



TYPES OF BREWERIES

By Asian Beer Network

Types of Breweries – What’s the Difference?

In this short guide we are going to look at the most common types of breweries that exist.

I’ve had to find a happy medium because, different countries have various ways for distinguishing breweries often based on volume produced annually.

The US has some strict laws on how beer can be sold depending on the classification of a brewery. In China it’s the same to a certain extent where breweries can’t bottle beer and sell off-site unless they have certain licenses. Which thankfully are becoming easier to get.



We will try and explain breweries here in terms universally accepted. So, let’s start with the smallest first...a nano brewery.

What is a Nano Brewery?

A nano brewery (nano’s) is the smallest brewery type on our list. There isn’t a defined volume that is used to label a nano brewery. However, an accepted figure is if a batch is less than 350 litres it can be classed as a nano brewery.

Why people opt for nano’s?

1. A nano-brewery can be a great way to get into the craft brewing business. Starting a brewery can be a large capital investment. If you start small with a nano; for example, a 100L system it can be a way to proof of concept. You can show your brews work and for a much smaller outlay.
2. I have seen restaurants invest in a nano system to brew beer in-house for their customers. As the craft beer revolution gains momentum world-wide a nano provides an easy way for restaurants to serve in-house beer a long side their food for a more complete experience.
3. It’s a common step for home-brewers to upgrade their system to a more commercial set-up. As they advance their hobby, they want more control over their processes and having a small professional system is the way forward. This then can lead to a side-business and ultimately to a traditional craft brewery. Where a hobby becomes a full-time business.

Nano breweries can be set up for a smaller capital investment. However, profit will be lower for the same amount of work it would take to make 500,700 or 1000 litres of beer. Also, nano’s can’t buy raw material in bulk so often pay higher prices.

This makes a nano brewery profit margins thin; but it can be a cheap, easy and quick way to get into commercial brewing or to prove concept. As you get bigger your nano brewery can become your R&D brewery for recipe development.

Types of Breweries - What is a Brewpub?

A brewpub could be described as a brewery with a restaurant attached. It sells its brews along with food. They may also sell beers from other breweries as well.

A brewpub is chance for restaurant to break into the brewing industry. It can attract customers that might not be willing to go to a brewery. Instead customers can come for the food and have a beer that's unique to the pub at the same time.

A brewpub is a good option for people to get into the industry. The equipment is still small; often around 500-1000 litres so the capital investment is smaller too. You can sell beer and also make money from offering food.

The profit margin on food is often higher than beer plus if people eat, they often will drink more beer as well. Brewpubs can also offer beer "to go".

This is where they sell beer in growlers or cans that can be taken off-site to drink later. A few brewpubs depending on licensing can also sell the beer in small quantities to other sites.

What is a Craft Brewery?

A craft brewery is small independent beer producer. In the US a brewery that produces fewer than 6 million barrels of beer is a craft brewery. The previous limit was 2 million barrels per year.

Most craft breweries never get close to this volume. In my 25-year brewing career I have probably brewed between 11,000 barrels on various craft beer systems.

To be termed "independent"; a brewery has to be 25% or less owned by anyone not identified as a craft brewer. So, if Carlsberg, SAB Miller or AB InBev were to buy 25%+ of a brewery it wouldn't be considered a craft brewery anymore.

When people think about craft breweries they think about innovation. A lot of craft breweries like to add unique twists when developing new recipes. They do so by using non-traditional ingredients to create distinctive beers.



Types of Breweries - What is a Farm Brewery?

Self-explanatory; it's a brewery that brews its beer on a farm. They are often called "destination breweries" as they can offer more than just beer to people visit them.

Farm breweries have evolved over the centuries. They were originally beer producers where the required ingredients such as fruit and/or crops were easily available and cheaper to source.

The beer was brewed and given to the workers. But also had fans outside of the farm, as they offered unique beers with alternative flavours.

However, the term farm brewery now refers to breweries that grow specific raw materials to make beers and beverages that have their own unique style and flavours.

Consider a farm brewery like a vineyard to wine. To be considered a proper farm brewery you need use at least 60% of ingredients grown in the local area. The type of ingredients usually grown on a farm brewery are barley, wheat, rye, corn and hops.

In some countries farm breweries receive agricultural benefit not available to normal breweries.

In the US with a farm brewery license you don't need a liquor license to be able to serve beer by the glass. Furthermore, in some states, farm breweries can sell their beers to local bars, restaurants and retailers.

What is a Contract Brewery?

Contract breweries brew beer for people who want to produce and sell beer but don't have a brewery. Also, a contract brewery may brew beer for breweries that have outgrown their system and can't keep up with demand.

Contract brewing is an arrangement for a company to brew and package beer on equipment they don't own. Although the terms of an agreement can vary quite a lot. Possibilities include:

1. The contract brewing company can be a full partner in the brewing process providing the brewing equipment, recipes and distribution
2. The contract brewing company may only provide the marketing and branding and distribution but leaving the physical production to the other partner.
3. The most likely option is that the contract brewery brews the beer and puts it into bottles/cans and then the partner deals with distribution and retail.

Contract brewing is simply put a business relationship where the nature of the agreement is stipulated by both parties. It can be a good option for both parties to turn a profit by pooling resources the other partner doesn't have.

If anybody is looking to contract brew in China, please feel free to contact me.

Types of Breweries – The Others

There are some other types of breweries out there too including:

Gypsy brewing – Brewers that use other people's equipment to brew beer usually as a one-off. These brewers often brew at several different locations and distribute the beer themselves.

Regional brewery – Larger breweries (also up to 6 million barrels) that serve a fixed geographical location



Trappist Breweries – Ok this is a niche one. Trappist breweries are run by trappiest monks. They are 14 monasteries recognized by the Trappist Association. There are 6 in Belgium, 2 in the Netherlands, 1 each in Austria, Italy, Spain, France, UK and the US (see pic above).

Macro breweries – These are the big daddies of the brewing world think AB InBev, Heineken and SAB Miller. They are multinational breweries (multiple worldwide locations) that often buy up smaller craft breweries to build their brand portfolio.

As you can see there are many types of breweries and they can branch off from these types too. For example, a recent development is craft breweries that only make sour beers.

As the craft beer revolution has grown so; has the styles of beer out there. It has led to breweries that can concentrate on certain styles of beer rather than creating a range of different brews.

Wrap-Up

Thanks for taking the time to download this pdf and I hope you found it useful. If you would like some help or advice with any brewing related matters then please feel free to contact at the email address below:

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My name is Neil and I have been brewing for 25 years in various countries. I am originally from the UK but now call China home. I first came to China in 2010 and help people around the world with their brewing projects.

I offer a number of services from:

- Recipe formulation
- [Brewery installation assistance](#)
- Brewery equipment sourcing from China
- [Brewery process improvement](#)

Feel free to contact me anytime. You can also scan the QR code of your preferred network to add me there.

Thanks, and have good day.

Neil





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