

# Alberta's Craft Brewing Industry Is Changing The Way We Think About Beer

Sep 9, 2016

by Willow White



## **Matt Hamill and his brother Joe of Red Shed Malting**

Photograph Ryan Girard

Very craft brewery starts the same way – with an experimental bucket of homebrew in a beer enthusiast's basement. That's the story of Wayne Sheridan, owner of Situation - Brewing. The brewery and restaurant, located just off of Edmonton's boutique-lined - Whyte Avenue, opened its doors on May 25, 2016. Although the brewery was years in the making, Sheridan was long motivated by a sincere belief: "Not only can homebrewers make great beer at home in their basement," he says, "but world-class beer can be made right here in Edmonton."

Situation Brewing is one of many recently opened craft breweries in the province, taking

part in a movement that has come to be known as Alberta's beer revolution. And there's a reason this revolution is happening now rather than, say, 10 years ago.

In 2010, Neil Herbst, founder and owner of Edmonton's Alley Kat Brewing Company, told Alberta Venture, "Alberta is cautious." He was referring to the difficulty facing small brewers when they tried to appeal to traditional beer consumers. "It is difficult to bring people around to an interest in local beer," he said at the time. There were only nine breweries and three brewpubs (which brew and serve their own beer) in the province. Yet, next door, British Columbians enjoyed more than 50 craft breweries and brewpubs.

How times have changed. You'd be hard pressed to walk into a pub in Edmonton or Calgary today and not find a variety of Alberta beers on tap. And it's not just fashionable gastropubs serving local elixirs to mustachioed hipsters; it's clubs, bars and even restaurant chains. Albertans from all walks of life can't seem to get enough of the local product. In fact, by the end of 2016, it is projected that more than 30 breweries will be operating in the province. This beer revolution isn't just following in the wake of Quebec's or B.C.'s. It is closely connected to the province's world-class barley production, small-business mentality and desire to create and consume local product. It's about getting back to the roots of what it means to be Albertan.

If you look at the opening dates of breweries in the province, you'll find a few foundational brewers who opened in the '80s and '90s – Edmonton's Alley Kat and Calgary's Big Rock Brewery, for example. But fast forward to 2013, and a new wave of breweries had appeared, including Tool Shed Brewing and The Dandy Brewing Company, both in Calgary. In 2015, another burst of breweries: Two Sergeants Brewing in Fort - Saskatchewan, Half Hitch Brewing in Cochrane and Fat Unicorn in Plamondon. Most people involved in the industry pinpoint the start of Alberta's beer revolution to three dates, November 28, 2013, October 28, 2015 and July 28, 2016. On each occasion, the Alberta Gaming and Liquor Commission made sweeping changes to the craft brewing and distilling regulations.

Until November 28, 2013, the AGLC required a minimum production capacity of 250,000 litres per year with the ability to produce 500,000 litres. These high capacity requirements made it hard for those interested in opening a brewery to start their business. The amount of capital required to pay for equipment and staff for a larger-scale brewery was simply overwhelming. But without the strict production minimums, homebrewers had the chance to expand operations slowly.



**Brothers Graeme and Charlie Bredo, of Red Deer's Troubled Monk Brewery, won big at the 2016 world beer cup**

Photograph Ryan Girard

Two years later, the AGLC made another round of changes which helped support small brewers even further. Liquor markups were raised by five per cent, but small breweries got significant breaks. For a time, large beer companies, both domestic and imported, had to markup \$1.25 per litre, while small brewers in Alberta, B.C. and Saskatchewan, only had to markup 10 cents per litre under 10,000 litres of production. Then, in July, the provincial government eliminated the graduated rate, forcing everyone to pay \$1.25 per litre, and replaced it with a grant program aimed at Alberta's small brewers.

Ultimately, these changes have made it easier for start-ups to get off the ground, and there's been no shortage of entrepreneurs ready to start their own brewery. Olds College is partly to thank.

In 2013, alongside regulation changes and the global craft beer movement, Olds College began churning out skilled brewers and entrepreneurs through its new Brewmaster and Brewery Operations Management program. (Garret Hynes, brewmaster at Troubled Monk Brewery in Red Deer, was one of the first graduates.) It's a two-year program with 25

students admitted each year.

The program appeals to enthusiasts who love to brew beer, but it also teaches key business skills. Tom Ross, a second year student at Olds, came all the way from his home in the U.K. to take the program. "My dad and I used to joke about opening a brewery together," Ross says. "We used to go to beer festivals together back in England. And then this course opened up." Ross warns prospective students not to expect a frat party though: "It's a lot harder than I thought it was going to be," he says, "but you do get to drink a lot of beer."

A 2,300-square-foot facility serves as the learning space and as a working brewery. It sells kegs, cans and bottles to locals. The hands-on experience helps students understand all the facets of working at a brewery: from creating great beer to paying the bills.



**Wayne Sheridan, owner of Situation Brewing**

Photograph Ryan Girard

Taylor Larson is in the program, too, and she's quick to break down any assumptions about what it means to be a woman brewer. "It's good being a woman in this industry.

Male brewers are excited that a woman is there. They're not trying to bar women from being in the industry," she says. Larson feels deeply connected to the pursuit of brewing as an Albertan. "We're connected to everyone," she says. "We're connected to the whole community. It's business, it's artistic, it's local, it's craft and it's community."

