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DELANO HERALD JOURNAL, Monday, Nov. 21, 2011, Page 1B

Delano Herald Journal



An American original

The want for a new business venture that also gives back led Orono's Phil Knutsen to beer. Last Wednesday, Knutsen introduced Founding Fathers, an all-American beer that will donate half of its profits to military families

By Matt Kane
 Sports Editor

MAPLE PLAIN — Approximately 150,000 cases of beer are housed daily at the Day Distributing Co. in Maple Plain. A walk through the 90,000-square-foot warehouse will leave the average beer drinker salivating over the thought of so many refreshing suds in one place.

Bottles, cans and kegs of Rolling Rock, Grain Belt, Schell's, Labatt and dozens of other brands are stacked neatly across the floor, and, late Tuesday night, these already-established longnecks welcomed a new brew, featuring three familiar faces, to the warehouse. When the truck doors swung open, out rolled George Washington, Thomas Jefferson and Ben Franklin, the familiar faces stamped on the labels of Founding Fathers Beer, which was developed just a bifocal's-view away from the distributor, which sits on Hwy. 12.

Wednesday afternoon, the founding father of Founding Fathers, Phil Knutsen of Orono, introduced his new lager beer to a small gathering of friends, Day employees and media members at the Maple Plain distributor, officially putting Founding Fathers on the market.

The arrival of the three American heroes came less than two days after the first bottle of Founding Fathers was filled at a brewery in Latrobe, Pa., and three years after Knutsen brainstormed the idea while looking for a new business venture that would also serve to give back to a worthy cause.

"I had been with an organization for 22 years, and



A salute to the troops

Local businessman Phil Knutsen (second from right) leads a toast Wednesday during the launch party for his Founding Fathers beer at Day Distributing in Maple Plain. Joining Knutsen in the toast are (from left) J.B. Ball, the founder of Tee It Up for Troops, Day Distributing Director of Operations Doug Jerde, and Tom Lyons, a member of the board of directors for the Minnesota Military Family Foundation. Founding Fathers will donate half of its proceeds to Ball and Lyons' charities.

thought it was time to do something different," said Knutsen, who gave up a successful career in sales and marketing at a Minneapolis company to launch his beer. "I had a thought that I would start a company similar to Paul Newman's Newman's Own. They are a nonprofit that makes everyday consumables, and they are quality products. We were not interested in being a nonprofit, but I was interested in donating a large portion of the profits of something we produced back to an organization we felt aligned with Founding Fathers products, which is a company that makes American-made everyday consumables."

Founding Fathers is more than a refreshing lager. The company has vowed to give 50 percent of its profits to charity.

"We wanted to impact many people, and just about everybody I know has a military tie," said Knutsen, who, himself, has a son in the Air Force. "We thought, 'What a great way to affect a great number of people.' These men and women put their lives on the line for all of us to be talking today. It will be nice to give back to something all of our customers can rally around."

So, with a formal toast and salute Wednesday, it was announced that the benefactors of Founding Fathers' donations will be Tee It Up for Troops and the Minnesota Military Family Foundation, both of which help veterans and their families cope with military life.

Actually, the decision of what charities to give to came before the beer was named, and greatly influenced that name, according to Knutsen. "I sat down with a bunch of buddies and asked what was a good name for a company that is trying to donate back to the families of the troops. We came up with 'Founding Fathers,' and think it is a perfect fit-in," he said.

Each bottle spells out the connection between the beer's mission and the trio of Washington, Jefferson and Franklin the best. The labels read:

"We believe the values and ideas that originated with our founding fathers are the principles that need to be preserved to keep America strong."

Knutsen and his wife, Teri, who is a second-grade teacher at Orono, have the one son in the Air Force, and also twin boys, who are sophomores at Orono. Knutsen's father and father-in-law were also military members.

The money for Founding Fathers and, thus, the two military charities started rolling in late last week when cases first hit the shelves at Twin Cities-area liquor stores and bars.

