

Name of Interviewees: Peter Bouckaert and Brian Callahan
Date of Interview: May 4, 2017
Name of Interviewer: Theresa McCulla and Steve Velasquez
Length of Interview: 65:21 minutes

TM: [It's May 4, 2017. This is Theresa McCulla and I am here with Steve Velasquez of the National Museum of American History.] We're interviewing Peter Bouckaert and Brian Callahan of New Belgium Brewing Company. We are meeting at the brewery in Fort Collins, Colorado. This interview is part of the American Brewing History Initiative, a project to document and collect the history of beer and brewing in America. So, Brian, we'll start with you. Where and when were you born?

BC: I was born in Baltimore, 1965.

TM: And who were your parents?

BC: My parents are Gail and Larry Callahan.

TM: And what did they do?

BC: My mom was a stay-at-home mom. My dad was an educator.

TM: And did you grow up in Baltimore?

BC: Yes, my parents bought a house before I was born and sold it 25 years later and moved about two miles away.

TM: Here, from, in Colorado?

BC: In Baltimore. No, in, all in Baltimore. Yeah.

TM: What was it like growing up in Baltimore?

BC: It was classic suburbia. We, we grew up in the suburbs. And, you know, I would say it was very much a classic image of the middle-class American Catholic family.

TM: Do you remember much about the, the food culture? What you ate or drank in the household when you were younger?

BC: You know, it was pretty standard. I mean, we had, my parents had five kids. And they were on an educator's salary. And so, it was pretty basic, standard fare. And you know, interestingly enough, neither of my parents drank beer. They drank wine or, or cocktails. And so, that wasn't exactly a high, high part of my growing up, but it was, you know, I think it was, I always envisioned, you know, I'd felt my childhood was very happy and normal, you know, for a big Catholic American family with, both of my parents came

from families of five kids, so at, at gatherings, there was always lots of food and drink, and, and lots of cousins and aunts and uncles and, and extended family around.

TM: And where did you go to school and what did you study?

BC: Oh well, I went to Catholic school, first grade through twelfth grade. And, and then, I went on to college and ended up getting a degree in anthropology from Syracuse University.

TM: And, I'll move on to Peter then for this first set of questions. Peter, where and when were you born?

PB: I was also born in the same year, in Kuurne, Belgium. Yeah. [Laughter]

TM: Who were your parents?

PB: And my parents were Jozef Bouckaert and Godelieva Vandoorne. My father worked mostly for the city. He did all kinds of jobs from civil, like, birth certificates to financial guy from the village to festivities. He was then a, the, the little village merged in a larger city, and he became head of festivities. And he liked that part. [Laughter]

TM: And you, could you describe a bit your childhood, what it was like to grow up there?

PB: So, also Catholic family, but at that point Belgium was pretty much 100% Catholic. We had four kids, three sisters. We moved, also, similar, like 3 kilometers or something to another village because my father had to live in the village where he worked. First we lived next to the church, and then we were living to, close to the forest they called it in the village, but in Belgium they put a road into the forest, so then they have two forests. So, the forests are very small. Went to Catholic school also, so, from kindergarten to 18. And after Catholic school, there's two school systems in, in Belgium: Catholic and, like, from the state. But they're both funded by the state. But then I did engineering in, on the state university, moved from, in between towns but I, in the end I did an engineering biochemistry option, chemistry option biochemistry with specialization in brewing and fermentation science.

TM: So, the question then for both of you is how you first became interested in brewing, if there was a kind of formative experience? It sounded like you were already interested while you were in school.

PB: Yeah, for me, I was interested in life science. I wanted to understand how my body works and, and how nature works, how plants grow, and a bit more from a chemistry stance. So, was due to influence of a teacher when I was 16. But that was pretty boring in the sense it was very [unintelligible], very small scale school. And we had a brewing department in our school, and they were always running around with their boots and moving product

around with hoses. And every time we passed by there, “Whoa, this looks way more fun.” And so, then that’s why I had the specialization then became brewing and fermentation science, where we were seven in our class, and four of them ended up in brewing or malting.

TM: Okay, and were, most of these students, they were training to work in Belgian breweries?

PB: Yeah. It’s funny, there’s a, education is always lagging the marketplace. We see beers, I’m working on a CSU program here on fermentation science because there are so many breweries. But in Belgium, the breweries were in decline and there were still five brewing universities. So, from those seven, three during our study said that we wanted to move abroad and three are living abroad.

TM: Okay. And how about you [Brian]? In terms of formative experiences related to beer?

BC: I got into homebrewing after college, and was an avid homebrewer, brewing on a weekly basis and, and recording all my, you know, documenting all my beers, and, and really took it seriously. And I had a tour of New Belgium when they opened up.

PB: In the basement.

BC: In the basement. Came for a little tour, which you know, took all of, you know, five minutes because it was this tiny space. But seeing a brewery that small in production selling beer inspired me to think I could open my own brewery. Because it was so small and so tangible, you know, had I come to a brewery *this* size, today, it would’ve been so overwhelming I might not have ever considered it. But seeing that little basement operation made me think I could open my own brewery. I contacted Jeff and Kim, thinking that they were a start-up, they would probably like some free labor and offered to work for free to learn the business. And so that’s how I started.

TM: So if you didn’t grow up with beer in the home, what made you want to homebrew in the first place?

