

Innovation Series

Our first ever *Innovation Spotlight* series article focuses on the [G-L Heritage Brewing Company](#), an interesting example of a small start-up that pursued a unique option for their initial financing.

For years, Dwayne and Jen Grondin visualized ways to use the family's century farm land for more than just harvesting standard crops, while still keeping the integrity of the agricultural land. This family land was purchased from the Crown Reserve by their ancestors and held by seven generations of Waldrons in Amherstburg, dating all the way back to 1867. One November evening in 2015, Dwayne and his brother, Greg, were enjoying some local craft beer when they discovered the perfect way to use the land: a brewery farm. Instantly, they started to research pilot brewing systems and within a few weeks, a small commercial unit was ordered and delivered.



As Dwayne was preparing to head out to launch his very first brew on January 1st, 2016, he mentioned to his 10 year old son, Eddie, there was a chance this hobby could turn into a business Eddie would one day own. To that, Eddie cheekily responded, "But is it going to make any money?" This question would continue to echo in the partners' minds in the coming months.

Later that month, the Grondins headed to the planning department where they learned the town's Official Plan did not support breweries on agricultural land. The planner said the town would have to request an amendment to the Official Plan to add breweries to the zoning bylaws.

After that, the Grondins, including Greg's wife, Cathy, sat down to set a six month timeline for learning, experimenting and, ultimately, deciding whether this hobby had the potential to grow into a serious start-up business opportunity. Through 2016, they brewed almost weekly to produce just short of 50 batches of increasingly refined craft beer recipes. By mid-year, they had developed a detailed business

plan and blueprints for their potential new brewery with a 50/50 partnership split between the two couples. Once their decision was made to move forward, every waking moment held the attention of the team toward the new business. Everything had to be thought of, planned for, and most importantly, financed.



In June, they contacted their local bank to see what financing support would be feasible for their plan. They were forwarded to the bank's small business division who told them that, because they only had a vacant farm parcel, they weren't eligible for financial support without existing equipment or structures to leverage. However, not all hope was lost for the Grondins. Since the G-L Heritage Brewing Company focused on their century farm land, the small business division recommended they check out [Farm Credit Canada \(FCC\)](#).

Their first meeting with FCC was at their house in August with a gentleman named Paul Bateman. At this meeting, Bateman asked for preliminary documents: a detailed business plan, start-up estimates, ongoing costs, and frequency/volume of forecasted sales. It's fairly new for FCC to consider funding for craft breweries. But after this initial discussion, Paul felt there was strong potential in their business and approach to finances, and since their brewery focused on the agricultural aspect rather than the restaurant or bar aspect, he agreed it was definitely worth discussing with his peers to see if there may be a "fit". Luckily, Bateman came back with great news! Based on the strong, direct tie back to Canadian

agriculture (both from a business and inputs perspective), good credit and a conservative, sound business plan, FCC would support this exciting venture.

So, the Grondins ordered their brewery equipment by September 2016 to support a six-month lead time for delivery, and started building the brew house and tasting room in November. Throughout this period, there were intermittent meetings with their lawyer and business accountant to set up the partnership and business structure. They secured business licensing and conducted research on the various AGCO licenses required for the manufacturing and sale of alcohol, as they needed to ensure they could allow customers to purchase, carry and consume the product throughout the tasting room, brew house, and outdoor patio space. Then, months later, on June 12th, 2017, not only were their AGCO licenses delivered, but the final municipal amendment was made to permit breweries on agricultural land. The G-L Heritage Brewing Company was official.



All of the elements are now in place for a July opening of Amherstburg's first on-site, agricultural-based brewery, located at 8728 Howard Avenue. G-L Heritage Brewing Company's launch preparations are currently in the homestretch and the team is busy brewing batches of their four launch recipes: Blonde Ale, Rye Ale, California Common Lager, and Chocolate Stout, with seasonal editions to be introduced throughout the year. To stay up to date on the opening of their brew house, outdoor patio space overlooking the barley field and hops plants, and tasting room with retail sales, like them on [Facebook](#) or check them out [here](#).

Is your business agriculturally-based? Are you looking for some financing opportunities? Check out [Farm Credit Canada](#), whose focus is Canadian agriculture, to learn more about some options which could help

you grow your business. If you see something of interest, you can also contact Paul Bateman at 519-776-4219, or Paul.Bateman@fcc.ca.

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