**Foam Brewers LLC**

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Business Plan 2015

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**Executive Summary**

1. Mission Statement
   1. To resourcefully create imaginative beers for enlightened palates.
2. Introduction of Owners
   1. Todd Haire, Sam Keane, and Robert Grim are three professional brewers that have worked together for the past three years at a large Burlington brewery. Todd Haire was educated through the respected Siebel Institute in Chicago and has worked as a brewer for the last twenty years. Sam Keane received his education at the University of Vermont and graduated with a degree in Food Science before taking a position as a production brewer. Robert Grim received his degree in Human Nutrition from the University of New York at Plattsburgh and also immediately entered the brewing industry as a brewer. (See resume attachments)
3. Description of The Brewery and Front Room (Taproom)
   1. Overview

Foam Brewer’s objective is to make world class beer on a small scale. The brewery will brew small volume batches of outstanding beer that will change every season. The goal is to have two year round beers on draft at all times. As well as four unique seasonal beers on draft for each season. The brewery Front Room will be the most excellent avenue to acquaint consumers with the custom beers. The brewery and The Front Room will provide the consumer with a full sensual experience. Foam Brewers will embrace and intertwine original artwork into the business in many ways, including; the logo, wall art, label art, and so on. The artistic component will be an important staple of Foam Brewer’s general company image. The brewery will be located at 112 Lake Street in Burlington, Vermont. This building is currently San Sai, a well known Japanese restaurant and sushi hot spot. It is also a historic part of the Burlington Waterfront.

* 1. The Front Room

Introduction to the The Front Room

The Front Room will be the ideal stage to present carefully crafted beers to the consumer. This is where Foam Brewers will be selling customers a full experience. The Front Room will possess a very comfortable, unassuming, familiarity that will undoubtedly potentiate the customer’s beer drinking pleasure. Foam Brewers believes that drinking a beer should effectively include all five senses to enjoy the fullest experience possible. The Front Room will present the brewery’s image as being original and artistic. The Front Room will act as a gallery for local artists to hang their artwork that will rotate in monthly increments.

What Sets The Front Room Apart

The customer’s experience will begin when they set their eyes upon the brewery. The brewery exterior will be as inviting as the beers they will soon be drinking. Walking in to the Front Room, the customer will be greeted by a medley of pleasant sights, sounds, and aromas. This medley will decidedly consist of a friendly “hello”, the sound of appropriately chosen music, somewhat dimly lit Edison bulbs, and the subtle aroma of wood and fresh air. The Front Room will knowledgeably articulate to the consumer the concept and underlying intricacies of the specific beer being poured. By gauging consumer interest, this conversation may include the original idea for the beer, the specific brewing procedure, flavor guidance, and the overall profile of that beer. The Front Room will skillfully demonstrate the passion that was put into each beer with every pour. Each beer on draft will be poured into the predetermined appropriate glassware for that specific beer. The selection of tailored glassware requires skill and knowledge that the Foam Brewers will be elated to provide for a heightened consumer experience. The Front Room will carefully pour each glass of beer, building up the thirsty patron’s growing excitement. The head on the beer will be manufactured by a series of foam producing pours. This ultimately leaves the beer with a lasting, thick, frothy, head.

Victuals

Foam Brewers will offer a spread of charcuteries, cheeses, and breads that will pair superbly with the draft offerings at that time. Foam Brewers will always work to source the best and most local options to showcase beside the beers. The victual preparation and presentation will be equally as important as that of the beers being poured. A clearly visible glass cooler will brandish the delectable options Foam Brewers will have to offer. An educated description of each specialty item will be offered at the time of inquiry. When the customer decides they would like to pair a small plate with a beer they are enjoying, the Front Room will helpfully suggest the best pairing options for that specific beer. The victuals will then be prepared in front of the customer and presented on a beautifully grained wooden plate. The goal is to have a small on site kitchen with the same focus as the brewery: quality and flavor experimentation.

The Rack Room

The Rack Room will be a separate climate controlled space. It will be used to condition and showcase special corked and caged bottles. The bottles will condition on several separate wine racks. Customers will be able to observe and note the dates in which those specific bottles will be available for purchase. The Rack Room will offer the unique experience for the customer to really feel like a part of the process. The customer will feel the same excited anticipation that brewers feel waiting for that next great beer to condition to perfection. The Rack Room will grow with the brewery and as production growth slows down the specialty bottle program will increase in importance, expanding the Front Room’s profit margins.

Front Room Sales

Sales out of the Front Room will include beer sales by the glass, “growler”, and bottle. The vast majority of beer sold will be directly out of the Front Room which dramatically increases profitability on the beer Foam Brewers makes. Sales will also include foodstuffs, soft goods, and art.

Front Room Schedule

The Front Room will have to operate around brewery production hours to begin with. Therefore it will be open from late afternoon into the evening during the week. Hours will extend during the weekend to include early afternoon, and will potentially stay open later to accommodate patrons coming into town.

* 1. The Brewhouse

The brewery will initially operate with a custom made Bennett Forgeworks 7 barrel system. The exterior of the kettle and hot water tank will be built up with brick clad around the vessels. This will serve to insulate and add to the unique aesthetics of the brewery. Hot water will be drawn from a direct fired hot water tank that will supply the brewery. The supply water to the brewery will be filtered through a carbon filtration system to strip chlorine and provide clean unchlorinated water.

* 1. The Tank Cellar

The cellar will initially consist of four 7 bbl (bbl refers to barrel, a measurement of beer volume equivalent to 31 US gallons) fermenters that will be glycol cooled utilizing a G&D 80,000 BTU chiller. The finished beer will be transferred into six single walled serving tanks set up in a cold storage room that will be oriented directly behind the Front Room.

* 1. The Pilot Program

The beers will be designed and then trialed on a one barrel pilot system that will allow for constant flavor and process experimentation. The pilot system will also allow the brewery to take risks with a recipe that would not be financially responsible on the 7 barrel system.

The pilot system will include:

* Alpha Ruby Street 1 Barrel Brewing System (brewing accessories included)
* (Two) 42 Gallon Stainless Steel Glycol Jacketed Conical Fermenters

The total estimated price of this pilot system will be roughly $15,000.

* 1. The Wood Program

The wood program (barrel aged beer) will constantly be in development, and grow with the brewery. This is where Foam Brewers will initiate a sour beer program, fermenting in wooden barrels. Foam Brewers will utilize local red and white wine barrels mostly for sour beers and saisons. But will also occasionally seek out liquor barrels (whiskey and gin) for blended seasonal specials. When Foam Brewers feel as though the wood program has evolved sufficiently; wooden foeders will be purchased to develop and age a series of special beers. As the brewery grows, a larger percentage of beer will be fermented and aged through the Wood Program.

* 1. Cold Storage

A large on-premise cold storage area will be absolutely necessary to keep the beer cold since Foam Brewers will not be sending beer to a distributor. This space must be capable of storing six 7 bbl serving tanks. The serving tanks have a 40” diameter, which equates to 3 1/3 feet. With a 1’ space between tanks, and 2’ between tanks and the wall. The cooler area comes out to be a 12’ X 16’ rectangular space. Foam Brewers will also need additional cold storage room for hops and other miscellaneous items. An extra 3 feet will be added to one of the sides of the cooler, to make it a 15’ X 16’ rectangular space, with 9 ft ceilings to accommodate the 75” serving tanks, with room for top access.

