Wine barrel beer aging: product planning, barrel selection, and marketing strategies

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Presented to
Master Brewers Association of the Americas

District Northern California MBAA
& District Southern California MBAA
California MBAA Technical Conference 2014
October 24-25, 2014 in Paso Robles California
Who

Tracy Bethune

• Master Product Marketing, NorCal HP
• Business Strategy & Marketing MBA, UCDavis
• Odonata Beer Co, Sacramento
• Agriculture Background, Canada
  • Malting Barley Farm, Northern Saskatchewan
  • Okanagan Orchards & Vineyards British Columbia
• Home Brewer (weren’t we all once 😊)
What

Barrel Aging Main Themes:

- Distilled Barrels (i.e. Whiskey, Rum)
  - High Alcohol Treatments
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• Sour Barrels
  • Neutralizes Barrel
  • Long aspiration for emphasized yeast fermentation characters
  • Colonize with specific (sour)
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  - High Alcohol Treatments
- Sour Barrels
  - Neutralizes Barrel
  - Long aspiration for emphasized yeast fermentation characters
  - Colonize with specific (sour)
- Wine & Other Barrels
  - Capturing Wine Character Contributions
  - Barrel Planning
  - Marketing
Why

Stats*:

- BA/IRI Group not tracking Barrel Aged
- Specialty YTD only (new Category, includes collaboration beers)
- Multi-Outlet and Convenience Channels only (no direct sales)
  - Seriously under-reports premium direct sales in California
- Conclusion: still small, under invested

* Stats provided by Bart Watson of BA via IRI Group reporting 10/2014 YTD

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<thead>
<tr>
<th></th>
<th>Specialty</th>
<th>Craft</th>
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<tbody>
<tr>
<td>Price per Case</td>
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<table>
<thead>
<tr>
<th></th>
<th>YTD Dollar</th>
<th>YTD Vol</th>
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<tbody>
<tr>
<td>Growth</td>
<td>32%</td>
<td>30%</td>
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<tr>
<td>Share</td>
<td>$1.50</td>
<td>$1.10</td>
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Santa Cruz CA

Planning for Wine Barrel Beer Aging
Barrel Lifecycle - Who

Plan to align with Operational Realities

Barrel Lifecycle driven economic + taste:

- **Very elite Wineries:**
  - barrels 1-3 years (ie, Opus One 1X)
  - High barrel character

- **Very Small Wineries:**
  - Use Barrels as long as possible (expense)
  - Neutral Barrel, Fresh Barrels maybe wine intense

- **Very Large Breweries (ie Gallo)**
  - cycle their barrels from elite to economy brands
  - Neutral storage or colony barrels

- **Medium Boutique Wineries**
  - Best Opportunity for character pull

**Excess Barrels just that**

- Pick up, reliable scheduling
- Competing with brokers, distillers, Landscaping
Talk to the Vintner - When

Leave Vintners alone during harvest/crush 😊
Otherwise be friendly, bring some beer, ask at the tasting room....

Pro Tips:
• June: Barrel Ordering
  • Good time to ask for retiring/neutral barrels
• Aug-Oct: Crush
  • Good time to drop off beer without taking any time
• Nov: Excess barrels, lees
  • In a non-Bumper year, good time to get higher quality barrels
• Nov-Jan: Sampling & Blending Planning
  • Catch Barrel Flaws

http://www.winebusiness.com/classifieds/usedbarrels
+ Wine Fermenting Shops

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Listen to the Barrel

Barrel Markings

VA Volatile Acidity, Acetic Acid, Vinegar Taint
ML Malolactic
B Brettanomyces
P Pediococcus

Cork Taint – N/A (post barrel issue)
Recipe Design

Don’t let your eyes fool you....

It’s not about light beers for light wine barrels and dark beers for dark wine barrels....

Think about blending & balancing:

• Acidity
• Tannins
• Barrel Specifics (char, grain, neutrality)
Recipe Design

Don’t let your eyes fool you....

Think about blending & balancing:

Example: Starting from Wine barrel

- **Chardonnay w/lees:**
  - Full bodied, creamy texture
  - possible buttery/Malolactic
  - expedited oxidation

- **Suggestions:**
  - Full Saison,
  - Oatmeal “milk” Stout
Recipe Design

Don’t let your eyes fool you....
Think about blending & balancing:

Example: Starting from Beer

• Weak Blond:
  • Blue Frog, Fairfield CA, Nick Campbell
  • Blond finished under 7%, no extra cultures
  • Red wine barrel, 8 months
  • Wine tannins & acidity highlighted:
    • Unique tartness distinctly wine derived
    • not sour (not like Berliner/brett/lacto)
Talk to your Business

Involve & Educate your Business Team

• Take the Vision to Market
• Value the story
• Integrate from barrel to recipe to name to label design
  • Get the right customer interested
  • End to end focus on effective communication
  • Value Capture
• Tasting Room to Bottle

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Talk to your Business

Product Positioning

• Conscious Cobranding
  • (Collaboration, regional highlight)

• Evocative Branding
  • (Shared names, names that highlight a unique element)

• Independent Product Positioning
  • (distinctive descriptors, i.e. using an unusual varietal like Malbec)
Talk to the Customer

Consumer Education

• Clear expectations make happy customers

Aging Guidelines

• Whiskey and sour barrel aged beers often age well
• Wines often age well
• Wine barrel aged beers are often well oxidized and may not be intended for cellaring

TELL YOUR CUSTOMERS WHAT TO EXPECT
SHOW YOUR CUSTOMERS HOW IT FEELS
Seize the Terroir
Location Location Location
California Competitive Advantage
• region and appellation
• Leverage the strength of the regional industry
Seize the Territory

• Drive the supply chain opportunity
  • You live here
  • Taste it, feel it, brew it

• Expect Wine Industry Transitions:
  • Good wood is expensive
  • Lock suppliers, expect staves, teabags, spirals, chips)

• Question ➔ Are Used Staves a Future Opportunity for Bright Tank wine and wood treatments????
Conclusion

California Brewers have a unique Competitive Advantage

..... use it .....
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