

Hale and hearty: a small Seattle brewery makes big British-style ale

Modern Brewery Age, March 31, 2003, by Peter V. K. Reid

Hale's Ales has been around since the early days of the microbrewery revolution. The company's Kirkland, WA, draught-only microbrewery was founded by Mike Hale in 1983, just as similar breweries were starting up and down the West Coast.

Many of the early small brewers have fallen by the wayside, but Hale's has carved out a solid, albeit modest, niche in the Seattle beer market. The company has been bottling their British-style ale since they moved into a new-built 25,000-barrel Seattle brewery in 1995.

"We are still here, and in my book that makes us wildly successful," founder and president Mike Hale says. "Success depends on how you define it. Our objective was to make terrific beer and have fun doing it. By that measure we continue to be very successful."

The British double-decker bus outside the brewery is one tip-off that Hale is a partisan of English-style brewing. In the early 1980s, he served an apprenticeship with Gale's, a well-respected ale brewery near Portsmouth, England. When he came back to the U.S., he was determined to apply some of Britain's well-tried brewing techniques with his own small American brewery.

The first Hale's Ales in Kirkland was small indeed, but it was also cheap to construct by today's standards. "We built our little 10-barrel brewery for just \$25,000, and we broke even at 3,500 barrels," Hale says.

In the early days, Hale's had no lab capability, but the company found some friends in Golden, Colorado. "Coors was always very supportive," Hale says. "I think they saw we would be good for the industry. When I was starting out, I bet they gave me \$100,000 worth of lab work. Their technical guys were so helpful, and I think that attitude came right from the top. I went to Rainier one time, and they threw me out. But Rainier is now long gone, and Coors is still here."

When the microbeer segment began to take off in the early 1990s, Hale determined to expand along with it. In 1995, the company moved from Kirkland to a much larger space in Fremont, an outlying Seattle neighborhood. A 30-barrel brewhouse was custom built by Newlands Services in a high-ceiled former warehouse, and a small pub was installed at overlooking the brewery floor.

One thing that didn't change was the brewery's focus on traditional English ales. "Our Newlands brewhouse is based on 300-year-old English technology," Hale says. "We use a single temperature infusion mash and open fermenters, with no automation. The English take a very simple approach to making very complex beer, while the Germans use high technology to make very simple beer."

Hale's brand portfolio reflects his Anglophilic sentiment, built around a pale ale, a special bitter, a porter and a Wee Heavy. "We add seasonals and new beers as we go along," Hale says, "and we did our first nitrogenated beer in the late 1980s. Now we do three nitrogen beers--a stout, a special bitter and a cream ale."

And Hale's double-decker bus is not just for exterior decor. Hale found it in Portland, in a somewhat derelict condition, but soon had it up and running. He installed new axles, a new transmission and a International Harvester turbo-diesel engine. "Now it will do 60 and climb hills," he says. The brewery now employs the bus to visit accounts, and its on-board draught system is used for parties with distributor sales staff.

The bus has even attracted a specific clientele to Hale's Ales. "You've heard of trainspotters?" Hale asks. "Well, there are also bus spotters. We've had a lot of them come here from England, just to take pictures of the bus. They travel the world and find every known bus. It turns out this one was built by Eastern Coachworks, and served as a country bus in Bath, England. It was green in those days, but it was imported by an outfit in San Francisco in the early 1970s, and of course, here in the U.S. it had to be red. By the time we found it, it was pretty shot mechanically, but the superstructure is aluminum, so it weathered pretty well."

The brewery bus rarely travels too far these days, since Hale reports that 75% of his beer is sold within 10 miles of the brewery. "Fresh local beer was our concept from the very beginning," he says. "When I was a young man, my first beer drinking experiences in this country were not good. When I traveled to England and Germany, I found all kinds of great beers. When I came back, I sought out German and English imported beers, but they really weren't what I remembered. With beer, it's all about freshness, and beer at the brewery is always great. Every town needs its own little brewery."

The microbrewery movement that Hale helped lead has been remarkably successful, and Seattle now has a plethora of little breweries. "There is now a bewildering choice of craft beer in this market," Hale says. "If you are a consumer, how do you pick one brand from hundreds? In the end, I think people will go with what they can trust."

Hale says the brewery's production has been hovering around 12,000 barrels for some time, "We would like to push volume up," he says. "Because at 15,000-20,000 barrels, I think we could sustain ourselves happily and everyone would make a good wage."

Getting to that level is tougher and tougher, Hale notes. "Competition is fierce these days," he says. "Marketing is difficult and expensive, so a small guy has to be a guerrilla. The new guys on the block always have a certain appeal, and we've seen a few of our competitors get lucky with a hot beer."

Hale has watched with some bemusement as younger brands have come into his market and seized share. "The hot beers get the buzz," he says. "We've seen some beers get hot and then the brewery will struggle to support it. Fat Tire has been hot, but also well-managed. They may have caught some accidental magic, but they have also executed very well."

Hale says that his brewery's small size means it can be nimble in the market, an asset given the highly-competitive nature of the Seattle beer market. "You have to be constantly flexible and creative," Hale says. "We are always bringing out new stuff. Our Mongoose IPA gave us a nice jump. That was developed in-house by some young guys with a lot of ideas. Our pale ale has always been very strong, but lately we've lost some share to inroads by other pale ales. When you find yourself losing ground with mature brands, you just have to come up with something else. That may be the nature of the beer business."

Despite the bruising competition, Hale remains enamored. "We have created a new beer market here," he says. "Craft beer brought people who didn't drink beer into this market. There is nothing phony about this kind of beer. It is a true thing. It tastes better, there's more to it, and it tastes good with food."

"The finest wine in the world is simply not available to most consumers," Hale continues, "but if you've got four bucks, you can buy yourself a pint of the best beer in the world." And next time you happen to be in Seattle, make that pint of beer a Hale's ale.

*COPYRIGHT 2003 Business Journals, Inc. in association with The Gale Group and LookSmart.
COPYRIGHT 2003 Gale Group*