* 1. The Laboratory (Quality Control and Development)

The brewery laboratory will be a financial focus for Foam Brewers. The lab will be continually upgraded to meet the brewery’s needs. As Foam Brewers will work to perfect the beers and extend brewing and fermentation capabilities the brewery lab will have several important roles. It will be used for microbiological purposes including quality assurance and yeast propagation. It will be used for analyzing potential products for certain characteristics that may or may not be desirable. The brewery lab will be responsible for tracking yeast health and performance, and looking at trends that may occur from one batch to the next. The lab will also be used to isolate and develop specific strains of yeast and bacteria for future brewing purposes. Therefore the lab will in many ways be responsible for improving and maintaining high quality products year round. (See Appendix 1).

1. Management Responsibility
   1. Management responsibility will initially fall on the founding members of the brewery. Day to day decision making and management will be appointed to the management team. Larger company decisions will be discussed by the board of directors and voted on.
2. Marketing
3. The initial marketing effort for Foam Brewers and its products will be a grassroots approach using local newspapers, flyers, and social media. The brewery will also seek to participate in beer festivals around the state; this will provide opportunities to get Foam Brewers’ name out in the community and give people a chance to try the beer.
4. Distribution
   1. Self-distribution

Foam Brewers will initially operate as a self-distributed company for all of the beer sold under the name Conscious Glass Distribution. Off-Premise distribution of the beer will initially be very limited. A select group of craft beer bars and restaurants will be targeted to sell a small volume of beer in sixth barrel kegs. As growth occurs and beer production volume increases, the volume of off-premise beer distribution will also increase. Off-premise distribution will target strategic accounts that Foam Brewers believes will increase awareness of the brand and generate excitement around the beers. This distribution may not be limited to in-state only.

1. Business Support Personnel

The following individuals will be used as professional support when needed.

* 1. Finance: Sam Weir - Alvarez and Marsal
  2. Accounting: Brett Walker - Bilodeau Wells & Company, PC
  3. Legal Representation: Katherine O’Neill - Hatch Law & Consulting, PLC
  4. Business Consultant: Steve Densham - Vermont Small Business Development Center
  5. Banker: Meghan Corbett - People’s United Bank

1. Sources of Funds
   1. Personal Investment

The original managing members Sam Keane, Robert Grim, and Todd Haire will personally invest in the startup cost of the brewery.

* 1. Friends and Family Investment

Additional funds will be raised by investment from friends and family that will buy into the company as non-managing members of the LLC.

* 1. Commercial Loan

The funds that are initially raised will be put down to secure a commercial loan. This will allow Foam Brewers to purchase equipment and build the brewery location.

1. Profits Interest Program
   1. The company will institute a progressive employee ownership program, formally referred to as a Profits Interest Program. This will allow future employees to own a piece of the company.
2. Member Investors
   1. Ann Keane (440) 527 8403

37891 Lake Shore Blvd.

Eastlake, OH 44095

* 1. John Barber (216) 233 2271

31700 Trillium Trail

Pepper Pike, OH 44124

* 1. James Biondi (845) 548 9133

28 Smith Hill Rd.

Airmont, NY 10952

* 1. Josh Mitchell (802) 355 3598

21 Washburn St. Apt. 1

Boston, MA 02125

* 1. Evan Flach (845) 323 2458

123 E. 54th St. Apt. 3D

New York, NY 10022

* 1. Sam Weir (216) 224 7313

735 W. Wrightwood Ave. Apt. 2

Chicago, IL 60614

1. Estimated Production, Sales, and Income

See Cash Flow attachment for details.

* 1. First Year

Production: 500 bbl

Revenue: $735,774.00

Gross Profit: $476,125.00

Net Income: $133,972.00

* 1. Second Year

Production: 600 bbl

Revenue: $831,463.00

Gross Profit: $548,493.00

Net Income: $173,122.00

* 1. Third Year

Production: 700 bbl

Revenue: $914,474.00

Gross Profit: $610,762.00

Net Income: $206,937.00

1. Conclusion
   1. Foam Brewers’ goal is to create world class beer on a small scale and be able to supply the company’s products to consumers at their peak of freshness. Foam Brewers will operate out of a small location at 112 Lake St. in Burlington, VT. Foam Brewers will carry out all of the steps in the brewing process leading up to the serving of the finished products. Foam Brewers plans to self-distribute a limited amount of beer, and sell everything else from the brewery’s taproom at the 112 Lake St. location. The aim is to remain a small local business and maximize profits by utilizing the resources available to the company.

**Business Plan Introduction**

1. Introduction to Craft Breweries
   1. The state of US craft breweries

Overall beer sales have gone down in the US, while craft beer sales have continued to rise. On the same note, imported beer sales have dropped, while exported craft beer sales have increased dramatically over the past few years. According to the Brewers Association, the US beer market is around 100 billion dollars, and the craft market is climbing at 14.3 billion dollars. In 2013, craft beer held 7.8 percent of the total US market share (15,302,838 bbl). In 2013, craft beer production rose 18 percent, despite the fact that total US beer production went down 2 percent overall (National Beer Sales & Production Data).

* 1. The state of VT craft breweries

As of 2013, Vermont ranks 2nd to Oregon for breweries per capita at 6.2. In 2012, the economic impact craft breweries had in the state of VT was 196.3 million dollars. In 2013, Vermont produced 229,062 barrels of craft beer and had the highest average per capita of craft beer consumption at 15.1 gallons per 21+ adults (Craft Beer Sales by State).

* 1. Summary of Burlington, VT breweries

Vermont Pub and Brewery

Vermont Pub and Brewery is Burlington's oldest brewery having opened their doors on November 11th, 1988. They brew 9 beers to have on draught at all times, as well as having weekly releases of experimental beers. The brewery has a large outdoor patio functioning in the summertime and a classic pub feel regardless of season. People who are looking for beer and food alike can be satisfied. Their pub menu is exactly as you would expect for pub fare offerings: appetizer options, and a few hearty classics like meatloaf and shepherd's pie,  
  
Vermont Pub and Brewery operates under a first class license allowing them to a.) offer flights of their beers b.) offer full pints of their beers c.) have their beer available for retail sale. In order to have pint service available, there must be food available for consumers.

Queen City Brewing

Queen City Brewing is one of the newer breweries in Burlington, having just opened their doors in 2014. As of 1/12/15, they are operating under a fourth class liquor license, allowing them to manufacture their beer. As well as have it available for off-premise purchase and sampling. Pint service is not available, aside from evenings when they pull a special events permit and have food trucks available at their location.

They have five beers available consistently. A mix of lagers and ales; a kolsch, Belgian amber ale, Yorkshire English Special Bitter, a porter, and a Belgian blonde ale.

