by light citrusy notes. Tasters enjoyed the subtle use of hops, and the clean malt palate. Despite the light aspect of the beer, there is plenty of character, with subtle interplay of malt and hop flavor.

"A great beer," said Dr. Steve Victor.

"Nice hops in the nose, I wonder what they are?" Von Bair mused. "Maybe a light dose of Cascades?"

"Subtle citrus up front," said Robert Lachman, "this is a nice refreshing beer."

"A lot of hop flavor, and quite a hop finish," noted Gregg Glaser, "but also a delicate malt middle. It's not an IPA, but it has more character than you expect from such a pale ale."

"It's got a great flavor," said Phil Simpson. "This is a nice quenching summer beer."

"As I was drinking this, I was thinking that Sierra Nevada should make a nice golden ale like this, it's not the kind of beer you see every day."

Coffee Stout New Glarus Brewing Co. New Glarus, WI

Highly Recommended—Coffee beers often smack you in the face with the coffee beans. But the New Glarus version of a coffee beer is much more subtle. Rather than being a coffee stout, it's a stout with coffee.

"Coffee in the aroma, but very light," said Dr. Steve Victor. "A very drinkable sort of coffee beer."

"Very little coffee aroma," Gregg Glaser agreed, "but a nice soft coffee character. The coffee is laced into the flavor, and is part of the stout, rather than being the dominant characteristic."

"This is like a Guinness coffee stout, it's a dry stout, nothing jumps out at you, just a very mellow coffee character," Greg Zannella said. "Would make an excellent breakfast beer."

"It's a very traditional stout," Von Bair agreed. "There is some grain bitterness, and a touch of coffee. It works well."

Alaskan Barley Wine Alaskan Brewing Co. Juneau, AK

Our tasters found a lot of fruit character in this barley wine, but it was fresh fruit, like from a pear or apple orchard, instead of the dark fruit they expected. We drank this very young, so it may well develop a deeper character with age. It's an idiosyncratic barleywine, but all the fruit and malt might make for a neat beer in a year or so.

"Aroma of apples and ripe pears, brown pears," said Phil Simpson.

"Fusel alcohol in the nose," said Dr. Steve Victor. "Tastes like pears with caramel."

"It's pretty tame for a barley wine," said Robert Lachman. "and the pear character is interesting, there's a pear-like dryness to it, it's like eating a pear core."

"So much pear, it's like a pear cider blended with beer, but it doesn't go anywhere," Phil added.

"As I drank this, I wondered if it had fermented too slowly at too high a temperature," Dr. Victor said.

"When I tried the first sip, I thought it was older beer," said Von Bair. "The carbonation is high, there is a bite. I would be interested in trying it again in a year or two."



KeyKeg beer and wine cooler dispenser

Key Keg promotes use of one-way kegs

The KeyKeg consortium, inventors and producers of the one-way keg KeyKeg, have announced two new product developments for the one-way keg market.

The consortium has introduced the KeyKeg disposable dispensing line and the first three KeyKeg beer and wine cooler dispensers to accommodate the new disposable dispensing line. The consortium says the new system lowers costs, simplifies dispensing and eliminates contamination risk.

With the introduction of the KeyKeg disposable dispensing line, Key Keg says a brewery can assure a perfect beer at any time, even in places where the bartender forgets to clean the lines. They said the special design of the disposable dispensing line will result in much easier dispensing compared to conventional dispensing systems. The disposable dispensing line is made of polypropylene and is 1.80 meters long.

KeyKeg has also developed beer and wine coolers with dispensing towers that accommodate the disposable dispensing line. The first KeyKeg beer and wine cooler dispensing towers are produced by the vendors DSI and HVM. The photo shows the KeyKeg SK-6, suitable for spherical and cylindrical KeyKegs.

"An important reason for brewers of special beers to turn to KeyKeg is the shelf life of the beer," said a spokesperson for KeyKeg. "Tests and normal use have shown that beer in KeyKegs remains fresh many weeks after having been broached. In conventional kegs that is at best only a few days. The most important reason is that the KeyKeg makes use of the 'bag-in-box' principle so that the beer is not in contact with the propellant gas."

