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Bottoms up! Brewing business booms

By BETH BILY

While many industries have experienced anemic growth in the wake of the Great Recession, one has become a growth standout.

Craft brewing has become a popular business – and not just in the Twin Ports but throughout the state and even the nation. While the trend toward craft brewing may seem relatively recent, it's actually an industry that's returning to its roots.

Nationwide, the number of breweries in the country numbered more than 4,000 in 1873. Through market consolidation and other factors, that number had dramatically fallen by the late 20th century, with just 89 breweries in operation in 1978, according to the Brewer's Association, a national trade group.

Now the trend is just the opposite. In 2014, the association reported that 3,464 breweries were in operation in the United States. These small breweries are increasingly capturing market share in the 200 million barrels-per-year industry.

Growth has, in fact, been so phenomenal that the national association, which represents more than 2,500 members

nationwide, employs its own economist. Bart Watson, who holds a Ph.D. in economics from the University of California, Berkeley, provides analysis and projections for the growing industry.

Watson identified three factors as prime reasons for the growth.

"It's demand driven," he said in a telephone interview. "People want fuller flavor, more variety and they want to make purchases locally."

Minnesota and Wisconsin are following national trends. Minnesota ranks 17th in the nation in breweries per capita (per 100,000 adults 21 and older) and has ballooned from 35 breweries in 2011 to 73 by 2014. Wisconsin's industry growth also is impressive. The Badger State ranks 13th in breweries per capita and has



Thirsty Pagan Assistant Brewmaster Jaredt Runions monitors beer at the company's Superior brewery, pub and restaurant.

BusinessNorth photo

gone from 73 to 97 breweries during the same time period.

Once responsible for only 2 percent of the nation's beer market share, analysts expect this year craft beer will capture 15 percent. Watson added that number could potentially end up as high as 30 to 40 percent.

New entrants and established operations are plentiful in the local brewing

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Duluth Huskies knock 2015 season attendance out of the park



Huskies owner Mike Rosenzweig

By HOLLY KELSEY-HENRY

When Kevin Costner heard the words "If you build it, they will come" in the 1989 fantasy-drama *Field of Dreams*, the optimistic phrase became an oft-repeated one across the world.

In the case of the Duluth Huskies, baseball team owner Mike Rosenzweig says that phrase has morphed into "If you re-build it, more will come."

The Huskies recently ended a winning and highly-attended season in the newly revamped Wade Stadium. With help from the Minnesota Legislature and the City of Duluth, Wade has benefited from \$2.3 million dollars for needed repairs, including field/turf resurfacing, reconstruction of the stadium's crumbling brick walls, new lighting and a professional lighted scoreboard.

At the recent close of the Huskies' season, 36 home games had drawn a total of 51,000 fans, breaking last

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Task force tackles MNsure

Members hope to recommend positive improvements

By RON BROCHU

Earlier this year, Republicans in the Minnesota Legislature sought to eliminate the state's MNsure health insurance marketplace. That effort didn't succeed even though a highly publicized audit was very critical of the program.

After the legislature adjourned, Gov. Mark Dayton named a bipartisan task force to plot the future of MNsure and related state programs including Minnesota Care. Aided by healthcare professionals, the Health Care Financing Task Force began meeting in August to prepare a report, which is due Jan. 15.

"We're looking at issues including the affordability and accessibility of healthcare in Minnesota," said Rep. Jennifer

Schultz, a Duluth Democrat who was appointed to the bipartisan 33-member panel.

Minnesota has made significant strides in that direction, said Sen. Tony Lourey, DFL-Kerrick, who also serves on the task force. "We're not there yet. It's good that we're moving into the stage of making improvements," he said.

A wide variety of options are on the table. They include switching to the federal marketplace, Schultz said, which might be less expensive than MNsure. So far, the state exchange has been granted \$189 million in federal funds to facilitate its launch and first years of operation.



Rep. Jennifer Schultz

At the end of 2013, the effort had cost \$60 million. Another \$34 million in state and federal money had been invested in computer systems that were needed to facilitate MNsure enrollment. Remaining federal grants had not yet been spent when the audit was conducted.

Thirty-two other states, including Wisconsin, have decided to use the federally facilitated insurance marketplace rather than develop its own, as Minnesota did.

Although MNsure was tailored to meet the needs of Minnesotans, it has not met all of the goals originally intended Schultz said.

"We went from historically having 12 or 13 healthcare providers (insurers) to having about three. Blue Cross Blue Shield, Medica and Health Partners dominate the market now," Schultz said. "My hope is to have more health plans operating in Minnesota."

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