Simple Roots

Simple Roots is another 2014 addition to the Burlington brewery line up. Presently, their beer is not available at their location because they don't have a place open to the public. Their beers are available at beer stores in the Greater Burlington area (Burlington, Winooski, Essex, South Burlington, Richmond and Waterbury).

Switchback

Switchback Brewing Company has been operating in Burlington since 2002. Initially opened as a production brewery, the beer was only available at bars throughout the state until 2012 when a bottling line was added. The brewery chose to fill only 22 oz bottles until the summer of 2015. This allowed more people to have access to Switchback, and sales increased because of it.

Coinciding with that time, their fourth class license was put to better use; and samples of their beer became available at their location. It wasn't until June of 2014 that they were able to start selling pints in their newly renovated Tap Room. The Tap Room food options include pretzels and steamed hot dogs. Currently the brewery has one flagship unfiltered ale and five rotating seasonal beers that can appeal to a wide variety of beer drinkers.

Zero Gravity

Opened in May of 2004 with one of the premier wood fired pizza restaurants in Burlington, American Flatbread. For the first decade, they were brewing all their beer on premise, and it was only available at their location. In 2014, their beer began to become available at other local restaurants and craft beer bars in the area. Zero Gravity is building a production brewery on Pine Street in Burlington to increase production. During this time, to gain consumer awareness of their brand and to acquire tap spots around the state, Zero Gravity decided to have Smuttynose Brewing Co. in New Hampshire contract brew their two most popular beers: the Conehead IPA and Green State Lager. The other 12 beers available at American Flatbread are still being brewed at their current location.

1. Advantages of Craft Breweries
   1. Craft breweries are a means to deliver consumers fresh, interesting beer, sometimes locally produced. The small scale in which craft beer is typically brewed allows for a greater focus on quality, rather than production numbers that the macro breweries shoot for. Fresh, quality beer, produced closer to the home of the consumer, is the key note of the craft brewing industry. The craft industry also has the unique ability to connect the craft consumer with the brewing process by bringing the beer drinking public into immediate contact with equipment and the brewery staff. A well designed craft brewery can successfully link the customer to the creation process of the handcrafted beer that they are drinking.
2. The Market
3. Vermont is home to the second most breweries per capita behind Oregon with over 40 active breweries. Beer consumption in Vermont has been on the rise since the mid 2000’s, and continues to climb; as craft beer evolves, and as craft beer in Vermont influences tourism trends.
4. Vermont attracts many types of tourists with the ability to offer outdoor enthusiasts some of the best skiing on the east coast, scenic hiking, foliage and lake access. Aside from outdoor recreation Vermont has an extraordinary food scene that is driven by local farms providing fresh and unique ingredients year round. Alongside that food scene is the craft beverage industry in Vermont which provides high quality hand crafted beer, wine and spirits.
5. Beer consumption trends show that Vermont residents have been drinking more beer since about 2007, meaning that many people are switching from wine or liquor to beer as their beverage of choice. Visiting breweries, or going on “brewery tours”, have become increasingly popular for locals and tourists alike.
6. Production Process

* 1. The Production process will integrate both proven techniques and innovative ideas to create truly original flavors. Foam Brewers’ production process will be tailored to meet freshness and quality standards without ever wavering from those ideals.

* 1. In order to consistently provide the best flavors, Foam Brewers will strive to always use the best available and most local ingredients, which often times are synonymous with one another.

1. Initial Management Team
   1. The brewery is a privately held LLC managed by LLC members Robert Grim, Sam Keane and Todd Haire. All business decisions will ultimately be made by the managing members. Non-managing members roles are spelled out in the LLC operating agreement.
   2. Managing Members

Robert Grim

Graduated with a Bachelor of Science degree in Human Nutrition from the State University of New York at Plattsburgh. While at SUNY Plattsburgh, he worked as an intern for six months at Legends Brewpub (rebranded as Plattsburgh Brewing Company). Upon graduation, he started as a production employee at Switchback Brewing Co. where he learned the brewery from the ground up. After two years, he became the brewery’s pilot brewer, on a ½ barrel system he designed and built, under the guidance of his respected production manager Todd Haire (formerly brewmaster at Magic Hat).

Sam Keane

Graduated from the University of Vermont’s College of Agriculture and Life Sciences with a Bachelor of Science degree in Nutrition and Food Science. During his last year at UVM, he worked as a research assistant in the graduate food science labs under Dr. Mingro Guo, a leading food chemist and technologist. After graduating from UVM, Sam immediately began his career at the Switchback Brewing Company as a full-time production employee. Here he has gained useful experience in brewing, cellaring and packaging beer, and has also taken on a leading role in the QA/QC department.

Todd Haire

Graduated the Siebel Institute of Technology’s Diploma Course in Brewing Technology in 1997. Todd began his brewing career at Hoboken Brewing and Bottling Company in New Jersey, where he worked his way up from assistant brewer to head brewer. From there he moved on to brew at Heartland Brewing Company in New York, where he brewed for two years. In 1998 Todd moved up to Burlington Vermont to start working at the newly opened Magic Hat brewery, where he spent the next 13 years. He eventually worked up to the Head of Brewery Operations, playing an integral role in the development of the company. When Magic Hat was sold, Todd left to assume the position of Brewing Operations Manager at Switchback Brewing Company.

1. Plan of Action
   1. The following tasks will be completed in order of priority. The managing members will use this business proposal to pursue financing from private investors and an approved commercial business loan. The management team will also contribute personal investments to achieve the equity capital necessary for startup costs and operations, equipment, and monthly payments for the lease and utilities. Once necessary capital has been raised, the managing members will open a general funds account which will be used to make purchases and regulate general cash flow. The managing members will seek out a location and sign a Letter of Intent on a building lease before ordering the major components of the brewing equipment. Building improvements and layout design will begin once a building occupancy permit has been acquired. During this time the managing members will also complete the process of filing for liquor and business licenses from the federal, state, county and city authorities. Once equipment has been installed and building renovations are complete, the original managing members will begin brewing the first line-up of salable beers and prepare to open the doors to the public.

