Brevard craft brewer expands its reach

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Florida Beer Company, who just moved into a new facility in Cape Canaveral, continues to work hard on expanding its reach locally and nationally. Video by Malcolm Denemark, edited by Craig Bailey. Posted March 27, 2014.

In 2003, Jim Massoni's gut instinct told him that the American craft brewery market was going to explode.

One indicator for Massoni, a former software and tech executive, was the growing number of food connoisseurs, people who cared more about a meal's quality than its cost. He figured, correctly as it turned out, that the same philosophy would apply to beer.

Putting his money where his gut instinct was, Massoni, along with partner Ed Scott, invested in a struggling but award-winning Melbourne-based craft brewery called the Indian River Beverage Corp. Scott is the co-founder of the software company BEA Systems, which he sold to Oracle for a reported $8.5 billion. Massoni was vice president of business development at BEA Systems.

The two re-branded the beverage company, naming it the "Florida Beer Company," and began acquiring new labels.

Now, after months of planning and delays, Florida Beer has finally moved its production and distribution operations to a more spacious facility in Cape Canaveral where it hopes to keep building on its craft beer empire. It also plans on luring thousands of tourists, and Florida residents, to its soon-to-open tasting room where visitors can sample, and purchase, Florida Beer brews.

The timing couldn't be better for Florida Beer. Across the nation, craft beers and micro breweries are foaming over with success and have become a must-have on many restaurant menus. They come with unique tastes, not to mention often quirky and creative labeling.

"We discovered a market, and we went after it with laser-focus," said Massoni, Florida Beer Co.'s president and chief executive officer. "We've grown 30 percent annually for the past five years, and we expect revenues to increase by over 50 percent this year, because we have the capacity to produce more beer."

Reviving a company

Indian River Beverage was a sluggish operation, and on the verge of bankruptcy, before Massoni and Scott entered the picture. It had a decent reputation and had won some awards but the company's bottom line was falling flat.

"The company was in distress and didn't look like it would survive, but it was consistently winning gold medals for its hard ciders in brewing competitions," said Scott, the Florida Beer Company's majority-owner and the chairman of its board of directors. "I was interested in having access to a product that was first in its class. You don't get many opportunities like that in life."
Massoni and Scott focused heavily on marketing, and they hired a professional sales staff willing to go all-out to generate buzz about Florida Beer's lineup.

Revenues started to turn around. And as that happened, the company's ambitions grew.

In 2010, Florida Beer reached full capacity at its small brewery off U.S. 1, just south of Historic Downtown Melbourne, and Massoni began the search for a new facility. He found a large manufacturing plant which was originally constructed by the Chrysler Corp., at 200 Imperial Blvd. in Cape Canaveral.

The move includes a much grander tasting room which the company hopes will evolve into a popular hangout for beer enthusiasts, not to mention the thousands of tourists preparing to embark on cruises from Port Canaveral.

A national trend

Massoni and Scott entered the craft brewery business right before the sales of craft beer started to surge in the United States.

In 2013, craft breweries throughout America experienced a 20 percent jump in revenue, and they currently have 8 percent of the beer industry market share, according to a recent report by the Brewers Association, a trade group which represents craft brewers. It defines craft brewers as independently owned companies that produce fewer than 6 million barrels of beer a year.

"With this stellar year, craft has now averaged 10.9 percent growth over the last decade," said Bart Watson, staff economist at the Brewers Association.

"Openings of brewing facilities continue to far outpace closings, demonstrating that the demand for high-quality, local, fuller-flavored beers is only increasing," he said. "The geographic diversity of openings and production growth shows the national nature of this movement. In towns all across the country, craft brewers are creating jobs, delivering innovative products, advancing the beverage of beer and strengthening their local economies."

Also, an increased focus on healthier lifestyles has led more and more people to be conscientious about their diets and more selective about what they consume. Meanwhile, more chefs are preparing "beer dinners," meaning that they are integrating beer into gourmet meals as an ingredient and a beverage compliment.

As this trend took root, several craft breweries opened up in Brevard County, including Cocoa Beach Brewing in Cocoa Beach, Intracoastal Brewing Co. in Melbourne, Bug Nutty on Merritt Island, and Charlie and Jake's in Suntree.

