



# Ag Innovation News

Feb-Apr 2023, Vol. 33, No.1

The newspaper of the Agricultural Utilization Research Institute



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# AURI PARTNERS WITH NON-ALCOHOLIC BREWERS TO BOTTLE SUCCESS

Jeff Hollander and Paul Pirner started a business with a simple premise: non-alcoholic beer should taste good and be made with quality ingredients and attention to detail. They enlisted the help of the Agricultural Utilization Research Institute (AURI) to grow their brand from a home brewing operation to an award-winning favorite among craft beer enthusiasts. Both men agree the journey from idea to commercialization, and ultimately to the sale of the brewery during the summer of 2022 would not have been possible without AURI's encouragement and expertise.

"The biggest positive of working with AURI was knowing that what we were trying to do would be met with enthusiasm," Pirner said. "We had some beverage experience, but we didn't quite know how to turn this into a successful business. They gave us the confidence that entrepreneurs and young companies need. What we learned from AURI is, 'yes, it's possible to do what you want to do.'"

Hollander and Pirner first met in Minneapolis in the early 2000s. Back then, Hollander worked in sales and Pirner worked in advertising and as a food and wine journalist. They reconnected at a holiday party several years ago and, after catching up, learned that they both recently quit drinking alcohol. Both also shared a common frustration that the non-alcoholic options on the market at the time were boring and, in their opinion, not very good.

"We found that when you carry around an old fashioned, non-alcoholic (NA) beer at a party or a social function, it comes with a stigma and a judgment from others," Hollander said. "We wanted to create a brand of NA beer to celebrate the bold flavors of the craft beers that we loved but that could also be appreciated as a delicious beverage first and foremost. There just wasn't anything like that available at the time."

Soon after that holiday party, they met for coffee to sketch out a business idea. Before he quit drinking alcohol, Pirner dabbled in home brewing as a hobby. They got to talking about making a non-alcoholic beer using some craft brewing techniques.

"We believed there was a market for this product. So much of life entails being out with friends and drinking, especially here in the Midwest. And if you eliminate alcohol from your life, you almost become an outsider," Pirner said. "So, we asked ourselves, 'How do we celebrate those people who have made the choice to stop drinking?' From there it was the two of us saying, 'Well, what is the worst that can happen? Let's give this a shot.'"

Hairless Dog is produced differently than common non-alcoholic beers. Most NA beers are brewed by creating alcohol which is then removed from the final product. In addition to removing most (but not all) of the alcohol, the dealcoholizing process also removes some of the developed flavor. Hairless Dog, on the other hand, does not introduce alcohol to the liquid during the brewing process so all of the flavor molecules remain within the liquid and the end result is a tastier, more complex beverage.

With Pirner in charge of brewing and Hollander leading sales and marketing, the Hairless Dog Brewing Company was born. They hit on the name Hairless as a play on the term 'hair of the dog'— a euphemism for consuming alcohol to cure a hangover. The name also works because both Pirner and Hollander love dogs.

"No one was really looking at the NA segment of the market as being legitimate. It was ignored and written off," Hollander said. "We couldn't find any data and there was no consumer research. So, we decided to find out who drinks non-alcoholic beer. We knew there are people like us who had stopped drinking but were interested in a delicious, craft-style beer."





To develop their audience and test their product, Hollander and Pirner talked to friends who owned liquor stores and asked if they saw a market for a high-quality, non-alcoholic product. They also entered Hairless Dog in local beer festivals to gather feedback and make business connections. It was at one of these festivals that they learned about AURI.

Hollander and Pirner were referred to AURI's Ben Swanson, a Scientist of Food and Nutrition. Swanson was a home brewer himself and brought his knowledge to the partnership.

One of the earliest tasks was to scale up production. Hairless Dog needed commercial space and Swanson identified a copacker in Marshall, Minn. where the company could brew large batches of their beverages to can and sell in liquor stores. AURI provided insight on ingredients and processes to help meet the regulatory classification of non-alcoholic beer under state and federal regulations.



**EVERYONE AT AURI WAS SO HELPFUL AND BELIEVED SO EMPHATICALLY IN WHAT WE WERE DOING THROUGHOUT THIS JOURNEY," SAID PIRNER. "REGARDING THE BREWING TECHNIQUE, I KNEW WHAT I THOUGHT WE COULD DO, BUT IT'S COMPLEX AND SOME OF THE SCIENCE WAS OVER MY HEAD. HAVING THAT EXPERTISE FROM AURI AS A RESOURCE WAS INCREDIBLY IMPORTANT DURING THE EARLY STAGES.**

Hairless Dog quickly developed from a passion project between two friends into a viable business venture. The first beers hit shelves in the fall of 2018, and the response was immediate. By December of 2018, they sold out of the initial run of production and demand for the product surged. The manager of an area liquor store called Pirner to let him know there was a line of customers out the door at a recent Hairless Dog tasting event.

"We would be at liquor stores or festivals and people would come up to us and hug us and tell us how grateful they were to have a NA product they actually enjoyed. It was soon after we launched that I had to decide if I wanted to keep my sales job or dedicate to this full-time. I saw enough to know that Hairless Dog was something I loved," Hollander said.

As the business grew, so did the market. Hairless Dog launched at an opportune time. There was an explosion in the sober-curious lifestyle over the past few years. While stuck at home during the COVID-19 pandemic, many Americans chose to give up alcohol or consume less alcohol, as part of a commitment to a healthier lifestyle. These individuals sought a high-quality, non-alcoholic beverage alternative and found the available offerings lacking.

Pirner and Hollander are adamant that they are not "anti-alcohol." Instead, they want to make something that people who don't drink would be proud to carry around at a party or order in a bar.

"It used to be that when you went to a liquor store you had one or two NA options," Swanson said. "Now there is an entire section

AURI and Swanson also advised on optimizing production as well as safety and formulation issues related to preservatives in the beer, which prevent spoilage. The partnership between AURI and the brewers was successful for many reasons. Swanson said he could tell early on that Hollander and Pirner were dedicated to making the business work and have a product that would be popular with consumers.

"The best part of my job is working with a client when they are just starting out and then see it through to success," Swanson said. "With Hairless Dog, getting the beer into liquor stores was a big deal at first, and then it skyrocketed from there. The next thing you know they're selling out in a few days, and then they're in Total Wine, a national retailer."

Swanson and AURI were "instrumental" in the company's success, Hollander and Pirner said.

of non-alcoholic craft beer and spirits. Hairless Dog was perfectly timed with this trend. Plus, they have a fun brand and a thoughtful approach to marketing. I love how they infused it into their entire company. It could not have worked out any better for them."

In early 2022, Minneapolis-based Finnegan's Brewery approached Pirner and Hollander about acquiring their company. They were approached previously about selling the business but the opportunity with Finnegan's felt different.

"We were to the point where we couldn't take the brand any further. We expanded our presence, but we didn't have our own brewery. It was time to look at partnerships. When Finnegan's approached us, they were fans, and held a passion for our beer. Plus, they wanted to build on what we created," Hollander said. "It seemed like the perfect opportunity."

Pirner said he and Hollander were drawn to Finnegan's mission of service and creating community and positive social impact through the business. Ultimately, the decision to sell was a "no brainer," he said. The sale was finalized in late summer 2022.

"It came down to this being our chance to do something with Finnegan's and try to change some things we feel passionately about. There was great synergy between the two brands. They're from Minnesota and they have great people running the business. Most importantly, they are going to continue the arc that we started," Pirner said. "We couldn't be happier with how it all turned out."