**Products**

1. Foam Brewer’s aim is to create vibrant, palate pleasing, beer with an emphasis on freshness.
2. Initial Products: Projected first year line up. (See Appendix 2)
   1. Year Round Beers

**Always On:**

* + - * Hop Forward Pale Ale
      * Tart Wheat
  1. Seasonal Beer Projection

**Spring:**

* + - * Saison
      * Gose
      * White Beer
      * Blood Red

**Summer:**

* + - * Saison
      * Berliner Weiss
      * Brettanomyces Pale
      * Imperial Pale Ale

**Fall:**

* + - * Saison
      * Sour Red
      * Fresh Vermont Harvest Ale
      * Double IPA

**Winter:**

* + - * Saison
      * Black Brettanomyces Beer
      * Breakfast Stout
      * White Winter
  1. Pilot Beers
     1. Foam Brewers will continuously experiment with new brewing procedures, methods, and flavor concepts with the intent of making better beer that can eventually be scaled up to 7 barrel production.
     2. The pilot beers will be on draft occasionally to gauge consumer interest and receive feedback.
     3. The pilot system will also allow the brewery to do small volume batches for specific events, including: brewfests, holidays, and other special occasions.
  2. Special Release Beers out of The Rack Room
     1. Special cork and cage bottles of conditioned brettanomyces and mixed culture beers, as well as saisons.
  3. Non-Alcoholic Beverages
     1. Kegged nitro cold press coffee
     2. Carbonated sumac/hibiscus tea
     3. Kombucha
  4. Projected Beer Production (See Appendix 3)

Estimated 1st year Production

500 bbl = 15,500 gal

15,500 gal – 10 % loss (1550 gal) = 13,950 gal

Estimated 2nd year Production

600 bbl = 18,600 gal

18,600 gal – 10 % loss (1860 gal) =16,740 gal

Estimated 3rd year Production

700 bbl = 21,700 gal

21,700 gal – 10 % loss (2170 gal) = 19,530 gal

Estimated 5th year Production

1,000 bbl = 31,000 gal

31,000 gal – 10 % loss (3100 gal) = 27,900 gal

Estimated 10th year Production

1,500 bbl = 46,500 gal

46,500 gal – 10 % loss (4650 gal) = 41,850 gal

1. Future Products
   1. The brewery will continuously work on releasing new and intriguing beers. The brewery will also work on the development of a “funky beer” (brettanomyces and mixed culture beers) program including, but not limited to, barrel fermented and aged beers.
2. Suppliers
   1. Foam Brewers will always strive to source the best and freshest ingredients available. This goal will require a commitment to communicate and work with suppliers and growers to deliver the quality and consistency that is expected; while also contributing to industry innovation. (See Appendix 4).

**The Industry**

1. Industry History

The history of craft beer predates most people's expectations. Long before English settlers came to America, Native Americans brewed their own version of beer using drastically different ingredients. In 1612, the first known New World brewery opened in what is now known as Manhattan. Slowly but surely growing over the next hundreds of years, brewing became more widespread. In 1810, there were about 132 breweries and by 1873, America had a high mark of 4131 breweries. Over the next thirty years, consumption averaged around 20 gallons, a mere gallon and a half from the average today. Then prohibition hit, the effects were widespread. On the other side of prohibition, only about one quarter of the breweries remained (The American Beer Story).

Come April of 1933, 3.2% beer was making a comeback and once December hit, the 18th amendment was officially repealed. Within a year of prohibition ending, 756 breweries were producing beer, but numbers were shrinking due to consolidation efforts of smaller breweries, or efficiency of larger ones running out some of the small breweries. By 1950, numbers were down to 407 breweries and eleven years later, only 230 were still around (The American Beer Story).

In 1965, the rise of craft brewing began to take hold. By the end of the century, United States led the world with the number of breweries rocketing past 1,500 in 2009. In 2013, the number of craft breweries reached 2,822 and by 2014, the United States had over 3,000 craft breweries in operation with many more in planning. Craft beer sales and production continue to rise, despite the fact that overall beer sales have dropped slightly in the last few years (The American Beer Story).

1. Industry Prospects & Growth

Over the past few years, craft beer production has annually increased by over one million barrels of beer for regional breweries. Contract brewing slowly seems to diminish, and brewpubs see an ever so slight increase. This growth has to do largely in part with consumption of craft beer being up 17.2%, while overall beer consumption is down almost 2%. Dollar sales have grown 20% for a whopping $14.3 billion industry (National Beer Sales & Production Data).

1. Institutional Support
   1. US Brewers Association
   2. Vermont Brewers Association
   3. Brewing Science Institute
   4. Siebel Institute of Technology
   5. University of Vermont (UVM Extension Hops and Barley Research)

**The Market and Competition**

1. Potential Customers
   1. Foam Brewer's potential customer group will consist of:
      1. Craft beer novices, that are excited to try every craft beer they come across.
      2. Tourists that travel to Vermont for various reasons including: Vermont craft beer, ski season, fall foliage, summer vacationing, camping and hiking, sightseeing, etc.
      3. Tourists and locals alike looking for a unique sensory experience at the waterfront.
      4. Individuals pursuing new experiences.
      5. People seeking to complete the Vermont Brewery Passport Challenge.
2. Priority Customers
   1. Craft beer enthusiasts with experienced palates that have a desire for refined, expressive flavors and expect more from the beer they purchase. These customers will most likely be somewhere in the middle-income bracket with some discretionary income that can be spent on libations and merriment.
3. Competition
   1. Foam Brewers’ situation will be very unique due to the fact that the brewery will be selling customers a full experience. Foam Brewers will be a destination brewery that will operate as a craft beer bar. For this reason, regional craft beer bars have been included, as well as local craft breweries, and craft beer retailers (bottle sales). Foam Brewers recognizes the following as competition. But also sees opportunity to benefit from each one through potential retail of Foam Brewers’ beers and future collaboration projects with the breweries.
   2. Local Breweries
      1. Prohibition Pig

Located in Waterbury, VT, Prohibition Pig is a restaurant and craft beer bar that has just added a brewery to the premises. The focus is on barbeque food that complements a rotating tap list of mostly local beers and beer brewed on site. While they will be competition in drawing in customers looking to experience fresh local beer; they keep the beer scene in Vermont exciting, and generate interest from people who want to learn more about beer. Prohibition Pig could also be a potential outlet for the beer that will be sold off site.

* + 1. Zero Gravity

Zero Gravity started as a small brewery inside of the pizza restaurant, American Flatbread in Burlington, VT. They began distributing beer in 2012 and are planning to build a larger production brewery down the road from the restaurant. The new brewery will allow them to distribute to more restaurants and beer bars and use the brewpub for experimental/special release brewing. Therefore, Foam Brewers will be competing with both the restaurant and the brewery for customers.

* + 1. Fiddlehead

Fiddlehead is a small brewery located in Shelburne, VT. Their focus is on full flavored and well balanced draft beer with occasional releases of canned beer. Their taproom offers free samples and two sizes of growlers for beer to go. The taproom also draws people in from the pizzeria located next door, and vice versa.

* + 1. Bobcat Cafe

The Bobcat Cafe, located in Bristol, VT serves homemade comfort food alongside hand crafted beers. The cafe has served as a community gathering place since 2002.

* + 1. Lost Nation

Located in Morrisville, VT, Lost Nation focuses on authentic lesser known European styles of ales and lagers. They distribute their beer across northern Vermont, and can be found in many of the local craft beer bars.

* 1. Craft Beer Bars
     1. The Farmhouse Tap and Grill

This farm-to-table gastropub is located in Burlington, VT and highlights fresh food from local farms alongside high quality craft beers from all over the world. The Tap and Grill includes a restaurant, outside beer garden and basement beer parlor, giving customers more than one option for enjoying fresh food and drink. Foam Brewers will aim to appeal to a similar crowd of people looking for an experience, and also see them as a potential retailer for the beer sold off premise.