Brless releases new cherry smoked malt

Brless Malt & Ingredients Co. formally launching its newest malt, Brless Smoked Malt, at the 2009 Brewers Association Craft Brewers Conference & BrewExpo in Boston, April 21-24. The malt was featured at the Welcome Reception and BrewExpo in beers brewed by Allagash Brewing Company and Harpoon Brewing Company.

The company says Brless Smoked Malt is unlike any other commercially available smoked malt. Smoked with cherry wood, Brless reports it delivers "an exceptionally intense yet smooth, sweet, smoked malt character... with intense smoke flavor, smooth, sweet, smoked malt character and no astringent, phenolic harshness."

The malt is rated for color at 5° Lovibond, with DP 140, Alpha Amylase 50, and is packaged in 40-lb, foil-lined bags.

The company says the malt is smoked in small batches to deliver "consistent smoked flavor."

Sierra Nevada to launch Wild Rivers Campaign

Sierra Nevada Brewing Co. has announced the launch of the "Wild Rivers" campaign. For every 12-pack of Pale Ale and Summerfest Lager purchased in the U.S. this May, Sierra Nevada will donate a portion of proceeds to the Western Rivers Conservancy of Portland, OR.

Brewery founder Ken Grossman said Sierra Nevada has been an active supporter of Western Rivers for many years. "Our beer is a product of our surroundings," he noted. "Sierra Nevada is not just the name of our brewery, but also a place with its own unique environment. We need to do our part in protecting that environment for generations to come."

"Sierra Nevada is an environmentally responsible company that makes great beer," said Phillip Wallin, Western Rivers Conservancy's President.

Oregon Brewers Fest in July

The Oregon Brewers Festival will be held July 23rd through July 26th in downtown Portland, Oregon.

Eighty craft breweries from 14 states will each send one product to serve at the fest. About 70,000 attendees are expected.

See www.oregonbrewfest.com



St. Pauli Girl honors Mr. Stephen Colbert

St. Pauli Girl Beer has developed a special edition of its iconic poster to honor Stephen Colbert, the host of the award-winning "Colbert Report" on Comedy Central.

New St. Pauli Girl spokesmodel Katarina Van Derham said she was excited to be a part of this special edition poster. "As a fan of the Colbert Report, I was thrilled to be a part of this limited edition poster wearing my Colbert Nation WristStrong bracelet," she noted. "Wearing the WristStrong bracelet was a subtle change in the look of the poster, but fans of the show and Mr. Colbert himself will recognize this honor."

The brand is planning to make a charitable donation to the Yellow Ribbon Fund, which benefits injured US soldiers and their families, based on the number of Colbert tribute posters downloaded from April 1 to May 13th.

"The special edition of the poster will help raise money for a worthy charity while promoting St. Pauli Girl's German origin. We're also saluting Stephen Colbert who, like St. Pauli Girl, is fun-loving, laid back and authentically German, except for the part about being from Germany," said Bill Ligas, public relations director for Crown Imports, the exclusive U.S. Importer for the St. Pauli Girl portfolio. "We're fans of the show and wanted to honor Stephen Colbert with this special edition of the iconic poster. Perhaps he would be interested in helping us select the next St. Pauli Girl as he is obviously a man of excellent taste."

Greg Koch tells craft brewers they must continue to be "remarkable"

(Continued from page 1)

tickets, and one in fives, in most places these things are illegal. Retailers who are seeking that kind of stuff shouldn't get it from us. Those that still look for that kind of thing will have lower profitability and lower credibility. We need to focus on efforts on retailers who genuinely care about craft beer. If we hold to our ethics, all of us will benefit."

Mr. Koch spent considerable time on promoting the collegial nature of craft brewing, through camaraderie and collaboration.

"In San Diego, we all promote each other's beer," he said. "I get most of my inspiration from people this in this room."

Mr. Koch pointed out that Stone is a craft beer wholesaler in its home market, and spends considerable time promoting and selling competitive beers. He also showed a picture of the display menu at the Stone Brewing Co. pub, with the majority of beers contributed by other brewers. "We feel privileged to serve other beers at our pub," he said. "And our wholesaler is up 30% this year. We are rocking with craft beers."

Mr. Koch said there is strength in collaboration, and ran an amusing video montage of Russian River's Vinnie Cilurzo and Avery Brewing Co.'s Adam Avery sharing a beer in bed, a reference to their decision to collaborate rather than litigate when each brewery discovered the other was brewing a Belgian style ale with the same brand name. "They are in bed together, figuratively, and rather disturbingly, in a literal sense," Mr. Koch said.