BC: Just the desire for more variety, you know. It was, you know, that was the late ‘80s and, and craft brewing really hadn’t begun much. And so, it was, you know, again, it was light lagers: Bud, Miller, Coors style of beers. And, and just to, to have flavorful, affordable beer.

TM: Okay. And so, at that time, did you feel like there were places where you could get supplies, ingredients? Had that industry really developed yet?

BC: It had come along. There was mail order and I was living in Laramie, which is 60 miles north of here. And there was a homebrew shop in Fort Collins. So, we would come down to go to the homebrew shop and get supplies.

- TM: And how did you hear about New Belgium at that early stage?
- BC: Another homebrewing buddy, just mentioned, “Hey, a new brewery opened in Fort Collins, you want to go check it out?” and I said, “Oh, yeah. Of course I do.” So, we set up a tour and came in.
- TM: Okay. Excellent. So, Peter at that point, you were still in Belgium or could you describe the beginning of your career in brewing before you came to Colorado?
- PB: My first brewing relation, related job was before army duty, it was still mandatory army duty. So we had to wait until they called you. And so, I worked a bit for a distributor there delivering kegs and, and bottles in bars and then on an off-premise. But, then after army duty, so we did an internship also. You had to do your internship, so I worked in a relatively big brewery in Belgium at that point. And then, after army duty, I started a couple months later in a brewery called Rodenbach in, close to where I grew up. And it was basically the beer I had been drinking forever already at that point. And became the *Productiechef* [chief or production] was my official title, but I was basically running all of the beer-making initially. Later, then also the bottling and kegging.
- TM: Okay. And so, as you were growing up in Belgium, could you describe a bit the kinds of beers that you would have?
- PB: The kinds of beer. In, in Belgium, you have table beer, so it’s a beer around 2, 2 and a half percent alcohol. And that’s what, we didn’t have Coca-Cola when I was growing up. That’s what you drank. And when you go to Grandma, or at lunch, at the table at home, or even in school at lunch, they were serving the table beer. So that was my first experience with beer. But those beers were really bad and we always trying to find water, but we had to [Laughter]. But, and so the first brewery I worked in was even making four table beers. And, and then, Scouts in 13 was really the first time I had a beer that I enjoyed and that was a Rodenbach and the beer, the brewery there, where I worked later, because that was a sour but also slightly sweet beer, so it had, didn’t have the bitterness. And it was a very approachable beer, I think, for younger people. That’s maybe very bad to say here for, in the U.S., but that’s [Laughter] how it is. So, for me, when I stopped drinking milk, my mother used to buy 12 liter bottles of milk and they had to switch it to 24 crates of Rodenbach, like [Snaps] on a moment. [Laughter]
- TM: And so as you came, as you got older, did you feel compelled to work in brewing still primarily from the science perspective or were you becoming interested in the taste?
- PB: Yeah, for me, it was really still about the science because I, I still to this date, I think it’s a beautiful product. It’s an [unintelligible 11:25] product. But also, there’s a lot of technology from microorganisms, enzymology, pumps, flow of liquids and also solids on the grain side, DO, dissolved oxygen, in, in packaging. There’s so many aspects of it, and

I, I am more a generalist in, in brewing, I'm not a specialist. I *love* way too much from beer. I want to do it all, but you can't do it anymore, all, nowadays here. [Laughs]

TM: Okay, and so you, you learned to brew primarily in an academic setting. Who were your other mentors or inspirations along the way?

PB: Yes, so it's kind of a whole, homebrewing was not very big in Belgium. Beer was cheap and, and varied. There was a lot of choice. But for me, my mentor, beyond my professor Gilbert Baetslé, was really, the first brewery I worked in. I was cleaning tanks, you know. It was horizontal tanks with brushes, and, but the brewmaster came calling me out whenever there was a problem. He was like, "You need to go." And he, Antoon Lietaert, was very instrumental for me, like, giving those type of, like, running to the problem and he stops, and he's like, "Peter, there's something you will have to remember all your life if you're a brewer. Forget ab-, forget about the past from time to time." And he keeps on running. And then later he explained what he meant. And, he was a guy like this who said things that were fundamental, that you always will keep with you in your life.

TM: And what did he mean by that?

PB: It's, there's, we create wort, which is a sugar-rich liquid, and from time to time, you want to get rid of the past. There's a lot of microbiology that comes with it, so you boil it. If you go through a difficult brewery, like here, with a bunch of different processes from beer spoiler organisms that you have on site, how do you, going to separate them out so that they don't come in the package? And so you have to form from time to time a line of safety for your product not to evolve or not to go bad in the bottle. And that was what he meant, but I didn't understand it when he said it first. But, he was a guy, a really great guy. And then he visit me once when I was talking about New Belgium beers in Belgium, a blind tasting. And I was so happy to see him.

TM: What would you say was the most challenging aspect of brewing to learn?

PB: People management? [Laughter] Because I, I was an engineer, you know? You learn to make beer, and then you become responsible of a whole department. You have to make the beer, you should have some skills with that. But we made crazy beer at Rodenbach, so that was a weird experience. But it was really about, you had to run everything in the production side. And we were not very well-equipped coming in as a students from that.

TM: And Brian, as you were learning to brew, what were some of the difficulties that you encountered or challenges that you found in the brewing process early on?

