

Chip McElroy
Owner, Live Oak Brewing Company
Austin, Texas

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Foodways Texas

[BEGIN INTERVIEW]

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Niko Tonks (NT): So, my name is Niko Tonks. Recording for Foodways Texas, I'm here in East Austin at Live Oak Brewing Company with Chip and just for the record could you state your name, first and last, your position here at the brewery, and your date of birth?

Chip McElroy (CM): Chip McElroy, I'm President of Live Oak Brewing Company and my date of birth is 8/11/57.

NT: Okay so, my first question, is always what brought you to brewing, yeah, what, what brought you to brewing?

CM: Well, I liked good beer and during graduate school we used to have these parties where we'd get everybody to bring a six pack of import or domestic microbrew and this was in the early, well this was in the mid-eighties. And so, somewhere along the way we tried home brewing a couple batches of beer. Wasn't that great. And we didn't do a lot of it and then I started, or I finished graduate school and did a post doc in San Diego and at some meeting I think in Keystone, Colorado I met another guy that lived out in San Diego before I moved there and he was another post doc. He was big into home brewing, we probably met over some Colorado, micro beer some Breckenridge or something. And so, when I moved to San Diego, I started brewing with him and I really learned what brewing was all about. He was a really good brewer. I learned about all grain brewing, he was a microbiologist, I was a molecular biologist, we spoke fluent chemistry and enzymology and so forth and so it was sort of natural for us. So I got there through the convergence of love of really good beer and science I guess, is how I got there.

NT: And so let's back up for a second. Um, where in Austin, are you from Texas, Austin? How did you end up here?

CM: Um, I moved, I'm from, South Dallas and Oak Cliff, I moved to Austin in '75 to go to college. And, so yeah I have been here since '75 except for one year hitchhiking in Europe and three years post-doc'ing [Note: postdoctoral education] in California.

NT: Did hitchhiking in Europe have anything to do with your love of beer?

CM: Well, I did have a lot of good beer. That was back in 1980 and I didn't have the same kind of enthusiasm and knowledge certainly that I have now or that I once, you know, gained. But

yeah, I mean I did, it did really open my eyes to good beer that trip. I remember a night in Bruxelles learning about Duvel. The waiter, waiter told us after about three Duvels, “Slow down boys, you know, this is stronger than your used too,” and our reply was something, being into Duvel for about three bottles it was something like, “Don't worry, we're, we've been to college”. [laughs] So yeah, things got real messy.

NT: And so that sounds like one of these stories, I always ask everybody if, if there, if there was a sort of a moment, or a beer, when you knew that beer was going to be the thing that you were going to do and make your life. So say that moment with Duvel, um, I don't know if that was the first one or the seminal one or if there are other ones of those moments out there?

CM: No, there were was never a moment that I just knew that that's what it was going to be. I mean it was a gradual process and you take one step and you got secure footing and you take another step and you get secure footing again you just kind of keep walking. But there was never some moment where you know, no kind of epiphany where I knew beer was it.

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NT: So, tell me about the beginnings of Live Oak. How it got started?

CM: We, hold on a second, ah, okay, how did we get started? Well, that was kind of gradual but I admit Brian Peters and the Zealots in the Austin homebrew club, the Zealots, and I had really good home brewing equipment by then. I had had some fabricated by a stainless welder here in town and similar to what I had used with some changes. Similar to what I used in California and I had a really crappy little stove, I could hardly get a boil going on it and Brian had a really nice stove so we started brewing together over at Brian's house on my equipment. We, because I had done a bunch of lager brewing and we had never done, I had never done a decoction. Done a lot of multistep mashes, obviously if you are doing lagers, and never done a decoction.

NT: So can we stop for a second and just explain what a decoction is?

CM: Instead of heating the mash by just raising the temperature under it if you are direct fired or even if you're steam heated. Instead of doing that you just pull off a portion of the mash and you heat it up, eventually taking it to boiling. First with a pause at saccharification, and then you take it up to boiling temperature and when you return that boiling hot mash to the main mash it raises the temperature of the whole mash. So, we both really liked pilsner, Czech pilsners, and so we started making them. And we had to do a decoction to do that and they were good and so we just start you know, your home brewing you've got a lot of time to chat so we were you know talking a lot about starting a brewery and we just kept moving. I guess neither one of us wanted to be the first to say “Ah, never mind, this is a bad idea,” so it kind of kept us both going and we were

originally going to do a brewpub although I did have an epiphany about that. I realized one day sitting at the bar, at the Bitter End, that we didn't know anything about the restaurant business and that we were going to be dependent on somebody. In fact we had hired a guy that knew about the restaurant business and, but we weren't really into that and, and we wanted to do it ourselves and I just realized well all I really wanted to do was, was brew beer. I didn't really care what kind of sauce we had on the asparagus and wasn't any good at it anyway. I couldn't decorate a restaurant to save my life. I can't even decorate a manufacturing facility. So, restaurant didn't seem like a good idea for us to do and that just hit me like, you know, a ton of bricks. Whoa, let's just make beer, so we did.

NT: And when, when was that? How long did it take to go from, you know, sitting around the kitchen thinking about it to actually opening the doors?

CM: Oh, I don't know. I moved back to Austin at the beginning of '92. And homebrewed a couple years and we started the Texas Brewers Festival sometime in the early 90's, '92, '93 somewhere around there. We talked about it for a while, we raised money for a long while. Probably took us a year to raise money or more. Well more for sure, and it took us a year to build out the building after we got it and stuff. So we didn't open the doors, well we brewed our first batch I think February 20th of '97 and I guess we, we started building out, you know right around March of '96 raising money, say the beginning of '95 but really it was sooner than that. So, yeah we have been working on it quite a while before we actually opened the doors, couple of years.

