

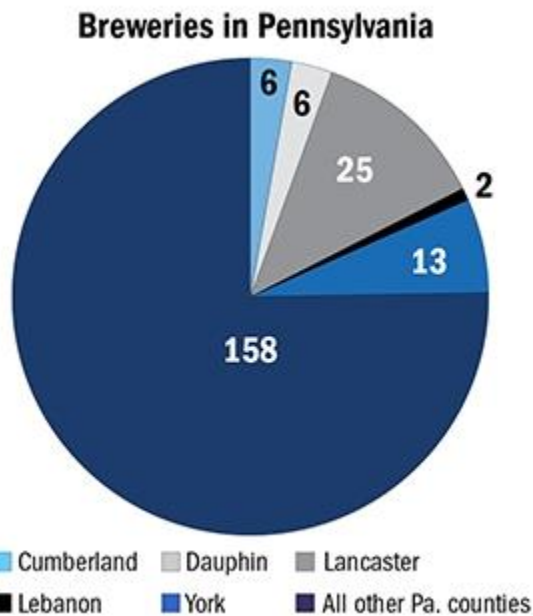
# CENTRAL PENN BUSINESS JOURNAL

## Brewed in the midstate: One in four Pa. breweries is here

September 1, 2015 - By Jason Scott - [LINK](#)

### Related stories (attached)

1. Pennsylvania craft beer has \$2B economic impact
2. Midstate leading the pack for breweries



3.

One in four Pennsylvania breweries operates in Central Pennsylvania, according to license data at the Pennsylvania Liquor Control Board. The PLCB said there are 210 active malted beverage manufacturing licenses, also known as [G licenses](#), in the commonwealth. Of those, 52 are in Cumberland, Dauphin, Lancaster, Lebanon and York counties. [That's twice as many as two years ago.](#)

Lancaster County leads the way with 25, the most in the commonwealth. By comparison, there are 17 in Allegheny County, 15 in Montgomery County and 14 in Chester County. Bucks and Philadelphia counties each

have 10 breweries, while Westmoreland County has 8, according to the PLCB.

[Last November](#), there were 175 active G licenses in Pennsylvania, including 39 in the midstate, according to Business Journal records. Among pending G licenses, there are 24 in the commonwealth, according to the PLCB. Four of those are in the midstate.

## Pennsylvania craft beer has \$2B economic impact

By [Jason Scott](#), January 2, 2014

Pennsylvania's small and independent brewers accounted for about 6 percent of the \$33.9 billion national total that the craft beer industry contributed to the economy in 2012, according to the Brewers Association. The commonwealth [ranked fourth](#) among states for economic output at \$2 billion. California was No. 1 at \$4.7 billion, followed by Texas at \$2.3 billion and New York at \$2.2 billion.

That figure comes from the total impact of beer as it moves from breweries to wholesalers and retailers, as well as all nonbeer products that brewpubs sell. Pennsylvania had 20,867 people working in the craft-beer industry in 2012, according to the association. The average wage was \$31,939.

There were 2,347 craft breweries in the U.S. in 2012. As of June 2013, that number was up to 2,483, according to the association. The trade group defines craft brewers as those who produce fewer than 6 million barrels per year.

The largest craft brewer in Pennsylvania is the Victory Brewing Co. in Chester County. Founded in 1996, Victory was the 26th largest craft brewer in the country, based on 2012 data, while Derry Township-based [Troegs Brewing Co.](#) landed at No. 50. Troegs was established in Harrisburg in 1997. In 2011, the company moved into a larger facility near Hersheypark.

## Midstate leading the pack for breweries

By [Jason Scott](#), July 5, 2013

Central Pennsylvania brewmasters might have drawn some inspiration from a catchy song: Beer is liquid bread and it's good for you. Today, one in five active licenses in Pennsylvania for malted beverage manufacturing resides in four midstate counties, according to the Pennsylvania Liquor Control Board.

Lancaster County leads the pack with 14 licenses, while Cumberland, Dauphin and York counties account for another 12.

The fact there are nearly 130 active brewery licenses in the commonwealth — more than double the total 10 years ago — also could be the result of what is going on nationwide with a surge of new craft breweries, industry professionals said.

"Across the region, it's probably pretty unique," said Ed Yashinsky, brewery manager at Derry Township-based [Tröegs Brewing Co.](#), which got its start 17 years ago in Harrisburg and is now one of the [largest craft breweries in the country](#). "But in Colorado, California, Oregon, what we're probably seeing here is what happened in those states over time."

So, why is Central Pennsylvania such a hotbed for breweries?

Yashinsky and others, including Jess Horn, craft brand manager for Susquehanna Township-based [Wilsbach Distributors Inc.](#), cite the culture in Pennsylvania and the midstate's proximity to Philadelphia, one of the strongest beer markets on the East Coast.

"Lancaster County is butting up against the urban sprawl of Philadelphia," said Horn, who also has seen a huge influx of breweries from outside Pennsylvania looking to tap into this market.

Organizers of local beer festivals, which also have expanded in number, have seen steady increases in their brewery participants.

The [Harrisburg Brewers Fest](#), which marked 10 years in June, drew 57 breweries this year. [Dauphin County Brew Fest](#), which will be held for the second time in a few weeks, had 13 last year. The brewery total is currently at 16, said Michelle Hornberger, assistant program director for Dauphin County Parks and Recreation.