* + 1. The Mule Bar

Mule Bar is a craft beer and comfort food destination located in Winooski, VT. Their rotating draft list highlights Vermont breweries as well as different styles from around the country and world. This is a destination for craft beer enthusiasts, meaning that Foam Brewers will be drawing from the same crowd of people. However, the Mule Bar is also seen as a potential retailer.

* + 1. Three Penny Taproom

Three Penny Taproom serves a similar purpose to Montpelier, VT as the Mule Bar does to Winooski. Serving high quality craft food and beer, they have become a popular destination for locals and travelers of I-89.

* + 1. Blackback Pub and Flyshop

The Blackback Pub in Waterbury, VT seeks to serve “the best beer with great pub food”. They are a staple in the Waterbury food and beer scene with a rotating draft list that focuses on breweries from around New England. This will also be a target retail outlet for the distributed beer.

* + 1. Worthy Burger

Worthy Burger is a craft beer and burger bar located in South Royalton, VT. This bar features an ever changing draft list which covers many styles of beer but focuses on Vermont’s most sought after breweries.

* 1. Craft Beer Retailers
     1. Beverage Warehouse of Vermont

The Beverage Warehouse supplies Winooski and the greater Burlington area with craft beer and spirits from around the country and world. A large portion of the shelf space is devoted to beer made in this state and region.

* + 1. Pearl Street Beverage

Pearl Street Beverage is the only liquor and beverage center in downtown Burlington and similar to the Beverage Warehouse, devotes a high percentage of shelf space to locally made beer.

* + 1. Craft Beer Cellar

Craft Beer Cellar is located in Waterbury, along with Prohibition Pig and Blackback Tavern. Craft Beer Cellar differs in that it offers a wide selection of packaged beer from across the globe in the form of bottles and cans. They could be a potential retailer down the road, if Foam Brewers decides to sell bottles or cans off premise.

1. Market Size and Trends
   1. In 2012, the state of Vermont contributed $196,287,000 to the economy through craft beer sales ranking third nationally with the average person 21+ spending $418.57. The breweries in the state produce a combined total of 229,062 barrels of beer a year (Craft Beer Sales by State).
2. Regional Demographic Growth
   1. While the overall population in the state of Vermont has not seen significant change in the past few years, Chittenden county has grown by about 2% since 2010. The University of Vermont and Champlain College also continue to expand, with larger graduating classes from one year to the next.
3. Vermont Craft Brewery Growth
   1. According to the Department of Liquor Control, the number of breweries in Vermont has increased by 80% over the past two years jumping from 31 breweries to 56. These craft breweries range in size from very small microbreweries to regional sized breweries (The Vermont Brewers Association).
   2. Vermont ranks third in the nation, trailing only Oregon and Colorado, for annual sales of craft beer. According to the Department of Tourism and Marketing, it is a $100 million industry (The Vermont Brewers Association).
   3. Craft beer belongs to the agritourism industry, which in Vermont is the third largest tourism sector behind recreation and art and historic preservation (The Vermont Brewers Association).
4. Estimated Local Market Share

Estimated Burlington Market Share (Brewers Association):

Simple Roots: 150 BBL (est.)

Queen City: 482 BBL (2014)

Zero Gravity: 670 BBL (2014)

Switchback: 24,000 BBL (2014)

Vermont Pub and Brewery: 925 BBL (2014)

Total Burlington Beer Barrelage: 26,227 BBL

Foam Brewers estimated first year market share is 500 BBL / 26,227 BBL = 1.9 %

1. Total Sales Projections
   1. On Site Beer Sales Volume Per Month:

Pints:

Year 1: 26.25 BBL

Year 2: 22.50 BBL

Year 3: 25.20 BBL

Growlers:

Year 1: 7.50 BBL

Year 2: 11.25 BBL

Year 3: 11.55 BBL

Bottles:

Year 1: 1.88 BBL

Year 2: 4.50 BBL

Year 3: 7.88 BBL

* 1. Off Site Beer Sales Volume Per Month:

Sixth Barrel Kegs:

Year 1: 1.88 BBL

Year 2: 6.75 BBL

Year 3: 7.88 BBL

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total On-Site Beer Sales** | **Percentage of Total Volume for First Year** | **Production**  **Year 1** | **Production Year 2** | **Production Year 3** |
| Samplers: 4 oz Pour @ $2.00 | 17.5% | $13,020.00 | $12,499.20 | $10,155.60 |
| Half Pour: 8 oz @ $3.50 | 12.5% | $8,137.50 | $7,812.00 | $6,835.50 |
| Full Pours: 12 or 16 oz @ $6.50 | 20% | $12,090.00 | $11,606.40 | $10,155.60 |
| 750 ml Growler Pours @ $9.00 | 40% | $21,122.59 | $25,347.11 | $25,875.18 |
| Rack Room Bottles: 375 ml & 750 ml  @ $6.00 & $10.00 | 5% | $3,139.05 | $7,533.72 | $17,578.69 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Off-Site Beer Sales** | **Percentage of Total Volume** | **Production Year 1** | **Production Year 2** | **Production Year 3** |
| Sixth Barrel Kegs @ $70.00 | 5% | $787.50 | $1,890.00 | $3,307.50 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Beer Sales** | **Percentage of Total Volume** | **Production Year 1** | **Production Year 2** | **Production Year 3** |
| Monthly Revenue | 100 % | $58,296.65 | $66,688.44 | $74,689.27 |

**The Financial Plan**

1. Assumptions

The following information is provided based on assumptions that the management team has made projecting the growth of sales, expenses, revenue, and profit for the first three years of business. (See pro forma attachments)

* 1. Revenue

Year 1: $735,774

Year 2: $831,463

Year 3: $914,474

* 1. Cost of Goods Sold

Year 1: $259,648

Year 2: $282,971

Year 3: $303,712

* 1. Gross Profit

Year 1: $476,125

Year 2: $548,493

Year 3: $610,762

**Marketing Plan**

1. The Fundamentals
   1. Brewery marketing will be mainly a grassroots effort, utilizing local newspapers (specifically Burlington’s Seven Days), flyers, and word of mouth.
   2. In addition to the organic marketing campaign, social media platforms will be another way that Foam Brewers will be marketed. By having a presence on Facebook, Twitter, Instagram, Untappd and Foursquare, fans of the beers and visitors to The Front Room will have means to share those great experiences with their networks of friends.
   3. Foam Brewers plans to participate in beer festivals around the state to give people an opportunity to try the beer being made, and to get a feel for the brewery’s style. Beer festivals attract large crowds of people from Vermont and outside the state that are passionate about beer. These events fuel beer tourism and Foam Brewers anticipates there will be a word of mouth factor generated from participation.
   4. Retail marketing. Keeping in mind the four P’s, product, price, place and promotion, Foam Brewers will have marketing efforts through sales of retail goods and merchandise. A small variety of soft goods will be offered before adding more items, or additional colorways down the line.
2. Distribution
   1. The marketing plan for distributed beer starts with forming comfortable relationships with the licensed retailers that will sell Foam Brewers’ beer. Value will be added by focusing on genuine innovation and quality of products. This will be possible by listening to retailer’s thoughts and taking in to account what consumers are seeking.
   2. Foam Brewers will offer a tap line cleaning service and a sensory program for all of the retailers that wish to participate.
3. On-Premise Retail Sales
   1. The Front Room

The Front Room is another important distribution and sales outlet for Foam Brewers’ products. Beer will be sold directly to the customer by the glass; with several volume options to choose from, and by 750 ml growler fills. Small food items will be available for customers to order during their visit to the Front Room. Customers will also have the option to purchase from a small variety of retail items. Initially the retail choices will be limited, but as cash flow permits, other items will be added to increase merchandise sales.

