

Name of Interviewee: Natalie Cilurzo
Date of Interview: May 3, 2018
Name of Interviewer: Theresa McCulla
Length of Interview: 49:57 minutes

00:05 Theresa McCulla: Alright, it's May 3, 2018. This is Theresa McCulla of the National Museum of American History. I am interviewing Natalie Cilurzo, co-owner and president of Russian River Brewing Company. And we're meeting at the Craft Brewers Conference in Nashville, Tennessee. This interview is part of the American Brewing History Initiative, which is a project to document and collect the history of beer and brewing in America. So, Natalie, where and when were you born?

Natalie Cilurzo: I was born in Whittier, California. You want the date? [Laughs] December 6, 1968.

McCulla: And did you grow up there?

Cilurzo: I grew up in Orange County. So, we lived in La Habra 'til I was I guess twelve years old. So, I had just started high school. And then my parents decided they were tired of life in the city and bought a gas station and a tow truck. [Laughs] In the little town of Julian, California, up in the mountains in San Diego. And moved there my second month of high school. And so, then grew up working in the gas station and learning how to run a small family business with my parents.

McCulla: And, who were your parents? What were their names?

Cilurzo: My, my dad's name is Gary Nichols and my mom's name was Patty Nichols.

01:21 McCulla: And what was it like working in a gas station?

Cilurzo: It was, it was probably an odd high school job for, for most girls. [Chuckles] Most of the girls in school went, worked at the, at the old soda fountain or at the bakery in town. It was a very tiny little town. And then some of the guys worked for my dad at the gas station. And so, I would help out sometimes pumping gas, washing windows, checking oil, back in the day of when gas stations were full service. I learned how to drive a tow truck when I was sixteen years old. I come from a car family. My dad was always in the automotive industry and we raced cars. So, I grew up working on cars and having a, a, a long, lifelong love for, for cars and everything. I, I own a 1968 Chevy pickup now that I work on myself. And I got that from my dad. I mean, I got the love for cars from my dad. So, so, yeah, so that's kind of my, my first job, learning to drive a tow truck and that was an interesting skill to have in high school. [Laughs]

McCulla: And what kinds of business or life skills might, did you learn?

Cilurzo: You know, I think being, being an only child, you know, I was able to help out with the books for my parents, and also with shopping and just, you know, helping out around the shop. My dad had narcolepsy, so when he would get a tow call in the middle of the night, I would often accompany him, even if it was a school night because, because of his narcolepsy. So, that's why I learned to drive very young and learned to drive a tow truck and back up trailers and other weird things [Chuckles], so, yeah. I think I learned, you know, just a lot about, like I said, running a small business and have, having to be responsible and, and accountable, and, you know. My parents were always very honest with me. And if they were having financial struggles they would share them with me. And so, you know, I learned to appreciate money and, and having no money early on. So, I think those were all valuable life skills that have helped me become a better business owner in, in my own business.

03:32 McCulla: What do you remember about food and drink as you were growing up?

Cilurzo: Food and drink as I was growing up. Definitely, my parents were definitely not gourmet cooks. [Laughs] We didn't eat out a lot 'cause we didn't have a lot of money. So, I didn't really, I wasn't really exposed to a lot of different kinds of foods growing up. And, and, and drinking, my dad drank mostly Budweiser and Miller Lite. And my mom, boxed wine. [Laughs] So, my early years of exposure to food and drink are quite different from what I, I enjoy now. [Chuckles]

04:08 McCulla: Was there, to what extent was there a winemaking culture in the area at the time?

Cilurzo: Actually, interestingly, my very first job, paying job, away from the gas station, was at a winery. And that's where I started to just hone my, my love and passion and, and interest in, in all things fermentation. So, I, yeah, I started at sixteen years old working in a local winery, Menghini Winery, in Julian. I'm still very good friends with the owners, Mike and Tony. And my best friend and I would go in on the weekends and we would hand label their wines and sometimes work on their little tiny bottling line. And, at the time, work in the tasting room 'cause it was a different time. So, I learned to appreciate good wine as a teenager. [Chuckles] I know that sounds weird, but, that's, that's what you do. So, I, I worked there until after high school. And then I moved down to San Diego for a short time. Worked in an historic hotel, the Horton Grand Hotel, for, I don't know, about a year, maybe. And then I moved up to Temecula and lived with my godparents for a while. And I started working in the local wineries up there. And that's where I met Vinnie, my husband. And he was nineteen years old. [Laughs]

05:28 McCulla: And before we get more into the future, I want to back up, when you were learning how to taste wine, do you recall some of the first, your first experiences tasting wine? What it was like to learn how to?

Cilurzo: Yeah. Yeah, so they, they taught me the right way to taste wine. You know, you swirl the glass. You smell it. You look at it. You, you know, you put it in your mouth. You slurp some air through your mouth. And so, yeah, they, they taught me early on how, the proper ways to taste wine and, and enjoy it. So, yeah. I, I remember Sauvignon Blanc being the first wine that I really liked. Which is still to this day one of my favorite wines. [Chuckles]

06:05 McCulla: And what did you study in school?

