

CRAFT BREWING CASE STUDY – INDUSTRY GROWTH

The LAGUNITAS BREWING COMPANY, located in Petaluma, is one of California and the nation's top producing craft breweries founded in 1993 by Tony Magee. Lagunitas today is as well known for their flagship IPA (India Pale Ale) sold in nearly every state in the union as for their dedication to their community and the culture of craft brewing. Founded in 1993 by Tony Magee, Lagunitas is a family-owned business and brewery – unmatched in its growth and expansion.

As stated by the Santa Rosa Press Democrat, “Tony Magee just can't make beer fast enough.” Since 2004, Lagunitas has experienced a production growth rate of nearly 500% as the brewery has gone from producing about 27,000 BBL per year to 160,000 BBL in 2011. To meet the demand for Lagunitas craft beer, the brewery is engaged in a multi-million dollar expansion project to increase annual production to 600,00 BBL. This expansion is scheduled to be completed in mid- 2012 and will make Lagunitas one of the most significant craft breweries in the United States, second only to the Boston Beer Company makers of Samuel Adams and the Sierra Nevada Brewing Company, while competing with Colorado's New Belgium Brewing Company. Lagunitas also announced plans in April 2012 to expand production nationwide with the construction of a new brewery in Chicago, Illinois to be completed in 2013.

As a founding principle, Lagunitas shares this growth and success with the local community. In 2011, Lagunitas gave nearly \$200,000 worth of in-kind contributions through more than 2,000 donations ranging from products used to fundraise, to employee time, in addition to the open invitation to use the brewery facilities as a community meeting space. From conservation groups to softball teams and the art and music programs at neighborhood schools, Lagunitas steps up to support programs that can no longer depend on traditional sources of funding.

"There are not any domestic industries that are growing like we are growing – period."

-Ron Lindenbusch, Lagunitas Director of Marketing