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Ben E. Keith building \$10M warehouse

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Ben E. Keith Co. — a Fort Worth-based wholesale beer distributor — wants to brew bigger business in Central Texas with a new 41,000-square-foot warehouse and plans to double in size in Austin, thanks to growing demand for specialty craft and imported beers.

The warehouse at 2325 Ben White Blvd. in Southeast Austin, renovated and leased by Ben E. Keith for \$2 million, is a holding pen to more than 60 brands of specialty and imported beers with hundreds of flavors. The company, which had two smaller facilities in the Austin area, consolidated those locations as part of a growth plan fueled by growing demand.

The company already has bought 12 acres on McKinney Falls Parkway in South Austin to build an 85,000-square-foot distribution center, which will include office space, refrigerated space, dry sales material storage space, drive-through space for sales car and delivery truck loading, and dock doors for shipping and receiving. The project has a total price tag of about \$10 million and an architect has not yet been selected.

The Ben White location is an interim site the company is leasing for the next three to five years until the larger warehouse on McKinney Falls is completed, company officials said. As the facility space grows, so will the company's local hiring beyond the 44 employees now working in the Austin warehouse, said Kevin Nettleton, general manager of Ben E. Keith's Central Texas operations.

Ben E. Keith's new plans come about two years after it bought the Texas division of **C.R. Goodman Distribution Co.**, including all of C.R. Goodman's operations in Austin, Dallas, Houston and San Antonio.

Ben E. Keith Beverages, a division of food and drink distributor Ben E. Keith Co., distributes **Anheuser-Busch** products and has the rights to sell imported beers, craft beers, wine products and nonalcoholic beverages in 60 counties across Texas.

But it doesn't have rights to sell Anheuser-Busch products in Austin and in various counties, so it's remained a smaller player for decades here.

The Goodman acquisition allowed Ben E. Keith to distribute beverages throughout Texas in bars such as the Flying Saucer — a favorite with beer connoisseurs — and major retailers such as HEB and Spec's. Through its purchase of C.R. Goodman, the company has the rights to distribute Spaten, Fireman's #4, Full Sail, Anchor Steam, Dogfish Head, Ace Cider, Breckenridge, Konig Stone, Duvel, Samuel Smith and Chimay.

"That acquisition helped place us in a spot where we were able to really come into Austin, which has a strong fan base of the craft beers," Nettleton said. "Austinites are starting to grow fonder of craft beers, not just because of the taste but also because they like buying from local, small and independent breweries."

Ben E. Keith's growth in Central Texas due to specialty beers' popularity is reflected industrywide.

Total beer sales in the U.S., which topped \$100 billion in 2009, were flat compared with 2008. But according to Paul Gatza, director of the Brewers Association in Boulder, Colo., sales of craft beers in the U.S. increased from \$6.3 billion in 2008 to just under \$7 billion in 2009. He said imported beer sales declined by about 10 percent last year, in part, because of the growth of the U.S. craft beer industry.

“You not only have a community there in Austin that likes what craft brewers stand for, as opposed to the corporate brands — and has a new generation of beer drinkers that have grown up with that mentality as craft brewing in the last 20 years has come into its own — but you have a built-in audience with the university population,” Gatza said.

Ace Cider, for example, is indicative of Austin’s thirst for more craft labels. Its brewer, Sonoma County, Calif.-based **California Cider Co.**, has hired a sales director locally, David Furness, to oversee its growing sales in the South and specifically in Austin, which have jumped 25 percent per year since 2008, when Ben E. Keith took on the brand’s distribution from Goodman.

“It’s thanks to our business with Ben E. Keith, who pays us faster than other distributors do for our product and keeps our product well-stocked and sold in all the right places,” said Jeffrey House, the cider company’s president.

Courtesy of JB Goodwin