Cilurzo: I studied business. And I was interested in continuing to pursue a career in the wine industry. And my husband had already gotten into the beer industry. Or my boyfriend I guess at the time. And then became my husband. And so I was able to really, it took me a long time to get my grad, my bachelor's degree, and that's where I stopped because I, I took a couple years off after high school. Which is good, it was good, it was good for me to get work. And then I, I paid my own way through college. But, I was able to tailor projects and papers and speeches and everything around beer and wine, because that's what I was mostly interested in. And so, I think that really made my education more, more, more useful and more valuable to me because I, I could really, you know, get magazines and books and, this was pre-internet, [Laughs] and do a lot of research with the things that I was interested in doing rather than just trying to push through and get a four-year bachelor's degree with whatever the professor was throwing at me.

McCulla: Where did you study?

Cilurzo: I started at Palomar Community College in San Marcos, which is a great community college. Then I transferred to CSU San Marcos, which is also there. Brand new school at the time. And then transferred to Sonoma State where I graduated in 1998. [Chuckles]

McCulla: And do you recall some of these papers or projects that you did in school that related to your work at the time?

Cilurzo: Yeah. I actually gave a, a speech in a speech class about homebrewing. And I brought in all the homebrew equipment. And I got an A+. I actually got an A+ in the class. [Laughs] So I, I learned that I was a, I was a, I had a natural knack for public speaking as well as educating. And I really enjoyed it. And, and I think the class loved it 'cause I, I taught 'em how to make beer. [Chuckles] So, that was a pretty fun one.

08:01 McCulla: So, can you talk now a bit about your transition into brewing and into the brewing industry from winemaking.

Cilurzo: Sure. So, yeah, I was in, in, in the wine industry for nineteen years. So, I was, started when I was sixteen. You know, a couple little breaks in there, but, didn't, I was in the wine industry until I was thirty-five years old. My last job was doing more, like, sales analysis for a winery owned by Constellation Brands. I worked for Kendall-Jackson Winery for a long time as well. And so, I was just kind of doing this career path through, kind of, sales analysis, that kind of thing. And then, Vinnie was working at Russian River Brewing Company at the time. It was owned by Korbel Winery. And so, after six years they decided, I know you've heard all this, they decided to get out of the beer business and close the brewery. And so, in lieu of severance, Vinnie negotiated for the brand. And so, they, and we discussed it before he did that, and I said that I would be absolutely willing to quit my job and open a brewery with him if we could get the brand. And so that's what he did. And so, we ended up, I, I quit my day job. [Chuckles] And quit a nineteen-year career in the wine industry and opened a brewpub in downtown Santa Rosa with my husband. [Chuckles] So, that was my, my transition. But honestly, I, I do like to say that I have always been in the craft beer industry, at arm's length. 'Cause, you know, when, when your spouse is doing something that, that you're equally as passionate about, you're, you're, you're still engaged and involved. And so, I was always going to the Great American Beer Festival. I was always helping out at beer festivals. I was, when he owned Blind Pig Brewing, I was, you know, I'd go in and help bottling. I would do what I could to help out always. [Chuckles]

09:51 McCulla: And so, in those years when you really had a foot in both wine and beer industries, what, what kind of relationship did you see between the two in terms of production or consumers or?

Cilurzo: You know, a lot of sym-, symbiosis, really. It, they, there's a saying in the wine industry, which I'm sure you've heard, It takes a lot of great beer to make great wine.

McCulla: That's right.

Cilurzo: And, you know, you do, you learn that, you know, during harvest everybody's drinking beer. Nobody's drinking wine. I found that people in the wine industry tended to already, you know, like beer. Maybe they would like better beers. I think just because of the taste, you know? Trying to look for something that's more flavorful. More interesting. You know, certainly, I, I worked at Silver Oak for a while, and Justin Meyer, the owner at the time, was definitely into Sierra Nevada. He liked Coors Light, too. But he also really liked Sierra Nevada Pale Ale. [Chuckles] So, yeah, I would say there has always been a real symbiosis between the two and even now, you know, living in the heart of wine country and being a successful brewery there, we are, you know, we have a

lot of great friends in the wine industry. We drink a lot of wine and they drink a lot of beer. [Chuckles]

11:03 McCulla: And so, in those early years you mentioned Sierra Nevada. Were there other particular brands or beers that inspired brewers or winemakers at the time?

Cilurzo: Yeah, definitely. I would say Pete's Wicked Ale, Sierra Nevada, hands down, one of the most, you know, popular, inspirational to this day, even. Ken Grossman. Let's see. At that time, trying to think of other big brands at that time. It's a little hard to think of. Vinnie actually went to Belgium when he was eighteen years old, and so he was already inspired by, like, Cantillon and Boon and, and some of the other, you know, Belgian brands at the time. So.

11:43 McCulla: So, could you talk a bit about the early years of Russian River? Just, what was it like to open? What were your facilities like at the time?