* 1. The Rack Room

The Rack room will be a unique outlet to sell specialty bottles to customers on premise.

1. Pricing
   1. Foam Brewers’ Pricing strategy is designed to allow the beers to be competitive with other Burlington beer bars and therefore turn a profit. The pricing will also create an elevated perceived value to the customer. Pricing will be on par with Vermont’s best beer.
2. Advertising and Promotion
   1. Foam Brewers will strive to create a strong connection between the name/logo and the beer by getting the word out about the brewery and backing it up with an outstanding product. Foam Brewers will start a buzz around the beer early on by doing press releases with craft beer affiliates such as BeerAdvocate and Ratebeer, as well as with local beer writers.
   2. Foam Brewers will advertise the brewery’s location, seasonal releases, and brewery events in local newspapers and flyers and on social media applications such as Facebook, Instagram, Twitter and on Foam Brewers’ own website.
   3. Brand advertising will also include having take-home items such as coasters and bumper stickers at beer festivals.
   4. The beer distributing truck will display Foam Brewers’ logo for people to see as deliveries are made to accounts around the state.
   5. Promotions will focus around events at the Front Room. This will include live music from local musicians and food vendors with creative menus that will complement the beers.
   6. Foam Brewers will also release special batches of bottled beer to the public as they become available.

**Company Structure**

1. Management Team
   1. Robert Grim

Duties will include but not be limited to:

* + 1. Brewing, cellaring, transferring, and packaging beer.
    2. Contributing to the creation of recipes for new products, beer and food alike.
    3. Taking on all or most quality control procedures to ensure product stability and superiority.
    4. Initially instituting and continually growing the laboratory.
    5. Cleaning of equipment throughout production areas and elsewhere on property.
    6. Overall management contribution as it pertains to ideas and the execution of those ideas for all things brewery/Front Room related.
    7. Day to day decision making and management.
  1. Sam Keane

Duties will include but not be limited to:

* + 1. Brewing, cellaring, transferring, and packaging beer.
    2. Contributing to the creation of recipes for new products, beer and food alike.
    3. Taking on all or most quality control procedures to ensure product stability and superiority.
    4. Initially instituting and continually growing the laboratory.
    5. Cleaning of equipment throughout production areas and elsewhere on property.
    6. Overall management contribution as it pertains to ideas and the execution of those ideas for all things brewery/Front Room related.
    7. Day to day decision making and management.
  1. Todd Haire

Duties will include but not be limited to:

* + 1. Brewing, cellaring, transferring, and packaging beer.
    2. Contributing to the creation of recipes for new products, beer and food alike.
    3. Taking on all or most quality control procedures to ensure product stability and superiority.
    4. Initially instituting and continually growing the laboratory.
    5. Cleaning of equipment throughout production areas and elsewhere on property.
    6. Overall management contribution as it pertains to ideas and the execution of those ideas for all things brewery/Front Room related.
    7. Day to day decision making and management.
  1. The Front Room responsibilities will initially be divided among the original managing members. Key responsibilities include, but are not limited to:
     1. Greeting customers who enter the Front Room in an excited and passionate way upon their entrance.
     2. Educating guests about the beers currently on draught, aging in the Rack Room, as well as the beers offered during other seasons in an eloquent and informed fashion.
     3. Cleaning and maintaining all aspects of The Front Room, as well as being on hand for production needs as necessary.
     4. Making educated suggestions about beer offerings and victual pairings to ensure each is well complemented.
     5. Forming ideas about marketing the Front Room; while the beer will always be the focus on why customers should choose to come to Foam Brewers’ bar above others in the area. The Front Room Manager should also work to form relationships and connections with local groups (musical groups and artists for example) to find ways to enhance the Front Room experience.

1. Management Compensation
   1. Each original managing member’s salary will be 7.5% of the company’s net revenue.
2. Board of Directors

The management team has appointed a select group of qualified, reliable individuals to be the initial board of directors. The following people have a wide range of experiences and can provide valuable direction to the company.

The board of directors will meet quarterly utilizing an online GoToMeeting forum to handle any business that may come before it, and annually on premise to review the year. Day to day management is delegated to the original managing members of the LLC. The board of directors will hold their positions indefinitely, or until the management team decides to appoint someone else for that position.

The board of directors will not receive any compensation for their roles, as they are already invested in the company.

The board of directors and their credentials are to be determined.

1. Executive Officers
   1. Chief Executive Officer - TBD
   2. Chief Financial Officer - TBD
   3. Chief Operations Officer - TBD
2. Employees
   1. Employees will not be necessary to hire immediately as there will be three full time salaried managing members to carry out day-to-day operations. As the company grows it will be necessary to hire additional people. These people will be hired based on interpersonal skills and their unique talents. They will start out being paid by the hour at a predetermined wage and will work toward becoming a member of the LLC. After three years of full time employment an employee will earn a one percent shareholdership of the company and will continue to earn half of a percent for every year after that. If that employee decides to leave or is terminated they will be cashed out for their value in the company at that time.
3. Professional Support

The following individuals will be used as professional support when needed.

* 1. Finance: Sam Weir - Alvarez and Marsal
  2. Accounting: Brett Walker - Bilodeau Wells & Company, PC
  3. Legal Representation: Katherine O’Neill - Hatch Law & Consulting, PLC
  4. Business Consultant: Steve Densham - Vermont Small Business Development Center
  5. Banker: Meghan Corbett - People’s United Bank

1. Company Legacy
   1. Profits Interests Program

The profits interest program is a monetary right awarded to general partners of the company. The profits interest consists of receiving a percentage of profits from the partnership without having to contribute capital to the partnership. This will be set up for future employees to gain a percentage of ownership of the company. This will set up the base for a healthy company legacy and strong future; by offering company ownership to the people that will want to see the company succeed.

**Building and Constructing Plan**

1. Facility
   1. The facility must be easily accessible for equipment deliveries and also for patrons.
   2. The facility must have an adequate water and sewage system to handle the basic needs of the brewery.
   3. Location of the building is also very important to Foam Brewers. Foot traffic and other passers by are of huge importance and a major factor in the brewery’s potential success.
2. Building Improvement
   1. Building improvement will include removal of unnecessary walls to open up the floor and the relocation of any wiring that will be affected as a result.
   2. Cement will need to be poured to pitch the brewery floors appropriately, and to create elevated pads for the brewhouse and fermenters.
   3. A proper drainage system will need to be either cut or poured in the brewery area in front of the brewhouse and the fermenters.
3. Energy Efficiency, Reclamation, and Sustainability
   1. Foam Brewers will continually work toward a more efficient system and develop a sustainability plan as the company moves forward. This plan will include energy reclamation systems and alternative energy use.
   2. The brewery will work with efficiency Vermont to become as efficient as possible.