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NT: And obviously you can't see it on the recording but the building that we're in is, um, it's, it's a little bit different than your average sort of boxy warehouse, that a brewery ends up in. Can you tell me a little bit how you ended up in this particular location?

CM: Well, we looked around at a lot of boxy metal warehouses and stuff like that and nothing really struck us or everything was too expensive and friend of a friend told me about - no, not a friend of a friend, a friend of mine told me about his friend who had a business over on the Eastside and he had part of a building that he wanted to lease and told me about him, and we came over here and it was White Mountain Foods it was Reid Murray, owned White Mountain Foods and he had this building over here, it's probably 20,000 square feet, maybe a little less, and he had about 8,000 of it that he wanted to lease out. And we looked at the building and it has a very low ceiling nine foot two inch ceiling but it has, had floor drains all over the place. Got to love floor drains and we knew that we were going to be using horizontal fermenters and tanks anyway and so we kind of scratched our heads and said "Eh, I think we can make this work."

And uh, the tanks fit in here sort of, the brew house was a bit of a squeeze, but the tanks fit in here but still having a low ceiling is problematic, to say the least. But we can't do anything about it, it's about 5 inches of poured concrete and so there is no, you know, we could start another floor but we can't make this floor taller.

NT: So, jumping around a little bit, you said you were sitting at the Bitter End when you decided to avoid doing the restaurant and I'm just wondering what the beer scene in Austin was like in 1996, 1997? And what you sense of it was?

CM: Well, it was in some ways smaller, we actually might have had more brew pubs at the time. We had Waterloo of course, and we had, uh, well the one that, Katie Blooms, but it was something else before that. Copper Tank, I don't know I'm leaving somebody else out. But anyways there were, there were a few brewpubs in town, Red Granite was in town, Hill Country Brewing Company. There were probably eight micros in Texas, and several of those had gone out of business but we knew, we knew all the people that were doing the brewing in Texas because I'd been running the Texas Brewers Festivals with Larry Warshaw and Eric McQuaid and Larry, Larry's the one that got that rolling. And we'd been putting on the Texas Brewers Festival so we knew all the brewers around the State. And, and of course we had thrown a bunch of festivals, so we kind of knew the beer business a little bit, and we knew people in the TABC and we knew distributors and it was quite a good learning exercise for getting a brewery going. What was it like in Austin? Well, it was very receptive not nearly quite like it is now but Austin's always had a really open minded, you know, populace, it's just, and intelligent and looking for better things and, and gosh we didn't have any chain restaurants until, until probably the early 80's. We had very, very few chain restaurants, um, so people were into, you know, local stuff and so it was a very receptive scene and most, most of the small brewers were really trying to sell beer in Austin for sure. It was the best market. And I think it still is the best market, I know it is. It's not the biggest but it's the best per capita. Oh, what else was the, [laughs] I don't know what else to—

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NT: Well, can you tell me a little bit about how you ended up running the Texas Brewers Festival? And how long that went?

CM: Well, Larry Warshaw started it because he was using it as a fundraiser for, gosh I forget what he was raising funds for, I have a feeling it was political, [laughs] but I don't know. And he needed some help with it and he got his friend Eric McQuaid to join up and, and he knew that I was talking about starting a brewery, wanted to start a brewery that I knew a bunch of the brewers and that maybe I could work on the beer aspect of the Texas Brewers Festival. And he worked on the money raising and the budgeting and that sort of thing, and Eric was all over the

place, logistics, and so anyways, so I got invited in by Larry, and, and so yeah it was the three of us, Larry, Eric and I.

NT: And what years, what years did it run? I am curious because I know the Texas Craft Brewers Festival just sort of re-started up in Austin and I don't know how long of a lay off there was in between the two?

CM: Well, there have been various ones along the way. The original one started, oh maybe '93 no, no, no, more like '94 I think. [pause]

So yeah, I think it started in '94 that was the first one, we did it in Austin and then, and then Larry very ambitious guy, you know, he says, "Well shoot, why don't we do these in the other cities around the, around the state?" and so we started doing them in, I think we did one in Dallas, and Houston, and San Antonio and Austin, and then Shannon Winn, who owns the Flying Saucers. And at the time he only had the one in Fort Worth, he wanted us to do one in Fort Worth. So we did one up there and it was very well received and so then we did them, I don't know for three years, in all five cities. All five of the biggest cities in Texas and I'm trying to think, it must have been, I guess it was about three years, I can't remember exactly I'd have to rustle up some papers or something. And then I quit because I needed to concentrate on building the brewery. In fact we, Live Oak officed out of the Texas Brewers Festival office for a while and then we, and then we rented this place and so then we officed out of our luxurious accommodations here in East Austin. But yeah, actually our offices started there. There had been a bunch of other festivals, various people have thrown festivals, the Texas Brewers Festival was very, very successful and I don't think it was ever quite duplicated and I don't think it ever will. Things have changed, we used to run through piles of beer. And it used to be an actual way that breweries could sell a volume of beer and make money selling beer, at least break even on the weekends, because they used to have to travel around and get a hotel and all that but, but nowadays it's more of a marketing opportunity, quite a bit less beer is sold, there's many, many more brands available. So they've kind of changed a little bit.

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NT: What do you attribute that change to?