Delano Wine and Spirits received its first 15 cases around 3:30 p.m. Steve Manager Nancy Drumsta said her decision to stock Founding Fathers was an easy one, considering two main factors

FOUNDING FATHERS, page 2B

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 MARK YOUR CALENDAR FOR OUR GREAT WINTER FEST WEEKEND

Founding Fathers looking to make a name in America

FOUNDING FATHERS, from 1B

"We want it for the local tie to the area, from Maple Plain, and for the fact that it supports our veterans and their families," she said. "We just think it's going to be a big hit."

The Delano liquor store is committed to 15 more cases.

Drumsta knows Minnesotans are loyal to their locally-produced products.

"They sell very well. People look at loyalty to the area," she said.

The statistics don't lie. Day Distributing has seen an explosion of orders since its sales people first approached buyers about the future product, long before a drop of the lager had

even been brewed.

"Initial estimates said 'let's try one-third of a load (over 400 cases),' said Day Distributing Director of Operations Doug Jerde, who has played a key role in the launch of Founding Fathers, and was included in the toast Wednesday. "After we sent our salesmen to the street a month ago to take peoples' temperatures, they came back, after telling the story of the product, with projections that we can sell 3,000 cases the first month, compared to the 440 early estimate. So, I put us all-in on 4,032 cases on straight semis, which would be ten-fold our initial estimate."

Even though he estimated high on his initial order from the brewery, Jerde is convinced he should have ordered even more.

"It's just a hunch at this point, but I guessed 4,000 cases would run me through the end of the year. But I can tell you right now, after having the beer here for a day, it will be a very happy Thanksgiving, and a not quite so merry Christmas.

Meaning there might not be any Founding Fathers left from the first batch to wet Santa Claus' overworked whistle.

Good thing for Santa, the second batch of Founding Fathers began brewing last Friday, and will be ready by mid-December.

"The reception has been great and it should be in the majority of stores. If you don't see it in there, ask them about it, and we can get it in," said Knutsen.

Drumsta's declaration that the local appeal and giving efforts of Founding Fathers convinced her to become a buyer confirmed what Jerde believed when he first got on board with Founding Fathers, that if its story will help make it a success.

"By far, this is the most exciting launch we have had here," Jerde told the onlookers during Wednesday's launch.

At that launch, however, two bottles of Founding Fathers did not make it to a store or barroom. As the owner, Knutsen was given the first bottle that came off the line, and, for his work in helping develop the product, Jerde was given the second bottle, which is now displayed in his office at Day Distributing. The two also got the first taste.

"The guy reached in the line and grabbed two bottles, and we tried it before it was ever pasteurized. We had it before it was beer, essentially, in its final product," Jerde said.

And their thoughts, which could be biased.

"I like it. It's good," Jerde said. "It has some amber color, and is not mainstream premium looking."

"It was awesome," said Knutsen. "It's a little unique; it's not typical. It has a darker color, but it's very smooth beer."

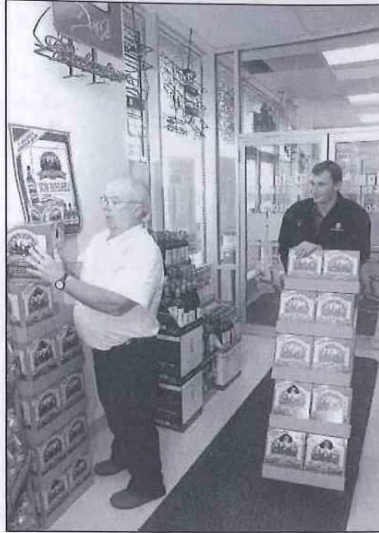
So, does Founding Fathers go well with a steak or hot dogs?

"All of the above. This is a beer you can take out fishing with you," Knutsen said. "This is not a craft beer, this is an American domestic premium."

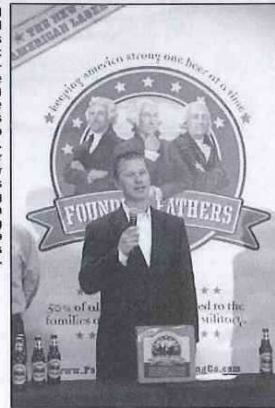
And, apparently, Founding Fathers is good for breakfast, as Knutsen's and Jerde's first sips came at 6 a.m. Monday morning (Nov. 14).