BC: Well, I mean, in some respect it was the blind leading the blind. Jeff is an incredibly smart person, and, and was pretty well read. But, you know, he had no brewing experience before starting a brewery other than being a homebrewer himself. But he was

a, you know, very bright guy, and a, an engineer also, and so, great problem solver. So, you know, everything was new to us, you know, everything we had to learn, you know, either from reading books or there, there wasn't really any formal education other than maybe a week-long course here or there, something like that. So, it was, just a matter of, you know, trial and error, figuring things out.

TM: And so, when you joined New Belgium in the early years, how did you get customers? How did you woo consumers?

BC: We were very fortunate, that it was, it was largely word of mouth. You know, we did some, initially, Kim did some sales calls. Our beer debuted at the Colorado Brewer's Festival. And from there it really spread word of mouth. Accounts would call us up, you know, and, and ask to carry our beer. So, we were very fortunate in those early years that anything we could make, we could sell.

TM: At this point, were you brewing Belgian styles of beer?

BC: Yes, we started in the beginning with Abbey, which is our Dubbel style and, and Fat Tire. Those two were the first two. And then, in that first year, also Trippel came along, Sunshine Wheat, Old Cherry Ale. And so, those were, you know, inspired by Belgian beer styles.

TM: And could you talk a bit about how Jeff, what prompted him to brew Belgian styles in the first place?

BC: Well, certainly, you know the beer culture in, in Belgium. Jeff really loved, you know, how beer was celebrated there as, as the French do wine. And so, you know, just that it was so celebrated and cherished, it was a special experience, it was not a commodity. And, and certainly, so that was a, a big inspiration, and then, the, the sheer variety of beer available there was unmatched anywhere in the world, you know, the, the Germans were limited by their *Reinheitsgebot* and, and the British just weren't that creative like the wacky Belgians were. And so, you know, the, the variety and, and the types of breweries, you know, the farmhouse breweries, the little breweries, and of course they had large breweries. They, they had some breweries producing lagers and, and whatnot, but they just had such a diversity of not only beers but breweries, too, that was very inspiring and, and something, that you know, needed to be brought over to the U.S. You know, at that time when we started making beer, nobody here was making Belgian-style ales in the U.S. And, and there were very little being imported into the U.S. So, it was a huge opportunity for us, and of course on a local level, when we started, Odell's was here and they were a draft-only brewery and CooperSmith's was here and they were a brewpub so they were on-premise only. And we came out in bottles. So, in addition to focusing on Belgian-style ales, we were a bottled, packaged beer brewery. So, that was a, certainly a niche for us also.

TM: Why do you think at that time, and even, even a bit after, Belgian styles were a bit under the radar compared to German or English styles, even if you know, they might have been a little less diverse in their flavor profiles?

BC: Yeah, that's a good question, why was the Belgian brewing scene flying under the radar? You know, I think most Americans, when you think of beer, you think of Germany. You know, certainly, a lot more German beers were imported. Maybe because those were lagers and you know, for the average American consumer, to make the jump from a Bud/Miller/Coors to a Heineken, or something like that, was an easy leap. You know, most people, that's the kind of beer that Americans drank and they, very, back in those days, they more than likely drank what their father drank. And, and so, their palates were geared towards those light lagers, which were designed for easy drinking and, and drinking in larger quantities, and then you have these full-flavored Belgians and, and you know, we still see that today. If you have people who, who really like light lagers, getting them to make the jump to craft beer, certainly it wasn't easy back then. It's, it's certainly become the norm now for people who are, you know, 21 or something, they're not drinking their fathers' beers. They're drinking all kinds of new stuff. And, and so the times have changed, but back then, I think it was, you know, more, what's closer, you know, "I'm going to celebrate. I'm going to buy a nice beer, well, I'm not going to buy a Belgian beer. I'm going to buy, you know, a, a German import or whatnot."

TM: And so, Peter can you describe the circumstances that led to your move to Colorado?

PB: For, for me, I was exposed by American visiting, Americans visiting Rodenbach when I was working there. And, and I saw an evolution from people absolutely not familiar with sour beers to people liking sour beers and then bringing me oddball beers and for me was, somebody who brought in Bigfoot from Sierra Nevada was really, kind of a key moment like, "Wow! There is something happening." And my sister was living in South Africa, where we're gonna, or southern Africa, but she was just moving, Mozambique to Namibia and so, we were going to go to Africa, but last moment, since she was moving, and we didn't know where she was going to be, we decided to travel to the U.S. because it was easier. And we came also looking, and we visited a lot of breweries, we flew in on Atlanta and then to west here. And it was amazing at that point already to see how much breweries there were at that point. And how it was evolving here and how lot of very hop-forward beers already, Cascade beers, Cascade hop beers were out here. So it was very surprising for us that it had evolved to that extent already. Because we were thinking about the U.S. as, it's a pale lager beer, you know, a pale lager country.

TM: Do you remember some of the breweries you visited at that time?

PB: I visited one, the first one was in Greenville, it's, it's closed down. It was a brewpub in, in Greenville, South Carolina, because a nephew was living close and then, I think we

went somewhere in San Francisco next? We visit one in, in Las Vegas, doesn't exist neither anymore. We, we had a couple of breweries that we visited along the way. And, and yeah, we saw a change. And it was the year after then that I was invited to speak at the Craft Brewers Conference in Boston, where I met Kim and Jeff and Brian, and, and that they were talking about, "Hey, we would, we're looking for a Belgian brewmaster." So that our paths crossed, basically.

TM: And Brian, do you remember from the New Belgium side, the interest in Peter, how did that come about?