CM: Well right now a lot more brands, I mean the Texas Craft Beer Festival, Craft Brewers Festival, a couple of weekends ago. Let's see there were eighteen breweries there and I guess we had an average of four beers a brewery so whatever that works out to nearly eighty beers, seventy six or whatever. What does, what does that work out too? Seventy two. So, with seventy two you know, beers to try you can only get about a four ounce sample and you're not going to try seventy two at four ounces either. So, you know, it's really spread out a lot more, also now, we don't really offer the full mug of beer, the full glass of beer. They're all four ounce tasting so,

um it's probably the same volume of beer but it's just spread out a lot more.

NT: Alright, so I'm going to jump back from that to Live Oak and ask, well just sort of a general, a general question that I ask everybody. How did you come up with the name?

CM: Well, we went through a lot of, you know, you know, do we make it a funny name, is it like Horny Toad Brewing Company? We thought about that one for a while and there were other, other breweries that were named after landmarks or, or trees and stuff, um, so we thought about Live Oak and kind of the image that it projects. You know they're old and beautiful and twisted but little, even though they're twisted and kind of weird and irregular, they're beautiful in that irregularity. They're very, you know you think of quality, I guess, when you think of a live oak tree is one way to look at it and that's kind of what we were doing. We, we went through the idea of having, you know, goofy named beers and stuff like that and we didn't really want to go down that path so much. I think it projects what we're trying to do here. Really high quality, classic beers, you know, it's a classic tree, we're making classic beers.

NT: It's a good sound bite. So, speaking of that, I know now the lineup is, it focuses almost exclusively on you know European styles and the pils and the hefeweizen and Big Bark. Was that a focus that was present from the very beginning? And how did this sort of lineup of beers evolve?

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CM: Well, the pils is what we wanted to start with, that was our big, um, that was our big idea. You know, we love pils. Back then it wasn't such a pale ale world but I suppose it sort of was, but you know there is no lack of hops, no lack of character and they're just wonderful drinking beers. I don't like to call them session beers because I think that's become a perjorative. But uh, if, if, if you know, if anybody was going to be able to handle the idea of a craft brew pils, Austin would be able to. And you know, because it's kind of a hard sell, the, you know the real hard core beer geeks they're like, "Well, you know, I gave up pilsner's in, in high school. No, I don't drink any pilsner's." And then you know the hard core, mega brand drinkers take one sip of it and it's just like, "Oh my God, it tastes like beer or something, I can't drink that." So it was, it was kind of a hard sell but, or we thought it would be, but people really got it, like pretty immediately, people got it. And, so, so we knew we wanted to start with the pils, and we both really like hefeweizen as well and so got into hefe's and very really early on we got a visit because of Don and Lynne O'Connor at, at St. Patricks of Austin. They were a home brew supply then, now they're doing mostly equipment. They somehow they had Gaylord Schneider V in town, or maybe he was the Fourth? Well anyways he was in town and they brought him by the brewery and I don't know what we had at the time, certainly we had pils and hefe and maybe we had Oaktobefest, I'm not really sure and so, you know Schneider, he know, he knows

hefeweizen and he tasted our beers and liked the pils okay but you know hefe's his deal and he said, "Well, it's good, but I think it's a little too bitter." And from then on we couldn't taste it without thinking, oh it's too bitter, and so we cut back the bitterness and he was exactly right, cut back the bitterness on it and now people, that was really early on though but, hefe has really caught on. So, I don't know our first, like I get, our first beer was the pils and then the hefe and then our first seasonal was Oaktoberfest and that was also in 97' and that one went really, really well. It was like "Oh my God, people just love this beer. I got an idea, lets sell it all year round," great idea, so we sold it all year around and come January, or we tried to and come January 1st, you know people they're not having anymore Oaktobberfest, it's got that month word in it, you know, so we tried to sell it all year round and we just, oh why, people don't want it, why I thought they loved it, you know why are they not drinking it and so then we, came back around to Oktoberfest season again and it was just flying out of the bars you know, flying out of the taps, and it was like wow this is great, I know, let's get rid of the October word. So, as soon as the season was over we started calling it Märzen and people were like, "What's that, what are them two funny dots over that 'a'?" You know, and stuff like that [laughs] and, "Is that one of them dark beers?" Oh God, yes, it is a little dark, but you know. And uh, so Märzen didn't do any better and then, then again Oktoberfest season hit, so we tried that, we tried you know year around a couple years and then in 2000, very beginning of 2000. January of 2000, we start, we came up with the recipe, well before that, with Big Bark, for Big Bark, where we cut down on the alcohol strength a little bit and made it a beer, a beer in Texas and put a little more hop character and a little more hop flavor in the middle of it and that was Big Bark. And then that was a huge success. Just not trying to flog that Oktoberfest mule for so long worked out great. Now it's our biggest selling seasonal, we just whip it in and whip it out, and it sells huge amounts, very popular beer again, just make it seasonal.

NT: So where did you come up with the name Big Bark? I am always curious about these things.

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CM: Yeah I, um, it was a pun and you know, bark, dog. We had a couple of dogs running around the brewery all the time. Brian had a dog, Hot Diggity Dog and I had Pils and so it was kind of a dog and a tree pun and it just got out of hand and I don't, you know, so we just used it. We were thinking about making it a pale ale when we had this name Big Bark and it was going to be affixed to a pale ale and then we came up with this and did that instead .

NT: So, let's talk a little bit more about the beers and the process too, because I know one of the things that you talk about a lot in the, on the website and the literature is how Live Oak does things a little bit differently from your average American craft brewery or microbrewery. So can you tell me a little bit about the all the processes that you go through to end up with a beer like a pils as opposed to, you know, a pale ale?