The uniqueness of Founding Fathers is its amber color. Otherwise, it tastes like it belongs in the category with the big three — Budweiser, Coors and Miller. That's exactly what Knutsen was after when he was developing the beer.

"When we got together with a bunch of people and tested all of the domestic premiums — from the lagers to the lights — we came up with what we thought was a profile that everybody will enjoy. It is a very smooth-tasting domestic lager," he said.



Just hours after Phil Knutsen introduced Founding Fathers to the public Wednesday afternoon (right), Dale Renning (above) was setting up the Founding Fathers display at Delano Wine and Spirits. Toting in another dolly full of the beer is Day Distributing's Nick Schaffer. Using its all-American status, Founding Fathers hopes to join the big three as America's top-selling lagers.



"We are the small-end distributor. We know the giants are Bud, Miller and Coors. Competing with them is one term, however, it isn't like anybody is trying to run anybody else out of town. A new company like this just wants a little sliver of that action," said Jerde from his office, where a portrait of DosEquis' Most Interesting Man in the World looks down on him. "Competing with them means that you are using a quality product, priced exactly the same as the mainstream big-three national brands. It means you are similar to them. Now it's our job, as the distributor, to give you the reason to try something different."

Knutsen explained further.



"The growth in the beer industry has been in the craft beers. That grows at about a 10-15 percent clip every year," Knutsen explained. "The large-selling domestic premiums, which have been on the decline for years, really haven't had a challenge to that market in years. Think about when a beer was last introduced to compete with the Budweisers; there hasn't been one."

Anheuser-Busch InBev, which makes Budweiser, had revenues of \$36.3 billion in 2010. SABMiller had revenues of \$18.02 billion.

From the initial batch that was brewed at the Latrobe brewery, which was a Pennsylvania landmark for Rolling Rock until the recipe was bought by Budweiser in 2006, 7,500 cases of the Founding Fathers lager

were brewed. The beer was distributed around the Twin Cities and Fargo areas. After the new year, Founding Fathers Light will also be introduced, and the products will be in seven more states — Florida, Georgia, Iowa, Maryland, Missouri, Tennessee and Wisconsin. A premium line of Founding Fathers will make its debut in the summer of 2012. To ease the pressure of Latrobe, Founding Fathers will also be brewed in Memphis, TN, and LaCrosse, WI.

"If we are to compete with the largest brewers in the United States, we have to be on the national level," Knutsen said.

Founding Fathers' best way to compete is to promote its giving ways and all-American background.

While the big three originated in the United States and still hold corporate offices here, they are no longer all-American.

Anheuser-Busch is owned by the Brazilian-Belgium company InBev, and Miller is owned by the United Kingdom-based SABMiller, which has a joint venture with Molson-Coors.

While Jerde is happy to sell imported products at Day Distributing, which serves 15 counties in Minnesota, his unprecedented excitement over the launch of Founding Fathers had to do with American patriotism.

"We sell beers from Belgium and Japan and Canada and Mexico and Germany and Ireland, as well as Minnesota. Our largest supplier is from Minnesota (August Schell Brewing Company). There is a Minnesota twist," Jerde said. "The thing about Founding Fathers is: American owned, American bottled, American brewed — in fact, Minnesota-owned with an office that is just four miles from here."

Each bottle declares, Founding Fathers is "Keeping American strong one beer a time." Knutsen and Jerde will toast to that, and one could bet Washington, Jefferson and Franklin would, too.

Founding Fathers is not brewed in Minnesota, but the Land of 10,000 Lakes is home to at least 15 beers that are brew inside its borders. Here is MnBeer.com's list of Minnesota-owned beer companies

Brau Brothers Brewing Co.

Brau Brothers Brewing Co. was formed in the spring of 2008 in the tiny town of Lucan, in southwest Minnesota. The Braus are no strangers to the beer business. Before starting Brau Brothers Brewing Co., they ran The Brauhaus, a brewpub in Lucan. Brau beer can be found in bottles and on draft.