BC: Yeah, we were at the Craft Brewers Conference in Boston and, and had put the word out that we were looking for a brewmaster. And you must have approached Jeff or something, I don't what happened with that first conversation, but we ended up at dinner, right?

PB: Yeah, for me, it was funny because they, they approached me, the Austin conference was the year before. And they approached me and they were going to offer the hotel and the conference, and Rodenbach was not interested in, in flying me out there, or why would that be of interest. And so, then the next year, they approached me that they had, also were paying for the flight, and after I spoke, Kim and Jeff walked up, and they're like, "Hey, do you know we are the guys who paid for your flight." And I didn't know because they, the Brewers Association or, before that the AOB had approached me with, basically, "Hey, we could fly you out, you speak, you can stay, you can go to the conference." And, and so we went together to dinner and it was during that dinner then that they mentioned that. But I didn't know that New Belgium had paid that. And New Belgium had to offer that to fly two Belgians out to talk about Belgian beers at that conference and that they were going to pay for the flight.

TM: And then, when did they invite you to join the brewery?

PB: At that dinner. But I was also starting up my own brewpub in Belgium at that point. And, and the only thing that came to mind was for me, good luck, like, if you want to hire a Belgian brew master. But we were staying at Darryl Goss's house who was the brewmaster in Cambridge Brewing that I knew from before. And he's like, "Do you know where Colorado is? That brewery, the New Belgium, it's kind of an up and coming brewery. Why don't you give it a consideration?" And he kind of talked us into. He knew I was working at Rodenbach and running my own brewpub. And he was still trying to push us to consider it, and so, we decided to drive out here from Boston because Belgium is pretty small, in three hours you can cross it, but we went through Maine, and, blah blah blah. [Laughter] So we arrived here and there were mountains and...

BC: Seven days later.

- PB: I came up with a ripped-up jean short and Brian pulled me right away in an office for an interview, and they, they were serious, those guys.
- TM: So, you made this decision to move. At that point, when you left Belgium, what was the brewing industry like in Belgium and Europe that you were leaving behind?
- PB: Belgium, was at that point in a, in a collapsing, still, in a sense that Stella Artois and Jupiler had joined forces and became the largest brewery in Belgium. And, so that was '86. And by then, they had bought Labatt in Canada and that became ABI. And so, but within Belgium, the years that I was in Belgium, they were buying Belgian breweries to form their own portfolio. Exactly what we see here happening right now, with Wicked Weed yesterday, sorry. But so, the consolidation had happened, and so it was really hard to go to market. And so, beer like Rodenbach that you age in foeders was really hard to go to market. Yeah, you only asked about Belgium, not here?
- TM: Well, but I'm interested too what the industry was like in...
- PB: Here, there was still plenty of opportunity in the sense that if you could produce it, you could sell it. It was crazy. Coming here, we were only with 30 people producing around 35,000 barrels when I arrived, but we were already on this site here on Linden 500. But, we just had to make more beer, then we could sell more beer. It, it was, together with I, with me there were a bunch of other specialists that came in. We finally hired a marketing guy, a sales guy, Greg Owsley, John Shireman, and Ron Setzer, because we didn't had to do sales. And, but we finally had to bring in some people to surround Kim and Jeff because they were doing all, everything still at that point.
- TM: And how did they balance their roles in the early years? What were their respective responsibilities?
- BC: Well, they shared business management responsibilities and, and Kim was on the sales and marketing side. And, and Jeff was on the brewing, engineering side. And then, I came along and became the production manager. And I was the get-the-beer-out-the-door guy. So, yeah, but then, I mean, it was largely that.
- TM: Great, and so Peter, when you arrived, what where the first steps in terms of modifying the recipes or working with the recipes that were there?
- PB: New Belgium just had gone to an expansion in moving here from a, a 20-barrel system to a 120-hectoliter system. It was a huge expansion and they lacked the capital because brewing is capital intensive. And so, there were so many basic brewing issues here, from bad wells to, for me when I came here, I'm like, "Wow! I can come here and..." You can change things here so fast, just on quality level. But it became, it was really because they just went through a huge capital layout, and had to cut some corners because they

couldn't afford it. And so, gradually, we worked through those issues and for me that was a fun time for me to work on that. Because they were basic brewing stuff, you know, it's things that I can do that you know, but you can only sequence them as you have the money to, to deal with it.

TM: So, over time how does recipe formulation work at New Belgium, then and now?

PB: Recipe formulation changed quite a bit, or morphed quite a bit to time. Initially the market was quite more solid. Brian already named the five beers that we were making and before I started you had made once Frambozen. So for me, the first time I worked on a beer was Frambozen, who is Flemish for raspberry, so it's a raspberry brown ale that we used to make. And so, there were issues there because the fruit had a lot of pectin and, and didn't filter at all, and so, that was my first new beer development, but then we started with seasonals, who were something new for American breweries. They started making seasonals to 4 or 5, 3 to 5 a year. And so, that became really a new product development. And we spun off some of those into year-rounds. But the cycle of new product development had just sped up and sped up and sped up and sped up because now I'm one of those persons that go to a bar and I'm asking, "What's new?" And this has become crazy in the speed of development so we had to build out further and further our new product development. I used to do all the new recipes because we were capable of doing it. And we did it right away full-scale. But now, we had to put in a pilot brewery where we have multiple pilot brewers brewing multiple beers a week, and some don't say, see the daylight because they can be tests that we don't want to offer, but a lot of it we often here, offer here in the bar because we already get very early customer feedback. But the rate of new product development is at such a high level right now that it's almost unsustainable for the distributor mainly, not for us. [Chuckles]

TM: One question about ingredients, I would guess that you have long worked with a larger variety of yeasts than many brewmasters in America. What is your process of working with yeasts, developing strains?

