

Brewing Up Opportunities

Growing Local Markets for Diversified Producers

BY JILL HENDERSON

It's early Monday morning and head brewer Amy Fischer is standing on a step ladder in the back room of Wages Brewing Company carefully stirring a steaming vat of barley and wheat mash that will soon be fermented into a tasty batch of Whatknot Ale. After years of practicing and perfecting the craft of small-batch brewing at home, owner and brewer Phil Wages and his wife, Amber, officially opened their brewery and taproom in the small rural community of West Plains, Missouri, in early 2017.

With an official population of just below 12,000 people, the last business most residents expected to pop up in town was a brewery, but for Phil Wages, it was the perfect opportunity.

"I started homebrewing in 2008, when a good friend suggested we try it out. We homebrewed together for a couple of years and then I started brewing alone and developing my recipes. Then, in 2011, I took a class at our local business incubator, OZS-BI (Ozarks Small Business Incubator). The course was called Operation Jump Start, and it helped me write a feasibility plan similar to, but smaller in scope than a business plan. And after that, I knew I was going to make a go of the brewery."

Once the decision was made to start their new venture, the real challenge for the Wages wasn't creating

original and tasty brews, but wading through the myriad local, state and federal laws regulating the production and sale of alcoholic beverages and finding a suitable location with a commercial kitchen they could modify for brewing as well as an attractive storefront for the taproom. Their plan has been to start small and expand as the market demands and opportunities arise.

MICROBREWERIES ON THE RISE

If you haven't been paying attention to the incredible increase in the numbers of new microbreweries, you might be surprised to learn that these operations are rapidly gaining in market share. According to a 2016 press release from the Brewer's Association, "With more breweries than ever before, small and independent craft brewers now represent 12 percent market share of the overall beer industry. In 2015, craft brewers produced 24.5 million barrels, and saw a 13 percent rise in volume and a 16 percent increase in retail dollar value. Retail dollar value was estimated at



PHOTOS COURTESY OF WAGES BREWERY

Wages prides itself on crafting unique brews like its Blackberry Whatknot Ale — shown here in the fermentation stage.

\$22.3 billion, representing 21 percent market share. Additionally, in 2015 the number of operating breweries in the United States grew 15 percent, totaling 4,269 breweries — the most at any time in American history."

These impressive numbers become even more intriguing for the small producer when you also include the rise in small artisan distilleries and wineries. For agricultural producers of any size, capitalizing on these growing markets presents new opportunities to diversify production and take advantage of seasonal income-producing crops that breweries and wineries need to make new and interesting products.

"Right now, we are a small brewery," said Phil. "Many refer to operations of this size as a 'nano-brewery' because we brew only 30 gallons at a time. By contrast, most start-up breweries begin with a three-barrel system, or approximately 90 gallons. Making lesser amounts can get to be a lot of work labor-wise, but it allows us a lot of creativity."



Customers enjoy beverages at Wages' taproom in West Plains, Missouri.

The building blocks for any type of beer begin with the fermentation of grains like oats, wheat, barley, rye, rice and corn, so naturally, brewers need quite a bit of these commodities for every batch of beer they make.

"We use a fair amount of wheat, some rye and a lot of oats in our brews," said Phil. "Each grain brews differently and imparts wildly different flavors. Oats add a great mouth feel to the beer, almost making it creamy. It's a crucial ingredient in our Good Mornin' Stout. Wheat can be used up to 50 percent in a recipe for a straight-up wheat beer, but we also use it in small quantities to make beers like our Whatknot Ale and Honey Wheat Pale Ale where it adds a little texture and a unique flavor."

These grains are all fairly traditional row crops in the United States, but many brewers are also looking for new and interesting grain varieties to add color, texture and flavor to their brews. Wages has been searching for a local grower to produce multi-colored Native American corn, which he hopes will add color and flavor to his brews while reconnecting the past with the future.

"Fingers crossed, we'll get enough native corn this year to do at least one special batch. We'll need 5-10 pounds of kernels to do a small batch, which adds up to about 1-2 pounds of kernels for every 5 gallons of beer we brew."