Cilurzo: Yeah. So, so, like I said, Vinnie's, Vinnie worked for Korbel for the six years. And then when we opened our pub fourteen years ago, we literally, the day we opened we had \$6,000 dollars in the bank. We had twenty-eight employees. [Chuckles] Had our first payroll looming. We were so tight on money. All the furniture came from, I, I think from, like, three Chinese restaurants that had gone out of business. So, it was pretty bad. It was pretty ugly. Yeah, our, our business partners had this brilliant idea to put carpet on the bottom of the tables for acoustics. It was a great idea. Yeah. So, after about two months of picking gum out of the carpet under the tables, we tore it off. [Laughs] So, I remember it being very loud in there, because we didn't have any money for acoustical treatments. It was just, it was painfully loud. Had concrete floors, lots of glass, a big concrete wall, lots of sheet rock, giant high ceilings. And it was just deafeningly loud in there. So, it, it took a few years for us to be able to get enough money together to do some acoustical treatments in there. It's much better now, but it was very, very hard. It's funny to look at those old pictures and, and see how naked it was in there and how barren. You know, we only had about six, eight beers on tap at the time. Now we always have at least twenty on tap at the time. And, yeah. Cash flow was really hard in the early days. It was, we weren't as busy as we are now. And, we had one server that worked during the day and one bartender that worked during the night. [Chuckles] And, and, you know, like, four guys in the kitchen. [Chuckles] That's about it. So, it was a different time.

13:32 McCulla: And so, what, what was customer reception like in these early years?

Cilurzo: Great, early on. Yeah. So, we were, you know, busy, right when we opened. That first day I remember being, being fairly busy. So, it was a lot of buzz around town that we were opening up downtown. People were excited. You know, Vinnie had already made a, a, a good reputation for himself in the craft beer industry. He had already won many awards, both with Blind Pig Brewing and Russian River. And, you know, I think there was a good buzz about it and

some excitement. So, it was pretty well-received by the community. Beer tourism was, was starting to get popular. So, we, we had people coming from other areas to visit our brewery. And, yeah, I would say it was, you know, a, it was a hit from the start. But, not like it is now. I mean, there were days during lunch time when there wasn't anybody in there. So, you know. Now we're busy all the time, thankfully. But, you know, it was just a different time.

McCulla: And what year was this that you opened Russian River?

Cilurzo: April 3, 2004.

McCulla: 2004.

Cilurzo: Yeah.

14:37 McCulla: And, was it hops that early consumers were thirsting for, or?

Cilurzo: Yeah. Yeah, I would say they wanted the hops. They were definitely looking for IPAs and, and also sour beers, too. So, we started making sour beers and the Belgian style, or Belgian-inspired beers. So, we opened with Damnation and a couple of other, you know, like, Redemption and, I think those were our first two Belgian-style beers. And then Vinnie started really, he, he had made Temptation already up at, I think it was Russian River Brewing's location up at Lake Sonoma Winery. I think that was where the first barrel of Temptation was made. So, he had already started experimenting with the sour beers. And we built the barrel room in our pub, which you probably saw. And, and then he started, you know, really, really going strong with the barrel-aged beers. [Chuckles] So, I think the consumers were looking for both hops and sour.

15:35 McCulla: And could you talk a bit about how, how your offer-, your beer offerings have expanded over time?

Cilurzo: Sure, yeah, you know, I think as with most brewers, you know, we're always looking for something different. Something that, that we like, you know. Maybe we're traveling, maybe when we're in a foreign country or in another part of the country and we try a beer that we like or we're just inspired to, just, you know, try new styles. And so, Vinnie's always been credited with being very innovative and pushing the envelope on things like hops and alcohol and barrels and, and sour. So, you know, I, I think if you brew what you love, often times people will, will follow. But, sometimes they don't. [Laughs] So, you kinda have to pay attention to your customers and your employees. And if you make a beer that's not a hit, you probably shouldn't make it again.

McCulla: What, what have been a few beers that haven't been a hit?

Cilurzo: You know, I think, you know, sometimes you, you do like a single hop beer that maybe is not very well received. So, we make a beer called Hop To It. Hop To It is our pub-only beer that we experiment with one single hop variety. It's a great way for us to see how it expresses itself in the beer. And it's a great way to get feedback from the customers and from your employees. And so, there's been a few of those along the way that maybe weren't so hot. [Laughs]

16:59 McCulla: I'm curious about having a brewpub from the start. What, what is different about having a brewpub? Why did you make a decision to do that?

Cilurzo: You know, that's a great question, 'cause I didn't want to have a brewpub. I didn't want to be in the restaurant business. I was more comfortable having a manufacturing brewery and doing distribution than I was being in the restaurant business. I didn't really have a lot of experience there and neither did Vinnie. But we had two business partners early on that did own restaurants and so they wanted to do a brewpub. And that's why we partnered up with them. So, Vinnie and I, I was, you know, going to run the business and, and Vinnie was going to make the beer, and then these guys were going to run the restaurant. Well that lasted about a year, and we ended up buying both of them out, and then all of a sudden I was trying to figure out how to run a restaurant. And so, I would say, for me, that was the most difficult part of starting, you know, starting up this business together, because I, I just really didn't have any experience in the restaurant business. I, I think I was a hostess for, like, six months when I was maybe sixteen years old. And I don't, you know, it was, it was definitely something that I knew was going to be very difficult. And it ended up being very difficult. [Chuckles] Yeah. But, here we are, fourteen years later. And we have great staff and, you know, you just, you learn to surround yourself with people who, who are better at doing certain things than you are and maybe, was just, or maybe more natural at it or just have more experience at it. And so, really fortunate that we found a lot of the right people to hire to, to help run, run the restaurant. So, yeah. So, I never thought in my whole life that I, I would say that I am going to be soon the owner of *two* restaurants. [Laughs]

18:52 McCulla: And have you found that, that the food adds something to the experience of enjoying your beers?