CM: Well, first off, we started doing pils and hefeweizen when, well not so much hefe but we started doing pils when nobody else was doing pilsner. I don't know when Victory started doing theirs. There was hardly anybody doing a pilsner. But we wanted to, we were doing a Czech pilsner and, and we, well I went to the Czech Republic in I guess '96, summer of '96, might have been '95 and did a bicycle tour but it is a long story but I kind of broke off from the bicycle tour because I was really a lot more interested in the breweries. And I went off on my own and started visiting breweries and the brewers were really, really open and you know, told me and showed me how they made beer. I got into some really great conversations with some excellent Czech brewers and you know, the various sort of themes started coming up, I mean, they, some of the details may differ but basically they were all doing a, a multi-temperature decoction mash and they had different ways of hopping it up and they had different mash temperatures. But they were all very similar, you know, it was basically 50, 60, 70. [Note: degrees Fahrenheit] And I just, I learned quite a bit on that trip and so, that's how we started, that's, we were determined you know, to kind of go down that road with it. At the beginning, we were getting malt from wherever we could, I mean there was a brewery in Dallas that went out of business and we got a couple of pallets of malt from them and you know, and we bought malt from North American Maltsters and whatever was cheap and I don't know. And we thought that merely from the process it would just fix all, or would fix everything and it was okay. Then Lynne O'Connor started importing Czech malt and so for years we bought undermodified floor malted heirloom variety barley malt from her. And then she got out of the ingredients business and went all equipment and so I talked to her supplier and then he agreed to start supplying us directly so, now we get our, we import malt from Czech Republic. I mean, I think, making these kinds of beers, we like doing the way that they do it there, using the ingredients that they use there and really trying to duplicate these flavors. It's difficult, we still use our water, we have relatively hard water, makes the, makes the hopping, come through a lot stronger than it does with soft water. That's the difficulty with the pils. But, kind of not interested in running it through a water softener, there's other ways of softening we're just not able to do it right now. But anyway, so and a lot of that is because we want to kind of do it the way they do it over there. You know if they have hard water then they hit it up with slaked lime and soften the water that way. Anyway, there's ways that you can do it, but we just haven't gotten to it yet. So what are we talking about? [laughs] How do you make the beers and I mean, how do we make these styles? Why did we start making German style beers? Well we kind of, German and Czech, central European and they have, they're variations on the same theme really. Well, we I guess, we started with the pils and did hefe and then did Oktoberfest style and then you know, one thing leads to another and you look up and that's pretty much all you're doing. Well, we've, we did a pale ale for a while, you know, the great pale ale scare of the, of the late 90s and early, the early 00s, you know when there was nothing but Pale Ale and IPA and special IPA. And now, now people have really branched out, we've got all kinds of crazy beers and stuff and it's not, it's still kind of of a pale ale world. So anyway we did one but it was kind of always our, it was our red headed step child,

I mean it was the last one when we would go out and do a sales call, I mean we had such great beers we had the pils, the hefe, and the Bark eventually by 2000 we had the Bark. So it was kind of the last one we'd offer up and it was always our least, our least seller. We did a seasonal IPA, we did Liberation, very, very successful but it was kind of in the same boat. Then we had the pale ale and the liberation and you know two pale ales and you know now we're going down this road that everybody else is on, you got your pale ale, and your IPA, and your double IPA, and your ESB and your bitter, oh you know, how boring is that? So, you know, we found an excuse to get rid of the pale ale and unfortunately it took, and that was the hop shortage of 2007. We couldn't get Cascade hops anymore and we couldn't even get Willamette, you know, things that were suitable substitute and so we discontinued it and we made a beer that we wanted it to be exactly like Liberation but we didn't want to call it Liberation because we weren't dry hopping with Cascade hops. And we felt that that was a little, that was cheating it wasn't really Liberation anymore so we made IPA and the way we did it and the yeast we used made it taste almost exactly using Columbus hops almost exactly like the Liberation but you could tell a difference not having dry hop Cascade obviously you can tell the difference but it was pretty small difference. But we did that for a while and, and we really wanted to get you know those hop shortage was over in a couple years we could get all we wanted and so we really wanted to get back to the Liberation. We kept getting letters and stuff about Liberation. "When are you going to bring back Liberation?" and stuff and so we ended up bring that up and killing the IPA. All this is to say that, I mean, we have these beers that are really good, the Liberation has a strong fan base, but it's kind of our also-ran beer. Because we have got such great beers lead off with, the pils and the hefe and the bark and the seasonals, we just don't get around offering up the Liberation or the past years the IPA or the pale ale. Everybody's has got a pale ale and it's just kind of not our deal. We really like the fact that we're doing lagers, most small breweries have a hard time making lagers, a lot of small breweries don't have a mash tun that is really suitable for doing multi-temperature mash. It might be heated mash time so it's difficult for a lot of breweries to do lagers. So we like the idea that we're a lager brewery as well as hefeweizen and we do ales too but, but we really like being a lager brewery, that's our forté, that and hefeweizen.

[00:40:19]

NT: So just for you know, general consumption, can you give a quick run down on the differences between an ale and a lager?

CM: Quick?

NT: Extensive.