"This is possible in the world of craft brewing," Koch added. "Sure there is significant competition, but I argue that we are in competition with those who would bring

us down, The commodity side, the people who brew fizzy yellow beer. Competing with these huge companies is lopsided, it's unequal, it's not fair at all—because we get to make really great beer, and they have to make fizzy yellow beer. We get to be creative, and they have to be creative with their ads. As Bob Weinberg always said, we can double in size, but if they want to grow, they have to buy each other up. The big guys can make their poser brands, but the brotherhood of real craft brewers is making beer that is compelling."

At one point, Mr. Koch presented a large image on the screen. It appeared to be a fish stick, but turned out to be another member of the deep fried food family, the mozzarella stick. "

"Do you have Mozzarella sticks on your brewpub menu?" he asked. "Why? because people like them? People also like white bread, instant coffee and commodity beer. But I believe those people are dispassionate consumers, and what we do is deserving of passion. If you were going to have great jazz in your pub, would you play Kenny G? Kenny G is the equivalent of commodity beer. If you give people only great and remarkable, they will come over to our side. People want us to show them the light, to show them our remarkable side. So be remarkable."

Mr. Koch showed the audience a sticker he had made, with the logo "Fizzy yellow beer is for wusses."

"I will often walk into a bar with a pocketful of these," he said. "And I'll hand one to the biggest, meanest looking guy I see who's drinking a fizzy yellow beer. And 99.9% of the time, the guy doesn't deck me, but asks me if he can get more of

those stickers. People know the category they are in, but they don't necessarily want to stay there."

Mr. Koch then broke into song, in a variation of the old "I'd like to teach the world to sing" Coke commercial.

As he sang, other singers rose from the audience and joined him, including the Alstrom brothers from Beer Advocate, and Stone brewmaster Mitch Steele (formerly of A-B) who brought his guitar to the stage. None appeared to have any formal musical training. (*A sample lyric: "I'd like to teach the world the truth about something I hold dear...kicking ass with every glass, mainstream is going to pay."*)

In conclusion, Mr. Koch said that companies that are doing well now, including craft brewers, are companies that are trying to produce the "amazing."

"What restaurants and bars are doing well?" he asked. "It is the bars and restaurants that are trying for amazing. Great atmosphere, great food, and a great craft beer selection. Places like that are doing well, business is up, because what they do has style and substance. And nothing epitomizes the combination of style and substance like craft beer. I am thanked by retailers and wholesalers who like what we are doing, but I also thank them, because when they sell our beer, they bring their own energy and style to it."

In closing, Mr. Koch said craft beer will continue to grow if the segment remains true to its ethos.

"The trends are in our favor," he said. "You guys are like rock stars to craft beer fans. So continue to follow your muse, do your own thing, and don't try to please everybody!"

Bouyant U.S. craft brewers hold conference and trade show in Boston

(Continued from page 1)

producing under 15,000 barrels per year) saw dramatic growth, with 56 openings and only ten closings. There are now 103 more microbreweries than there were in 2005, an increase of 29%.

As microbreweries grow beyond the 15,000 barrel mark, they are redefined as regional craft brewers by the BA. There are now 67 regional craft breweries, up from 58 in 2007. Forty of the top 50 regional craft brewers sold more beer in 2008 than in 2007.

Charlie Papazian, president of the

Brewers Association, always holds an unscientific poll at the general session, asking for a show of hands for various categories of attendee. Usually, the most revealing show of hands is for the aspiring brewers in the crowd. If there are a lot of hands, it means that craft might be doing too well, and drawing speculators.

But this year, the most revealing show of hands came when Papazian asked how many wholesalers were in the crowd, A few years ago, that question elicited a half dozen hands. This time, hands went up all over the hall. Evidence, if it was needed,

that wholesalers have embraced craft brews. "I have never seen this many wholesalers at this thing," noted one vendor."and a lot of them were owners."

In closing, Charlie Papazian said that there are no certainties in the beer market today. "Is beer recession proof?" he asked rhetorically. "Far from it. You must be switched on, taking advantage of the opportunities. It's not just about having a plan, it's about assessing the situation day to day. Being small is all about being switched on, and never stopping defining your brand and your uniqueness."