

## CraftBeer.com: Exclusive

Original speech delivered by Tony Magee, founder of [Lagunitas Brewing Company](#), at the 2012 Beer Marketer's Insights Conference in New York City.

Twitter: [@lagunitasT](#)

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Greetings from Northern California!

Thank you Benj for the introduction, and thanks to you Benj for the invitation to talk here today.

Since a thing mostly is where it came from...here is a little background on The Lagunitas Brewing Company...

Lagunitas Brewing was founded on my wife's kitchen stove in December of 1993. Nineteen years down the road, for the full-year 2012, we will ship about 260,000 bbls, although last month we shipped at a 410,000 barrel annualized rate, so we expect 2013 to look something like that for a full year. In the larger world of brewing, this is not really so big, and it took us 19 years to get to this point. The biggest brewers can drive a product to 400,000 bbls in a matter of months. So, what happens when a brand takes nearly 20 years to accomplish the same thing? That is partly what I hope to talk about today.

I suppose the story starts with me. I grew up in Chicago! After graduating near the actual bottom of my high school class, I first studied product design at Laszlo Moholy-Nagy's own New Bauhaus Institute of Design in Chicago. A design professor there is famous for a quote about consumer products; "A product is frozen information". THAT is the actual business WE are in. More on that in a bit.

A year later, I dropped out of Product Design to study Music Composition. I finally dropped out of school all together in 1982 and worked for a time trying to write music for TV commercials, I wasn't very good at it at all, but there are others who are truly great.

Eventually I dropped out a little further and joined a Chicago-based reggae band in 1982. After a couple of years of playing reggae music and living in a van while playing college clubs all over the midwest, surviving on Old Style, bad weed and cat food, in '85 I left the band and kicked around for a few more years as a line cook, a telephone salesman and later in a ceiling fan factory... I worked a lot of nowhere gigs. I finally decided something was wrong with my life's trajectory when in '86, at the ripe old age of 26, I was turned down for a job as a night watchman at a bowling alley...who knew you needed experience!?!?

In '87, I visited California with six suitcases and I found a great opportunity selling commercial printing work, and with this new start, I hit the ground running. Over the next 6 years I worked very hard and earned way more money than my wife and I needed to live on, but the job was a golden ball and chain and I wanted out.

Because of a nasty constellation of ordinary life events, by 1991 I ended up owing about \$30 grand in delinquent state and federal income taxes as we closed on our first house. Simultaneously, all of my ad agency customers cancelled printing projects, deciding instead to wait out the festering gulf war. Noone wanted to mail out Visa card offers while the country was watching Marines ooze out of the water and onto Kuwaiti beaches. So, 1992 saw my wife and I newly married, broke and owing lots back taxes.

In December of '92 my younger brother bought me a homebrewing kit for Christmas. He was bar tending at a Portland Oregon, McMenamin's Pub. I brewed it in February of '93, drank it in March, and I was smitten. There was something in it that I understood immediately, and by December of that year I had my first licensed brewery with a seven-bbl kettle up and running. For me, it was more of a seizure than it was a decision, as were so many later moves over these 19 years.

So, if you're keeping score, I had a mortgage in default, state and fed taxes of now \$50k, bank accounts being seized, a near divorce and a new brewery that cost about \$35k to get running... and, yes, I built the

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brewery rather than pay down the taxes. I was going to have to pay the taxes sooner or later but if I was going to be a slave, I would choose my own work. In hindsight, had the Feds and the State given it a little bit of thought, they might have considered it a good investment given the many, many, millions of dollars in new tax receipts that we have generated for them in the years since.

As with most of the late-first wave of breweries, I started without any idea of what I was doing or what would be needed, but I learned hard and I learned fast. As it worked out, a background in music, especially music composition, turned out to be the perfect preparation for writing beer recipes and even more, for developing a brand. It's not so obvious, but there is a lot of music in beer.

