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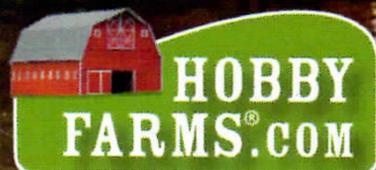
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# In Good Spirits

You've done farm-to-table—now try going grain-to-glass with a farm-based distillery.

BY JODI HELMER

**A**s a fourth generation farmer, Michael Swanson had experience growing crops like wheat, sugar beets and barley, but he knew nothing about distilling the harvest into alcohol. But Swanson and his wife, Cheri Reese, didn't let a lack of knowledge stop them from pursuing a dream to start a craft distillery.

The couple left their jobs in Minneapolis—Reese owned a PR firm and Swanson worked in marketing for a Fortune 500 company—and relocated to their 1,500-acre family farm in Hallock, Minn., just south of the Canadian border, to start Far North Spirits.

In 2013, the distillery released its first bottles of gin handcrafted from grains grown on the farm. The entire process, from growing the grains to milling, mashing, fermenting, distilling and bottling, is done onsite. In addition to crafting gin, Far North Spirits makes rum from sugarcane grown in Louisiana and rye whiskey that will be released next year from heirloom corn and rye grown and harvested on the farm.

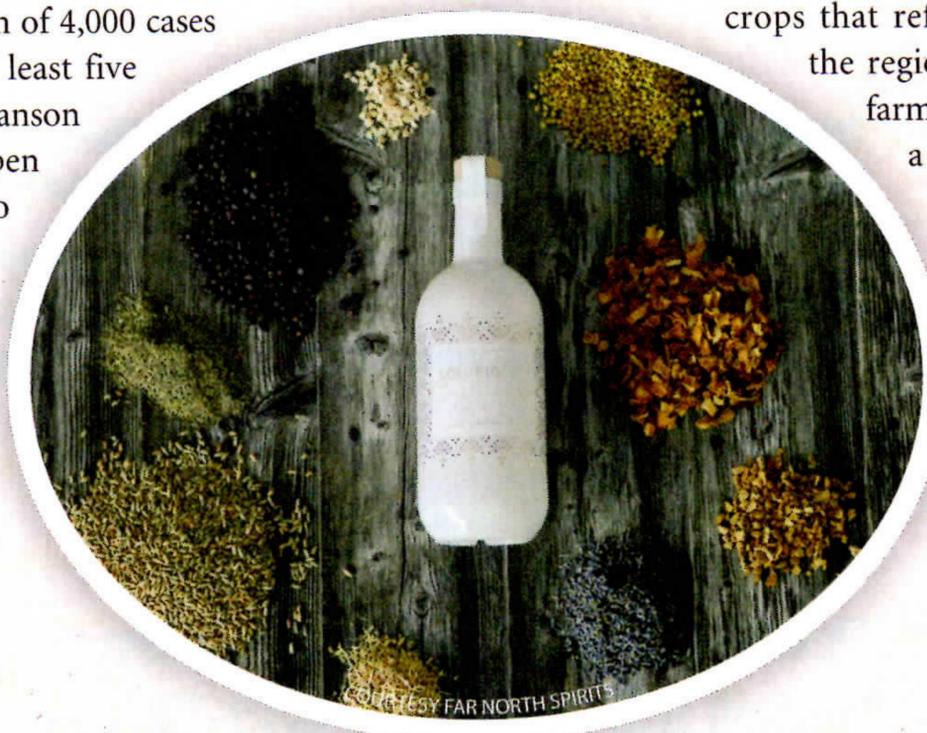
The grain-to-glass concept is so popular that Far North Spirits plans to expand its reach. Its spirits are currently available in Minnesota and North Dakota, and the couple hopes its annual production of 4,000 cases will be sold in at least five states in 2015. Swanson and Reese also open their doors to guests, offering tastings and tours of the farm and the distillery.

“There is a strong foodie and craft-brewing culture in Minneapolis, and the craft-spirits movement has exploded nationwide,” says Reese. “There is a huge market for it.”

The number of craft distilleries is on the rise. There are 570 craft distilleries across the nation—up from 68 in 2004—and 12 percent are farm distilleries growing their own fruits and grains to produce artisanal spirits, according to the American Distilling Institute. “It's part of the renaissance of the local food movement,” notes institute president Bill Owens. “The demand is going to continue to grow.”

Using local, seasonal ingredients has a positive impact on the taste of spirits like rum and gin, which helps drive the farm-to-bottle movement.

While some distillers grow their own raw materials, including heirloom and organic crops, others partner with farmers to source local crops that reflect the flavors of the region. “Managing the farm and the distillery is a good thing because we want to have as much control over the final product as possible,” Reese explains.





