

It's what's inside that counts

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VANCOUVER — Canned beer is moving up in the world, from a mass-market product favoured at picnics and frat houses to a vehicle that craft brewers are using to reach more of their discerning customers.

Vancouver-based **Russell Breweries Inc.** is the latest to make the move, announcing yesterday that it has lined up a loan to launch packaged products in B.C., where it already sells half-a-dozen small-batch beers in draft form.

Cask Brewing Systems Inc. of Calgary said yesterday it has installed a canning system at Russell and expects to see product rolling off that line within a few weeks. The company said it has installed its automated canning machines at craft breweries in six provinces, about 20 states and as far afield as Finland and Haiti.

For the craft brewing crowd, moving to cans "was less of a concern about quality than about perception and cost," said Stephen Beaumont, a Toronto-based writer and beer expert. "The perception has always been that quality beer comes in a glass bottle. And that cans are something you take to the beach, keep cold and drink fast."

Cans shield beer from light, improving shelf life, and allow for precise control of oxygen and carbon dioxide levels, said Patt Dyck, co-owner of Cannery Brewing Co. in Penticton, which also runs a Cask machine. She also likes cans because they are readily recycled and have a high return rate, making them easier on the environment.

The automated canning systems, smaller and less expensive than those used by the Budweisers of the world, have gained a growing foothold since family-owned Cask sold its first to a U.S. customer – Oskar Blues Brewery in Lyons, Colo. – in 2002, says Cask sales manager Jamie Gordon.

"This past year has been the busiest ever for us," Mr. Gordon said, saying that favourable response to cans rolled out by Oskar and other U.S. breweries helped whet demand among craft brewers, who typically favour bottles.

Until Cask introduced its machines, the smallest automated canning systems spat out 150 cans a minute and cost as much as \$500,000 – out of reach for typical small brewers. Cask makes smaller machines that produce 30 cans a minute and sell for about \$90,000.

"A full-size machine is too expensive and too mass-produced for us," said Lenka Hawrys, marketing manager for Fernie Brewing Co., a microbrewer in the Rocky Mountain town of Fernie, B.C., that invested in a Cask canning machine two years ago.

Packaging its beer in cans has allowed Fernie Brewing to expand beyond its home base to sell in liquor stores in the Lower Mainland and Alberta, Ms. Hawrys said.

Cask, in business for 25 years, got its start in the microbrewing sector supplying brewing systems and equipment to breweries and pubs in Canada and the United States.

As that business, which took off during the 1980s and 1990s, began to level off, Cask concluded that their customers could benefit from better packaging. Microbreweries were selling beer in plastic bottles that lacked visual appeal and had other problems, Mr. Gordon said.

"The packaging was terrible, the shelf life was terrible. So we came up with a small countertop canning system for customers who wanted to take beer home with them."

That simple system, which allowed users to process two cans at a time, became the basis of larger automated systems that are popping up at craft brewers such as Russell Breweries and Ontario's Hockley Valley Brewing Co.

Cask does not release sales figures but the firm, which has shifted heavily into the canning side of the business, is doing extremely well and overcoming the image problem of beer in cans, Mr. Gordon said.

The problem was worse in the U.S. than in Canada, he says, simply because cans were associated with cheap, discount beer. "It came down to just getting breweries to put good beer in cans.

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