A recipe is all about rhythm, range, dynamics, contrast, counter-point...and a brand is a long-form symphony. A 20-year symphony. A story told with great patience and meter. There's the initial statement of themes, introduction of new material, thematic development, mutation, recapitulation, fugue, contrary motion...the triumphant restatement of original themes...not only that, but a recipe on a piece of paper contains only the potential for a beer, much the same as a music score contains only the potential for music. The process is a translation of the singular into the infinite.

I dunno... this is exciting stuff to me.

We are coming up on 20 years now and for the middle 10 years we were broke than broke, with a quick ratio of .25 and worse. We have been only wholesale, no pub, since inception, so margins were razor thin and cash was scarce. Every morning I would come in and my first job was to get the brewery back into business. I owed, but I answered the phone and I eventually paid. Part of why we were broke was that we also grew at among the fastest rates of any brewer in the country, both by percentage growth and many years even by incremental case volume. This isn't so well known!

Our balance sheet growth almost crushed us. This was during the late nineties when craft famously collapsed under its own minimal weight. San Francisco rapidly became a dumping ground for volume pushes by the larger Pacific Northwest brewers all trying to make their numbers. \$4.99 six-packs were the rule and just walking down the street in San Francisco was dangerous what with all the free kegs rolling everywhere...

This was the world Lagunitas was born into, but, the hard teacher does make for a strong student. In order to survive, let alone prosper, we had to change the game around us, which we began to do in 1994 with a far hoppier bottled pale ale than anyone was used to in Northern California, and it got people excited. We followed that with our IPA, the first in California as a flagship. It wasn't considered to be a good idea to make an IPA then, but, by the time something is a good idea, it is usually too late.

I bet the whole company on the idea that IPAs, and hop flavors in particular, represented the foreseeable future of craft brewing, and as of late, it seems like I was right. That decision helped to shaved 10 years off of our path and allowed us to somewhat catch up with the brewers who'd started up in the early 80s.

We initially began by bottling a pale ale and a stout. Although the pale sold well in the off-sale, I quickly realized that back then, in the mid-90s, almost no bar owner felt like they needed to carry two pale ales on tap. I felt it would be bad behavior to compete with SNB [Sierra Nevada Brewing Company], so I had a problem.

Then one day in a busy bar, got in an argument with SNB's distributor and so they put us on. Instantly we were selling five kegs a week, which was so far above par for us that I realized that people were simply ordering a pale ale. It had nothing to do with us and was not the kind of success I wanted any more of.

In this instant, I saw the paradigm. Sierra brewed Pale as a BRAND and I could only ever hope to brew it as a style. When I sold a six pack of my pale I helped promote the dominant market pale by prodding a comparison. So it was then that I decided to sell 'up' so that we could sell around SNB and not have to bump shoulders. If I was lucky, I too might have a shot at brewing our IPA as a brand...hence the bold graphics and the lack of periods after each letter, as was also the practice back then.

At the time, there were no California flagship IPAs. There was Bridgeport in far-away Oregon. So, for a long time it was open field running...and I also felt strongly that IPAs were the future of Craft. If I could establish a beachhead, I might be able to take a shortcut to the future. Although no such term really existed in 1995, it is now a thought of as a 'West Coast' IPA. That descriptor came along well afterward.

The things we did in the market arose from a highly evolved set of personally held ideas that grew into strategies and were ultimately manifested in the form of an adult liquid in a glass bottle. Then as now, I do all the label design and copywriting, then out of necessity and now for pure joy! By doing this myself, I was even more intimately connected to the brand than if I worked with a design team and a copywriter. The long-form symphony would be mine to write, in first person.

The invisible thing in it all was that the ideas that informed the strategies had little to do with beer. My contribution to it all arose from my own years of music study, composition and conducting, and being in the world with other people, some of whom played oboe and others who bought printing, and now some who loved beer. My long-time marketing man and beer weasel, Ron Lindenbusch and I had BEEN places and DONE stuff and we had a lot to say...

