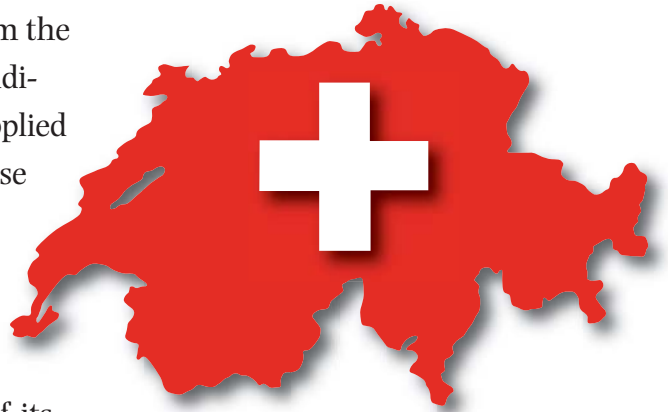


# A rising star in the volatile Swiss beer market

**BURGDORFER BEER** | The success story of the beer from the Burgdorfer Brewery is linked to a long local brewing tradition: At the end of the 19<sup>th</sup> century, three breweries supplied beer to much of Switzerland, Italy and France, giving rise to the town's nickname of "Little Munich". Eventually these breweries closed and after a long beer drought in the 1970s, a handful of enthusiasts founded the Burgdorfer Gasthausbrauerei AG, a brewpub, which has flourished beyond all expectation. The foundation of its success has been an extensive customer base, an honest brewing philosophy and a boost from the burgeoning beer renaissance. The renewed emergence in appreciation for hand-crafted beer has led to a 300 percent growth in Swiss breweries.



operating under the name "Bierbrauerei Christen" and had moved from the narrow streets of the upper part of town to a new building constructed above existing rock cellars. Financial problems and shortages of raw materials triggered by World War I eventually forced the last director to abandon the brewery. The brewery Feldschlösschen in Rheinfelden took over the brewery and used the space as a warehouse for many years.

## Paris loved Lochbach beer

The second brewery, the one in Lochbach, was founded after mandatory membership in trade guilds was abolished, at a time when it was easier to start a new business. In the autumn of 1800, business partners

**"COME UP TO BURGDORF,** where you'll certainly find the prettiest girls and the best beer." declared a journeyman in Goethe's *Faust* (part 1, scene before the gate). The poet laureate visited the town during his travels through Switzerland in 1779, in order to see the famous tombs in the Hindelbanker church. It is assumed that it was there he drank the good Burgdorfer beer. At that time, it was brewed by the owner of the brewery whose name was Grimm; he supplied beer to the inn, the parson and the lord of the Erlach castle in Hindelbank.

To understand the factors – not least among them the outstanding Burgdorfer water – which gave rise to such high quality beer, a beverage even Goethe tipped his hat to, entails that we delve a bit further into the past: The first recorded evidence for a commercial brewery, as is the case in other places, point to a baker, who would, of course, need roughly the same ingredients to practice both trades.

In 1751, the pie baker and city court official Emanuel Grimm-Fisch had his dilapidated house renovated and added a brewery onto it. His successor, notary and scribe Johann Jakob Grimm must have significantly developed the – at least at the time – difficult and highly "haphazard" matter of brewing beer. Today, delivery records still exist indicating that he supplied beer to inns and private customers well beyond the neighborhood, as far away as the Canton Solothurn.