**Location of the Brewery**

1. The brewery seeks to become a part of the already thriving Burlington Waterfront. This will make the brewery readily available to people using the bike path and skate park, the scenic open areas, and the marina.
2. Foam Brewers will look to participate in and draw customers from the numerous festivals and concerts that happen at the waterfront throughout the year. The Vermont Brewers Festival, Jazz Fest, and Grand Point North all bring thousands of people to the waterfront on separate occasions. The plan is to use these events as an opportunity to showcase the brewery, and capitalize on the increased foot traffic.
3. Foam Brewers plans to coordinate events with places such as Echo, The Skinny Pancake and Splash at the Boathouse to create a well-rounded experience for customers looking to enjoy the lakefront businesses.
4. With the proposed addition of a newer, larger marina and the renovations happening at the Moran Plant, there appears to be a positive trend in development on the waterfront. This will lead to an increase in foot/bike traffic and also a spike in curiosity for what the waterfront of Burlington has to offer.
5. It is an important goal to re-do the outdoor seating area in the front of the brewery. The plan is to create a festive yet inviting outdoor space which will give customers the ability to look out over the Lake Champlain and the Adirondack Mountains while enjoying fine food and drink.

**Overall Schedule**

1. Milestones

**2015**

Period - March 15 to 31

* Assemble list of potential investors and advisors
* Begin brewing trial batches for potential flagship and seasonal offerings
* Sit down with Todd to discuss the plan
* Continue to talk with banks about loan options

Period - April 1 to 15

* Start actively scouting out locations for the brewery

Period - June 16 to 30

* Decide on final name for company
* Mail out business proposal and member offerings
* Raise investor equity capital
* Meet with serious potential investors to promote investment

Period - July 1 to 15

* Continue to raise investor equity capital
* Achieve minimum investment level

Period - July 16 to 31

* Sell final shares for equity capital
* Prepare loan application
* Purchase domain name for company website

Period - August 1 to 15

* Decide on building and meet with realtor/owner
* Sign lease for brewery location
* Transfer investor capital to general funds account
* Put 60% deposit down on brewhouse in order to begin fabrication process
* Apply for zoning and change of use permits through the City of Burlington

Period - August 16 to 31

* Apply for $300,000 loan
* Last month at Switchback for Sam Keane

Period - September 1 to 15

* Approve final artwork for logo (Chris Solbert)
* Begin talks for interior/exterior renovations and design (Russ Bennett)
* Apply for Federal Brewer’s Notice

Period - October 1 to 15

* Inspirational/educational trip to Belgium (personally funded)

Period - October 16 to 31

* Decide on company merchandise (what will be offered and where it will come from)

Period - November 1 to 15

* Last month at Switchback for Robert Grim
* Order glassware for bar and bottles for Rack Room/ growler fills

Period - December 1 to 15

* Start Lease
* Begin building renovations and configure layout
* Wash and paint interior
* Cut cement floors for drains and plumbing
* Inspect hook-up to sewer system
* Install plumbing
* Begin framework for new walls in brewery, Front Room, and Rack Room

Period - December 16 to 31

* Purchase miscellaneous brewing equipment
* Send out newsletter to invested members for end of year update

**2016**

Period - January 1 to 15

* Install cold room and refrigeration
* Install Front Room heating and cooling systems

Period - January 16 to 31

* Install climate control system for Rack Room
* Install brewhouse and fermenters
* Order kegs

Period - February 1 to 15

* Install Chiller
* Purchase brewing materials

Period - February 16 to 28

* Install chiller plumbing
* Brew test batches

Period - March 1 to 15

* Install Front Room bar and sink
* Finish installation of fixtures and furnishings
* Install exterior lighting
* Schedule wiring inspections

Period - March 16 to 31

* Final occupancy and health inspections
* Receive final permits and licenses to operate
* Begin advertising with local media outlets
* Final utility inspection
* Wiring inspections
* Meet with off-premise account owners
* Complete Front Room preparations
* Send flagships and select beers to media to be reviewed/publicized
* Install exterior signage

Period - April 1 to 15

* Open doors

1. Future Company Expansion
   1. When financially stable, the opportunity for brewery expansion may be a consideration. Foam Brewers will potentially have the ability to grow the brewery at the original location or expand to a second location and build a small production brewery.

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3. "National Beer Sales & Production Data." Statistics. Brewers Association, 2014. Web. 19 Aug. 2015.
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5. "The Vermont Brewers Association." Vermont Brewers Association. Web. 14 Aug. 2015.

**Attachments**

1. Appendices
2. Personal Financial Statements
3. Pro Formas
4. Resumes of Principals
5. Building Lease-Letter of Intent
6. Site and Building Drawings
7. Equipment Specifications and Designs
8. Tables on Beer Statistics
9. Articles of Organization/EIN Number
10. Operating Agreement
11. Chris Solbert Artist Bio
12. Projected Production Years 1-3

Appendix 1

Laboratory Equipment:

Start Up Equipment:

Incubator, hot stir plate, autoclave, sterilization indicator tape, scale, graduated cylinders (100ml, 500ml), pyrex glass bottles (500ml), test tubes (reusable and disposable) and rack, erlenmeyer flasks (50ml, 100ml, 250ml, 500ml), microscope (w/ slides, covers, immersion oil), hemocytometer, methylene blue stain, pH meter, selective testing media (HLP, WLD, NBB, etc.), pipettes, sterile petri dishes/ media plates, parafilm, swabs, propane torch, isopropyl alcohol, thermometer, distilled H20, iodine, total acidity titrator, MSDS sheet

Future Analytical Analysis Tools (yr. 2+)

UV-Vis Spectrophotometer, cuvettes, flow hood, orbital shaker, gas chromatograph.

Cost of Lab

Initially the cost of the lab will be around $1,000. This will give the brewery everything needed to test for microbiological contamination. As well as allow for some flexibility in what the brewery is able to do with different strains of yeast and bacteria. Going forward, Foam Brewers will look to invest in specific high-grade technology that will help to perfect the brewery’s practices.

Future Development of Lab Capabilities

* + - 1. SRM (Standard Reference Method) data and consistency - this will allow adjustments to be made on the color and appearance of the beers.
      2. IBU (International Bitterness Unit) testing/ development - This will reveal information on bitterness of the beers and allow for adjustments in the brewing process.
      3. Yeast management - this includes tracking yeast performance, watching for mutations and observing overall health as it relates to vitality, viability and metabolism. This will also include the development of a strong yeast library, or collection of strains, to be the catalyst in creating an array of beers worthy of public consumption.