The past summer has been a crazy time at the brewery and on the plane ride out here was the first chance I really had to think carefully about what I'd want to say.

I could talk on any business and brew-related topic for hours, but this is a unique chance to not only talk to a group of my peers in the craft beer business, but also to share something meaningful with the large-scale leaders of the larger beer industry. I really didn't think that you'd want to hear about our special feeling about a particular hop or yet another cute brewery expansion tale. What could I say that would be of some interest, maybe even of some use, to both of these contingents? We are connected by raw materials, stainless steel, trucks and jargon, yet we seem to work in completely different venues.

And then it dawned on me...

We have nothing in common.

And that's the idea that I have to offer...

I'm not talking about intentions, not talking about the liquid, but our very reasons for being. This matters because even though the manifestation of our work rubs shoulders in the trade, and consumers make choices among us, if the reasons for being there in the first place are so fundamentally different, there is no way to reconcile each others presence.

A long time ago I read where Paul Shipman of RedHook described the old regional U.S. breweries who were contract brewing craft-styled products and malt liquors as 'a resuscitation,' while craft breweries were 'a birth'...and there is a big difference between a resuscitation and a birth.

The really large-brand beer leadership who are here live extraordinarily deep in their understanding of structure, research, insight, process, execution and analysis on the road to improved personal and institutional results. This is clearly how a large organization must be managed. We at Lagunitas are working on installing those skill only now. But while we craft brewers may be deficient in some of those important skills, we excel in the first derivative of those particular skill sets...connections, inspiration, performance, cadence, and knowing how to say 'thank you' in ways that feel genuine and soulful.

There is an old expression that goes "The motivation of the pure becomes the justification for the rest." That this is the case is nobody's fault and the people on both sides of that equation work very hard at what they both do, but as you look at craft in its ascendance, you are looking, with a few exceptions, at the "pure" in that construct. We craft brewer founders share the same motivations that drove Augustus the first, Adolf the first, Fredrick Miller, Grandpa Heineken, Hieronymus Cornelius Pabst, Arthur Guinness, August Krug or Leopold Schmidt...

But no one in this room knew what it was that they, the founders of the great brands of today, knew. The things that made them great: the humanity that made their brands connect, how they came to their insights, what drove their performance, the cadence of their brands, and how often they thanked their

customers eye to eye, belly to belly.

What remains are the artifacts of their actions, not their ongoing insight, energy and passion. Really large companies of every stripe are almost inevitably multi-generational, at least consumer products like ours. It can take a long time to build one. Lots of brick and mortar. Lots of stuff.

The only spiritual guidance left for the subsequent steward-leadership appears in the form of the virtually forensic study of the calcified deposits left in their consumers minds, deposits from which one must reconstruct some semblance of the greatness of the former world where the founder walked, observed, acted and willed a brewery, a brand, even a community...into existence. Today's craft brewery founders do not suffer at the door of a research department waiting for a slip of paper to appear showing them the way forward. But, neither do we create the way forward in the way the old ones had to. More on that in a minute.

Here's an invisible nuance; being a newly-minted legal-drinking-age beer-lover today is a lot like being alive when the Founding Fathers were still publishing in the local papers and getting hammered in the local pubs while they wrote the Declaration of Independence on the weekends.

It's like being alive in Elizabethan England when Spenser, Marlowe and Shakespeare were all writing plays, and getting hammered in the local pubs.

Or Vienna in 1790 while Mozart, Beethoven and Hayden were all composing and getting hammered in the local pubs...

This is a time of a birth. The founders of the future of brewing in America are all around us here today and everyday. The last time they were present was around the turn of the century before last! The last time this happened was 100, even 130 years ago. Some among these craft breweries of today will be the global brands of tomorrow. Many will be around for the next hundred years and some more. It is unlikely that Lagunitas will be among the chosen, because for that to be true we would have to be special, and the age-old bell curve will be there to take care of that. I'm ok with that too.