CM: Is there [laughs] anything is this interview so far to lead you to believe I'd be quick? Um, ales and lagers differ in the type of yeast that you use to ferment them. Ales are *Saccharomyces*

cerevisiae, the original yeast are so called top fermenters and they fermented about 68 degrees Fahrenheit. Lager yeast were, discovered later, and they are so called bottom fermenting yeast, they don't actually ferment on the exact bottom, but they are underneath the top. They ferment at a lower temperature and they give off very few auxiliary flavors compared to ale yeast. If you think about typical ale, a English ale perhaps might have a little, a little mild hint of fruitiness or some buttery note. Those are flavors typical of English ales and their you know, the Belgium ales have those really earthy notes and even maybe more fruitiness. So these auxiliary flavors are sort of hallmark of, of so called actually neutral ale yeast. Neutral compared to what, I will get to that in a minute. The lager yeast give a much cleaner flavor and if you think about lager beers. There really either hop forward or malt forward and you don't really get a lot of flavor from the yeast. Unless you get philosophical about it and call no flavor, a flavor. So, so lagers are a lot cleaner and that's not a thump on ales. But, that's just the way people describe it. Now, Bavarians who discovered these lager yeasts they also discovered these yeasts that fermented, they were like ale yeast. And instead of being very clean like the lager yeast, they were 180 degrees off of that and, and put out tons of flavor. But, they selected to channel those flavors in desirable directions and I am talking about the hefeweizen yeast right now. The hefeweizen yeast, the Bavarian strains put out two major classes of chemicals. The so called fruity esters, banana being the most predominate one. You might get bubble gum or pear or something. And, and it also puts out these spicy notes, and the most predominate spicy note is clove, but you might get nutmeg or vanilla or cinnamon. Those are all sort of chemically related flavors. And, and so these, these hefeweizen yeasts are really, really unique because yeast have been selected over hundreds of years to really impart a flavor. Because you can certainly fermented with wild yeast and still get ethanol and CO2 but you also get a lot of off flavors so even the early ale yeast were selected to be, you know, to not put in any, any additional off flavors. And then the lager yeast even more so, and the hefeweizen yeast, like I say 180 degrees off of that. They put out tons of flavor but they put it out in very desirable directions. Lagers?

NT: Yeah.

CM: What else about lagers?

NT: Let's see. Um, I mean I think that's, I think that's a pretty good primer about the difference and I don't want to get too technical because you can get bogged down in it. But I guess the other question that I think it's really important to talk about Live Oak is the difference between you mash beers or do the mash to make the sugars and opposed to the way say—

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CM: Another small microbrewery. Uh, well we do these multi-temperature mashes which is very typical for the way that Germans and Czechs brew beer. I think even, I think the English

probably, you know, I don't know that they do single temperature mashes but there fewer temperatures than certainly the Germans. And then with today's modern malts you can just threaten them with warm water and they turn to sugar. So, it's much much easier and you can get pretty much all the sugar out of it if you just use one temperature. So most American mash tuns are combination mash-lauter tuns. It's different than the way they would do it when they set up a brewhouse in Germany. So these mash tuns, you just mash in at one temperature, you get conversion and then you start sparging. So we are going multi-temperature mashes. We have what was originally designed as a rake system but it's really not good for rakes, it's a mixer. And we have a heated mash tun, so we can pretty easily do multi-temperature mashes. We also put a extra port on the side of the mash tun so that we can draw off the thick mash not just liquid from underneath the false bottom but we can draw a thick mash and do a decoction. Yeah so we go to, we do all these weird things but as I say we're really trying to, to duplicate these flavors. Not just sort of simulate them, we could certainly, and many people make a delicious pilsner by adding a little bit of Vienna malt or something to their, you know, to their base malt and you can, and do it with a single temperature infusion and you're good. Many delicious beers are made that way but I, I don't think their exactly the same. We have made the pils with and without decoctions and using other temperatures and it doesn't turn out the same. It could still be good but it's not exactly the same. By using this malt that we use which is an old barley variety and it is floor malted and its under modified, which means it doesn't work very well but it tastes really good. So by using that malt you really have to work it a little bit harder. And when you do the decoction, it's great when you're, stirring up the main mash and you're pumping back the decoction that's been boiled and you've going through saccharification on it, it's been boiled and you pump it back, it kind of looks like you're making chocolate swirl ice cream. You can see when the decoction is coming into the main mash and looks considerably different. And when you look at the pils, at if, if we make a pils that has not been decocted then it's considerably lighter. And by using that combination of mash and that type of malt it gives the, it gives the pils a nice firm malt character without being sweet, without being heavy and also without being too light. It gives it a nice firmness that is more of a maltiness than say a sweetness. I describe maltiness as a sweetness which develops in your mouth rather than coming into your mouth already sweet. Hard to describe. Easier to put it in your mouth and experience it.

[00:50:07]

NT: I guess that's the moral of the story is go get one and drink it.

CM: Pretty much, pretty much. And you know, when you think about the pils there are lots fo variations. There's not one kind of Czech pilsner. We are more, by far I wouldn't, I wouldn't say that these are at opposite ends of the pils spectrum but they're a little bit different the, the, the Pilsner Urquell, the PU or the Budweis. They're a little bit different, the PU is mashed, I believe the saccharification's at a little bit higher temperature. There's a little bit more residual maltiness,

unfermentables in there. Finish is slightly higher and it has just a hair less alcohol as a consequence than the Budweiser. The Budweiser is slightly drier. I think they mash a little bit lower temperature for saccharification. They get more fermentables out of it so consequently a little bit higher alcohol strength. But then, the result is when you do it that way the Budweiser got a little bit less hop character. A little bit less bitterness because it doesn't have that, that maltiness to back it up. Whereas the PU has a lot of the maltiness to it and that is a lot of maltiness on the pilsner scale. And so you can really hop it up a lot and that's kind of the tack that we've taken is, we mash at a little bit higher temperature and keep some of that firm malt character so we can hop the shit out of it. [laughs]

NT: Okay, well unless you have something else really pressing about the beers themselves that you want to say at this point.

