SCANDINAVIAN CRAFT BEER IS AT AN ALL TIME HIGH!

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NB: No, we at the SBR are neither blind nor deaf!! Before heading into the actual text of my editorial, I wish to apologize for not commenting at all in this editorial – or in this issue of the SBR altogether – on what is quite obviously the biggest news in the brewing industry in quite a long time: The US $104 billion purchase of SABMiller by AB InBev in November, creating a monster of a global player with a 50% – plus or minus, depending on the final outcome of the forced sales of certain brands imposed by antitrust authorities the world over – share of the world beer market. Our reason for seemingly ignoring this event is quite simple: The SBR is a 'Review' and not a news medium! So we've decided to let the dust settle on the merger and then devote a significant portion of the SBR No. 1, 2016, which will be released in February 2016, to a review of the merger, the consequences for the industry at large, and some views on the deal from people with insight into the industry. The issue of the SBR at hand is our annual Craft Beer Theme Issue, and we will keep it this way, as the MegaBrew (the name already by now given to the new company by Brauwelt International`s vocal editor, Ina Verstl) company formed through the merger is as far away from craft as I can imagine!

The headline for this editorial is stolen! More specifically, it's stolen from the Director of the US Brewers' Association, Paul Gatza, who for as long as I have been attending the annual Craft Brewers' Conferences – and that's about 15 years now – has commenced his address to the conference on the State of the Industry with these words: "Craft Beer in the US is at an All Time High!" As the years have gone by, the annual repetition of this sentence has become an almost mythical reminder to the audience that they are part of an amazing, almost unbelievable brewing business, if not even cultural miracle! That craft beer in the US is just going up, up, up and up year in and year out without exception is simply, above anything else, proof that what the US craft brewers are doing is meeting an almost insatiable demand and filling a highly appreciated role in society. In the extremely busy everyday lives of the suppliers, brewers, distributors, wholesalers, retailers, bar owners and restaurateurs that all play their part in this miracle, it is hardly top of mind on a daily basis, so it's an invaluable feeling to sit in a group of several thousand like-minded players in the world of craft beer and be reminded of the privilege it is being part of such a miracle once again!

The reason for me stealing Paul Gatza's line, using it in a 'Scandinavianized' form in my headline, and elaborating on it above is that I feel very tempted to claim that we're now in the same situation as the Americans! The curve for craft beer in our region has also now continuously for quite a few years just gone up and up, and this makes me conclude that craft and specialty beer is now so well consolidated here that continuous, steady growth is a fact. And it will continue growing for the foreseeable future, regardless of the overriding economic climate. When we have seen continued growth during the long

Norwegian barley field – a Norwegian heritage variety called Domen (Cathedral), which is steadily gaining in popularity amongst brewers for its brewing values and traditional lineage. More on this, later in this issue.

and hard crisis we're currently only slowly recovering from, this seems very reasonable to conclude.

Although I have little data supporting this, I take the chance of claiming that 'the curve' I'm talking about above does not only concern the number of beers and breweries. In Denmark, it has been documented by the business sections of several media that the profitability of the craft breweries has improved significantly these past years. Back in the early days, those same journalists rightly pointed out that the craft segments of the brewing industry were weak and vulnerable, as the majority of the companies were making losses – some big and some small – year on year. This is no longer the case, so my conclusion is that, also from the business point of view, the craft segment in Scandinavia is on the road to a robust consolidation.

Let's look at the cold facts and statistics:
Before turning to Scandinavia, let me share some very encouraging numbers concerning the EU plus Norway, Switzerland and Turkey with you. Brewers of Europe have just published figures showing that the number of breweries in the region has doubled from 2009 to 2015. With 700 new breweries in 2014 alone, reaching a total of more than 7,000 by 2015, we seem to be catching up with the Americans really fast! The number of jobs in the brewing industry as a whole was up 3.4% in 2014 from 2013 – certainly a positive tendency we have not seen in our industry for many, many years!