Cilurzo: Absolutely, it does.

McCulla: Yeah.

Cilurzo: And I think it's such an important part of the popularity of craft beer. I see a lot of taprooms or tasting rooms opening up that are treated more like a bar, if you will, where the food truck pulls up and people are drinking beer by the pint in an industrial warehouse and then maybe running outside and grabbing a bite off of a truck. And that's, that's fine. But, I think for us, you know, we want a more elevated experience. And so, having the pub, having the food, like, our pizza is

really good and a lot of people say, you know, "I, I came to your pub and I really enjoyed your beer. But, the surprise was I loved your pizza, too." And, and so, I think having the food element brings more people. It brings a more diverse group of customers in. People that don't even drink beer maybe come in because you have food as well. We also offer wine and cider on our list. But, and it also, it gets people to stay and it also helps with responsible beverage service, too, because it gives them something to, you know, sop up the, [Laughs] the alcohol, if you will. [Chuckles]

20:09 McCulla: Great. So, thinking about the experience of Russian River from the employee side. What, what is it like to be an employee at Russian River?

Cilurzo: Well, I hope that it's a wonderful experience. [Chuckles] We, we truly, genuinely care about our employees. And we, we treat them very well. We, we compensate them well. We have a wonderful benefits package. You know, everybody who works thirty hours or more is eligible for, for medical, dental, vision. We buy everybody life insurance. We also rolled out 401(k). So, I think for what we do, I think, and the size of our company, we have a pretty healthy benefits package. And, and you know, part of the reason that we're building the new brewery is we do want to offer some more career opportunities for our staff. And, you know, just an opportunity to move around, or move up within the company. And, and I think we're fair and we're kind people and we respect our employees. And we value their feedback as well. I think it's important to listen to your employees and, and make them feel important and a part of the decision-making process as much as possible. [Laughs]

21:21 McCulla: So, you mentioned your new brewery you're building, what you have described as a dream brewery.

Cilurzo: Yay.

[Chuckles]

McCulla: Could you describe it a bit and, and how is the, how is the.

[Chuckles]

McCulla: How's the process?

Cilurzo: How's it goin'?

McCulla: Yeah.

Cilurzo: Yeah. So, we, my husband and I bought fifteen acres in Windsor, California, almost two years ago now. We broke ground on our new brewery last May, and we are currently about halfway through the construction process. So,

the brewery itself is 85,000 square feet, footprint. We have, within that space, we have a new brewpub, a tasting room, a gift shop, we'll, administrative offices, we'll offer guided tours, self-guided tours, we have all of our production space, so we'll have, you know a lab. We will propagate our own yeast for the first time. We'll experiment with new processes for us, like open-top fermentation. We have all of our beautiful tanks that have just arrived from Germany, and actually looking down on the floor [of Craft Brewers Conference exhibition hall] I see a couple of our manufacturers who've been taking me out this week and [Chuckles] showing me a good time. Our, our Prospero bottling line. Where's Pro-? There's Prospero, right there. Bottling line will be arriving in Windsor next week. [Chuckles] So, all of the equipment is almost on site. The roof is almost on the building. We're close. So, yeah. So, once, once the building gets sealed up, you know, the windows will be going in in the next few weeks, then all the, the finishes will, will start. And so, we still plan to open hopefully, fingers crossed, in the fall of this year. [Chuckles]

McCulla: And for the benefit of the, of the recording, we're sitting in a beautiful room with glass windows looking out over the expo of the Craft Brewers Conference with the...

Cilurzo: Yeah, it's pretty cool.

McCulla: It is, yes.

Cilurzo: It's a great view.

23:08 McCulla: Yes. So, I have a few questions about the, kind of, overall brand of Russian River. And I'm curious how, if you had to describe Russian River as being distinct from other breweries, what is, what is different? What is unique about what you do?

