

Local craft beer brewers still dealing with shutdown uncertainty

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While life has slowly flowed back into the federal government, local beer and spirits producers have had little time to toast its reopening as they continue to deal with regulatory backups and the uncertainty of another shutdown brewing.

The Alcohol and Tobacco Tax and Trade Bureau, the federal agency that regulates the production of alcoholic beverages, was unable to approve the labels local breweries and distilleries needed to release their new products during the 35-day shutdown.

The agency has since started processing these label applications again, but is contending with a significant backlog.

This has caused some South Jersey brewers to either put new product developments on hold, cancel potential launches or shift their deadlines in an industry they say hinges on engaging customers with new releases.

“It puts all of our planning into a total tailspin, which is a really big problem,” said Ryan Krill, CEO of Cape May Brewing Co. in Lower Township.

As of Tuesday, the agency reported on its website it is taking 52 days to process labels. Krill said the label approval process previously took one to two weeks.

The bureau is currently addressing applications it received Dec. 17. According to the website, any application submitted on or after that date has not been assigned to a specialist.

“We spent all this time coming up with new concepts and coming up with this expensive design work to do the labels and messages, and then when the TTB gets shut down, then that’s a huge issue,” Krill said.

Krill started his company eight years ago with his father, Bob, and business partner Chris Henke. It has since grown into one of the state’s largest craft breweries, with about 80 employees, distribution in two states and its own distribution company, Cape Beverage.

But the Tax and Trade Bureau shutdown interrupted the detailed planning that has become essential for the brewery.

“The key to a craft brewer is innovation,” said Krill, who employs an innovation brewer whose job is to find new ideas and recipes. “When that innovation pipeline is stopped, that really upsets all the innovation that craft brewers do throughout the United States.”

Stuart Stromfeld, managing partner at Tuckahoe Brewing Co. in Egg Harbor Township, said anything out of standard operating procedures is a concern.

“The trend in the industry is to literally change up, so you have your flagship beers, but the things that really seem to be hot right now are the beers that are the new and the different,” he said.

While longer wait times may impede innovation, local breweries have not been able to calculate the financial loss.

“Luckily we’re big enough so we can absorb these changes, but there are 7,000 other breweries in the U.S. that are affected by this issue,” Krill said.

Stormfeld said Tuckahoe Brewing, which submitted two or three label applications during the shutdown, has most likely not experienced the same financial setbacks as other breweries throughout the country.

“We’re lucky because we’re in a resort community, consequently the majority of our sales are toward the spring, summer and fall, not the winter, so right now we’re stockpiling products. They’re not flying out because it’s not our season,” he said.

Still, looking forward, a representative from Hidden Sands Brewing Co., which opened in Egg Harbor Township a little over a year ago, has concerns about meeting deadlines for its summer releases if the backlog continues.

The company reported it already had to cancel plans celebrate its one-year anniversary with the release of three canned beers.

It had submitted its labels, but the shutdown had stopped the approval process in time for the January anniversary. This halted the sale of more than 60 barrels of beer in their first canning run — three different styles and 20 barrels in each style.

For now, brewers don’t know what to expect if the government shuts down again after the Feb. 15 deadline.

Krill said Cape May Brewing has contingency plans and will re-release beers they’ve brewed in the past.

“We make a lot of really great beers, we’ve won countless awards for our beers and brewery, but we’re really excited about releasing these new concepts we’ve worked so hard on,” Krill said.