Iowa Women Lead Change

200 First Street SE, Suite 2100 | Cedar Rapids, Iowa 52401

December 1, 2015

To Whom It May Concern:

As the State of Iowa’s premier women’s leadership organization, IWLC is proud to submit Megan McKay and her company Peace Tree Brewery for the SBA’s InnovateHER competition. As the winner of our regional SBA-approved pitch competition, Invest In She, Ms. McKay is ready to compete nationally.

Megan McKay and her company, Peace Tree Brewing, have changed the face of beer in the Midwest region. Ms. McKay founded and operates the only 100% female-owned brewery in Iowa and is art of a 3% minority of female brewery owners nationally.

McKay opened Peace Tree in 2009, purchasing a run down building in the small Iowa community of Knoxville. Production and distribution have grown steadily allowing Peace Tree to market to the entire states of Iowa and Nebraska. In 2015, the brewery produced 3,600 barrels of beer with three core brands and a dozen seasonal or specialty beers.

***Measurable Impact:***

The impact on the small community of Knoxville is measurable, as an employer and a destination. The brewery employs six full-time employees and several part-time employees. All are paid market wages, full-time employees receive benefits package, vacation, personal days and opportunities for educational and professional development.

The brewery’s taproom has also become an attraction to the small town. It seats 60 people and is regularly full surrounding special events and new beer releases. Among the brewery’s goals is to achieve a larger space in a larger metro area for more capacity seating.

The brewery would like to increase production to 7,500 barrels by the end of 2019. To help with the growth, Peace Tree needs to expand to a second location in a larger metro area.

***Commercialization***

Peace Tree has two channels for distribution. The first is direct to consumer through retail sales in the taproom for on or off premise consumption. The brewery controls the experience for the customer. This is their most profitable channel.

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The second is mass distribution through beer wholesalers. In Iowa the brewery has 6 distribution partners and one in Nebraska. The distributors assist the brewery with marketing and selling of products in addition to delivering it to retail stores, bars and restaurants. These are very important relationships because once entered, they are not easily reversed.

Peace Tree wants to grow the business within our current distribution network by increasing the percentage of accounts who carry their products, increasing the number of products each account carries and working to increase volume by brand in each account. The brewery works closely with distributors to match demand with availability and feels there is still more opportunity in our current markets for the next 2-3 years.

Currently, Peace Tree Brewing Company has three core craft beer brands and produces 8 seasonal and specialty beers.

***Fills A Need***

Peace Tree Brewing fills a need in the marketplace as the craft beer industry has been growing at a double-digit pace for the past five years and continues to climb. While there are new entrants into the marketplace, Peace Tree is fortunate to have gained a foothold in the industry as the boom was happening.

The demographic for craft beer drinkers is rapidly changing as more breweries come on the scene and create a more educated population. According the Brewer’s Association, women are rapidly growing craft consumers as the brands offer more variety and marketing is more female friendly. While Peace Tree’s demographic still skews toward higher socioeconomic status, nearly 40% of craft beer is consumed by people with income brackets in the lower 60%. Urban areas used to account for most craft beer drinkers, but now 70% of all households live within 10 miles of a craft brewery bringing access to more rural populations who are responding well to locally made beverages. Knoxville, and soon Des Moines, Iowa will serve this need.

IWLC strongly supports Peace Tree Brewery for it’s measurable impact on the lives of women and families, it’s potential for further commercialization, and it’s ability to fill a growing need in the marketplace.

Sincerely,



Tiffany O’Donnell, Chief Operating Officer

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