

Craft malt: Grain with a higher purpose.

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Over the past several years, there's been a resurgence of local craft malthouses springing up all over the country. The lifeblood of the movement is the availability of high quality malting barley, which is not typically cultivated in the U.S. outside big Western farms. The craft malt trade intends to change that.

According to John Mallett, production manager at Bell's Brewery in Kalamazoo and author of *Malt*, one of the Elements series of books from the Brewer's Association, Copper Fox, a Virginia distiller, was one of the first since prohibition to malt their own grains in 2005. Valley Malt in Needham Mass started commercial production in 2010, followed by Riverbend Malt in Asheville NC, followed again by a number of others. A 2012 Farm Brewery legislation in New York permitted anyone to start a craft brewery at very low licensing costs with the provision that much of their raw materials were sourced within the state. The incentive encouraged a number of small malting operations to start up, with most of those responsible for engaging farmers in growing malt barley.

In 2014, a small group of maltsters formed the North American Craft Malting Guild, which now claims 25 regular members in production as of June 2015. Most of the early adopters have been welcomed so enthusiastically by the craft brewing and distilling industry that they can't seem to keep up with demand.

But many craft brewers have trouble with the cost difference. This paper will discuss some of the reasons it's more expensive and why it's a good idea to support it in spite of the premium.

Why is craft malt more expensive?

First, consider the source. Barley, the principal raw material used in beer production, is grown extensively in Western states and in much of Canada, commanding a price of \$5.00 to \$6.00 per bushel. Mega farms run by small numbers of staff can manage vast acreage using automated farming techniques, so in their world, the price a malthouse pays is profitable for them.

This is not the case with smaller farms, particularly those in the Midwest or East, which make their livelihood on corn, soybeans, wheat and other crops, their commodities. The

price a craft maltster has to pay to convince one of these growers to replace some of his acreage with malting barley is considerably higher – often many multiples higher – to offset the guaranteed revenue the farmer would realize from his predictable commodity crops. Malting barley must pass more than a dozen critical tests to qualify as acceptable for malting, otherwise it's only good for feed, in which case the grower loses money compared to his more predictable crops. Plus, small farmers are not set up to automate the process the same way large western growers are, so more labor means more cost.

To further incentivize farmers, craft maltsters will often pitch in by paying for seed and providing agricultural counsel, and help connect first-time barley farmers with extension agents from university agronomy departments to defray risks. There's a significant educational process involved, and not every farmer is going to take the time or the risk.

Second, small batch malt is more labor intensive. Big malthouses process up to 200 tons per batch using totally automated systems that pass grain from the steep tanks to the germination vessel, and on to the kilns. Truckloads of grain are delivered and rail car loads of malt are shipped to breweries.

A craft malthouse may process one to 5 tons at a time, and much of the material handling, processing and packaging is done by hand. The steep, germination and kilning process is largely the same as in a big malthouse, but the labor time and production scales are very different.

Third, cost is a function of scale in other ways. Shipping grain and finished malt by the trainload is far more economical than shipping small batches from farms to the malthouse and from the malthouse to the brewery. Storage facilities for small grain farmers don't exist to accommodate the smaller volumes of multiple varieties of grains that are being grown for

regional malthouses, so their owners must find alternatives, such as storing grain in totes on their own property or leasing additional space nearby. Any craft malthouse owner is more than willing to go the extra mile to have the grain in the pipeline, but it does add to the cost.

So why should the craft brewing industry support craft malt?

Two reasons:

1. It's one good way to help keep small farmers in business.
2. Consumers are increasingly demanding to know where their food comes from.

In support of farmers. The malt that is produced from barley sourced from big farms in Western US, Canada or Europe is homogenized from vast numbers of farms to provide a wonderfully predictable yield, taste and flavor uniformity. Brewers appreciate that because they are committed to creating a very predictably good recipe time after time. And who can blame them?

But what if we could encourage more small farmers to grow malt barley in place of some of their corn and beans to provide some portion of the huge volumes that are produced so brewers could create hand-crafted beers with artisanal ingredients indigenous to a single place?

A commitment to individual barley growers and maltsters is a commitment to family farmers and consumers. If we strive to link consumers and farmers in a clear, conscientious way to illustrate the importance of the farming business to our products and – in a broader sense – to the health and livelihood of our communities, then the family farmer may have a better chance of keeping his farm instead of selling out to the next developer who knocks on his door.

In support of consumers. If you are food conscious, you are no doubt pretty picky about where your vegetables and fruits come from. You may belong to a CSA or shop at farmers' markets where you meet and talk with the growers who bring their food to market each week. This is not just a practical relationship, it's also a social one. We want to know, and be known by, the people we do business with.

Many of us go out of our way to buy locally raised grass-fed meats, free-range chickens and eggs, and grains from artisanal mills. We gladly pay a premium because it's easier to trust someone you do business with face to face than with grocers

who buy low-cost produce from nameless industrial farms many states – or countries – away.

Why should we think about our beer differently? What if we could share with consumers a profile of the farmer who grew the grain so they could make that "personal" connection?

When we make a barley contract with farmers with whom we make personal relationships, we offer a better price than he'll make from corn and beans. So now, instead of shipping his commodities to a storage silo where it'll be consumed by a giant industrial machine for god-knows-what products, we turn it into beverages that consumers will want to thank him for personally. See the difference? Commodities for nameless, faceless corporate machines versus high value grains for personal connection and enjoyment. We want to acknowledge farmers for their effort, and we can't think of a better way to do that than by making them part of the brewer's success story and the consumer's satisfaction.

It doesn't have to be all-or-nothing.

OK, let's be realistic; we are not suggesting that brewers abandon their major malt supply lines. Those relationships are very important. The malt is economical, and as pointed out earlier, it delivers very consistent performance and quality.

But craft beer drinkers are also adventurous and will gladly try something different if it intrigues them, even if it is a little more expensive. Giving craft beer drinkers an opportunity to connect with the farmer who grew the grain is an idea that appeals to many.

Imagine a beer coaster or bottle label with a line like "Single-origin beer grown by Ned Foley in Royersford PA" which included a QR code that produced a profile page of Ned with pictures of his farm and fields along with a map of his location. If I were drinking that beer, I'd want to go see the farm. And guess what? I could!

If brewers dedicated one or two seasonal or specialty beers in their portfolios that featured single-origin grains at perhaps a small premium, those brewers would be putting a big toe in the water to help farmers stay relevant and give their consumers a connection with them.

So, by supporting craft malt, brewers can share our mission to directly and positively affect the lives and livelihoods of family farmers, local consumers and the local economy.