CM: Um, hefeweizen.

NT: Yeah, let's talk about that for a minute. Good call.

[00:52:24]

CM: Really super proud of our hefe. When we first started making it, it was, it was a difficult beer to sell. We could hardly give it away. And gradually there's been greater acceptance of it, till we get to where we are now and people are just crazy for it. Everybody knows what a hefeweizen is, sort of, people are confused by the word hefeweizen. I really think that word is greatly abused. I think a hefeweizen is a Bavarian style wheat beer. It's fermented with this very unique yeast that we've talked about. I really take exception to calling, to saying that something is an American wheat beer and it doesn't, or a, I'm sorry an American hefeweizen. And that's a style that doesn't have that banana and clove flavor and I always make the analogy if you're calling an American, what I call an American wheat beer and sure you may have some, you may not filter out the yeast and the protein cloudiness and stuff. Maybe a cloudy beer and you put a lemon wedge on it or something. But unless it's fermented with those peculiar strains of yeast, given those esters and those phenolics, I say it's not a hefeweizen. And it is a tortuously difficult German word. Nobody knows how to pronounce it or what it means and, and it does though have a very specific meaning. If you had a restaurant and you were to offer up bratwurst and sauerkraut on your menu then you brought somebody out a hot dog and a coleslaw. I think you may have some objections. You may, you may defend yourself and say, "Well you know this stuff, you know, we call it sauerkraut, that's our version of sauerkraut and I don't know what you're talking about because it's 95% cabbage and this other stuff that you're calling sauerkraut is also 95% cabbage. So why are you complaining about our version of sauerkraut?" Well, I call bullshit on that. You know sauerkraut it goes through a much different process it's a different thing than coleslaw. Nothing wrong with coleslaw, it's perfectly fine. I

like coleslaw myself. Also like sauerkraut and when I have something that is called sauerkraut, I want it to be sauerkraut and I don't want it to be coleslaw. And I think that's the, you know, the proper analogy when you see these beers that are, that are, go by the name of hefeweizen but they're a wheat beer. They should take pride in the beer that they make and call it what it is, but it's not a hefeweizen. Um, those are the two, those are you know two beers that I think have the most interesting story that we make, is the pils and the hefe. Well, no now we got roggenbier and we've got the weissenbach. The roggenbier, Jan and I went to Brau, the tradeshow in Nuremburg last year and we looked around to taste some roggenbiers. First thing we found out is there's not as many as we had hoped. And we tasted some, we talked to a couple of brewers, people who said they knew how to make them and how they made them and stuff like that. We found that there's a, a, not a wide variety but well, actually you know, some, I think some people even made roggenbier with lager yeast. So I guess a wide variety of yeast used. But typically they were an ale yeast. And, and didn't find a lot of people who made them with the hefeweizen yeast. I went over there thinking that was very common but I didn't even find one that was made with a hefeweizen yeast although I'm not saying that it's not done but, it might be, and, but we're going again this November and I'm going to look for some more. But typically it was a German ale yeast was used and that's what we used for ours. We really wanted to taste the rye malt. So, we didn't want to hop it up and just cover up all the malt character because rye malt is really hard to use. And if you are going to use it presumably you want to taste it. You don't want to just complain about using it. So, we used a German ale yeast and it gives it a slight fruitiness. It's kind of half way to hefe, so to speak. Very low bitterness, it's kind of like a hefeweizen but it's not like a hefeweizen. That, it's got enough mouth feel to make it not empty but not so much as to make it unrefreshing. It, it's kind of, that mouth feel is a knife edge on the roggenbier and it's really hard to get that right. You go over it, it's a little heavy, and again, I'm talking about on the, sort of the roggenbier scale. Not heavy, like a wee heavy, but it's a little heavy if you go a little too far. It's empty if you don't get it, you know, malty enough. So it's a tough, it's tough to hit that right spot for the mouth feel on that beer. But anyway, so we made that beer and I was very concerned, oh my gosh you know, everybody wants the, the double imperial IPA with 2300 IBUs all that stuff you know, and what are people going to think about a little roggenbier and it turns out maybe it was a good thing it was the hottest summer that we've ever experienced this summer. But, went over really, really well, people really liked it. Everybody I've talked to has liked it. Nobody really, like, dislikes it. Um, now that sounds like a commercial for, that sounds like the marketing theme for Bud Light or something and I don't mean it to sound that way. What I'm saying is, is that I was very pleasantly surprised when, to find, and again this is a testament to you know the beer drinkers in Austin mostly. That they get it, you know, they understand what you're trying to do. And it went over great, so you don't have to make that triple IPA, stout, sour, wood aged.

[01:00:41]

NT: [laughs] And roggenbier is, roggenbier just meaning rye beer in German essentially right?

CM: Yeah.

NT: It's a, it's a really uncommon style in America. Almost nobody makes a roggenbier in the German tradition right?

CM: I, not many, no. You, you, you see the rye IPA. You see those sorts of things, um, to me it's like, "Let's make another IPA this one will be different we'll through some rye in it." And I just, I don't think you really get the flavor of the rye when you make beers that way. It's just, if we are going to make a rye beer we want to taste the rye. So, I don't think that the American beer drinking public really needs to be bashed about the head and shoulders with a keg of hops. At least not here in Austin, they're really, like I say, they get it when you do something a little more subtle. And every bit as delicious and then many times more delicious than some, extreme beers.