The difference between a craft beer and a national brand beer is in some sense subjective, because people have varied opinions about which one is better, but the objective distinction between the two is that craft beers tend to be more expensive and have higher quantities of malt than beers such as Budweiser and Coors Light, which use "fermentable adjuncts," a technical term for the inexpensive ingredients that can be used to replace malt.

Florida Beer has sought to distinguish itself by demonstrating that it can create a consistent, high-quality product using local, natural ingredients. And it has racked up an impressive medal count in regional and national tasting competitions.

In the past decade, it has won eight medals in the annual North American Brewers Association contests, seven in the Best Florida Beer Championships, two in the Great American Beer Festival, and seven in the US Open Beer Championships. That includes eight gold medals, eight silvers, and eight bronzes.

Capitalizing on Florida culture

Another part of Florida Beer's strategy has been to brand their beverages as unique by using citrus fruits that Florida is famous for, such as oranges and limes. The company selects names for its products using popular culture references that would resonate in Florida.

There is the Key West Sunset Ale. One of its higher-alcohol beers is the Swamp Ape IPA, a homage to the hairy monster which, according to legend, haunts the Everglades. Florida Beer also produces a beverage inspired by the Space Coast which has a rocket logo and is called "321," a reference to launch countdowns.

All the company's beer recipes are created using citrus flavors, and this deliberate culinary choice is part of the company's trademark, Massoni said.

"For instance, with our Florida Lager, we've taken a traditional Belgian beer recipe and made it appropriate for the tropical environment," he added. "It's a lighter, crisper, more refreshing beer, but it still has the body and flavor of European beers."

The logos Massoni uses also have a noticeable Floridian flair. For example, all the beer dispensers of his products have a handle which is shaped like the state of Florida, and most of the art on beer bottles includes a recognizable, Floridian image such as the Key West sunset, emblazoned on the labels of company's Key West Sunset Ale.
Part of the reason for this approach is that the company is trying to get tourists to buy its beer bottles as keepsakes and to expand its outreach out of state.

**Beyond the Sunshine State**

For the past five years, Florida Beer has relentlessly pursued leads for distribution networks outside its Central Florida base. For American breweries, establishing relationships with liquor distributors is crucial, because in most states, it is illegal for a brewer to directly sell to retailers, and Florida is no exception.

The rule was established in the aftermath of Prohibition's recall in order to ensure that the legalization of alcohol did not result in Mafia-style monopolies in the brewing industry, but ironically the unintended consequence of the regulation is that it makes it harder for new breweries to gain a foothold in the marketplace.

Massoni said that his company has established strong relationships with beer distributors throughout Florida and has created an especially significant brand following in Key West and Miami. Now the company has gained a foothold in some of the East Coast's night life hot spots, including Washington D.C. and New York City and eventually, they plan to ship their beverages all over the East Coast.

For a long time, this was impossible, because the company did not have enough capacity to meet consumer demand.

"The trouble was that, in the old factory we had reached capacity," Scott said. "That created challenges with our customers. They liked our products, they wanted more, but we couldn't deliver enough product in a timely fashion."

Now that it has 10 times as much production capacity, Florida Beer is expect to add 15 new employees to its staff of 35 and to begin shipping beers into states it has not explored before, such as Georgia, North Carolina, South Carolina, Alabama and Tennessee.

Luke Erdody, the new director of brewery operations at Florida Beer Co, said that he left his old job at the California-based brewery, Mendocino, and started working at Florida Beer because he believed it had greater growth potential.

"There's a difference between working for an old, established company and working for a growing company where the sky is the limit," Erdody said. "There's an opportunity for exponential growth here."

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**About Florida Beer Co.**

**Location:** 200 Imperial Blvd. in Cape Canaveral

**Employees:** Currently 35. They expect to hire 15 more workers.

**Number of labels sold:** 28. Best known is Florida Lager

This is the first in an occasional series of profiles stories focusing on "Made in Brevard."

Made in Brevard is an initiative by the Economic Development Commission of Florida's Space Coast — as well as the Titusville Area Chamber of Commerce; the Cocoa Beach Regional Chamber of Commerce; the Melbourne Regional Chamber of East Central Florida; and the Greater Palm Bay Area Chamber of Commerce — to highlight and promote products and services that emanate from Brevard County.

For a directory of companies participating in the Made in Brevard initiative, go to: www.spacecoastedc.org/MIBRoot/MadeinBrevardDirectory.
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