Navigating the Boom

Jason K. Cody
President/CEO
Colorado Malting Company
Alamosa, Colorado
What is the BOOM?
The Growth of Craft Malt in U.S. Markets

Growth of Operational Craft Malt Facilities

Graph Information Provided by Dave Thomas

Bob Wall Co-Founder
Colorado Malting Co.
November 2008
Total Craft Maltsters in North America Today

- Operating Now - 44
- In Construction - 21
- In Planning - 26

TOTAL - 91
<table>
<thead>
<tr>
<th>US Malthouse capacities</th>
<th>location</th>
<th>tons/year</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargill Malt</td>
<td>Spiritwood, ND</td>
<td>440,000</td>
<td>16.8%</td>
</tr>
<tr>
<td>Rahr Malting</td>
<td>Shakopee, MN</td>
<td>407,000</td>
<td>15.5%</td>
</tr>
<tr>
<td>Busch Agricultural Resources</td>
<td>Idaho Falls, ID</td>
<td>352,000</td>
<td>13.4%</td>
</tr>
<tr>
<td>MillerCoors</td>
<td>Golden, CO</td>
<td>286,000</td>
<td>10.9%</td>
</tr>
<tr>
<td>MaltEurop</td>
<td>Milwaukee, WI</td>
<td>242,000</td>
<td>9.2%</td>
</tr>
<tr>
<td>MaltEurop</td>
<td>Great Falls, MT</td>
<td>220,000</td>
<td>8.4%</td>
</tr>
<tr>
<td>Great Western Malting</td>
<td>Vancouver, WA</td>
<td>132,000</td>
<td>5.0%</td>
</tr>
<tr>
<td>MaltEurop</td>
<td>Winona, MN</td>
<td>126,500</td>
<td>4.8%</td>
</tr>
<tr>
<td>Great Western Malting</td>
<td>Pocatello, ID</td>
<td>110,000</td>
<td>4.2%</td>
</tr>
<tr>
<td>InteGrow Malt</td>
<td>Idaho Falls, ID</td>
<td>110,000</td>
<td>4.2%</td>
</tr>
<tr>
<td>Busch Agricultural Resources</td>
<td>Moorhead, MN</td>
<td>101,200</td>
<td>3.9%</td>
</tr>
<tr>
<td>Briess Malt &amp; Ingredients Co.</td>
<td>Waterloo, WI</td>
<td>33,000</td>
<td>1.3%</td>
</tr>
<tr>
<td>Cargill Malt</td>
<td>Sheboygan, WI</td>
<td>33,000</td>
<td>1.3%</td>
</tr>
<tr>
<td>Briess Malt &amp; Ingredients Co.</td>
<td>Chilton, WI</td>
<td>16,500</td>
<td>0.6%</td>
</tr>
<tr>
<td>all operating craft maltsters</td>
<td>US</td>
<td>7,300</td>
<td>0.3%</td>
</tr>
<tr>
<td>Skagitt Valley Malting Co.</td>
<td>Mt Vernon, WA</td>
<td>3,000</td>
<td>0.1%</td>
</tr>
<tr>
<td>Colorado Malting Co.</td>
<td>Alamosa, CO</td>
<td>600</td>
<td>0.02%</td>
</tr>
<tr>
<td>Valley Malt</td>
<td>Hadley, MA</td>
<td>300</td>
<td>0.01%</td>
</tr>
<tr>
<td>Pilot Malt House</td>
<td>Byron Center, MI</td>
<td>200</td>
<td>0.008%</td>
</tr>
<tr>
<td>Michigan Malt</td>
<td>Shepherd, MI</td>
<td>50</td>
<td>0.002%</td>
</tr>
<tr>
<td>Eckert Malting &amp; Brewing Co.</td>
<td>Chico, CA</td>
<td>20</td>
<td>0.001%</td>
</tr>
</tbody>
</table>

2,620,670
What has the Craft Malting BOOM Meant for Colorado Malting Company?

A Little Background...
- 10 employees
  - 4 full time
  - 6 part time
- 2009
  - 39,000 lbs of finished malt
- 2015
  - 1.2 million lbs
- 6 uni-malt systems – 500 ton annual capacity – All designed by the Cody Family
- First true farm based Craft Malt House in the N.A.
- CM has still, to date, produced more craft malt since its conception than any other craft malt house in the world!
- Strict quality – We test every batch in our house lab
  - Gravity, Residual Starch, Color Analysis, Friability, Dry Matter Protein, Germination, etc
Grains Malted at Colorado Malting Company

- Spring 2-row Barley
- Winter 2-row Barley
- Red Wheat Spring and Winter
- Soft White Spring Wheat and Hard White Winter Wheat
- Winter Rye
- Long and Short Grain Rice
- Buckwheat
- Quinoa
- Red Proso Millet
- White Proso Millet
- Red Foxtail Millet
- German Foxtail Millet
- Milo
- Amaranth
- Teff
- Confection Sunflowers
- Black Oil Seed Sunflowers
- Corn

With these grains Colorado Malting is currently marketing 63 finished malt products that are all 100% Colorado.
Custom Malts at Colorado Malting

- New Belgium
- New Glarus
- Broadway Brewery - Columbia, MO
- Full Pint Project with Oskar Blues
- Grouse Malting Company
- Sierra Nevada
- Goose Island
- Etc.
How do you Navigate the Boom?

- People, Companies and Promises
The Down Side of Craft Malt

Let’s Be Honest

• High Cost
• Limited Malting Expertise
• Limited Availability
• Long Lead Times
• Small lot sizes
• Limited Access to high quality raw materials
• Location can determine quality (50% local grain by weight to be “Craft” - CMG)
• Sub-Standard Labs on site
Choose Wisely

• Ask About:
  • Claims Policy
  • Lab and Testing Procedures
  • Raw Materials Main Source
  • Blending Practices
  • QC parameters
  • Ask about lot sizes
Recent Comments:

Why did New Glarus come to Colorado Malting Company?

• Experience
• Reputation
• Batch Size
• “Can do spirit”. We are a family business and so are you
• Farming and Malting in one of the world’s best areas for growing barley.
• You have been farming for a very long time so, if I find a good variety, maybe you could grow it for me
• I’d like to have a relationship with a farmer and maltster in the valley

Dan Carey - New Glarus Brewing
The Up Side of Craft Malt

There are Some Real Benefits

- Flexibility to Malt Anything
- Huge Marketing Benefits
- Ability to Make New and Different Beers
- Custom Malting-Small Lots
- New and Unique Flavors
  - Local Terroir
- Raw Materials Access (Raw Grain Sourcing)
- Relationships with Customers
Collaborations and Relationships

What is driving your craft malt house?

Are they their to serve you?
Commitment to Local!

- We have expanded to offer some other more exotic malts on our catalog
- We still own 100% of our Company! Its 100% Colorado!!
  - This will not change!
Any Questions?