Larson's not exaggerating. Craft brewing does connect local Alberta business in new ways. It is the thread tethering local farmers to brewers, restaurateurs and, of course, maltsters.



Large-scale malting has been going on in Alberta for years. Malt is germinated, dried grain and is a necessary ingredient in beer. Rhar Malting in Alix has been around since the '90s, and Canadian Malting has been operating near Calgary for more than 100 years. The fact that malting has been going on in Alberta for over a century is not really surprising. Alberta grows superb grains. Lauren Reid of Alberta Barley, a farmer-directed non-profit that represents Alberta's barley farmers, says many international beer companies seek out Alberta product. "People are using Alberta barley because it's the best in the world," she says.

Indeed, Alberta grows about 50 per cent of all the barley in Canada. While the majority of it is used for livestock feed, a significant amount is of high-enough quality to use for malting. While the large-scale malting businesses didn't leave much room for smaller operations in the past, with the explosion of local breweries in Alberta, local small-scale malt has become a highly sought-after product.

Matt Hamill is one of these maltsters. His company, Red Shed Malting, is family owned and started exactly how one might expect: with a lot of barley and a passion for beer. "Dad's a grain farmer and he's been growing malt-quality barley for a long time," says Hamill. When his brother Joe started brewing at home, the two became obsessed with

trying to make a home brew with their father's barley, and Red Shed was born. They've sold to local breweries like Troubled Monk and Dandy Brewing in Calgary, and they hope to do more.



Photograph Ryan Girard

And then there are the hops, which are used primarily as a flavouring and stability agent in beer. Hops are not normally grown in the province, but at least one farm is trying it out. Nestled in Lac St. Anne County, near the small community of Darwell, sits Windhover Farm, home of Northern Girls Hops. Sisters Karin Smith-Fargey and Catherine Smith started the hops project to test the feasibility of growing the product organically in northern Alberta – a project which many thought was impossible due to the cold climate. But the experimental hops farm is a success, and was used in Alley Kat's first all-Albertan beer. "Alley Kat does Alberta Dragon Beer, which is all Alberta ingredients," Hamill says. "We want to be part of that in the future."

In the same month Sheridan fulfilled his dream to open a brewery, his assertion that Alberta could produce world-class beer was proven true. At the 2016 World Beer Cup (fondly called "the Olympics of beer"), Troubled Monk Brewery took home silver in the American-style brown ale category. Troubled Monk is one of many family-run breweries

new to the scene. At the time of the competition, it had been open for less than a year. Graeme Bredo and his brothers had been brewing their own beer at home for years before they decided to turn professional. After opening up shop, Bredo's brother Charlie decided to enter one of their beers in the world competition to see how it measured up. "None of us thought we were going to win," says Bredo. "It's the best beer at the best competition in the world." But their brown ale, brewed with Alberta barley and water from the Red Deer river, won, and affirmed what locals had already realized: great beer is being brewed here.

There will always be some in Alberta who are reluctant to try locally crafted beer, and that's not a bad thing. "There are people who love their Budweiser and that's great," Reid says, "but there are also people who want to step out and try something new." At the end of the day beer is beer, and just because it's brewed locally doesn't mean it tastes better than your favourite import. But there are some good reasons to choose local. "Craft brewing is a great industry in Alberta because it's employing Albertans," says Les Timmanson, another student in the Olds College brewmaster program. "There are rising industries going along with craft brewing. It's not just brewing." The bottom line is that buying a pint from the brewery around the corner doesn't just taste great – it supports local pubs, farms, and breweries, and eliminates a lot of the product's travel. Think of it as part of your 100-mile diet, environmentally and community friendly.

## **Still Waiting**

Craft distilling of spirits wasn't viable in Alberta until 2013, when the province eliminated minimum production capacity requirements. Now, as the industry blossoms, distillers say a bevy of factors are working against them, including a high taxation regime, lenders who feel the industry is still "unproven" and exorbitant startup costs (in the ballpark of \$1 million).

In the last two years alone, five craft distilleries have sprung up in Alberta: Eau Claire Distillery in Turner Valley, Last Best Brewing and Distilling in Calgary, Vegreville's Red Cup Distillery, Park Distillery in Banff and Big Rig Craft Distillery in Nisku, which makes bottles in the shape of the historic Leduc #1 oil well. Together they form the Alberta Craft Distillers Association (ACDA), and they all exclusively source grain from within Alberta. Four more craft distillers are expected to open by the end of 2016.

But they claim they're constrained by Alberta's tax on spirits, which is currently the highest in Canada: \$14.10 per bottle goes to the province. Distilleries in B.C. pay just \$1.10 per bottle to the province. With relatively small production capacity, ACDA argues the tax is prohibitive. (Calgary's Alberta Distillers Ltd., a publicly traded company, produces 20

million litres per year in whisky alone; craft distillers produce about 20,000 to 100,000 litres annually.) ACDA is advocating for a tiered taxation system.

Why is the province afraid to alter the tax regime? It could be for fear of litigation. As part of the New West Partnership tax plan, Alberta slapped a 260 per cent tax increase on craft beer produced outside of Alberta, B.C. and Saskatchewan, and Steam Whistle Brewing was granted a court injunction. Scotland's Innis & Gunn and Ontario-based Muskoka Brewery have also publicly complained about the tax increase; the latter announced it'd pull its product from Alberta shelves.

– With files from Laura Lynn Johnston