Cilurzo: What is unique and different about Russian River? Well, I would say first, we are independently owned. We are, it's just me and Vinnie. We have no equity partners. We're just doin' it the old-fashioned way with cash and debt. [Chuckles] I don't know how unique that is at the moment, but certainly very important to us. We, Vinnie's been credited with making one of the first commercially brewed double IPAs at Blind Pig Brewing Company. That was the Inaugural Ale. Little known fact, and that story is, I was there that day, so I also brewed that beer. Obviously I didn't create the recipe, but that was the first brew at Blind Pig Brewing Company. It was a, a long day. It was about an eighteen-hour day. [Laughs] It was crazy. [Clears Throat] So, one of our uniquenesses is that our flagship beer, Pliny the Elder, is, is a double IPA. I don't know how many breweries' flagship is a double IPA. And has been our flagship for a very long time. We're very known for our sour barrel aged beers as well. Vinnie was kind of one of the early adopters of, of making that style of beer. I think the, the passion and the interest comes from us being in the wine industry. But, you know, that's,

that's, it just kind of makes sense, you know, growing up around wine barrels and, and liking that, that flavor, you know, just kind of drove that, that passion, if you will. And, so I think those are probably a few of our uniquenesses. We're very retail-oriented, so we, the purpose of the new brewery is to provide a better experience for our customers who come from all over the world, and we're really excited to offer them all the things that they've been asking for, like can we go on a tour? Can we bring our dog? We'll have a nice outdoor area for that. Having more of a traditional kitchen where we can experiment more with beer and food pairing and maybe do beer dinners. Things like that. Yeah, I think, you know, having, our business model is very unique. Maybe not so unique anymore, but early on [Clears Throat] it was unique in that the most of our revenue comes from retail. And many other breweries were more focused on wholesale distribution. And so [Clears Throat] I know for a while, people would refer to it as the Russian River model, being that we were primarily retail with a little bit of wholesale as well. And so, you see a lot of breweries doing that now. You see some breweries are one hundred percent retail, which I think is hard. [Laughs] Really hard to do. So, yeah.

26:04 McCulla: And what has been your growth strategy over time as you've approached the, the property in Windsor?

Cilurzo: Very conservative. Very organic. Very within our comfort zone. So, Vinnie and I have not, we are risk takers, but we [Clears Throat] are also very thoughtful. Sorry, I'm starting to lose my voice again. Talking too much. We're very thoughtful and very, [Clears Throat] like I said, conservative about decisions that we make regarding our company. And we don't like to do, we don't like to make brash decisions, you know. Just, we see a lot of breweries that are growing too fast right now and they're struggling. And so, we're, we're very confident with our decision to build the new brewery in Windsor because, because it is a destination. We're building it as a destination. We're not building it as a production brewery [Clears Throat] to sell hundreds of thousands of barrels of beer to wholesalers and retailers that are, are crying wolf. They don't want any more beer 'cause there's too many out there. So, I think that continuing on with our decision to stay retail focused and be a destination [Clears Throat] and invite people to come see us rather than us to going to get them, I think will be, will be, end up being a good decision. [Chuckles]

27:24 McCulla: Related to this idea of a brand or your unique image, I've, I've always been curious about the design of your labels, the simplicity of it, to a certain extent, simplicity of the font, even. What, what's been the, the reasoning or the thought behind that?

Cilurzo: Well, we're cheap. [Laughs] Vinnie. [Clears Throat] Sorry, I'm gonna do this cough drop real quick. Vinnie, you know, he knows no, just enough about Adobe Illustrator to be dangerous. And so, he has actually designed many of our labels. The [Clears Throat], excuse me. Pliny the Elder, for one, was Vinnie's

original design. [Laughs] My mom also was an artist and she was a graphic designer and she designed nine of our labels for the barrel, barrel aged sour beers, many years ago, actually. So, that's been, you know, kind of a nice part of our story that we, we kept some of the label design in-house with the family. We used a couple of graphic designers for things like Defenestration, Dribble Belt, Happy Hops, some of our other kind of more, you know, original labels are, are, so, we, we're really eclectic I think. Yeah. Some of them are very simple. STS Pils, right? Another Vinnie design. [Laughs] Right? But yeah, other things are obviously far more complicated. Shadow of a Doubt. Like I said, Defenestration. You know, much more in detail than, those we paid graphic designers for our, yeah. So, we really have no, no direction or focus on that. [Laughs] This time.

29:00 McCulla: Alright, I have a few big picture questions as we start to wrap up. The first is, is about your role as co-owner and president. What, what have your responsibilities been in that position?

Cilurzo: So, I pretty much oversee all of the operations. The day to day business. There were, the con-, our controller reports to me. Our director of HR reports to me. Our general manager at the pub reports to me. Our director of sales reports to me. So, I am very operational, very hands-on. It's all stuff I used to do myself. I used to run the pub. I did HR myself until we got to about ninety employees and I wanted to kill myself. [Laughs] I al-, have always overseen the finances, but now I have some, some good help under me. And I also do all of our marketing and social media. About ready to get some help for that, too, mostly from a time thing, 'cause all those type, things take a lot of time. So, any given day I spend a lot of time checking in with people and catching up and answering questions and offering advice and making decisions. I think that once you get to a certain level you're not so much in the weeds anymore but, you know, you're, you're helping all of the people that you've surrounded yourself with to, to help you run your business and make the right decisions to, to keep things going and, and moving forward. So, yeah, that's kind of the *Reader's Digest* version. Otherwise, every day is new. [Laughs]

30:33 McCulla: And for a long time, you have always mixed family and business.

Cilurzo: Uh huh.

McCulla: Could you talk a bit about that balance?

