



# Those Crafty Americans

## US Craft Beer

**Overhopped, overpriced and over here?** asks John Porter. The UK's booming craft beer industry might be forgiven for viewing the imported US variety with the same deep suspicion that British males directed at GIs turning up at a village dance in 1942.

Overhopped and overpriced may be a matter of taste and opinion, but over here they definitely are, and in ever-increasing numbers. Figures from trade body the Brewers Association show that US craft brewers increased their overall exports by 49% in 2013, with the UK behind Canada and Sweden as the third largest export market globally. Craft shipments to the UK grew by 7.8% in 2013, a figure which is certain to have grown during 2014.

Given that the typically higher ABVs of US craft beers attract more duty, and the logistical costs of importing them add further to the price, why are so many UK consumers choosing imported beers over the more competitively priced domestic craft variety?

Andreas Fält, the Brewers Association's craft beer ambassador, believe that provenance is an important part of the appeal. "I think the more mainstream bars are catching up to what the specialist bars have known for years – people will spend a bit more for products that are authentic. Consumers understand that imports are more expensive than local beers."

## Finborough's Fine Beers

Jeff Bell, owner of the Finborough Arms in West London believes that going to the source of the current craft beer boom is important to consumers learning to navigate the category. "I think customers are aware that much of the craft beer explosion happening in the UK has been led by the independent breweries coming out of the US."

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The Finborough always has at least one US beer on draught, from a core range of Lagunitas IPA, Dominion Hop Mountain and Dominion Oak Barrel Stout. "They're three distinctively different beers, all with a particular appeal," says Bell. "The Hop Mountain has a maltier edge, while Las Igunitas is a straight-up 'hop bomb'."

The pub also sells beers from London craft brewers such as Portobello and Fourpure. "They're local, which customers like, and alongside them we offer the original American breweries that inspired them. It adds more credibility to our offer."

With the beers all weighing in at around 6% ABV, the Finborough Arms sells them in two-thirds of a pint glasses at £3.90. "I take





a slight margin hit, but it's not only an attractive price point, it's also a responsible serve. If customers are in a round and their friends are drinking pints of lager, they're consuming the same amount of alcohol."

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In terms of customer resistance to a smaller serve, Bell's experience is that "when they realise the ABV and know they're getting a genuine, fresh American craft beer on tap, they're getting good value."

#### A Special Relationship

The move into the mainstream for US craft beers is being escalated by the number of UK cask brewers forming distribution partnerships, seemingly with no sense of irony at the notion that these US brewers have made their name by replicating UK beer styles in the first place.

AB InBev UK and Greene King announced a deal in July 2014 that sees Greene King become national distributor for the well known US Goose Island brand, while Adnams has distributed Lagunitas IPA since April 2013.

Fuller's now distributes the Sierra Nevada range through its recently formed Westside Drinks arm. George MacNicol, marketing manager



at Westside Drinks, says: "It's all about offering an entry point into the market. Most consumers wouldn't jump in at the deep end with a UK craft beer, but will start with something mainstream from Meantime or Camden Town, and you get the same thing with Sierra Nevada Pale Ale.

"It's been around for over a decade in the UK and has played an important part in building up the reputation of US craft beers here."

Charles Wells, which launched Wells DNA New World IPA in May 2013 in collaboration with Dogfish Head, has now agreed a distribution partnership with the Delaware-based brewer which will initially see Dogfish Head 60 Minute IPA available to the on-trade in bottle, with other Dogfish Head beers likely to follow.

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Emily Hudson, marketing manager at Charles Wells said: "At 6% ABV, it's fairly moderate in strength compared to some of the more extreme brews that are coming out of the US, but it still has been approached responsibly.

"We know from our experience that the key to providing a good range of beers, from a traditional low ABV IPA to a stronger, hoppy craft ale is trade education to ensure that bar staff understand the style and strength of the beer and can discuss it confidently with customers."

#### British Influence

Sam Calagione, founder of Dogfish Head, both acknowledges the debt that US brewers owe to the UK, and believes this wave of transatlantic alliances is good news for craft beer drinkers on both sides of the Pond. "The chance to work with a brewery that's been doing IPAs as long as Charles Wells has is something we're excited about. We would certainly never claim that American IPA is its own style. The style is IPA, and the style is British. The interpretation that Americans bring to it has a lot to do with our hop varieties," as well, he says as US brewers' tendency to let the ABV of their beers creep up.

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For Dogfish Head, at least, the driver of its UK entry is the opportunity to create new brewing collaborations rather than simply to sell more of its beer. "Even in America, we really don't look at it in the context of 'market share'. Breweries of the size of Dogfish Head or Sierra Nevada account for less than 1% of the market in the US. But because we don't have anyone working full time for us in the UK, we thought it would be a great idea to find a brewery that we believe in, a family-owned brewery like ourselves, that takes a long term view of nurturing brands."

Calagione would also like to see more respect shown by some elements of the British craft community for the classic British interpretations of the brewers' art. While the US and UK craft beer markets are "both exploding and vibrant, I feel the craft beer community in the UK has a limited amount of respect for their traditions. In the US, we see cask beer as very much a part of the craft beer world."