LOCAL INGREDIENTS

While grains and hops are used extensively in beer, you might be surprised by the wide array of non-grain ingredients used by brewers, including natural sweeteners, like honey and molasses and wild foraged and cultivated fruits, nuts and herbs. For the Wages, finding these specialty ingredients in sufficient quantities can prove challenging, and that's where agricultural producers and market gardeners can diversify their seasonal income streams.

"We currently produce three year-round beers, including Whatknot Ale, Landlocked IPA and Good Mornin' Stout, but we have six tap handles in our taproom, and we get to have a lot of fun with the beers that go on

those bonus three handles. We'll even take a small bit of a brew, usually our Whatknot Ale, because it can morph into something entirely different just by adding fruits or herbs and we age it with some unique ingredients for something really special. While not a local ingredient, we've done this with blood orange puree to much customer satisfaction. We've also used pistachio, which was a wonderful experience, but very expensive. My wife and I have a small farm, and we've grown and foraged our own ingredients from it including lemongrass, wild blackberries, French tarragon, dandelions, chipotle peppers and soon, mushrooms."

Wages has also sourced a lot of their brewing ingredients from the local community, including persimmons, muscadines, pecans, chokeberries, elderberries, raspberries, sour cherries and much more.

"If it might taste good in beer, we have or we will try it."

Phil and his head brewer, Fischer, love to experiment with new and interesting ingredients and flavors, and their customers keep coming back to see what's new at the brewery. According to Phil, the customer response to their creative bent has been tremendous.

"We're incorrigibly trying new things all the time, especially if we can locally source the ingredients."

Some of Wages' specialty and seasonal beers include their fall favorite, Mississippican Brown, which requires many pounds of pecans and dark Belgian candi sugar that gives the beer a pecan pie flavor. They use lemongrass to brew their early summer Lemongrass Wheatknot and are considering it for a non-alcoholic soda, as well.

"We also make a sour beer using a type of bacteria similar to those used to make yogurt. The bacteria lowers the pH, which makes for an acidic bite that is perceived as sour. That base beer is good alone, but the real strength of it is that sour pairs great with fruit flavors. We've already made a cherry sour and will release our new passion fruit sour this summer."

In addition to the wide variety of fruit Wages has used to make beer they also use vegetables, like chipotle

peppers (red, smoked jalapenos) and a wide array of herbs to bring out distinct flavors and aromas.

"We have really loved the beers we brewed with lavender. The aroma just goes on forever and ever. I also enjoy using grains of paradise for their citrus/black pepper flavor. It goes well in a Belgian beer or a holiday beer."

When asked about the quantities of specialty ingredients they need to brew a specific beer, Phil says that usage rates vary greatly depending on the ingredient.

"In some cases, a teaspoon may be all that is needed (such as in the case of grains of paradise). In other cases, we might use several ounces (lavender) or even a pound or more (dandelion). It really depends on the strength of the herbs' flavor."

PRODUCER'S PERSPECTIVE

To find out what producers think of working with the craft beverage industry, I spoke to Kari O'Neil, a Community Vitality Field Specialist at South Dakota State University's Extension Office, where she is an organizational specialist currently working with the Dakota Fresh Food Hub, LLC to develop their business plan.

She also farms with her husband, Rick, raising some 200 cow/calf pairs and cultivating acres of pinto beans, wheat, corn and hay. A few years ago, O'Neil sat in on a seminar in which the fruit buyer for Prairie Berry Winery discussed their need for non-grape fruits like rhubarb, blueberries and chokecherries. She went on to talk to other wineries and found out that black currants were on the list of very desirable, but difficult to obtain, fruits for wine making because of their unique piney flavor. After doing some additional research, she decided to plant roughly 700 black currant bushes in an old unused shelter belt.