PB: Yeah this, from, when I started here we had two yeast strains. They had made the lager Boneshaker, but only as a one time. But we have kept adding yeast. From a brewing technical perspective, yeast are producing different flavors, so you have to keep them absolutely apart. And the techniques that you need to apply are cleaning, of course, but also, then, we don't reuse our yeast too much because if there is a potential that they could be cross-infecting, you don't want them to propagate together. But then the worst part was bringing in a wild yeast, Brettanomyces, and then on the other side, the sour beers that we are aging in our foeders. There we basically have all the beer spoilers that would turn Fat Tire in completely, a complete nightmare. To bring that in, you, you had to step in, step up your cleaning, but also your detection capabilities. And so we, through

time, we've gradually morphed those two into a higher level every time we brought in another risk.

TM: Okay. Could you describe a few of the beers that you brewed here that you feel are most significant to your career or significant to the change in New Belgium's image as a brewery?

PB: In New Belgium image, I think it was IPAs, or highly hopped beers, because they're not very common to Belgium and we don't sell in Belgium. We, we sell here. And so we had to adapt to the market. It was a cultural struggle, but it should never be a company struggle to do so. And because you have to sell wherever you sell. Technically, because I worked in specialty beers in, in Belgium, for me, the funnest one was making a lager. And the brewery at that point was completely not set up to do so. And I had to literally dance around the equipment to develop the recipe to, to make it suited for the brewery and still make it taste like a, a lager. I, there's only three ingredients in brewing: knowledge, experience, creativity, and that one was really knowledge. And there's some other beers that are creativity, like Bière de Mars from me. But you, you mix those ingredients in different levels to create a beer.

TM: Aside from the kind of unique factor of making Belgian beer, how would you both describe New Belgium's brand or what distinguishes it among other breweries?

BC: Ooh, that's a tough one.

PB: To me, it's more, it's beyond beer. It's who we are. We are New Belgium, we are an industry leader in how we run a company. We see such a sell-out now from breweries, craft breweries that are selling to big breweries, international breweries, and we sold the company to ourselves, to the employees. And that's maybe a hard one to market, but this ESOP [Employee Stock Ownership Plan] program that we have in the U.S. is such a unique concept that it's potential for original owners to sell the company to their employees. It, it's a very nice set-up the way it's set up. And, it's maybe hard for fast-growing breweries, but this is who we are. Second is also that we are from the get-go, even before it became maybe too fashionable, we always were very focused on the environment. For me, the unique part really lays in who we are. And we could make widgets, and we still could be New Belgium in my eyes. We just happen to make beer. That's kind of what would be my approach.

BC: Yeah, I think that's a great point. You know it's, the ESOP is, is certainly an important part of who we are, but even beyond that, the way we've run the business all the years, having core values and beliefs, and, and adhering to those has uniquely made us New Belgium. And I think, you know, it was interesting, one of the things I do when people leave the company, I do an exit interview, and one of our sales guys left and, and he said, you know, that it used to be a competitive advantage but now so many breweries have

copied our, our business role model that it's not so much an advantage anymore, but we certainly are the leader in that, and I think we've done an amazing job in living up to those core values and, and you know, running the business the way we've done. And you know, a lot of credit to Kim and Jeff, but also a lot of credit to all the old timers who helped lay that foundation and, and continue that to this day.

TM: So, it sounds like the ESOP program is really, it's strategic from a business point of view but it also probably, I imagine, impacts the work culture here to be an employee day to day.

BC: It does, it's, it's, you know, the ESOP is really a retirement vehicle. It's not a get-rich-quick scheme at all. But it, and it's really, it's another tool in the arsenal for getting people to think like owners and think like entrepreneurs and, and you know, run this business for the long term, and, and you know, to put their passion into their job. It's, it's just one of the many tools, you know, that, again with those core values that, you know, we're here for the long term, we're here for the people, we're here for the planet. We're here to make great beer and how do we make great beer? We do it by showing up and, and being passionate and being excellent.

TM: Over the years, New Belgium has expanded very much. It brews at a much larger capacity now, of course, than at the beginning. What is, do you have a kind of goal or an end point for the brewery in terms of the customers that it wants to serve or, you know, what do you foresee for the future in terms of size?

PB: I was surprised moving here. Initially, it was really hard, but we were always been very intense planners. And so, when we were nine years old, so in 2000, we made a 10-year plan, and we achieved that plan in seven and something years, seven to eight years. And then we, were working on our second 10-year plan. I'm not allowed to formulate that because that's a competitive advantage. But, we morphed at and, this industry has become a little bit harder to predict. We didn't see that many breweries coming along. But that's I think very unique on what the U.S. is about, that all those breweries that are popping up. So, if you make a 10-year plan at such a young company it's hard to foresee those items, but still if you do an annual review on your 10-year plan, on how do you morph it to the extent that you can be a market player or have advantages in, in the competitive landscape, I've, I've always been amazed about this company on being so proactive on the planning. And we have a, had board member from town that came in here, and he's going to, he came in, and he's like, "Wow. I'll be able to learn some structure and some planning tools and, and this bunch hippies." And he came in here and was like, "What? You guys have this?" He was completely surprised that we had so much structure, but you still can be a hippie. If you run a company, it's a larger company right now. You need to have structures in place to, to run a company. But you don't have to behave like other companies. You can still play volleyball on Thursday. [Chuckles]

TM: Brian, how did your, how have your responsibilities changed over time here at the company?

