

# The curious rise of Not Your Father’s Root Beer

## Boozy twist on soda from 3 Chicago-area guys takes craft brewing by storm

**BY JOSH NOEL**  
CHICAGO TRIBUNE

CHICAGO — Not long after Jeff Middleton opened his bar and restaurant, Middleton’s On Main, along the cozy downtown strip of northwest suburban Wauconda in 2012, one of the owners from the brewery up the street — called Small Town Brewery, appropriately enough — walked in with an odd idea: adding a boozy root beer to the draft list.

The root beer had been created right there in Wauconda, the brewery owner said, and it was a proper beer made with malted grain, hops and yeast. But it had been punched up with more than a dozen flavors and spices to create the nostalgic sweetness of an old-fashioned root beer. Even more important was the secret weapon within: at 10.7 percent alcohol, this root beer packed the punch of a high-octane beer or low-alcohol wine. That’s why it was called Not Your Father’s Root Beer.

An alcoholic root beer was different from anything Middleton poured on draft — so different that it felt like a risk. The bar could take a chance on an India pale ale from some brewery no one had heard of because an IPA would always sell. But a boozy root beer?

“There was nothing like it before that told me it could work,” Middleton said.

But it didn’t take long for Not Your Father’s Root Beer to become the biggest seller among Middleton’s 16 draft lines, outpacing local craft beers and the national brands. As word of the root beer spread, business grew. People would show up and simply ask, “Do you have the root beer?” If Middleton’s happened to be between kegs, some of those customers would walk out.

For more than a year, Not Your Father’s Root Beer was Middleton’s biggest seller, ordered by the round like shots of Jagermeister or Fireball, and often chased with a Budweiser or Miller Lite.

“We became a destination,” Middleton said. “I don’t want to call it a novelty, but it sort of was.”

Service was always prompt from the three Small Town Brewery partners, unassuming guys in their 40s and 50s; they picked up and dropped off kegs from their own pickup trucks, huffing and puffing and sweating through the deliveries.

“Whether it was a Monday or a Friday, I could call them and get what I needed,” Middleton said. “They were always really good about that.”

All this is to say: When it comes to the curious case of Not Your Father’s Root Beer, we can probably eliminate a grand conspiracy by the highest reaches of the beverage industry. At least, Middleton thinks so.

### Unlikely growth

However, speculation has raged among pundits about how an alcoholic root beer made by a few guys 45 miles northwest of downtown Chicago became one of the beverage industry’s greatest sensations — grand conspiracies included. It’s the kind of scrutiny that comes with one of the unluckiest leaps in the booming U.S. craft beer industry (and, yes, for now, Not Your Father’s Root Beer is largely classified as craft beer, including by Small Town Brewery).

During the 10-plus months since Not Your Father’s Root Beer has been available across the U.S., Small Town Brewery has become the nation’s sixth best-selling craft

beer brand in stores, according to IRI, a Chicago-based market research firm.

It’s difficult to overstate how unlikely such growth is: Based solely on the strength of one product — Not Your Father’s Root Beer — Small Town Brewery trailed only Samuel Adams, Sierra Nevada, New Belgium, Shiner and Lagunitas in terms of sales through the summer. That one brand had soared past the entire portfolios of industry stalwarts like Goose Island, Stone and Bell’s.

**“There was nothing like it before that told me it could work.”**

JEFF MIDDLETON, BAR OWNER

The success has prompted quick competition from Boston Beer Co., which launched Coney Island Hard Root Beer in July, and Anheuser-Busch, which plans to release a 5.5 percent hard root beer in December called Best Damn Root Beer as part of its Best Damn Brewing Co., a subsidiary dedicated to sweet alcoholic beverages.

For as much disruption as Not Your Father’s Root Beer has brought to the beverage industry, questions have followed. How did the brand become so large, so quickly? Is it actually beer inside the bottle, as Small Town Brewery claims? And where did this boozy root beer come from in the first place? The simple answer to that last question is one of those men dropping off kegs at Middleton’s on Main: Tim Kovac.

Kovac — a 48-year-old divorced father of three — grew up in the northwest suburbs and studied graphic design and photo production at Southern Illinois University. College was also where he became aware of the joys of making alcohol. At first it was combining grape juice and yeast in a balloon, to create wine. Soon, he moved on to home brewing on a hot plate in an off-campus apartment.

Kovac worked in design for several corporations as he raised a family in the northwest suburbs, and was an occasional home brewer who decided to go professional with the encouragement of friends. Upon telling his mother that he planned to start a brewery — get ready for one part of the story that tends to raise eyebrows — she revealed that brewing had been in his family for generations, and presented him with a dusty, leather-bound journal of an ancestor’s recipes from the 1600s. In late 2010 and early 2011, Kovac was granted federal and state brewer’s licenses to operate Small Town Brewery.