Cold Spring Brewery

Cold Spring Brewery's Gabe Göttsche launched the Mississippi Brewing Company in Minneapolis in 1957. Shortly thereafter, the name was changed to Gluek Brewing Company. Unlike many others, the company survived Prohibition. In the 60s, Gluek was bought by G. Heikman and the Minneapolis brewery (2nd and Marshall) was torn down. Then in the late 90s, the Cold Spring Brewery became Gluek and Gluek re-merged in Minnesota. In 2008, the company was renamed to Cold Spring Brewery. The brewery currently has a capacity of 250,000-300,000 barrels per year. Cold Spring beer can be found on draft and in bottles.

Finnegans

Finnegans may only produce one beer, but 100% of their profits go to help the working poor and at-risk youth. This is the Twin Cities answer to "socially conscious" beer. The beer is contract brewed by St. Paul's Summit Brewing Company. Finnegans can be found in bottles and on draft.

Flat Earth Brewing Co.

Flat Earth Brewing Co. poured their first beer for the public in the beginning of 2007. Flat Earth beer can be found on draft and in 22 oz. bottles.

Fulton Brewing Co.

Fulton is currently contract brewing their beer in Black River Falls, WI as they build their brewery in Minneapolis, not far from the Minnesota Twins' new ballpark. Their beer is currently available on draft.

Hariet Brewing

Hariet launched in 2011, focusing upon Belgian-style beers. Currently you'll find their beer on draft around the Twin Cities. Beer is also available in growlers from the brewery.

Lake Superior Brewing Co.

Lake Superior Brewing/Lake Superior Brewing Company was the first brewery to open in Duluth since the old Fager's Brewery closed in the 70s. They've been around since 1994 and you'll find their beers in bottles and on tap around Duluth, the Twin Cities and beyond.

Lift Bridge Brewery

Lift Bridge Brewery is run by five guys from Stillwater. They're currently brewing their beer at another brewery, but are in the process of building a brewery in Stillwater. Their beer is available on draft and in bottles.

Mantorville Brewing Co., Mantorville

Mantorville Brewing Company is located in historic Mantorville, MN, next to the old Ginnsberg brewery. They've been making beer since 1998 and have recently released their beers in bottles. Mantorville beer can be found on draft and in bottles.

Pig's Eye Brewing Co.

Pig's Eye was originally part of St. Paul's Minnesota Brewing Company. The brand and recipes were recently resurrected by the former brewmaster and VP of sales and is contract brewed by C&Y Brewing in LaCrosse, Wisconsin. Pig's Eye beer is available in cans and on draft.

August Schell Brewing Co.

Schell's is the second oldest family-run brewery in the US and the oldest in Minnesota. They survived the Sluex Uprising, Prohibition and Bud, Miller and Coors virtually taking over beer production in the US. In recent years, Schell's has also taken over production of Minneapolis' Grain Belt beer. Schell's beer is available on draft, in cans and in bottles.

St. Croix Brewing Co., St. Paul, MN

St. Croix Brewing Company's claim to fame is their Maple Ale which was introduced in 1955 as the first commercial American beer fermented with pure maple syrup. You can find their beer in bottles and on draft in Minnesota and Wisconsin.

Summit Brewing Co.

Summit got its start in St. Paul in 1986 and has become one of Minnesota's best known craft lagers. Summit beer is available on draft and in 12 and 22 oz. bottles.

Sully Brewing Co.

Sully Brewing Company is Minnesota's fastest growing brewery. Sully beer is available in cans, growlers and on draft. Though Sully's isn't cool, there is no relation between Sully Brewing Co. and Sully Hicks.

Vine Park Brewing Co.

Vine Park/Vine Park is probably most well known as a fun place to brew your own beer or wine. Recently, Vine Park has begun to sell growlers. Andy and Dan are brewing a batch each week on their all-grain system. This is a fun home option for arsy brewers or anyone looking to drink a little Vine Park beer.