Here are some numbers from Brewers of Europe:

Number of breweries	2009	2013	2014
Norway	19	50	73
Sweden	30	100	161
Finland	18	43	49
Denmark	120	130	150

When considering these figures, it should also be born in mind that the total volumes of beer sales in all these countries have actually declined slightly over the same period.

In Norway, it is estimated that craft beer in 2015 will account for 3.5% of all beer sales, and, in October 2015, this figure hit 4.3%. On the job front, one job out of five in the brewing business is with a craft brewery.

Unfortunately, I have not had the time to investigate in detail and compile numbers showing the market shares for craft, the ➜

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number of new beers into the market per year, the economic impact on society in various shapes and forms as well as the number of people employed by the craft breweries, but the Norwegian figures above are indicative. The number of new beers on the market in Denmark in 2014 was a little over 1000 (!), also probably quite indicative. The market share for 'specialty' in Denmark in 2014 was 14%, out of which local 'craft' was an absolute 6% (imported beers 8%), but it must be remembered that the definitions of 'specialty' and 'craft' are quite loose, thus making these numbers quite variable depending on the definitions applied when calculating the numbers.

Of course, I would never let an opportunity like this pass without also focusing on my own passion and mission in the Scandinavian world of brewing – New Nordic Beer! It is a huge pleasure and satisfaction for me to note that this grassroots movement is stronger than ever and that the super-encouraging multitude of activities related to New Nordic Beer is increasing day by day. And this to an extent that, without taking up about half of the space in this issue of the SBR, I would have no chance of covering all the recent New Nordic Beer developments. Even if I limited myself to those that, at this point, have come to the attention of myself and the other members of the self-appointed 'Mafia' that run the formalized inner circle of the New Nordic Beer 'organization'. I'm putting 'organization' in quotation marks, as the New Nordic Beer movement is still on all levels a true grassroots organization. We still have no fixed rules for what Nordic Beer is – yes, we do have our documented Manifesto and Vision, but, beyond that, no rules. And we do not even try to control who gets involved with NNB, let alone what they choose to focus on.

We in the NNB inner circle keep reminding ourselves – and I allow myself to hereby also remind you – that creating a whole new beer universe and the novel world class beers that belong in it is not something that happens overnight, but something that will take decades (and hopefully it will never stop!). Creating a new universe within a thousands-of-years-old craft and industry will always be a very slow and gradual process, even if all the necessary tools are at hand. And, in the case of the New Nordic Beer movement, we do not even have the 'tools' as far as the raw materials go – there is no underlying supply of craft malt, as there are still so few craft maltings in our region. We have no commercial suppliers of local hops – actually, we do not even have the hop varieties that would lend themselves to commercial growing in our cold and damp climate. We have almost none – with a very noteworthy exception, though, the 'wandering yeast' from Lilleø, covered elsewhere in this issue – truly local yeasts available. In short, we are basically starting from scratch as far as the 'tools' go.

Elsewhere in this issue, there are both an update on our NNB activities written by 'co-mafioso' Christian Andersen and myself as well as a piece on the most ambitious craft malting initiative in our region, the NNB 'malt sibling', the Nordic Craft Malting Cooperative headed by Marc Myers in Norway.

On the sales side, it seems as if the Internet is finally having the impact that everyone has expected for a long time now. Again, without having statistical data to back this up, I know from personal experience that an unheard of number of webshops – business to business as well as business to consumer – have either appeared recently or are in the planning. I hope and expect that this reflects an equally big interest on the part of the consumers and customers. I have previously here in the SBR voiced my frustration over the lack of competition amongst professional and engaged craft beer distributors in Scandinavia. Let us hope for the sake of the brewers as well as the consumers that the Internet and those committed and engaged people putting it to use for craft beer will remedy this sad state of affairs.

As usual, drop me a line at anders@kissmeyer.dk if you have comments on or opinions about this editorial. Or any other suggestions for or thoughts about the SBR.

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PALE ALE
BITTER
AMBER
BROWN ALE