But there will also be people in the future; earnest, creative, intelligent people, running those once-craft-now-grown-large breweries, who also will not know first-hand what Steve Hindy thought about society, or who Michael Layborn admired, or what music Larry Bell preferred to listen to while he wrote recipes. But we are all here now

They say that although fish spend their entire lives in water, they have no idea what water is. What is it then that surrounds us today in the beer business?

We are surrounded by the birth of a future generation of major brands in the form of craft brewing. American craft brewing in particular.

The last time this happened in beer in the whole world was 100 to 130 years ago!

A couple of years back, I was at a round table of craft brewery principals set up by our distributor in Minneapolis, and the topic centered around the challenges the craft brewers were experiencing in that market and how the distributor could assist with those challenges. One-hundred percent of the comments resonated as the same challenges I faced in San Francisco a dozen years before, in the mid 90s.

But by 2011, those issues had all resolved themselves, as they would in Minnesota in ten years. I was stunned by how similar that market was to our own market when it awakened. I have seen and felt the same experience in Los Angeles, Chicago and even here in NYC as the same evolution occurs. But evolution is a product of chaos. If you infuse a chaotic system with sufficient energy then entropy is temporarily reversed and higher levels of order will appear. This is why I don't mind all of the new breweries opening. It's just more energy. After all, this is probably the best time in the last one-hundred and thirty years to open a brewery!

So today, as I mentioned to the round table of brewers in Minnesota; "I come to you from the future."

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The future of the beer landscape in America is a strange and unrevealed landscape. The San Francisco of 2012, is a place where a higher level of order has been established and the ABI and MC wholesalers all require a robust portfolio of beloved craft brands in order to serve their customers. Even more, new bar and restaurant openings begin with craft while the large legacy brands must work to find themselves a place at the table. Portlanders and Washingtonians would also know what I am talking about.

As we sit today in NYC, it, LA, Chicago and other markets across the nation, are all waking from the same long, contented slumber and they are waking to the flavor, community and passion of craft-brewed beer.

And I want to emphasize the “community and passion” element, because that is the engine behind it as that replaces imagery and artifice.

Here's a dangerous thought; I don't really think that the “craft” in beer has all that much to do with it. There are far deeper forces at work in it all: personal, generational and cultural. As Bob Weinberg put it, “Beer is a good lubricant for social intercourse, and it serves as a perfect common currency for the shared values of a revised perception of life, the universe and everything.”

I read the other day where one large craft brewer founder expressed to their people that the biggest threat to their business was that of “a death by a thousand cuts.” A death by a thousand cuts is somewhat purple poetic, but it is something to be afraid of only if you are worried that your customers are promiscuous, whatever that means. It can only occur to a craft brewer through carelessness and especially a larger craft brewer, when one with more vested market equities fails to recognize the true order in the nature of things, and denies their customer's ownership rights. But more on that in a moment too.

And here is a real-life example of the fundamental disconnect between the understandings craft and the obsolete market-dynamic approach of legacy brewers...

A very big brewer just had its annual employee convention in Chicago and a fan of our brewery texted one of my people saying that a brewery VP speaker had just talked about my Chicago brewery project in very agitated terms...and he assured the assemblage that “Lagunitas would not be allowed to succeed there...”

What would you have thought?

I heard this news but felt nothing even remotely like apprehension...only a dull surprise that we mattered more to them than the nature of their product offerings and their connection to the people there. This isn't humility or bravado talk on my part, only a response that comes from a deep sense that we and this brewer are not even in the same business. There are things that age and treachery can bring that might overcome youth and skill, that much is true. But that would be a tracing and short-lived victory for the aged.

I was struck though, that the attendee who sent us the text, who was necessarily also an employee, was still a friend to craft (which is why they sent it), and even more so that they sent the text from the event, meaning that they are in some measure one of us, although still among the others. I was reminded immediately of *Fight Club*. But of course, I'm violating the first rule of *Fight Club*...so I'll shut up.