BC: My responsibilities. Oh yeah, they've probably changed more than anybody's. You know, I started as a volunteer on the bottling line and then learned how to brew and then we got a filter, learned how to filter. And, and then, became production manager. And because we were almost all production people in those early days, I was also the human resource manager. And then, in 2000, we created the ESOP. I sold my shares in the company to help create the ESOP. Kim and Jeff sold a little bit of their shares. And so, that gave me a little financial freedom. I said to Kim and Jeff, "The brewery is growing faster than I am. We need some expertise in these positions." And I said, "I love New Belgium. I don't want to leave, but I'm also tired of the 60-hour work weeks. My kids are only young once. I would rather be in a supporting role." And so, I stepped down. We hired people to do production and human resources. And I started in a supporting role, doing projects, supporting production, doing various tasks, and, and then, started helping host distributor trips and incentive trips and, and departmental activities. And that, the newspaper actually ran an article and they called me the Director of Fun. And so, since then, I was given that title by the newspaper article, I've been trying to live up to that title. So, over the years, I have sloughed off the less fun responsibilities and, and you know, tried to think, what should a Director of Fun be doing? You know, because there aren't many, if any, I've never really heard of a Director of Fun anywhere at a company. And, so it's been one of, what does a Director of Fun do? And so, that's kind of still the question I ask every year, "What should I be doing?" So that's what I do. And it's, it's internal community building. You know, we certainly have people who run events and, for the public. And I can do that in a supporting role for them. I, I will help that team also, but primarily I'm focused on internal community building and, and ensuring we live up to those core values and, and that we have a small company feel even though we are a large company. So, that's really what I do. It's a wide variety of tasks. Everything from, you know, organizing events. We have a Cinco de Mayo happy hour that the IT department is hosting, and I help plan that with the IT department. That's going on this afternoon. From, you know, taking departments on team building trips and weird things like the bathroom reading, I don't know if you've noticed there's some articles in the bathroom, so every week, I put new articles in the bathrooms. And that actually started back in, like, 1993, I wanted to read brewing textbooks. And I just didn't feel I had the time to sit and read brewing textbooks, so I got the idea, well, if I read one chapter a week in the bathroom, I'll get through these brewing textbooks, and so that's how bathroom reading began. And that's been continuing ever since. So, yeah, just weird quirky things like that I do.

TM: So this idea of maintaining a small office work culture as you expand, you, New Belgium expanded recently by opening a brewery in North Carolina. And I'm curious, what the brewery learned through that process?

BC: I think we did a really great thing. I'm not sure whose idea it was, but, you know, in addition to sending some great managers from here who wanted to move to Asheville we also created what we called seed positions and these were, you know, a brewing position, packaging, warehousing, folks who were here who were interested in moving to North Carolina, but more importantly, people who really understand the New Belgium way, who really live the core values and beliefs, who are really great cheerleaders with lots of good energy, hard workers, and, and you know, they just understand how we want to show up. And, and so, we planted seeds in Asheville, and the culture there is phenomenal. It's a, it's a great company feel there. You feel the energy when you go there, especially for us old timers who have been here a long time. It's, it's very fresh and high energy and they love their jobs, and they love their brewery, and they, you know, they love their company. And certainly, the vast majority of people here do, too, but there, it's like *everybody* does, you know, it's just, so, that was a little nervous for us to create another brewery in, in the South, you know, it's not Colorado. And of course, Asheville is, you know, like Fort Collins, it, it's not like the rest of North Carolina. And, and, but, you know, it was a little scary to set up a whole new brewery somewhere else in a different part of the country and, and how do we ensure that they have a great culture and I, I think we nailed it by sending, you know, some great people there.

TM: From a brewing perspective, what would you say you learned from the, the move?

PB: It's a very exciting experience to design a brewery from scratch, build it, get it all together, start it up, with all the problems related to it, but those are so exciting because in the end we had to create a similar beer. I'm, I'm not going to say that they're exactly the same because we're craft brewed, we can't, we don't have to. But, similar beer, often a better beer also there. But going in that from a design to finally get to work out some of the kinks that are at the tail end of it, "Oh, it's a little bit off in this direction. Okay, how do we turn that back? Oh, some of those learnings are actually very interesting, we should bring them back to Fort Collins." And we're in that stage right now. It's so much fun to, to see what's happening there. You bring in, you get the opportunity also to bring in new people on all level and there's a lot of expertise and skill that we brought in also, and you never stop learning. And so, this transaction now from knowledge going in both direction is so fantastic to see.

TM: Great. Great. So I have a final set of questions, they're kind of big picture questions related to brewing, the brewing industry for both of you. The first question is why do you think Colorado has had such a rich beer and brewing culture?

