

Brewers' fight over disposal rules coming to a head

Beer makers say regs on grain byproduct will hurt business

BY KEN CHRISTENSEN

In a back room at SingleCut Beer-smiths, Brian Dwyer lodged a shovel into a pile of steaming barley and mopped his sweaty brow.

"It's not easy on your back," the assistant brewer said. "At least we have somewhere to send it."

Since Mr. Dwyer helped open the Astoria, Queens-based brewery two years ago, he's disposed of his spent grains using a simple solution: pigs. Industrywide, an estimated 90% of the beer-making byproduct is given or sold as feed for hogs, chickens and other livestock.

That easy fix could come to an end. Federal officials proposed rules earlier this year that brewers say would make their favorite disposal method prohibitively expensive.

The Food and Drug Administration's proposal is an unintended consequence of broader rules intended to improve the safety standards of livestock feed. The regulation would force breweries to dry and package their grain before distributing it as animal feed. Beer makers say the cost of extra space would be burdensome. After a nationwide outcry by the rapidly growing craft-beer industry, the FDA said it would reword the proposal this summer.

"As a group, we have a lot more pull than we used to, but we're going to become a lot larger of a target," Mr. Dwyer said. "This law would be disastrous for craft brewing."

Growth in all boroughs

In the past three years, New York state has issued 20 beer licenses in the five boroughs, increasing the number citywide to 23, according to July data by the Empire State Development Corp. Queens' seven breweries have all opened in the past two years.

SingleCut, one of the largest newcomers, aims in 2014 to quadruple the 1,500 barrels it brewed last year. That would translate to nearly 400,000 pounds of wet grain for which it would pay New Jersey-based Wilenta Feed about \$8,000 to haul to farmers.

"It's the most affordable and sustainable option we've found," Mr. Dwyer said. "There just isn't that much demand for spent grain here in the city."

Smaller beer makers have fewer options. Rich Castagna, who operates Bridge and Tunnel Brewing Co. in a garage in his backyard in Maspeth, Queens, loads the trunk of his car and drives 30 minutes to a compost pile at a petting zoo in eastern Queens. Ethan Long, co-founder of Rockaway Brewing Co., gives some of the byproduct to community gardens but pays to send

most of it to landfill.

"We're below the threshold where it's viable [to get hauled away to farms]," Mr. Long said.

He believes, however, that he may have found a solution—one that could also help breweries generate revenue in the process. In July, Mr. Long's company partnered with a Norwegian firm, Global Enviro, and installed an on-site machine that grinds and dehydrates the oatmeal-

like piles, spitting out a flaky plant fertilizer 18 hours later that is lighter and cheaper to haul and won't turn sour.

Good stuff in there

"We've tested it and know it has valuable nutrients," said Laura Rosenshine, U.S. project manager at Global Enviro. "The long-term plan is to create a sellable end product, but we're still building up our volume to make that happen."



SEE how Brian Dwyer and other brewers avoid getting swamped in wet grain at CrainsNewYork.com/video.

The New York City Brewers Guild has had discussions about creating a depot-like destination for all spent grain citywide, Mr. Long said. If he can turn waste into revenue, Mr.

Castagna of Bridge and Tunnel Brewing said he'd sign on. "With this brewery, it feels like I'm always giving stuff away," he said. "And my wife's always ripping me for it." ■

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