For a very large and established brand, emerging craft could engender some fear and some very large brewers do worry about that, and so at retail they attempt CatMan shenanigans and they try to combat it with “share of mind-type” programs. These are strong conventional responses. But craft is an unconventional and asymmetrical force.

There is no stopping an inbound tide, at least not for long.

Big craft and even bigger legacy brewers seem to want to “drive” their customers and divide their competition, while nascent craft brewers are turning over the wheel and allowing, and even encouraging their customers to drive them. To drive their businesses, to design their recipes, to design their labels and

ultimately, to create the brewery's very reality.

I'd like to say that again; nascent craft brewers are allowing, and even encouraging their customers to drive them.

This is a profound difference, and it is the thing that has made all the difference for us. Craft is subversive, it's counter-cultural. Craft goes to market in an unselfconsciously asymmetrical manner, like freedom-fighters, like the minute men of 1774, like any disruptive technology.

To beer-lovers, craft is a liquid shaman. It brings the news, it lights a path, it inspires action, it builds community, it incites controversy. Craft is an accidentally asymmetrical competitor created BY and FOR beer-lovers! Craft represents a sort of generational hope in a sea of fear of a pending cultural hopelessness. Consumers nurture craft because of what craft provides, not what it sells, not what it delivers...because of what it provides, not what it sells, not what it delivers.

To borrow a phrase; This revolution will not be televised.

Functionality is a very low-level component of craft. Craft is not "the peoples choice," far from it.

In fact, I'd go as far as to say that it may not even be about beer.

Craft IS people. Craft didn't ENTER the market, rather I believe it came from the people who ARE the market. In other words, we are our own customers. There is almost no supplier/consumer distinction that can be made. Craft is an expression of the tribe, part of a changed culture. Tattoos and body piercing are also all a part of this desire for ritual and for connection. So is Twitter and Facebook and Beer Advocate and Pinterest and every other form of social media.

Here is another tricky idea; I don't believe that beer can really be sold by simply engaging with social media if the brand isn't already part of this paradigm in its essential form.

Craft IS a form of Facebook. Think about that a little bit.

Beer is a curiosity in the realm of human threads. You all know this. Beer is almost sacred in the minds of humans everywhere. Its roots go so deep into our common experience that its very reality is a given. What other thing will a human take into their bodies, sight-unseen, with the full expectation that it will migrate into their blood making its way past the pearly gates of the blood-brain barrier and marinate that brain to make their mind do tricks...?

What else besides maybe cigarettes and communion wafers?

Beer is indeed a form of the sacred. But more on that later too.

You should wonder, after the first work by Fritz Maytag, who exactly were the founders of the first generation of craft brewers?(Of which Lagunitas was a very late early-period entry).

What was the cultural stew from which the brewer versions of the Beethovens and Spencers and Franklins arose? They are people who were raised in the late 50s and 60s. We were raised under the veil of "When You See The Flash; Duck-and- Cover" drills in grade school. Raised in the shadow of various missile crises, hijackers, Kent State, Dan Rather ducking tracer-rounds in an Asian jungle, during dinner, eaten in front of the TV.

There were even Nike missile silos in the suburban neighborhood which I grew underneath. Our favorite TV series included bloody triage and ill-fated operating room scenes on MASH, watched on TV, while we ate dinner. Timothy Leary tripped while Richard Speck killed, and Lake Erie caught fire. Silent Spring was published. These environmental experiences shaped our child's-eye world view.

Think about it...

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A president, who wasn't a crook, resigned in disgrace. Home mortgage rates hovered around 18 percent. Our parents were divorcing and Detroit was a working insurrection as the rust belt spread its career-ending wings. And in the course of time, we all entered the work force in the early 1980s. By the way, that was the last time things were this challenging for collegiates and mechanics alike.

We were ready to answer some call, however faint, for wholeness and authenticity. By the time we were ready to get started, we were Beat. Soul tired.

