

Drought could alter craft beer business

By Brianna Sacks, Los Angeles Times

When Lagunitas Brewing Co. fills its beer bottles, Northern California's Russian River provides the main ingredient.

Lagunitas has become one of the fastest-growing stars of California's booming craft beer scene. But the Russian River is shrinking after three years of punishing drought.

"We are at the maximum growth threshold here in California because of water," said Leon Sharyon, chief financial officer for Lagunitas, which uses nearly 2 million gallons of river water a year at its Petaluma brewery.

Breweries run through an average of four to seven gallons of water to end up with one gallon of beer. With California in the midst of a water crisis, breweries are scrambling.

If this drought continues for two, three more years, that could greatly impact the production and growth of our breweries. – Tom McCormick, executive director of the California Craft Brewers Association

California is home to more than 400 craft brewers – the most in the country. They sold \$4.7 billion worth of beer in 2012, about 17 percent of the state's total beer sales, according to the most recent statistics from the California Craft Brewers Association.

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