The shelter belt would protect the bushes from the harsh South Dakota winter winds and provide the bit of shade the berries needed in the summer. And while it takes 3-4 years for the bushes to fully mature, she was able to harvest a healthy quantity of berries the second year for personal use. Another grower she knows harvested 3,000 pounds of black currants

from a similar sized orchard that was fully mature, and she sees the same kind of production in her future. Kari said that she and Rick are always trying to stay ahead of the trends in farming and constantly looking for new markets and new ways of doing business, so this new line added to the farm will not only bring in another source of income, but it fits right into her passion for growing healthy food. And while she doesn't have a contract with a buyer, she plans to visit multiple wineries in the area in the coming year and hopes to sell her currants to more than just one.

"I never thought of selling my currants to a brewery," she said. "We've got quite a few new breweries around here. I'll have to look into it."

MAKING THE CONNECTION

Since Wages Brewery is still new to the community, finding specialty ingredients locally can be a challenge.

"We tried to have a local farmer grow barley, which is the base grain for all beer, but it didn't work out as well as we'd hoped. There is a reason barley isn't grown in the Ozarks! We're still establishing relationships, so we have to remind people that we're here and we need ingredients. We have established a great relationship with a local blackberry farm as well as some individuals. I've also worked with a local produce stand to bring in unique ingredients such as muscadines. We tend to pay more for locally grown ingredients, and we have to pass that cost on to our customers, but they understand that ingredients like pecans and raspberries aren't cheap."

Wages has also found that some producers prefer bartering, which he says works out for everyone.

"Another challenge for us is that some farmers are leery of working with a brewery. It's kind of a mystery to them. What is this brewery thing? Is it like a dive bar? Resolving that problem involves spending a lot of time meeting people and building relationships. I have a lot of fun doing that anyway and I think in the next few years it will get to the point where we have more than enough supply."

The good thing for the Wages is that they often prefer to use freshly frozen ingredients such as herbs and fruits.

"Since we're after the aromatics or sugars in the ingredients, it's a great way to lock in the flavors we want. Just this week I started collecting spring dandelion flowers. Even after picked, they will continue to go to seed, so you have to get them into the freezer relatively quickly to stop that process. When we make that beer, we'll ferment the beer first and then we'll make a tea out of the dandelion flowers. We'll blend the beer with the tea at the time we package it."

Although Wages Brewery is a nano-brewery that only brews 30-gallon batches of beer at a time compared to the 90-gallon batches of a microbrewery, they still need a lot of ingredients to brew with every single day. They are also a start-up business in a small city and the opportunities for growth are almost guaranteed.

The same is true for all craft brewers, even some of the bigger ones. They all need quality ingredients and most prefer local sourcing when that option is available. And just like Wages Brewery, finding those local sources is often their biggest challenge. One enticing thing about the

possibility of working with a brewery, winery, or artisan distillery of any size is that some or part of what they are looking for might just happen to be surplus from your existing growing or market operation. On the other hand, if you have been considering adding a new crop to your production to increase seasonal sales, finding out what kinds of produce your local brewer or winery might need and working it in to your existing operation could be yet another stream of income to add to your books.

In the end, the key to working with a brewery or winery is to make that first connection. Phil suggests that interested growers "duck into the brewery during a slow time or call ahead and ask to speak to the owner, brewer, or manager. They will be easier to approach than you think and most will probably be thrilled that you came to them! Be sure to bring a sample of your product for tasting and before long, you may find that you need to expand your operation in order to be a supplier. And don't be afraid to ask for a shout-out if they use your product. I always say, 'This beer was brewed with local blackberries from such and such farm.' It's a win-win for everyone."

NEED MORE INFORMATION?

For more information on Wages Brewing Company, visit wagesbrewco.com.

Jill Henderson is an artist, author and organic gardener. She is editor of Show Me Oz (showmeoz.wordpress.com), a weekly blog featuring articles on gardening, seed saving, nature ecology, wild edible and medicinal plants and culinary herbs. She has written three books: *The Healing Power of Kitchen Herbs*, *A Journey of Seasons: A Year in the Ozarks High Country* and *The Garden Seed Saving Guide*.

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