I'd argue that we, craft brewery owners of the extended first wave, are among the New Beats, as in Kerouac and Cassidy, Burroughs and the rest, whose own upbringing's were skewed and abused by the ethos of the last of WWII. They called themselves Beat because they were, well... beat. Soul tired.

Later they reinterpreted their own descriptor to mean Beautiful once they had found some vestige of the new world view that they searched for. They retreated from the complexity of ordinary society and migrated towards more primal experiences. They built tribes among themselves, they dug backward in time to rediscover ancient ideas about how to live their lives in western literature and the writing of Taoists and Zen masters. They were skeptical of normalcy. Their lives defined counter-culture. They sought raw experience, new music, art and literature above all else. So it is that many of us sought all these same things...for all the same reasons.

The word Authenticity is tossed onto us by private equity and by analysts and industry commentators who don't know what else to call something so primal in its orogeny, but that term is inadequate. It is almost dismissive.

Ultimately the Pure motives of even the Beat attracted the 'rest' and the motivation begat the justification for beatniks, and the Hep, and finally, the drivel of hippies. There are efforts to package the motivation of the pure at work right now in the larger beer world, but those efforts still equate to beatniks and hippies in terms of...well, for lack of a better word, Authenticity.

For a professional marketer looking at craft beer from the outside, it clearly has certain uniform external attributes that seem simple enough to describe. But ask Wolfgang Puck, Jack Daniels, or the creators of Weinhardt's Peach Wheat, Boston Beer's Oregon Ales line, Elk Mountain Amber, Bud American Ale or especially...Pete's Wicked Strawberry Wheat Blonde Bock Riddichio Bok Choy Ale...just how useful the analysis was.

One just cannot become Jackson Pollack merely by studying his paintings.

In the case of Lagunitas, having started this ball rolling down the alley nearly 20 years ago, I have never been certain where it would land, and there have been more than enough interesting and unforeseeable inputs over the years. As with Joseph Campbell's *Hero with a Thousand Faces*, craft brewing is its own hero in its own story—equal parts material, legend and myth—and always a mirror to the world, a chimerical presence, where every consumer that apprehends it sees something in it that is unique to their own point of view. This is intentional on our part. We want to fish for ideas down deep because people will understand, because we believe that we are all the same, that deep down.

For demographers, it is very difficult to nail down the craft consumer. They nurture many brewers simultaneously. The actual language they use is that they are “supporting” this brewer or that brewer. Beer-lovers work from a “portfolio” of brands that speak to them uniquely, and our job is to be as close to the center of that portfolio as possible.

Again, at a loss for a better term, commentators call this connective and very soulful behavior “promiscuous!”...as if that were a BAD thing!

The biggest breweries, and even some bigger craft brewers, hire consultants to do surveys and tell them who they are, or at least who it is that they think that their customers think that they are. We've done a little bit of this work too, and it can be fascinating, but it's slippery ground. There are no arrows that come out of it, no compass pointing north. The research process is a bit like psychotherapy, where you enter a slightly eccentric individual and emerge “normalized,” a variety of Sneetch. You can spot the hole in the

middle of those kinds of brands from a mile away: It's the spot where their soul would have been.

So, to cut to the chase scene...what is it that craft actually is? Why all the passion on the beer-lover side? Why all the wildly energized people on the brewer side? Brand researchers look into relationships like ours in terms of "fundamental human needs." What fundamental human need does craft beer speak to so clearly? It seems that there is a universal attraction to the idea and the reality of it. There is a mile-deep communion going on in all of it. What's it all about?

Across the globe it [craft beer] gets humans excited to think about, to drink, even to brew at home. Seems to me that beer resonates in the human soul like no other thing, short of food and love. No other beverage is even similar.