COURTESY HIGH WIRE DISTILLERY



COURTESY ST. AUGUSTINE DISTILLERY

*High Wire Distilling believes that their locally sourced ingredients help improve the flavor of their spirits.*

*The grain-to-bottle movement is only continuing to grow in popularity.*

## Cultivating Relationships

On his 80-acre farm in St. Augustine, Fla., Francisco Arroyo grows USDA Certified Organic vegetables like sweet corn, jalapeno peppers and tomatoes for a 300-member CSA and allocates a portion of the fields at KYV Farm to grow crops under contract for wholesale accounts. Until St. Augustine Distillery approached him about growing heirloom sugarcane for premium rum production, Arroyo hadn't considered planting his fields with commodity crops.

"Small farmers like me can't make much money off of commodity crops like sugarcane," he explains. "But this is a good relationship because there are no brokers or distributors, and I don't have to take the chance of selling it on the open market; I charge a fair price and [the distillery] signs a contract to buy the whole crop."

KYV Farm contracted with the distiller to plant 3 acres of heirloom sugarcane in 2013. The experiment was so successful that production increased to 7 acres in 2014. It's a relationship Arroyo believes benefits both the farm and the distiller. "They know they could get [sugarcane] cheaper elsewhere in Florida, but for the distillery, it's not about the sugarcane, it's about the story," he says.

A commitment to purchasing local products and incorporating the farm-to-bottle message in their marketing drives a lot of craft distillers' sourcing decisions. Working with local farmers also helps improve the flavor of the spirits, which is the main reason Scott Blackwell sought out regional growers when he started High Wire Distilling in 2013. "We felt like the local angle would only get us so far," he says. "In order to really

set ourselves apart, we needed a unique grain-forward flavor that comes from getting the best raw ingredients."

Blackwell, a graduate of the Culinary Institute of America, has extensive knowledge about artisanal grains but the baker-turned-distiller thought he would be resigned to using GMO crops from commercial growers when he started making rum, vodka and gin. "This area is so agriculturally rich, but I didn't understand the landscape of who was out there and might be willing to work with us," he explains.

Word spread that the distillery was looking to partner with local farmers, and Blackwell, who co-owns High Wire Distilling with his wife, Ann Marshall, started getting calls from growers eager to develop partnerships. Instead of buying grains from large commercial growers in the Midwest, the corn and sugarcane used in spirits like vodka and rum are grown on small farms in the South; a Mennonite farm in Tennessee grows sorghum for the Quarter-Acre Sorghum Whiskey, and, in 2014, the distillery barreled its first batch of rum agricole, a spirit made with fresh sugarcane juice from a crop grown in South Carolina.

"Small farms aren't growing row crops because the farmers can't afford the equipment," Blackwell says. "The farmers around here are looking for folks who can use their agricultural skills. It wasn't hard to talk them into growing for us."

Bendistillery, a distiller in Bend, Ore., started making handcrafted spirits in 1996. Founder Jim Bendis recalls farmers expressing shock that a local distiller wanted to source local grains. "The initial response was, 'What?!'" he recalls. "Over the years,

Distillery or farm tours are another way to add revenue to your operation.

COURTESY BENDISTILLERY



## Distill a Partnership

The burgeoning farm-to-bottle movement means more opportunities for farmers to partner with distillers. If you're thinking of starting a distillery-based growing operation, here are five things to consider.

**CALCULATE THE COSTS.** Farming and distilling are two separate businesses, each with their own costs. Create a business plan that includes fees for land, capital expenses, equipment and labor. While it's a significant financial investment, Cheri Reese, co-owner of Far North Spirits in Hallock, Minn., notes that the costs of launching a farm distillery might not be as prohibitive as you expect. "It's a lot cheaper than buying a combine," she says.

**RESEARCH THE REGULATIONS.** The production of alcohol is heavily regulated. It's important to know what licenses are required to add a distillery to a farm. As the industry grows, the regulations in some states have become more favorable. For example, New York slashed the cost of distilling permits from \$65,000 to \$1,500 in 2007 to make it easier for distillers producing fewer than 35,000 gallons of alcohol per year to get started; the State Liquor Authority also introduced a farm license allowing distilleries to sell direct to the public as long as 75 percent of their product was produced with New York grain.

**LEARN THE ROPES.** Whether you're a distiller interested in growing your own raw ingredients or a farmer interested in turning your crops into spirits, the learning curve will be steep. Be prepared to devote time to learning the necessary skills. Michael Swanson spent a year apprenticing with three different distillers to learn the craft before opening Far North Spirits with Reese.

**CREATE PARTNERSHIPS.** Working with St. Augustine Distillery helped Francisco Arroyo of KYV Farm diversify his operation, and Scott Blackwell of High Wire Distilling couldn't produce farm-to-bottle spirits without the support of small-scale growers; even farm distilleries rely on the support of other farmers, distillers and professional associations to succeed. Look for opportunities to create partnerships to grow your business and give back by supporting others who can benefit from your knowledge and expertise.