Cilurzo: Mmhmm. Yeah. So, both of us coming from family-owned businesses, I think we learned a lot about the pros and cons of doing that. We have a lot of friends who also are couples that own businesses that, that maybe didn't work out so well. So, I think we have found a healthy balance between, actually, no. I take that back. There is no balance right now. [Laughs] But I think that it's important as a, as a married couple, to own a company together, that you need to, to, you need to try to separate that as much as you can, even though it's, it's almost

impossible. You need to know when to agree to disagree on, on all things personal and professional. And when to give space. [Laughs] And when to, you know, with, I think our most strategic conversations come when we travel together. And that's been, be-, because we never had kids, I think that honestly has given us an advantage over perhaps other couple-owned businesses with children because it's much harder for, for both parents to travel together unless you have a wonderful family support network that's in your hometown. But I think that, that really, for us, it's been an incredible advantage and we've been able to make these very thoughtful decisions and have these long conversations when we're on a road trip or in a plane or, or whatever. And so, I think that's been a, an added advantage for us. [Chuckles]

32:07 McCulla: And a few times you've mentioned the importance of travel. What kinds of travel destinations have been, have been crucial in your business or personal experiences?

Cilurzo: Yeah, I, you know, what an opportunity and what a great privilege it's been in the craft beer industry, 'cause this industry is global. And so, early on, you know, you're traveling to Belgium and, and, and now having really good friends from Belgium and Italy and Australia and New Zealand and, you know, just being able to go to these places and, and, and meet up with friends now is, is just priceless. And I think that, you know, we do a collaboration with Cantillon, or we did one with Cantillon and Allagash and we, we traveled to Brussels to release our Wild Friendship Blend, and then we, we recreated the blend in America, and we had an event at our brewery, and they came over and, and did the, you know, the release at our brewery. And then we went to Allagash the next day in Maine. And we did the release there. And so, what a tremendous opportunity we have to, to have this, this worldwide friendship and it's, it's just a, a pleasure and an honor and. I love to travel. I love to see new places. Vinnie was the keynote speaker at the Australian Homebrewers Conference a couple years ago. Of course I tagged along. And that was a lot of fun. And now we have friends who are in the craft beer industry from Australia. And obviously coming to the Craft Brewers Conference and having so many friends from around the world. Everybody's here because it's a World Beer Cup year. And, you know, whether they're suppliers or wholesalers or, you know, other brewers, it's just real, it's, it's like a big family reunion.

33:49 McCulla: And it certainly seems from my perspective that there is an increasingly global culture of craft beer. And how, how might you describe American craft beer in a global sense?

Cilurzo: In a global sense? It's definitely changed, because there's a lot of, there's a lot of investment from foreign companies into American craft beer, because American craft beer is, is very popular and, and doing very well. And, there's been a lot of interest, which has made, which has made it more global. And I think that's okay. I'm, I'm okay with that. I think it's, you know, you travel now

and you see American craft beer in foreign countries. Maybe the quality isn't always there, but, but it is, you know, definitely being exported a lot more. It's nice to see imports coming in, too. I enjoy going, I went to a bar last night where my friend Ivan who owns a brewery in Brussels is, was having a, a big event. So, I got to drink his beer here in Nashville. So, that was fun. So, yeah, I love, I love the global aspects of our industry. I think craft beer is being made all over the world. Not just in America, but, and I think all of these brewers, we influence each other. So, you know, we obviously, early on, inspired by the Belgians, but, you know, they've also been inspired by us. And we've done a lot of business with Germany, getting a lot of our equipment from over there. And going to Germany over the last few years, we've gone over several times, and drinking German craft beer. And the Germans are very, very traditional. They have their Reinheitsgebot and, you know, there's only certain beers they are allowed to make. And, for the most part, you know, you don't find a lot of variation in beers. But every once in a while you'll stumble across a, a brewery that's really trying to make IPAs in Germany and stuff, and it's really, it's really cool to see.

35:39 McCulla: Great. And so, I have a, a few questions to wrap up on. Thinking about American beer culture, to what extent would you, do you think America has a regional beer culture? Or, or not so much?

Cilurzo: A regional, like?

McCulla: Region-, do regional differences in beer matter, or?

Cilurzo: Yes.

McCulla: Yes.

Cilurzo: Well, I think, I don't, whether it matters or not, I don't know. But it exists. Yeah, definitely. So, there's the west coast IPAs that are now being made and referred to, you know, all over the world, really. And then of course the, the hazy IPA movement beginning up in New England. You know, breweries are also making those and referring to those as New England IPAs. I think that barrel aging tends to naturally be regional. We're in the heart of wine country. Breweries in, on the west coast tend to use wine barrels to, you know, age their beers in. Whereas, like, down here in the South, you know, bourbon barrels, 'cause they're more readily available. And I like that. I think that having those kind of more region-able, reasona-, regional flavors is, is fun and it, it, it keeps the diversity alive and well in, in our industry.

36:54 McCulla: Again, thinking of region, last fall, northern California, and specifically the region surrounding Santa Rosa, suffered a, a devastating fire.

Cilurzo: Yeah.

McCulla: What was your experience of that event and the aftermath?