Here's a dangerous idea...what if you turned the whole chain of causality on its head and looked at things in the mirror? What if breweries were actually created by their customers and not so much by their founders? I'm not speaking metaphorically. Maybe the only brewer ever to take a meaningful risk was Fritz Maytag? He saw what no one else saw was there. And the first craft tribe readily formed around his brewery. He carved out the model and the rest of us have only been playing catch up.

How about this...maybe in the course of the generalized yearning that I've been talking about, humans willed their pet craft brewers into existence. A "first cause." These beer-lovers then nurture their brewers. They tolerate quality issues as they encourage the brewer. They tolerate supply deficiencies, in support of the brewer. They tolerate all sorts of things, much as a parent nurtures a child as it fumbles and grows in its own understanding of the real world.

The brewer is implored to intuit their customer's unnamed desires and to express those fundamental human needs through the medium of beer. Beer lovers don't even know what it is that they want, but they know what they desire...or even need, and they look to the brewers that they have fostered to brew community and illumination in return...

They look to the brewers that they have fostered to brew community and illumination in return.

This is the brewer as a medium.

They are less themselves than they are a channel, serving a fundamental need, with the brand operating as the oracle. I'd suggest that our industry is not something we brewers brewed up, rather the collective desire of beer-loving humans willed it into being. I might take credit for something done at the brewery here and there--a recipe, a mash temperature, a label design--but I would only have done it in the first place at the unspoken urging of the desire as broadcast by our creators: beer-lovers, or more specifically; a tribe of humans who have agreed that beer is a suitable medium from which to build a community consensus.

The Declaration of Independence was summoned from the aether and into existence in the wake of French Humanism and the subliminal possibilities of a new continent. Shakespeare was willed into writing by an environment of freer-speech ideas in the Elizabethan era. Beethoven was the ultimate humanist in a romantic suit breaking out of the shackles of the Baroque and Classical traditions that he sprang from. None of this was as much an act of will as it was a summoning forth, and some number among the qualified answered the call.

That makes the relationship between the source and the destination somewhat unseen and again even sacred and in the case of craft beer, also servant-like on the brewer's side. You only have to think for a couple of moments to recall the names of now former brewers who violated the terms of the relationship: They betrayed their sponsor in some unnamed way. They betrayed their lover, broke their sponsor's heart through actions large and small that denied the true order of things. Those brewer's brands receded from the light either into oblivion or at least into a needy and isolated Gollum-like existence, still struggling to re-earn a seat in the hall nearer to the light of acceptance where growth comes readily and opportunities seem to be everywhere.

That sounds like crazy talk, doesn't it? But I think that it's closer to the truth than anything else. It sure has more relevance and intentionality than the other words like Eexperimentation, or hoppy, or authentic or promiscuous. This is where the idea that any one brewer built an "industry" and promoted better beer to some group called "consumers" fundamentally denies the deeper nature of things.

So, even if all this existential thinking was true, what use would it be? What should the beer cost? What beer would we brew next? What color should the next label be?

In this current turbulent socio-economic period, craft brewing has a lot to offer the mega-brewers of the world. We didn't invent any of this, rather we revealed it and it invented us.

The ancient word apocalypse comes from another word that meant "to make visible." There is a beer apocalypse taking place all around us right now, there is a revealing of an unanswered desire, even a need for community and connection and...well,authenticity.

Craft brewers are showing it to you, the biggest brewers in the world. Your inclination may be to compete with us, but you cannot stop the inbound tide that our shared consumers are bringing, at least not for long. It may be most beneficial to align with us. It might be best to see us as a "source," something far richer than just "specialty beer." We are not amateurs, we are not lucky, we are not even troublesome.

We are the stewards of the next reservoir.

Aligning may not be possible--and I'm not sure how that would work anyway--so we may be destined for a long and drawn out engagement, but I'm certain that there are better paths.

For me, in times of ambiguity, when I'm in need of guidance, as my grandmother used to do with her King James Bible, I stick a pin into my favorite volume of Kafka. I did that a little while ago while thinking about the nature of our brand and if things were as they should be, or if we had "managed" it a little too much. I came onto this parable and it set me straight...