Appendix 2

Initial Products (First Year Line Up)

Year Round Beers

**Always On:**

* + - * Hop Forward Pale Ale
        1. 5% ABV. 45 IBU
        2. Soft, bright, pale ale with intricate hop aroma and flavor, finishing with a crisp gentle bitterness
      * Tart Wheat
        1. 4% ABV. 0.3% TA
        2. A refreshing, mildly tart, dry-hopped wheat beer

Seasonal Beer Projection

**Spring:**

* + - * Saison
        1. 6% ABV. 20 IBU
        2. Bright saison brewed with peppercorn and spicy hops
      * Gose
        1. 4.5% ABV. 0.5% TA
        2. Tart wheat ale brewed with sea salt and grapefruit
      * White Beer
        1. 5.2% ABV. 25 IBU
        2. A wheat based beer brewed with rose hips and citrus
      * Blood Red
        1. 8% ABV. 75 IBU
        2. Deep red ale, brewed and finished with fresh ripe blood oranges and citra hops

**Summer:**

* + - * Saison
        1. 6 % ABV. 20 IBU
        2. Remarkably effervescent, soft saison
      * Berliner Weiss
        1. 3% ABV. 0.5% TA
        2. Highly carbonated, tart, refreshing wheat beer
      * Brettanomyces Pale
        1. 5.2% ABV. 45 IBU
        2. Brilliant yellow hoppy pale ale, fermented with a house brettanomyces strain
      * Imperial Pale Ale
        1. 7% ABV. 60 IBU
        2. Hugely hop forward pale ale with an extraordinary, layered flavor profile and gentle bitterness.

**Fall:**

* + - * Saison
        1. 6% ABV. 20 IBU
        2. Floral saison brewed with local honey
      * Sour Red
        1. 7% ABV. 0.5%TA
        2. A red, tart, mixed culture beer reminiscent of cherry pie
      * Fresh Vermont Harvest Ale
        1. 5.2% ABV. 30 IBU
        2. Brewed with fresh VT grown green malt and fresh off the vine VT grown hops
      * Double IPA
        1. 7.8% ABV. 75 IBU
        2. Big hoppy pale ale using the freshest hops available

**Winter:**

* + - * Saison
        1. 6% ABV. 20 IBU
        2. Orange hued saison brewed with spelt
      * Black Brettanomyces Beer
        1. 5.6% ABV. 25 IBU
        2. A complex, black brettanomyces beer
      * Breakfast Stout
        1. 7.8% ABV. 60 IBU
        2. Stout brewed with local coffee roasters beans and locally based chocolatier sourced cocoa nibs
      * White Winter
        1. 7% ABV. 35 IBU
        2. Wheat based pale ale brewed with locally based chocolatier sourced cocoa nibs, vanilla beans, and black pepper

Appendix 3

Estimated Production and Fermentation Capacity:

Estimated 1st year Production

500 bbl = 15,500 gal

15,500 gal – 10 % loss (1550 gal) = 13,950 gal

13,950 gal x 128 oz/gal = 1,785,600 oz/ 16 oz = 111,600 pints

7 bbl Brewhouse

500 bbl/yr / 50 wks / 7 bbl = 1.4 brews per week

Fermentation Capacity

Ales 500 bbl/yr / 25 cycles = 20 bbls fermentation capacity

20 Barrels Total Fermentation Capacity

7 Barrel Brewhouse (20/7) = 3, 7 bbl fermenters required

Estimated 2nd year Production

600 bbl = 18,600 gal

18,600 gal – 10 % loss (1860 gal) =16,740 gal

16,740 gal x 128 oz/gal = 2,142,720 oz/ 16 oz = 133,920 pints

7 bbl Brewhouse

600 bbl/yr / 50 wks / 7 bbl = 1.7 brews per week

Fermentation Capacity

Ales 600 bbl/yr / 25 cycles = 24 bbls fermentation capacity

24 Barrels Total Fermentation Capacity

7 Barrel Brewhouse (24/7) = 4, 7 bbl fermenters required

Estimated 3rd year Production

700 bbl = 21,700 gal

21,700 gal – 10 % loss (2170 gal) = 19,530 gal

19,530 gal x 128 oz/gal = 2,499,840 oz/ 16 oz = 156,240 pints

7 bbl Brewhouse

700 bbl/yr / 50 wks / 7 bbl = 2 brews per week

Fermentation Capacity

Ales 700 bbl/yr / 25 cycles = 28 bbls fermentation capacity

28 Barrels Total Fermentation Capacity

7 Barrel Brewhouse (28/7) = 4, 7 bbl fermenters required

Estimated 5th year Production

1,000 bbl = 31,000 gal

31,000 gal – 10 % loss (3100 gal) = 27,900 gal

27,900 gal x 128 oz/gal = 3,571,200 oz/ 16 oz = 223,200 pints

7 bbl Brewhouse

1000 bbl/yr / 50 wks / 7 bbl = 2.8 brews per week

Fermentation Capacity

Ales 1000 bbl/yr / 25 cycles = 40 bbls fermentation capacity

40 Barrels Total Fermentation Capacity

7 Barrel Brewhouse (40/7) = 6 , 7 bbl fermenters required

Estimated 10th year Production

1,500 bbl = 46,500 gal

46,500 gal – 10 % loss (4650 gal) = 41,850 gal

41,850 gal x 128 oz/gal = 5,356,800 oz/ 16 oz = 334,800 pints

7 bbl Brewhouse

1500 bbl/yr / 50 wks / 7 bbl = 4.3 brews per week

Fermentation Capacity

Ales 1500 bbl/yr / 25 cycles = 60 bbls fermentation capacity

60 Barrels Total Fermentation Capacity

7 Barrel Brewhouse (60/7) = 9, 7 bbl fermenters required

Appendix 4

Suppliers:

Malt

* + 1. Brewers Supply Group

Based out of Minnesota, founded in 2004 as they realized the crucial demand for quality ingredients in the ever growing craft brewing world. Regional sales reps and warehouses (Northeast sales rep, and the closest warehouse is in Rhode Island) take care of the ordering and delivering of supplies. The brewery will use BSG because of their ability to consistently provide brewers with a catalog of harder to come by, and sought after, malt varieties. A large supplier of not only domestic but imported malts as well, with the ability to provide them in different sizing.

* + 1. Country Malt Group

A local resource, located in Champlain, New York, Country Malt Group has been a leader in the industry since 1995.

* + 1. Peterson Quality Malt (Monkton, VT)

Vermont’s first maltster producing limited quantities of malt in the first year.

Hops

* + 1. Hopunion

Hopunion is one of the largest hop suppliers in the country, known for their reliability and wide selection of quality hops.

* + 1. Local Vermont Hop Farms
    2. UVM Extension Hop and Barley Research Program

Yeast

* + 1. Brewing Science Institute

The Brewing Science Institute provides professional brewers with yeast strains, laboratory services and brewing products as well as educational resources.

* + 1. White Labs

White Labs has become an innovator in pitchable yeast and offers breweries a variety of fresh yeast samples and analytical services.

* + 1. Wyeast

Wyeast offers brewers of all levels pure liquid yeast cultures and fine fermentation products.

* + 1. In house lab cultures

Foam Brewers will use the in-house laboratory to create yeast and bacteria cultures. These cultures will be used in beer made on the pilot system, with the intent of propping up successful cultures and cultures that yield desirable characteristics.