#### The German Connection

It is, of course, not just British styles that are emulated by US brewers. Huber, the USA's second oldest brewery, was founded in 1845 by German and Swiss immigrants who specialised in brewing European style beers using traditional German techniques and principles.

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Huber has produced a Bock continuously since 1899, and the 5.5% ABV dark lager is now available in the UK. Peter Karsten of distributor World Beers says: "We felt the timing was perfect to unleash this absolute beauty on the UK market. With the casual dining, diner and the American craft beer trends continuing to boost interest, we think the Huber Bock can be a big hit."

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#### Head of Steam

The importance of staff knowledge is also emphasised by Simon Ritson, general manager of the Head of Steam in Durham. Alongside an established specialism in Belgian beers, over the past two years the pub has built a complementary range from US brewers.

*"Fonts showcase US brewers such as Stone, Odell, Ska, Left Handed, Fordham and Dominion. 'Customers took to the beers quickly, and a lot of that was to do with staff knowledge and staff enthusiasm'"*

With a permanent font devoted to the range from Brooklyn Brewery, two more fonts showcase US brewers such as Stone, Odell, Ska, Left Handed, Fordham and Dominion. "Customers took to the beers quickly, and a lot of that was to do with staff knowledge and staff enthusiasm. We had 22 months with 0% staff turnover, so everyone here really knows their beer," says Ritson.

The wholesale cost of a beer with established UK distribution such as Fordham Rams Head IPA means a selling price of £5 a pint, which is "viewed as a reasonable price point for an imported beer." For beers especially imported by the bar, higher costs mean a higher retail price. Ritson's solution is to create an 'event' around their arrival

"I won't put a beer on draught unless I have a proper tap handle, proper glassware and a decent badge. A great example was



Stone Ruination IPA. A 20 litre keg worked out at almost £5 a pint cost price.

"When it came we didn't have a tap handle, so I wouldn't put it on. By the time we served it, customers were desperate for the beer, even when I told them it would be £10 a pint. I had enough people who were going to buy just one pint to make it worthwhile, and it sold out over a period of about six hours."

#### Heathwick Beer Experience

Specialist importer Heathwick is building on its success with beers from the Fordham and Dominion breweries with the launch in the UK of ranges from US craft brewers Saugatuck Brewing Company of Douglas, Michigan and the TailGate Brewery of Nashville, Tennessee.

*"The key to providing a good range of beers is education, to ensure that bar staff understand the style and strength of the beer and can discuss it confidently with customers"*

The full range is being promoted to the trade as the Heathwick Beer Experience, backed by brand support which encourages consumers to rethink their perceptions of beer, and experiment with flavours, styles and even beer cocktails. Marketing support includes branded glassware, tasting notes, food matches and pump clips for draught brands.

The expansion was spearheaded by the UK debut of Saugatuck Neapolitan Stout, offered as a seasonal beer for autumn and winter.

The 6% ABV beer, available in 355ml bottles and keg, blends a dry stout character with the rich strawberry, vanilla and chocolate flavour notes of Neapolitan ice cream to create a new take on a classic milk stout.

Graham Richardson, general manager of Heathwick, said: "Neapolitan Stout is a fantastic way to launch our expanded range and the Heathwick Beer Experience. A well as having a distinctive flavour, it's won several awards in the US, so there's interest in trying it from both bar owners and their customers.

"When we initially launched the Fordham and Dominion beers in to the UK, our core customers were US-style restaurant brands that were looking to serve authentic beers, and specialist craft beer bars.

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"As US cask beers find a more diverse audience, the market is broadening, with increased interest in sessionable US beers such as Fordham Copperhead Ale, as well as Saugatuck Oval Beach Blonde and Amber ESB, which have become permanent additions to our range. There will, of course, also always be room for 'specials and seasonals', such as Neapolitan Stout."

#### Can the Can?

From TailGate Brewery, named for the US tailgating parties held in the parking lots of sports and music arenas, Heathwick is offering Black Top Blonde and Session IPA, both at 5% ABV and offered in 355ml cans.

Richardson added: "Cans clearly already have an appeal in some styles of operation, and as consumers get more used to seeing them in the on-trade, the flexibility they offer in terms of storage and use of fridge space will become apparent to more operators. With formats including bottle, keg and can, we can help any style of operation meet consumer interest in the US craft beer scene."

*"Good beer is good beer, whether it comes from a can, a cask or a keg"*

The introduction of a range of three canned beers from Sixpoint Brewery of Brooklyn by JD Wetherspoon in February 2014 has given a boost to the argument that the format can work in the on-trade, despite reservation in some quarters that consumers don't see beer from a can as a premium serve.

Andreas Falt agrees that canned beer still has a psychological barrier to overcome. He says: "I think cans are going to be niche for a couple more years, but the fact that more UK craft brewers are canning will raise awareness. Good beer is good beer, whether it comes from a can, a cask or a keg."