

# ÆGIR BRYGGERI IN NORWAY EXPANDS WITH A NEW PRODUCTION BREWERY

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From Evan Lewis who, in spite of being born and raised in America, can be called a pioneer in Norwegian craft brewing, we have received the following article which bears evidence to Evan and Aud's extremely well earned success with their Ægir Bryggeri.

Those of you who have been reading SBR for some time might remember my article from the August 2007 issue, where I presented our newly opened brewery as 'Norway's Ninth Brewpub' founded by my wife, Aud, and I. In spite of our enthusiasm and visions for the new brewery, I still must admit that our growth has taken us by surprise – even I – the crazy American home brewer who left California to move to the end of the world's longest and deepest fjord in Norway.

Ægir Bryggeri started with lofty goals including distribution and export, and of course we quickly faced the realities of small scale brewing. We had based our scale on what we were selling already in our cafe and restaurant, leaving what we thought was a large margin for growth once the pub was in operation. However, demand for our beers vastly exceeded our expectations and capacity. In just the first summer with our own beers on tap, we sold double the amount of beer sold in the entire previous year!

Many lessons have been learned in the past four years; especially that the timeframe needed to grow is longer than one expects, and that growth may be impossible when capacity is lacking. By late 2009, we had already exhausted our ability to brew enough beer for both the pub and distribution, while the market for bottle and draught product was growing by the month. Sales outside of Flåm were then 60 per cent of all production and increasing rapidly. We realized that it would be impossible to meet growing customer demand within the capacity constraints of the 10-hl brewpub system. The reality is that a disappointed customer quickly loses interest in a brand if the brewery cannot deliver reliably.

## A DIFFICULT CHOICE

In early 2010, a decision had to be made about the growth of the brewery. We simplified this into three choices:

1. To stay small but disappoint current and future customers who would want our beers, with no plan for growth. (Bad business plan.)
2. Build a new production brewery. (Expensive and risky without a bigger market, hard to finance.)
3. Contract brewing our main bottled beers at another brewery for two or three years to build market share before considering a new plant. (Minimal risk perhaps?)

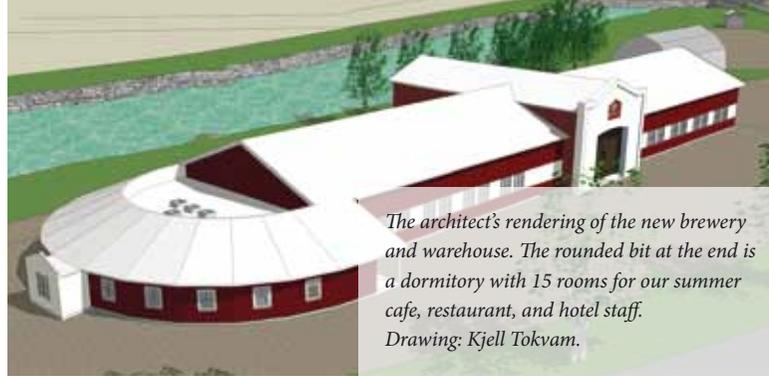
After much consideration, we felt the best business decision was to contract brew, deciding to work with an industry leader in this area, DeProef Brouwerij in Belgium. This allowed us to finally have enough capacity to reliably satisfy the market and reach a wider audience, also through national distribution and some exports. In addition, it freed up capacity to use our 10-hl brewpub system to produce a wider range of fun and seasonal beers for the draught market. We felt that this was a big plus for our enthusiast customers who demand that craft beer constantly evolve and provide new flavours.

In spite of some initial reactions to choosing a foreign contract brewery, we succeeded in obtaining national distribution in Norway. As a direct result of this and finally having enough product, in 2010 our sales jumped 115 per cent with 2011 looking to be excellent as well.

Obviously, this has worked well for us, but contract brewing was never a permanent solution and already after one year with



*The new production hall will house a four-vessel brewhouse and bottling line, a small distillery, and lots of space for extra tanks as we grow.*



*The architect's rendering of the new brewery and warehouse. The rounded bit at the end is a dormitory with 15 rooms for our summer cafe, restaurant, and hotel staff. Drawing: Kjell Tokvam.*

production both in- and out-of-house we had started to push the limits of practicality and the logistics of this arrangement.

As a craft brewer, I must also admit that while nice sales numbers pay the bills, my very soul craves creativity and control over all of the finished product. Our increased success also came with an increased desire to bring home the production of all of our many beers to Norway.

#### INSPIRATION FROM THE HOMELAND

It was a trip to the Craft Brewers Conference in California last March that really got us inspired and thinking. Here we were, a growing frontrunner in the Norwegian craft beer scene, our sales were more than doubling, and the more we sold, the less we produced ourselves. It came time for a new decision: Was this the time to invest in a new production brewery in Flåm? The answer was yes!

We were about to break ground on a new 510 m<sup>2</sup> warehouse. Could this be the basis for the new brewery, or would it be too small once again? As it turned out, the answers to both of these questions were also yes. After much discussion, many drawings, hefty board meetings and not least a blessing from the bank, the pieces of the puzzle started to come together. The new building would be 1,200 m<sup>2</sup> including both production and warehouse



*Our 140-litre still from Carl in Germany will help us create some exciting new products, including aquavit and whiskey!*

space, just around the corner from our existing facilities in Flåm. The production would finally come home!

#### THE NEW FACILITY

In the new space will be installed a 35-hl four-vessel brewhouse from Newlands Systems Inc. in Canada – the same company that delivered our brewpub system. The new brewhouse will feature automation from Siemens, bulk malt handling, and will give us a capacity of 8,000 hl/year from the start, with room to expand up to 35,000 hl/year, possibly more. We are also adding a full bottling line to handle the increase in production with all installation and start-up in March, 2012. As if this isn't enough excitement, we are even expanding our product range to include distilled spirits such as aquavit, single malt, and whiskey!

With twenty-one different beers produced in 2011, three silver medals from the Australian International Beer Awards, and designation as 'Brewpub of the Year' for the past three years, our sights are set on many exciting things to come. More beers, barrel-aged products, broader exports, plus a few surprises – and once again all brewed in little Flåm. ☺

#### ABOUT THE AUTHOR

Evan Lewis is a native of upstate New York where he started home brewing at the age of 17. An educated musician, Evan has lived in four U.S. states, among them California, where he worked as a design consultant to internet companies. In 2007, he received his Diploma Brewer certificate from the Scandinavian School of Brewing where he had the joy of making his Danish classmates suffer through his funny Norwegian dialect. Together with his Norwegian wife, Aud, Evan opened 'Ægir Bryggeri' in 2007 as a Viking-theme inspired brewpub in Flåm at the bottom of Sognefjorden – one of the world's most amazing natural sceneries.