- BC: Oh, well, that's a good question, too. Colorado sees a lot of visitors. So, there's a lot of exchange of ideas here from travelers and whatnot. It's a progressive population. You know, certainly we have our rural areas that are conservative, but the cities and whatnot, I think it's pretty progressive and open to new ideas and, and new beers or new things. The demographics were good, particularly for New Belgium starting out, you know. You know, we're certainly not targeting under 21-years-olds, but the college population at Colorado State and CU in Boulder and even UNC in Greeley and, you know, that population is the, you know, at the time, they're the population that was into trying new things, you know, that wasn't going to drinking their fathers' beer, that they wanted it, they, they're active and they see this bike on the label, and they're like, "Gonna try *that*. You know, I want to try that." And, and so, you know, they, we really watched, the, you know, the craft beer scene start on the West Coast and, and move east and, and Colorado was the stepping stone. You know, more so than any other Rocky Mountain state. Colorado really was a stepping stone, with some, you know, early pioneers, here in the state. And so I think it, you know, it was a natural thing because all the, the demographics, and, and just, you know, who was here and, and whatnot made it open to that.
- PB: Another element is also the independent liquor stores, as far as I understand, you only can have two liquor stores and not more. And so, if you don't want to take my beer, I'm going to come to you. And so, this creates a lot of potential for new breweries because if you're small, you only need a few outlets, so you can use this. There has been a change in legislation last year, Hickenlooper sign-, signed the, here you can sell 3.2 beer or 4 ABV beer in grocery chains, but above that, not. And so, the change last year is that now the flagship store of the Whole Food's, Albertson's, or name it, the big grocery stores, there's one in the state that can carry a liquor license if they can buy it from other existing liquor store, and that is set to gradually expand one a year additional. And so, that could change this landscape.
- TM: You mentioned the bike on the label, in terms of the artwork of the beer, what are you trying to convey to consumers if they walk into one of these stores and see your beer on their shelves?
- BC: Oh, that's a question for the marketing department, I think. And as far as the early labels, you know, it was just the, you know, the Fat Tire bike was, you know, that became the flagship, and, and so, you know, I, I think the, the artwork was just beautiful. You know, it was, it was really pretty, I thought ours, and back in the day, I though BridgePort had beautiful artwork on their labels, too. And I thought that if, if there were two breweries that stood out for label artwork, it was those two. And I think, you know the concept was, you know, it, it's just an extension of who we are and what our beers are, you know. The labels represent us. They represent our beers and, and the type of people we are. And there was a little copy on the side that would describe the beer a little bit, and, and

encouraged people to call the brewery. Jeff and Kim made that mistake of putting their home phone on the label in the, in the early years and would get many a late night, middle of the night phone calls from people. [Laughter] But, yeah, I don't know, boy, I don't know if I could really answer that question really well.

PB: I think there's another element – whimsical, I think is something that we at certain point in our marketing strategy had, and I, Kim, I hadn't heard her saying that very recently, but she always says, "We only happen to make beer, you know? We are not rocket scientists. We're not sending somebody to the moon and it needs to be to the, so accurate. It's beer, you know? It's only ten minutes of pleasure. It's, it's not much more, and we can overthink it, and I overthink it, but in the end, I'm going to have my beer and I will not overthink it." Maybe if I've, have something, I'm going to go after it, but it's a fun industry and you have to keep it a bit whimsical, I think. And so, that has been part of our marketing strategy. But marketing strategies have to evolve as the market evolves. And so, we, we have morphed through time. I think at this stage, we are trying to talk to a, a wider and bit of a diverse public with different products. And we have to do that also because it has become very competitive. If you have 23 breweries in a, a village of, or a town of 140,000, 160,000 people, if you count the college students in it, the university students in it, they go 300 breweries or more, close to 400 now in Colorado. And then, over 5,000 in the US, and then you have import. How do you portray yourself? What are the sentiments that you want to address, talk to? And so, we've become, I don't know if you want to use the word sophisticated, but we became a bit more sophisticated on the communication that we get out to different target publics.

TM: Sure. And so, related to this point, how would you characterize the craft beer industry today in America?

PB: As a brewer, it's the funnest industry that there, it's, we love each other. We, we talk to each other about whatever. On the sales side, it's a little bit harder, but all our sales people, if they're in Chicago, they know the, the Heineken rep, they know the Sierra rep, they know each other very well, they hang out together. And it's very weird for an industry, I think, to, to be like this. And a bit international, I saw that in Belgium also, maybe in some other countries it's a bit more cutthroat, but Germany also, people know each other. People like each other. People talk to each other. Oh yeah, we can't talk about certain things, you know, because, "Hey, we are competition." But in the end of the day, if I have to call up, if I have some visitors, I call up Doug Odell and Gordon from Funkwerks. "Hey, can I stop by? I have some brewers over from..." We always get free beer, we always get. It's, it's an incredible industry.

[Cross talk]