NT: And, and so one of those things that we've, that you've mentioned a couple of times is that people in Austin get it. That it's, that it's open and open-minded and I know that Liveoak has been in business for a long time in terms of microbreweries, especially in Texas. And I just was wondering if you had any thoughts about how things have changed? If they have changed in Austin? What's continuity and change? In beer, in Austin.

CM: Well, it's changed, a whole lot more people, you know the craft beer business right now is fantastic. A lot of people know about craft beer now. You know everybody a couple years ago they were saying, well what's going to happen there's, you know, a bunch of new breweries on the horizon and so forth. And craft brewers have been you know, humming the mantra about rising tide floating all boats and, and here in Texas not having that many boats, we didn't really have much to go on but we were repeating the mantra none the less. And in the last year, we have seen a whole bunch of small breweries come on line and Live Oak sales have been shooting up better than they were in 08' and 09'. We're kind of fluxuating between 30 and 40 percent right now, here at the end of the year. We'll probably end up a little bit over 20% for the whole year. So things since the appearance of all these new breweries, seems like it's more and more people are knowing about craft beer. So a rising tide does float all boats it seems. The tide is still rising, it's been, it's really good right now. It is a lot more fun having all these new guys out there and they're all trying, you know, they're looking around for what's going to be, you know, their niche. I mean they already have some ideas about what they want to do. And they're trying these things and, and it's really very fun right now. It's really, the new breweries have really brought some new life and invigorated the beer scene. I think it's a lot of fun now.

[01:04:48]

NT: And do you think there's a good connection between maybe brewers of, of different , I don't want to say different generations because that sounds maybe more extreme than it is but people like yourself that have been in business for, you know, almost 15 years now and people who have been in business for one year. Is there a, do you think there's a good connection between those two? Or are people going in different directions?

CM: Well, I think there is, there are other things that are coalescing and splitting various breweries and brewers off having nothing to do with generational things. I mean you know, so we've been brewing beer for about 15 years now and we're doing this traditional classic beer style deal and there are other breweries that have been brewing longer than us. You know, or the same time, they're doing big extreme beer. So I don't think it has, there is much you know, generational difference. I do think though that some of these younger guys are much, they got a lot more energy than I do. And they are willing to do what we did, you know, 15 years ago, they're doing that now and they're willing to try new things. So anyways so their doing you know, some new things and throwing it up on the wall and seeing what sticks and, you know, some of it is, some of it is just they're new to the business and they're going to find some things don't stick and some of it is that they're really energetic and exciting you know and they're willing to do these things. So, yeah once again it's like, it's, um, it's exciting having them around.

NT: Excellent. Yeah, the interruption through me off there. That's my fault. Okay, a question that I ask people and it's a totally open ended question and I don't know where it goes. But if you could have your ultimate vision of what craft beer in Austin or in Texas would look like, what would that look like? And what aspects of the community would come into craft beer? Maybe what legal changes that would happen? You know, a utopian vision.

CM: Well, my utopian vision is that, that, microbrewies would be able to retail beer from their manufacturing establishment. That's, I don't even think it's utopian. I think it's reasonable, it's a change that would improve Texas breweries ability to compete in business with out of state breweries that can do it in their states. I think that's the single best change that could really improve the situation for micros. I think it would improve the situation for wholesalers that sell microbrewery beer, craft beer. I mean Texas craft beer. I mean these guys, they have some success at selling out of state craft beer and but, the success that they see immediately when they start selling Texas craft beer just far outstrips it. It's so much easier to sell Texas craft beer and so what we would like is the ability to retail and create, one, an added cash stream, income stream for small breweries, because we are small businesses. We're always scrambling for, you know, trying to make ends meet. But, it's also a marketing opportunity and how great would it be to be able to sell some sort of wacky you know smoked beer or chili beer or something in our

own little brewpub. We'd get to try things out. You could make the brewery, we could become a lot more of tourist destination. We're going to have, we've got this property out there that we want to build our brewery on. We could have all kinds of you know, tourists, we have a disc golf course for instance out there. And, and it doesn't make any sense for Live Oak to do that if there's no way to pay for all of that. And the way we could pay for it is if we could sell a few pints of beer. And that's nothing but good old fashion marketing and it will help these wholesalers around the state to sell our beers. Not to mention the fact that it will help the micros directly. So I think that's the single most important thing that we need to do.

[01:10:45]

NT: And do you get the sense that although even though something like H.B. 660, which would have allowed for that this past session didn't pass. Do you think that that's the kind of thing that is going to come to pass?

CM: H.B. 660 was the tour bill wasn't it? That, that was the, or was that, no—

NT: I think that was 602.

CM: 602, so 660 was to allow the brewpubs to wholesale their beer sort of the reciprocal of what I'm saying. And though, that's not my particular axe to grind because I am a manufacturer, I think that that would be very beneficial. And it might be a way that we could maybe accomplish this for even the microbreweries too but, but we've got a lot of work to do in that area. We have to, are biggest opponents are the wholesalers. And they don't want to see an erosion of their place in the three tiered system. They're afraid that, I mean they're making hundreds of millions of dollars the way things are so they don't like to see much change. Although they can recognize that their, their position could be improved by some changes. And you know we would love to work with them on that and there are some wholesalers that are ready, willing and able to, you know, to go to work on this and some not so much. We need, I think we need to get a little bit more trust between the craft brewers and the wholesalers. I think there's a lot of distrust going in both directions and we need to do something to work on getting that, getting a firmer relationship with these guys. Even, even if we're not, you know, distributing through them right now. We all will be eventually, if you're successful you will be distributing through a wholesaler. It's a, it's a superior network to anything that we can, that those craft brewers can do here in Texas. Because we can only have one beer from one brewery. We can only have our own, we can only distribute our own beer. If we could distribute many, many other brands, and by the way that's not something that I'm advocating, but if we could distribute many, many other brands, you know we could be a more successful wholesaler. Like, what Stone Brewing has been able to do out in San Diego and they're spreading all over. And they have a very successful craft beer distributorship. And, we're not able to do that, and I'm not advocating for that. That's not really

were I want to see this go. But you could see that, you know, making \$1,200 drops is a lot better than making a \$200 drop every time you stock the truck. I don't know where I was going with that.