**REAP THE BENEFITS.** Growing grains for distillers allows farmers to earn a premium price for their crops (versus selling them on the commodities market), and distillers using organic or heirloom grains or other specialty products can charge a premium price for their spirits. The benefits extend beyond cost.

"I've never worked so hard," Reese says. "We are using all of our skills to bring this product to market and make it successful, and it's a huge challenge but most days it doesn't feel like work because it's our passion."

### WEBLINK:

Get your hands on a locally made craft whiskey and put it to use in our recipe for Smoky Bourbon Sea Salt Butter at [www.hobbyfarms.com/bourbonbutter](http://www.hobbyfarms.com/bourbonbutter).

summer, Swanson and Reese worried about what would happen to their production plans if the farmhands couldn't get the corn off in time. To ensure ongoing availability of grains, the couple plant and harvest 140 acres of grains—far more than the distillery needs for annual production—which also helps protect them in seasons with poor yields. Reese recalls that her father-in-law was skeptical about using a portion of the family farm to grow grains for distilling. "He thought we were crazy because we'd never made alcohol before and had

no idea whether [our plan] would work," she says. "He was convinced when we showed him that the return on bottled alcohol is much better than the return for grain on the commodities market."

## Plan to Production

In the two years since Far North Spirits began production on offerings like Solveig Gin and Roknar Minnesota Rye Whiskey from grains grown on their family farm, the farm-to-bottle movement has taken



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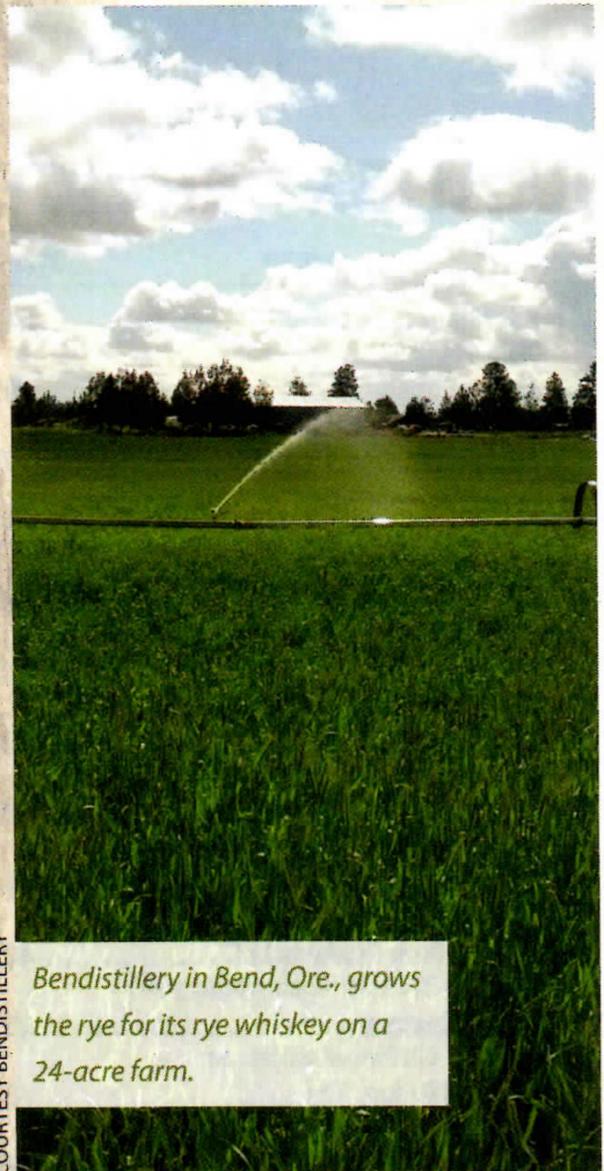
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COURTESY BENDISTILLERY

*Bendistillery in Bend, Ore., grows the rye for its rye whiskey on a 24-acre farm.*

off and countless aspiring distillers have approached Swanson and Reese about following in their footsteps. In fact, Reese believes that some craft distillers might be envious of farm distillers who grow their own crops and offer tastings and tours of their farm-to-bottle operations. “More distillers are interested in taking a local, authentic, small-batch approach to distilling,” she says.

Reese is quick to point out that craft distillers are eager to cooperate with each other. The couple is active in the Minnesota Distillers’ Guild and love sharing their knowledge about growing grains for alcohol production. In addition to growing grains for Far North Spirits, the farm also sells local, non-GMO grains to other craft distilleries. “We’ve talked to other Minnesota farmers who are interested in getting involved in the trend, and we have orders coming in from other Minnesota distilleries for our grains,” Reese says. “The distillers are thrilled to have someone like [Swanson] who understands grains and distilling growing crops for them, and we are happy to help expand the industry.”

Blackwell has no plans to turn High Wire Distilling into a farm distillery.