- BC: I mean, it's still exciting times as it has been in our entire history. You know, the, the craft market has been, you know, continuing to go up. It's, it's, so, you know, there's still a lot of opportunity.
- PB: We just brewed Collusion. We brew every year a Collusion beer with the brewers from town. And from the get-go, we said, it's going to be inclusive. If you want to start up a brewery or you're, you have your TTB permit, we will already include you. You're still maybe a year out before you going to open and we include those guys. We learn to know them already very early on who they are, they get an opportunity to know us. They learn from us, to exchange ideas, raw materials, we actually exchange also, "Oh, I'm short a bag of blah, blah, blah." Or, "I don't have this yeast." "Okay, I have some." Wow. What an industry! Then, two weeks from here, we're going to get all together, going from, to all the breweries that brewed for Collusion, and we're all going to have a beer at those breweries together, just so that we can create some press toward the outside that this is American craft beer. We like each other. We hang out together. We drink each other's beers. We talk. It's a very unique, I used to have, when I'd go to Russell Schlager who were, "We are in the right place, on the right time ever in beer." It's incredible, the diversity, the creativity that we can have here as a brewer. We can make whatever. People are going to try it. Wow. They even going to try it if you throw in whatever [Laughter] into the beer. They're going to try it! And it's, that has never happened in the history of beer, I think, that we educated the customer to be very adventurous, to be, or, challenging each other to be creative and pushing the boundaries every day, again. And it's a beautiful world to live in.
- TM: So, you've, you, New Belgium has chosen to have this ESOP program, one of the current challenges I think it's fair to say in the craft beer industry is other kinds of financial relationships that some breweries are developing and what do you see in the next decade in that front, in terms of how the industry is going to be structured a decade from now?
- PB: In a way, I think the party is a bit over. But, the consolidation will lead to price pressure and the big guys with their portfolio that they built through acquisition and creating themselves or approaching retail and on-premise, as a packet, and cutting deals as such, and that will become a hard one for American craft. Second, I'm very concerned about the distribution because the distribution is lagging the variety, the long tail, basically. They cannot deal with the long tail of products that are out there. I'd been enormously surprised on how many brewers and, especially then in Colorado, because of that small, or liquor stores, there are only two liquor stores, or selling 80% on premise. And then you need to do a 20% off-site. Who's a perfect business model? You will not become New Belgium anymore, there's maybe a few who are still going to become breweries like New Belgium or Odell's. They, there's a lot of people who play on that small business model, who's actually beautiful, I think, for American manufacturing, for community as such. I, I think it has, it will have a lasting effect, but it's been really interesting to see what

happened in the last three to four years on the consolidation within craft or the pollution, I call it, within craft.

BC: Yeah, I would agree. The, the big, big brewers are going to start flexing their muscles. And I know we're going to have to compete with that. But you know, there's certainly, an unlimited niche for very small brewers. And then, you know, it's, it's going to force us who are not real big, and who are not small, to be creative and continue to be creative and find new ways to compete and connect to the consumer. My hope is that the, the consumer becomes more educated, you know it, it's been years, but we did some surveys and you know, to find out what the, does the average consumer care about sustainability and do they care about our business practices? And it was really depressing to hear how few people really cared. But that was years ago, maybe five years or more, and I think, you know, I'd, I'd *like* to think that that's changing and people are becoming more educated consumers, and they care more about their, you know, who's making their products and who's, where they're putting their money. So, my, my hope is that, that will become more important. And, and you know, we've done it because that's the way we want to do it, not because we want to market it. We, we've acted this way because we've always felt that's the way we should run the business, and, and hopefully the consumer will come on board and follow that.

TM: How would you both define craft beer at this moment or as you, as you see, as you think craft should be defined?

BC: I have no problem with the Brewers Association definition. I think they've wrestled with that for a while and, and came up with a fair definition.

PB: Yeah, unfortunate part is that it's a bit hard to communicate local, independent, and I think it's only going to get more important as we get preyed upon by the big brewers who need to infiltrate the [unintelligible 1:01:17] because it's, they're losing too much share. And I think if you can communicate that more clearly to the consumer, what it's about, and the Brewers Association is working on that, I think it's going to be very valuable. And I hope that people take it. If you look at, at least our visitors or any visitors here at the breweries here in town, you see they care for who they drink their beer from.

TM: Peter, a question, one question for you and then a final for both of you. How would describe American beer culture in relation to global beer culture today?

PB: I think American beer culture has really become a leader in the world, and if you look at what's happening in northern Italy and Brazil and in France, of all places—they have 700 breweries right now—England, Belgium to a sho-, lesser extent, a little bit in Germany. We have influenced this industry we were pooh-poohed upon, that were copying and, and yeah, maybe we were copying initially. We were the Japanese. We were faking to make beers that were German-like. And now, other countries are looking up to us on the

innovation that we have created here. I'm really serious if I say this is the best place ever in the world to be a brewer.

TM: Well the last question might relate to that, then. It's a big one. What do you value most about what you do?

BC: What do I value most about what I do? Well, there's no doubt here that what makes New Belgium special is the people, and, and so, we have incredibly passionate caring people here. And, and that's what keeps me energized after 25 years at the same company. It's ever-changing. You know, it's certainly not static, so you don't need to leave the company for change. You know, not only is the company changing, obviously, the industry is changing. But, you know, we're, we're able to continue to attract great people and that's what's made my career here so rewarding and satisfying, you know, challenging at times, you know, managing people and, and managing different desires and, and whatnot, is, is always challenging, but it really comes down to, you know, being surrounded by great people makes you a better person too. So.

PB: Can you repeat the question, so value the most, huh?

TM: Yeah.

PB: As a product person, I would say still that, whatever your day is, you still have your shift as we call it here, and it's only just beer we made. And we made it with the people, oh, you can have a hard day, you know, with start-ups, it can be long days, it can be whatever, and in the end, it's just beer. And you, you have the beer, you talk, you wind down, you talk with the people you just maybe had a fight with or whatever, it doesn't matter. But the, to be able to make this beer in this place, in New Belgium, with the people we have, with the knowledge we have, with the, it's, yeah. It's a dream job.

TM: Great. Well, that's a good note to end on. Thank you very much both for of your time.

BC: Thank you.

[END OF AUDIO]