Grimm's success was also attributable to the fact that it was the only brewery east of Bern for a long time. Permission was granted for a brewery to be built in Langenthal in 1785, after Goethe visited the region. The brewery changed hands and management several times but continued to expand over the next century. By 1902, the brewery was



**Authors:** Stefan Herrmann (left) and Dipl.-Brm. Oliver Honsel (right), Burgdorfer Gasthausbrauerei AG, Burgdorf, Switzerland





Friedrich Heggi and Jakob Rudolf Schnell received permission to build a second brewery in Burgdorf, yet the brewery did not immediately flourish, and it was partially closed down and even changed hands a number of times. In the 1860s, the chemist Ferdinand Schnell-Soutter commissioned an impressive new building for a brewery, which was outfitted with a tall smokestack for the steam boiler, which was required for the new technology introduced around that time. This marked the beginning of better times for the brewery. Lochbach beer was exported to all corners of the world. In Paris, it was especially prized and enjoyed an excellent reputation there. High quality brewing water was located on the premises and the brewing process was carefully watched over by members of the family who had been educated in the natural sciences. Shortly after World War I, the brewery in Lochbach was closed and in 1944 the building was demolished.

### ■ The enduring connection to beer

The third brewery in Burgdorf was Brauerei Steinhof which was opened in 1871. Equipped with state-of-the-art technology, the brewery was a large operation from the very beginning and its primary focus was the export market. Originally dimensioned to produce 10 000 hl, the brewery rapidly underwent significant expansion, increasing its capacity to over 40 000 hl.

The renowned “Steinhofbier” was sold throughout Switzerland as well as in parts

of France and Italy. The brewery maintained its own facilities in different areas of Switzerland and in other countries in order to distribute beer in these regions. In 1876, the brewery holdings were valued at 1.1 million Swiss francs. After the family who owned the brewery embarked on a series of financial escapades, the brewery changed hands in 1898, bringing it under the ownership of Löwenbräu in Basel, which renamed it “Löwenbräu Burgdorf-Steinhof”. However, the company closed in 1921 and the brewery was liquidated. The customers and some of the employees went to the Feldschlösschen brewery. That marked the end of the last chapter in the history of Burgdorf beer. What remains is its international reputation as “Little Munich”, and the deep connection the city of Burgdorf and its citizens have to beer.

### ■ Capital required for stocks gathered in three months

This deep-seated connection with beer brewed in the city emerged after a long beer drought in the 1970s, when pleas for a brewery to call their own became more insistent: In 1997, a handful of visionary beer enthusiasts founded the Burgdorfer Gasthausbrauerei AG, which secured the right to move into the cellar of the historical Schützenhausrestaurant. The capital needed to establish a stock offering amounted to CHF 500 000 and was provided by the local industrialist *Willy Michel*. Before the group

could pay the money back within the obligatory three month period (and without having to invest one franc in advertising), the stocks, valued at CHF 250, were enthusiastically purchased by the residents of Burgdorf, with the members of the organizations which regularly meet at the Schützenhaus showing particular zeal. Since its inception, one of the pillars of Burgdorfer beer’s success is the broad support and deep connection to the residents, which is evidenced by the fact that the company is almost exclusively owned by private shareholders with a passion for local beer. The shareholders generally hold one share among several people or just a few shares per person. Currently more than 8000 are held by 5200 shareholders, meaning that on average, every third person in Burgdorf owns a part of the brewery. Even today, at annual general shareholder meetings, the strong emotional connection between the citizens of Burgdorf and their beer is perceptible.

### ■ Beer has its home in Burgdorf

In addition to the “people’s share” and the solid base of enthusiastic and dedicated beer fans, it was the down-to-earth nature of the people of the Emmental as well as their belief in the motto “beer needs a home”, which provided the basis for success far exceeding all expectations.

Since the Burgdorfer Gasthausbrauerei was founded, it has upheld its guiding principle, namely to offer its own, independently brewed, high quality beer with unmistakable



able character, strongly rooted in the region. Thirteen years after opening its doors, the Burgdorfer Gasthausbrauerei now produces 5000 hl per year. Continuous investment in equipment has allowed the brewery to consistently produce beer of uniformly high quality. The brewery installed a filling line (for greater profit through the sale of bottled beer) and is constantly expanding its storage capacity. Over half of the beer produced in 2011 was filled in half-liter bottles.