Cilurzo: The fires, so that, that happened, that was October 8th when it started, and that was the night we all got home from GABF, which was really weird timing. And, you know, it was probably the most devastating thing I've ever experienced, an-, anywhere. You know, it was very unexpected. Very sudden. It was, you know, very windy that night. And, the fire had started in Calistoga, and Calistoga's over in Napa County, and so, being over in Santa Rosa, you don't really worry about a fire in Calistoga coming to Santa Rosa. And within a few hours it was across the freeway. So, not even a six-lane highway could stop that fire. So, yeah, the, the most devastating thing about that was the loss of homes and the loss of lives, because the news did a wonderful job of telling the world that Santa Rosa was gone. [Chuckles] Which it's not. We lost about a hundred businesses, but we lost, like, thousands and thousands of homes. I think Santa Rosa alone lost about 5,500 homes. But, between Napa, Sonoma, and Lake County, I think they lost, I think it was, like, 10,000 structures were destroyed. It was crazy. Crazy. Just staggering. And the impact that it's had [Clears Throat] on our community is definitely long lasting. So, our community is trying to, I think it's mostly cleaned up now. I saw them cleaning up the, we lost two major hotels, which was very odd. So, they are, I saw them cleaning up the Hilton the other day, so I'm hoping. The Fountain Grove Inn is gone. The Hilton, still being cleaned up. Most of the houses are all cleaned and many people are getting their permits and starting to rebuild, so that's good. But a lot of people learned that they were under-insured and can't rebuild, so there's people leaving, which is really unfortunate. Tourism took a hard hit. That October was, our sales were down thirty-five percent, 'cause there wasn't anywhere to stay. And people didn't want to come, 'cause it was depressing. People who, were like, I don't wanna be depressed, I don't wanna see that. I get it. I didn't wanna see it, either. [Chuckles] Well, you know, you couldn't, you couldn't not see it if you lived there. It's, every day, you would drive by it. But it, people cancelled their plans, 'cause who wants to go to beautiful wine country and see devastation like that? So, but, but things are, it's cleaned up now. And, I think tourism is starting to come back. And I think there's, hotels are opening up because all of the FEMA and insurance and all those people are gone now, and so there's more places to stay. I think that, I learned a lot about just kind of how our whole area relies on tourism so much. You know, the wineries, were, had a really hard time because generally fall is their busiest time, because it's harvest and it's beautiful. And it's all the vineyards just starting to turn pretty colors, and they have their big wine events, and their harvest parties and whatever. And for that to just all, just, stop, like, all of a sudden. A lot of wineries didn't even have all their grapes in and weren't able to finish harvest. You know, remarkably the vineyards actually worked as a fire break because it was during harvest and they were still wet. Yeah, I know! So, what a, what a blessing. You know, had it happened at a different time of year, it might not have been such a good story. So, yeah. So, we're, we're starting to rebuild. The, the community, the, like I said, the tourists are coming back and hopefully people are building their homes and I hope we don't lose too many, too many residences. But

I, I think, I think the next three to five years are gonna be kind of more telling of what the long-term effects of the fires will be, and it will be a really interesting time. So, we'll, we'll see what happens. [Chuckles]

40:56 McCulla: And your brewery was involved in phil-, philanthropic efforts in the.

Cilurzo: Yeah.

McCulla: In the follow-up of the fire.

Cilurzo: Yes. Thank you for asking about that. Yeah. So, we decided to, we have a brand called Sonoma Pride that is a second label for us. And we decided that we would mobilize that brand and license it to sixty other breweries from around the world who expressed interest in doing so, including most of the local breweries, to brew a beer called Sonoma Pride and then donate the proceeds to the non-profit with whom we partnered called King Ridge Foundation. King Ridge Foundation was founded by Levi Leipheimer who is a very famous cyclist and lives in Santa Rosa and a very good friend and a very super nice guy. And so, we brought the cycling community and the beer community together in a matter of days. [Chuckles] And that we had a website up by that first Friday, and we had money rolling in, and we got bicycles donated for kids. And we're up to over 1.1 million dollars. And we've helped out hundreds and hundreds of families already, and plan to help even more. So, yeah, that was really the most, I've done a lot of non-profit work, just, through the brewery and obviously a lot of charitable events and, that was the most re-, fulfilling, you know, experience that I've ever had with any kind of charitable fundraising. It was pretty cool. Yeah, it was amazing. It's amazing what you can do when times are, you know, tough.

McCulla: Well it's a great example of a, of a brewery's role in a community.

Cilurzo: Yeah, and the camaraderie and, and the generosity in our industry was just overwhelming. We had to stop taking breweries. 'Cause all we were doing was signing up breweries. And we're like, okay, we actually have to go raise some money. Now you're welcome to just write us a check, but, we gotta go. [Laughs]

42:46 McCulla: Just a couple questions to wrap up. You, you've been involved in beer and in wine for many years. What, what has been your experience like as a woman in these industries?