Many complain that the words of the wise are always merely parables and of no use in daily life,  
which is the only life we have.

When the sage says: "Go over," he does not mean that we should cross over to some actual place,  
which we could do anyhow if the labor were worth it;

He means some fabulous yonder, something unknown to us,  
something too that he cannot designate more precisely, and therefore cannot help us here in the very  
least.

All these parables really set out to say merely that the incomprehensible is incomprehensible,  
and we know that already.

But the cares we have to struggle with every day: that is a different matter.  
Concerning this a man once said: Why such reluctance? If you only followed the parables  
you yourselves would become parables and with that rid yourself of all your daily cares.

Another said: I bet that is also a parable.

The first said: You have won.

The second said: But unfortunately only in parable.

The first said: No, only in reality. In parable you have lost.

Brands are like this too. The brand that lives in parable rids itself of all its daily cares. This is the daily aim of our business. There is another great quote by I-don't-know-who that goes something like..."A little sadness and suffering are necessary to sharpen the intellect so that it may grow a soul." Craft brewers from San Diego to Israel to Argentina and back all know the suffering and sadness of growing a thing from zero into a stable existence.

This is why it is so very difficult for more mature and developed, bigger and later-generation companies to be truly soulful. The soul in the brand's initial incarnation has moved on to other realms. All that are left are artifacts from which the successors must reconstruct some vestige of its legacy, in the same way that Mr. Kafka also describes churches and cathedrals as tombs and monuments to departed Gods. The later-generation operators of any large brewery drive a highly nuanced road filled with well-researched do's and don'ts, rather than the more visceral and exciting gut reactions and libertarian personal judgment calls.

Here's one fun-fact that should give craft brewers encouragement, and at the same time, confirm that what is happening with craft is less about U.S. culture than it is a thing serving a universal and fundamental human need...

A hop processor that we work with in the Yakima Valley, one of several operating there, shipped one million pounds of 2011-crop aroma hops to Europe last year. I'm talking Citra, Simcoe and Amarillo... Seems the American craft flavors are being reproduced and enthusiastically consumed in Scotland, Britain, Italy, even in China, Brazil, Ulaanbaatar... That volume was up 100 percent from the year before and expectations are that nearly - two million pounds will be shipped of the 2012 crop. At around two pounds/per barrel...well, you can do the math!

What is happening in the U.S. seems to be contagious, but then there are creatures with fundamental human needs everywhere you look.

I'll say again, the very best thing about being an American beer-lover today is not just the variety and innovation alive within the ethos of American craft brewing. Those things themselves are only artifacts of something far more interesting.

This next thing, however, is the important bit. The most fascinating thing behind the invisible thing at the center of the onion...the very best part right now is that by empowering beer-lovers we get to communicate a fundamental human need for community and passion directly into the mind of a vessel as manifested in the form of a founder of a particular vision for a brewery as first commissioned by the unspoken desires of those same human beings.

The communion melds the two constituents into an entire worldview as encoded in the extremely individual presentation of an ancient adult beverage made new under the influence of that entrepreneurial urge that is more uniquely America than any other single thing.

The logical extension of this would be that craft breweries may continue to open a new brewery everyday for the next hundred years until there is one brewery for every consumer...OMG.

I hope that in the eyes of consumers we at Lagunitas wear our soul on our sleeve, and that in letting it all hang out we will find companionship. You can call the brewery a business that makes an adult beverage, and describe it in the quantitative terms of share points, IBU, feet-on-the-street, and finance— and those metrics do make conversations easier— but those metrics do not contain the brand any more than a clock contains time.

The measure of a brand is in the feeling you have for the images behind the memes that lay behind the meanings of the words that the metrics use to explain themselves...and those images are all about souls connecting.

I hope you agree; meaning, I hope we can connect on that.

Beer speaks, People mumble. Thanks for enduring my 40 minutes of mumbling...

Cheers!