**Off to a new home**

Due to the rapid annual growth rate experienced by the brewery amounting to approximately 20 percent of its capacity, which was originally designed for just 1 500 hl per year, the brewery has long since outgrown its location at the Schützenhaus. In the fall of 2012, the brewery moved into the iconic Burgdorfer Kornhaus, which is listed as a historical building. This should open the door for many more possibilities. A new brewery is slated to be built at this location and will be carried out in cooperation with the city of Burgdorf. An annual capacity of 8000 hl is planned for the first expansion phase.

An unusual aspect of the plans for the new brewery is that although a new, fully-automated 30 hl brewhouse produced by Caspary will be installed there, the company Heinrich Leicht will move the current filling and packaging lines in their entirety and the lager tanks to the new location. Since the brewery is being relocated to a building under historical protection, the architects, technical planners, equipment manufacturers and the brewmaster are faced with an extraordinary challenge.

**Diverse palette of beers on offer**

After commissioning the new brewery, the next item on the agenda is to continue to maintain a functioning brewery at the “old” Schützenhaus location,

so that beer enthusiasts can still experience the brewing process “live” and enjoy the aroma of fresh wort. In this way, the Burgdorfer brewers can brew classic styles such as Helles, Aemme and Weizen at the new facility, while the previous location will be used to brew specialty beers. Rounding out the brewing equipment is a 50 liter pilot system, used for the creation of new beers and for brewing smaller amounts of selected specialty beers.

These classic beer styles represent the core of the Burgdorfer Gasthausbrauerei product portfolio. The golden, full-bodied, mildly hopped Helles and the dark, malty Aemme with its fine notes of caramel and roasted malt are available throughout the year. A refreshing, fruity wheat beer is a seasonal favorite during the summer months. In the wintertime, the wheat beer is replaced with a different specialty beer, a new creation each year. All of the beers are unfiltered, neither stabilized nor pasteurized and are brewed according to the German Purity Law of 1516. A house whisky, aged in oak barrels for either five or ten years, rounds out the list of products offered by the brewery.

**Beer culture offers fertile ground**

Through their selection of seasonal beers including new winter seasonals each year, the Burgdorfer Gasthausbrauerei is purposefully exposing their customers and consumers to new and diverse gustatory

experiences. Their most recent successful endeavor is in tune with the zeitgeist: As in other places around the globe, a new beer culture started developing in the 1980s, which promised to bring the era of bland, uniform beers to an end. This, coupled with the collapse of long-established larger breweries, perhaps partially attributable to travel abroad, brought newcomers on the scene. For instance, when the traditional Hürliemann Brewery disappeared in Zurich, the brewery Turbinen-Bräu stumbled upon a niche in the market, while the demise of the much-loved Brauerei Eichhof in Lucerne made it possible to form Luzerner Bier AG. Concurrently, in the city of Freiburg where the symbol of the city, Cardinal Bier, had recently begun to be brewed by an international conglomerate, similar initiatives arose. They all adopted the business model of the Burgdorfer Gasthausbrauerei and still follow it today.

Ten years ago, 98 breweries were making the beloved barley juice in Switzerland; now there are more than 300. Small breweries or brewpubs make up a large percentage of the breweries but only have a fraction of the market share at around two percent. This is in a beer market in which 4.5 million hl of beer are consumed per year (this corresponds to 57 liters per capita). Of this amount, approximately 70 percent is brewed by the non-Swiss conglomerates Carlsberg/Feldschlösschen and Heineken. This is precisely the reason for the market conditions and the positive prognosis for the success of the two percent, consisting of small breweries and brewpubs, since they are the ones who drive innovation in the beer market and who are winning consumers over with their unique, high quality products – just like the Burgdorfer Gasthausbrauerei. ■



**Source**

1. Burgdorfer Biergeschichten 1750 bis 1920, Trudi Aeschlimann, from: Burgdorfer Jahrbuch 2000