Cilurzo: You know, great question 'cause I, I was talking with another woman earlier who's interested in working for us and she's been in the beer industry for a little while. She's, she's younger than me. But she's, she's, she made a comment to me that, you know, I've, I've never felt discriminated against in the industry. And neither have I. And I've been in this industry for a long time and I've never felt that there weren't the same opportunities for women as there were for men. I think

because our industry is, is very labor intensive, and it's, it's hard, it's manual labor. I think that women historically weren't very attracted to the industry because [Clears Throat] it looked like the only jobs available were brewing. But here we are, you know, years later, there's probably what, ten thousand breweries in America right now. There are so many career opportunities for women, that you can use your brain, you can, you can just, you can do a million different things. And I think, I'm seeing a lot more women in the industry which has been nice to see. But I, I have always felt very, very comfortable in this industry. I'm here by myself this week. My husband's not here and I have no problem with that at all. So, yeah. People are just generally, for me, I don't see, I, 'cause I come from the wine industry, which is a little more old school. And so, I don't really see any gender biases, at least not from my perspective. I'm sure they exist. But I don't see it. Plus, I live in California, so we tend to be a little more liberal and progressive with such things. [Chuckles]

44:30 McCulla: So, this term craft beer. Do, do you like the term? Do you feel like it's the best kind of term to describe the beer you make?

Cilurzo: Well, when we got into this industry it was called microbrewed beer. And then somewhere along the way it turned into craft beer. And I think that was a Brewers Association-adopted term. I was resistant to it at first. But now, you know, we've all adopted it and it's just kind of in our daily vocabulary and other people have adopted it and they refer to it as craft beer and I don't hear people say microbrewed anymore. [Laughs] So, I think it's, it's fi-, handcrafted is, is a nice way to describe something that's handmade, like beer or wine or cheese or chocolate or, or, you know, whatever is, is handcrafted and handmade. So, it's fine. Craft is, it's fine. [Laughs] I don't know what else to call it, so, yeah. It's, it's a good term.

45:31 McCulla: And I'm sure you've been asked this many times. What do you see for the future of this industry?

Cilurzo: Well, I think we're in a bit of a turning point. We're in a transitional phase right now. I do not see the bottom dropping out of this industry ever. But I see a maturing industry. I see the things that naturally happen in a maturing industry happening. A lot of acquisitions happened in the last several years. Those are starting to slow down. I see a lot of beer on the shelf and a lot of choices and I think we're getting to too many choices. The consumer is a little overwhelmed. I'm overwhelmed. I walk into the store and I'm like, "I don't know what to buy. I'm just gonna buy a six-pack of Sierra Nevada Pale Ale." Right? We have a different generation of, of new beer drinkers. We've got the millennials and they have really different drinking and buying habits and, you know, the phone. I mean, what was Paul Gatz saying the other day that, you weren't here for, for Paul's talk, but Paul was saying that the, the, the phone is competing with drinking, because, because people are getting their social interaction on the phone, bea-, I know. It's sad to say. It's kind of heartbreaking, but when we were growing

up, you would go to the bar. Or you would get some beers and you'd have your friends over to watch the game. But those things are kind of going by the wayside with the younger generation. And so, it's a really interesting time. Very different. Very, very different. So, I think the next ten years are gonna be a really interesting time for craft beer, for wine, for cider, as well. And we'll just kind of have to see how, how things shake out. But, it's definitely a natural evolution. It's not, I did a, I was on a panel yesterday talking about growing into the headwinds and it's just, you know, Eric Ottaway from Brooklyn said it best. He's like, you know, we call this panel the headwinds, but it's really just reality. It's just the realities of kind of settling into a, a more normal and sustainable growth for our industry. And I don't think there's anything wrong with it. And so, for those of us who, you know, are, are, are strong businesses, we will definitely, definitely thrive and survive whatever's happening in the next few years. [Chuckles]

McCulla: Makes sense. Okay. Last question.

Cilurzo: Yeah.

48:03 McCulla: A simple question. What do you value most about what you do?

Cilurzo: About what I personally do?

McCulla: Yes.

Cilurzo: Or about the brewery? Or?

McCulla: However you want to answer that.

Cilurzo: What do I value most about what I do? I like, I value, I value my employees, about, I value our employees. I value the people, you know, that, that we pay to, to do a job that's necessary to the success of our business. I value our customers and I value their opinions. Almost too much. I'm a little sensitive. [Laughs] I, I hate criticism, but, I read it. I listen to it. You know. I, I change it if I can. If not, then I just, oh well. Sorry. There's not much I can change about that. But, I value, I value our industry. I think it's a really cool industry. It's a very unique industry. I value all the friends that we've made over the years and will continue to make. I value the attention that we're getting from people like you, like the Smithsonian and the media and others in the world that, that think we're pretty cool and, and want to tell our story. I really value that. I value the success that we've had, from, you know, decisions that we've made or just by happy accident just because people are fans of us and our beer and, and we continue to be, you know, strong and popular and, and I'll always be paranoid that that might all go away someday. But, you know, just keep, keep doing what we keep doing and committed to quality, and committed to running a successful business and to the, and to the people. And at the end of the day, it's really about people. So those are my values. [Laughs]

McCulla: Fantastic. Well, thank you so much for your time.

Cilurzo: Yeah, I hope that was okay.

McCulla: It's been a pleasure.

Cilurzo: Okay. Cool. Awesome.