Wilsbach represented about 18 breweries at the Harrisburg event, Horn said. Last year, it had nine at the event, which typically draws around 50 breweries, organizers said.

Tröegs distributes to an eight-state territory and attends roughly 200 festivals each year, Yashinsky said.

"Any time you can get a group of people in an area for very like reasons, you are going to see value from those events," he said.

Beer festivals create maximum exposure for a brand, added Yashinsky, who said he is not surprised to see labels from other regions of the country migrating to the Pennsylvania market.

"It's foolish to think larger breweries wouldn't look at other markets," he said.

About 70 percent of the beer Tröegs produces is sold within a 100-mile radius. The goal always is to keep the local beer flowing, while exploring other states and regions for new opportunities, he said.

Craft beer is about camaraderie between breweries, Horn said: "You have to be able to come together and have a strong enough voice."

Even though there are more than 2,400 craft breweries in the country, they still account for only about 7 percent of total beer sales, according to the [Brewers Association](#). As Yashinsky put it: "We're all very small, and we all know each other."

"It's what the people are asking for," said Tim Watson, who owns the [Historic Revere Tavern](#) in Leacock Township, referring to locally made beer and wine.

Watson, who is the Lancaster chapter president for the [Pennsylvania Restaurant and Lodging Association](#), pointed to the fact that Lancaster County already is one of the leading tourist markets in the commonwealth.

"That's definitely an attraction for the microbrewer," he said.

The tavern and its related hotel attract visitors from several East Coast states, including New York, Virginia and North Carolina. Many of those patrons ask about local wines and beers, Watson said.

Local products are cool again, and they create a sense of pride within a city, said Jonathan Yeager, owner of [Wonderhead Collective](#), a design studio in Lancaster. Yeager, who grew up in the midstate but later lived in the beer-rich city of Portland, Ore., has partnered with friends under the business name Joycat LLC, along with the city, to launch the [Lancaster Craft Beerfest](#) this September.

"It draws people in, especially when they are visiting an area," he said of breweries. "They are looking for great places to go for good food. I think that only helps each city. I think a lot of it ... when one city starts doing it ... it's like a snowball effect."

### Successful suds

Nationally, the craft beer category represents less than 10 percent of the total beer market.

Studies like the one done by the state Legislative Budget and Finance Committee earlier this year put that number at about 5 to 7 percent. Industry professionals, including Jess Horn, craft brand manager at Susquehanna Township-based [Wilsbach Distributors Inc.](#), pegged the craft segment at 7 percent.

In Pennsylvania, the [LB&FC study](#) said Pennsylvania's share of the market was about 20 percent, relying on the 2010 Beer Institute report as a baseline.

It found that the number of active breweries from 2001 to 2011 had nearly doubled.

The study calculated the direct economic impact of beer produced and sold in Pennsylvania at more than 10,000 jobs, \$296 million in wages and \$1.1 billion in direct output. And from 2007 through 2011, investment and other expenditures by breweries totaled \$782 million, according to the study.

## Midstate hops

There are [129 active licenses](#) in Pennsylvania for malt beverage manufacturers, according to the Pennsylvania Liquor Control Board.

In 2003, there were 60, said Stacy Kriedeman, the PLCB's director of external affairs.

Those 129 brewery licenses come from 39 counties with 26 licenses, or 20.2 percent, linked to four counties in Central Pennsylvania.

In the five counties that make up the Business Journal's primary coverage area — which includes Lebanon County, where there are no licenses — there are more than 1.6 million people. That represents 12.6 percent of Pennsylvania's population, as of the July 1, 2012, estimate from the [U.S. Census Bureau](#).

Lancaster County is the leader in the state with 14 active licenses. Lancaster is followed by Allegheny County with 12; Montgomery and Philadelphia counties with eight each; Bucks, Chester and Westmoreland with six each; and Luzerne and York counties with five each.

### **In the rest of the midstate:**

Cumberland County: 3

Dauphin County: 4

### **Surrounding counties:**

Adams County: 2

Berks County: 3

Franklin County: 1

## Festivals aplenty

Central Pennsylvania is not only home to many commonwealth breweries, it also hosts several beer festivals throughout the summer months.

Here are a few:

- [Dauphin County BrewFest](#) returns for a second year July 20 at Fort Hunter Mansion and Park in Susquehanna Township. Organized by Dauphin County Parks and Recreation, the inaugural event sold about 1,200 tickets, said Michelle Hornberger, the department's assistant program director. There were 13 breweries last year. That number is currently at 16, Hornberger said. The event helps fund free programming for the park.
- [Harrisburg Brewers Fest](#) was held June 15. The 10th annual event in downtown Harrisburg attracted 57 breweries from across the country. Ticket sales were around 4,000, according to organizers. Derry Township-based Tröegs Brewing Co. partners with the Cystic Fibrosis Foundation of Central Pennsylvania to put on the festival. Since its inception, the event has raised \$1 million for research, said Adrienne Mitford, the foundation's executive director.

The [Susquehanna Ale Trail](#) has a list of other special events on its website. [And visitors' bureaus in Dauphin](#) and [Lancaster](#) have links to other special beer events.