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FOOD & LIFESTYLE

# Colorado breweries take lessons of rough 2020 to plot new paths in 2021



Kayla Miller, a "beerslinger" at City Star Brewing, delivers packaged beer to a customer.

PROVIDED BY CITY STAR BREWING

**COMPANIES** Sealover  
 IN THIS ARTICLE Senior Reporter, Denver Business Journal  
 8 hours ago

**Call to Arms Brewing**  
Denver, CO

In the midst of a year unlike any other, in which monthly revenues dropped 60% during Colorado's stay-at-home

**Weldwerks Brewing** Greeley, CO  
 familiar: Dumping beer that didn't meet its standards.

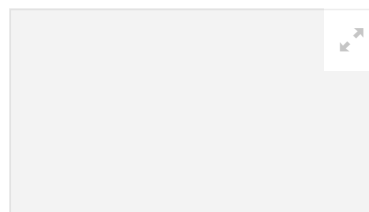
But the Denver brewery also did something very unusual, as it moved away from a model of getting 99% of revenue from beers sold in the taproom to putting that beer into cans for to-go purposes. And in 2021, it doesn't plan to pivot again so much as to blend its pre-pandemic business model with lessons it learned in 2020 to find a new way forward in a quickly changing sector.

Throughout Colorado's \$3 billion craft-brewing sector, some 400 beer makers are waking up to a new reality that taproom sales may still be king but must cede some ground

permanently to lower-margin but higher-customer-convenience packaged offerings. And they are trying to find a balance between the pre-pandemic world of rotating beers constantly to sell customers looking for something new and the pandemic reality that some drinkers just want comfortable selections that have become a bigger part of some portfolios.

For Call to Arms, this balance has meant laying the groundwork not just for selling more cans out of its taproom but for trying to move into metro-wide and then statewide distribution, co-owner [Chris Bell](#) said.

Regardless of how intermittently difficult the year was, the basic idea of making good beer that is better to be flushed than served with off flavor is still its guiding light.



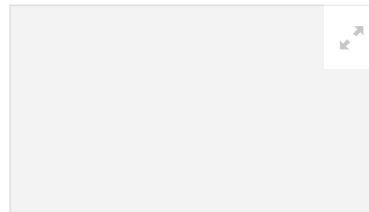
A selection of cans from Call To Arms Brewing in Denver

PROVIDED BY CALL TO ARMS BREWING

“We focus on the quality of the beer, and we try to have a good time doing it,” Bell said. “Did we pivot to packaging on a much bigger scale than we ever anticipated last year? Yeah. But it worked out well.”

Breweries across the state are taking stock of lessons learned and trying to overlay them onto their previous models as the new year dawns. Many of those lessons, said [Ron Abbott](#), co-owner of Seedstock Brewing in Denver, involve a diversification of revenue streams after many breweries that had grown for years by double-digit percentages soaked in revenue drops of 15% to 20% for the whole of 2020.

Abbott said that his West Colfax brewery, which previously had forecast beer needs six weeks out based on sales and trends, dropped that forecasting to two weeks this year because of fluctuations that occurred in crowds and tastes due to coronavirus. But he found that, more often than not, his Czech-style brewery sold more pilsner in a given week than it did India Pale Ale, indicating people were looking for something lighter and less complex than craft beer's most popular style to soothe their troubles.



Ron Abbott, center, is owner of Seedstock Brewery.

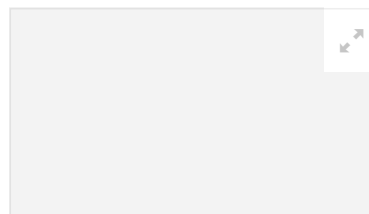
KATHLEEN LAVINE, DENVER BUSINESS JOURNAL

John and Whitney Way of City Star Brewing in Berthoud found success by ramping up the diversity and experimentation levels of their beers in the midst of the pandemic, often doing weekly releases to draw back in their tight-knit community. But they also made three major investments that are likely to take root fully in 2021 and plot the course of growth for their nine-year-old business.

First, they bought a crowler-filling machine to allow people to pick up 32-ounce cans of beer to go. Then they purchased a canning line that was their most expensive piece of equipment, focused on packaging beer that people could pick up quickly. Finally, they went all in and bought a full brewhouse worth of equipment that will double their current 3-1/2-barrel system.

Even with occupancy limitations, taproom sales still made up 55% of City Star's revenues this year, but the Ways said they can see that the trend toward to-go beer purchases is here to stay. The return on investment will be to allow staff to get away from the old, inefficient canning line that had

taken four or five workers to run it and instead nourish relationships with customers and understand better what kind of beer they want.



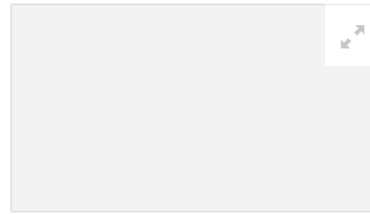
City Star Brewing employs the canning line it purchased in the midst of the coronavirus pandemic.

EMILY SIERRA/PROVIDED BY CITY STAR BREWING

"Margins are definitely lower with to-go beer," Whitney Way said, noting that while sales of canned beer largely offset declining taproom volumes, they did not fully offset the cost of the new equipment and packaging. "Before the pandemic, we felt like a canning line was such a big investment that we didn't really see the return on it. Now we're able to justify the expense."

Weldwerks Brewing of Greeley, considered one of Colorado's top beer makers, actually grew production this year by 29%, just a hair under its growth from pandemic-free 2019, chief marketing officer Jake Goodman said. But that largely was because of investments the brewery had made in recent years in expanding its production capacity and distribution network – investments that allowed it to lean on out-of-state distributors who were desperate for beers at times to stock shelves.

Most sales analyses for craft beer this year pointed to a huge growth in classic beers that were familiar to customers – either the classic styles that Seedstock brews or the classic brands like Sierra Nevada Pale Ale. But Goodman noted there also was a significant bump of super-premium beers like Weldwerks makes that sold for \$18 per four-pack and became sought out by beer connoisseurs who had resources because they'd pulled back spending in other areas.



Juicy Bits, a hazy IPA, is Weldwerks Brewing's top seller.

PROVIDED BY WELDWERKS BREWING

Weldwerks made and canned 168 different beers in 2020, but it used the year to discover what people were asking for the most – both in terms of top sellers and the beers that it couldn't stock to proper demand – and plans to up production of those in 2021, Goodman said. Thus, the pandemic created an opportunity to listen and learn, and how to will change the brewery.

“We didn't want to set the low bar of ‘Let's just make it out of this alive.’ We wanted to set the bar at ‘Let's keep growing,’” he said. “Adversity is an amazing catalyst for growth, both professionally and personally.”

**T H E L I S T**

## 2020 Largest Colorado Craft Breweries

Ranked by barrels of beer produced in 2019

Rank	Business Name	Barrels Of Beer Produced In 2019
1	Canarchy Craft Brewery Collective	480,000
2	Odell Brewing Co.	132,349
3	Left Hand Brewing Co.	64,000

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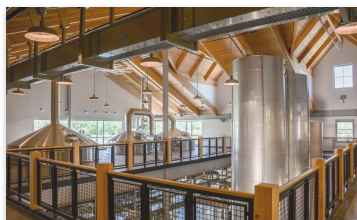


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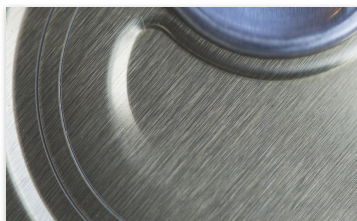
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