[01:14:13]

NT: Possibilities you know, things, I guess my question is, how hopeful are you that the incremental changes even are coming around you know?

CM: Well, hmm, I'm very hopeful and I'm very optimistic. I think it's definitely a doable deal. Incremental. That's a words that's really, has various meanings to various people. And really, we've done incremental and what I'm suggesting is, is incremental over you know, I suppose if you look at the whole spectrum, well I'd like to see us be able to retail, I'd like to see pubs be able to wholesale, I'd like to see us be able to distribute other people's beers. I mean there could be a huge, could really open it up wide. So I look at, the one thing of being able to, a manufacturer be able to retail what amounts to a small amount of beer at their own establishment. I look at that as an incremental change. Now, the problem with these incremental changes is that so much has gone into making them not get all, you know the frog is always jumping half way to the pond. And, and you know we're never really getting there. And then, in trying to only get halfway to the pond, we end up going through all these contortions and manipulations of, and coming up with some crazy half measures that really imperil our Texas laws more than if we did what some would call the full measure. You know, which is why I worry about this word incremental. But, but I'm not afraid I'll call it the full measure. You know, when we do these half assed measures, we end up with half-assed laws that are more problematic for all of the people that have concerns about it. These half measures are more problematic than the full measure would be. So, I'm really optimistic about the full measure of being able to retail from our manufacturing facility. Because this is a, it's a deal that everybody understands what it is. Everybody understands what retailing is, the Supreme Court has discussed about what retailing is, what wholesaling is, and what manufacturing is and some of these half measures have been so convoluted and bizarre, you don't even really know what you're trying to pass into law. I'm thinking about the tour bill that we recently had. If that had passed I don't, I'm not sure what we would have had. It was, it was advertised to some people as one thing, and advertised to other people as another. To the, to the craft brewers, you know, we were going to be able to have this tour free, you know, free-for-all, where you know, you got the six pack tour and the case tour and the, and the 24 ounce, or the 22 ounce bomber of barley wine tour versus the 22 ounce pils tour. You know, and all these various tours and, so it was going to be just like selling. Well when people started really talking about it, and talking the authorities about what they were going to allow, then it became obvious that it wasn't going to be like that. You got a tour and you get something and, but that's it. You can't have a bunch, you can't have twelve different kinds of tours. Also, it created this, situation where we had what was obviously a hidden sale. We have

rules against hidden sales. We don't want, nobody wants hidden sales. And here was going to be allowed a hidden sale. And at the same time on a different day they've got to disallow other types of hidden sales. Well what's that going to do to Texas statutes? It's going to imperil them. It was also, so, so you know, it's advertised to the wholesalers as "Well, they're not going to be able to do very much," and, you know, just sort of soft sell it to them and then they started kind of pushing back and like, "Well if you don't want to do this then we could just do it this way." And then there's this kind of push back, that cuts us down and I think we are all very much better off if we just talk about things that are easy for everybody to wrap their head around and we have some precedent in the law to tell us what these things are. And so that's why I advocate being able to retail a beer. It's very simple and very well understood and we can fix our laws so that they don't imperil the protections of the middle tier, the wholesalers. The craft brewers are very, very much dependent, second only on dependence on the three tiered system to the wholesalers. Without the three tiered system half the bars would be AB bars and almost all of the rest of them would be Coors and Miller and there'd be a Corona bar here and there and some Heineken bars and that'd be about it. Uh, so we love the three tiered system and we don't want to see eroded, we want to see it fixed because there, there these laws we have here are putting Texas businesses at a disadvantage to out of state businesses. And they're able to compete much better because they are more robust business because they have added income from being able to do this back in their own home state. Plus, they have tourists coming from all over, I mean Colorado, California is like, it's a beer tourist destination. Well, there's not that much to do down here in Texas. Because we don't have a lot of leeway to provide interesting diversions for tourists, and we could. And because people are going to Colorado and to California and trying those beers there, they even, you know, Texans come back from Colorado all jazzed about this Colorado beer and they probably don't know about the Texas beer that's in their own backyard. Because we're not able to compete in the same way that they are. So, it just makes just good sense for Texas, it makes good sense for Texas small businesses and Texas taxpayers that we can pay more tax and it's good for the Texas wholesalers because they get some very exciting high margin products that basically sell themselves. So, it's good for everybody we just have to figure out how to do it so that nobody gets hurt in the, in the making of the new law.

[01:22:54]

NT: Well, you managed to answer pretty much every question I had about that, there, so that's good. And, um, that was the last topic I wanted to address. So I don't know if you have anything else you want to talk about? I am ready to do it. But that's it for me I think.

CM: I think, I think next time I do an interview I'm going to be closer to the beer tap. Because the beer ran out about half way through and I'm getting parched.

NT: We can do part two, we'll be half way between the tap and bathroom. That's where we'll

be.

CM: That sounds good.

NT: Alright, well thank you very much and I appreciate it.

[END OF INTERVIEW]

[01:23:33]