Kovac began to brew from the journal and recipes of his own making, particularly brown and amber ales, which are among his favorites. But then everything changed when Kovac’s son, Jake, who works as a firefighter in the northwest suburbs, wondered aloud one day what it would take to brew a hard root beer.

Father and son took a shot at a boozy root beer that Kovac said “smelled like root beer, but wasn’t quite right.” After 18 months of trial and error, Kovac said, he dialed in a recipe for a bruising 24 percent alcohol root beer, which he eventually got down to 19.5 percent alcohol. Six months later, he came up with a version that was the 10.7 percent alcohol root beer that turned crowds batty at Middleton’s on Main and other bars.

The area’s largest beer merchant, Binny’s Beverage

Depot, knew it had a hit on its hands as soon as the first kegs of the 19.5 percent Not Your Father’s Root Beer arrived in 2012.

“We were getting phone calls and emails constantly,” said Pat Brophy, corporate beer buyer for the Binny’s Beverage Depot. “I remember selling one and thinking I wouldn’t see the guy for nine months with the empty keg because it was so much to drink. He was back in three weeks!”

Small Town eventually stopped selling the kegs to Binny’s because demand from bars became so intense. But when the brewery did two small bottling runs of the 10.7 percent alcohol root beer, the 22-ounce bottles met the most intense fervor yet.

“It sold out in seconds,” Brophy said.

When Small Town Brewery released 12-ounce bottles of a 5.9 percent version in November — the release that led to it becoming an elite national brand — Binny’s took as many six-packs as it could get, and hoped to sell them by the end of the year. The bottles were gone in five days. A Binny’s in Champaign sold more than 1,000 cases in less than a week. The fact that a sweet beverage with barely discernible alcohol would sell so well in a college town should have been no surprise, Brophy said — and it gets to the heart of the brand’s success.

**Tim Kovac insists Not Your Father’s Root Beer is a true beer, but occasionally makes head-scratching declarations**

“We talk about this product like it’s craft beer, but this speaks to drinkers outside of craft beer,” Brophy said. “There are way, way, way more people than we think who want to consume alcohol, but don’t want to taste the alcohol or any bitterness.”

Not Your Father’s Root Beer works on its own as a soda with a buzz, as a cocktail ingredient or mixed with vanilla ice cream for a grown-up root beer float. And whether Small Town Brewery meant to or not, it played its distribution perfectly. These days, Not Your Father’s Root Beer sells more like a macro brand in Chicago — say, Budweiser or Miller Lite — than a typical craft beer.

“This brand was a pressure cooker,” Brophy said. “Thousands of people were trying it at bars and loving it. They’d never had anything like it and they couldn’t bring it home. And when they could finally get it, it exploded.”

### Is it really beer?

Skepticism about Not Your Father’s Root Beer predates the sensation. Michael Agnew, owner of A Perfect Pint, a beer tasting and education service in Minneapolis, visited 230 Midwestern breweries between 2010 and 2013 for his guide book, “A Perfect Pint’s Beer Guide to the Heartland,” which was published this year. The single oddest visit during his two plus years of reporting? His meeting with Kovac in January 2012.

Among several nagging questions, most vexing for Agnew was that root beer. To get a high-alcohol beer, large amounts of grain are needed to extract large amounts of sugar that yeast converts to large amounts of alcohol. A 10.7 percent beer would need plenty of grain; a beer registering 19.5 percent alcohol



SETH KOENIG | BDN

Not Your Father’s Root Beer, an alcoholic craft ale, is flying off the shelves in Maine and distributors can’t keep up with demand. The alcoholic root beer made by a few guys 45 miles northwest of downtown Chicago has become one of the beverage industry’s greatest sensations.

would need massive amounts. Agnew saw brewing equipment that simply was not large enough to hold that much grain.

“The whole conversation about his brewing process was a big red flag,” Agnew said. “I couldn’t make sense of it.”

Agnew said he asked an obvious question: Was Not Your Father’s Root Beer just root beer spiked with neutral grain spirit — vodka, essentially — to get such an intensely alcoholic outcome? Kovac insisted it was fermented like any other beer, and the alcohol produced naturally.

In his book, Agnew concluded that Kovac’s methods were impossible: “I must confess that, having spent an hour with Kovac, I left the brewery feeling less clear about what he is doing than when I arrived. It’s obvious to me that his understanding of the brewing process and history are limited at best. With simple brewing calculations, it is impossible to re-create the beers he is making using the methods he describes.”

This summer, as its star rose, Not Your Father’s Root Beer faced still more scrutiny. Beer writers in Philadelphia and Boston expressed skepticism at the Small Town Brewery origin story (the Boston Globe called Kovac “a mysterious Midwestern brewer”), while Chicago-based beer podcast Strange Brews, which was recently canceled by public radio station WBEZ, released a two-part investigation into Not Your Father’s Root Beer that examined both the brewery’s background and the composition of the root beer itself.

In this podcast, Strange Brews host Andrew Gill raised another common question: is Not Your Father’s Root Beer even beer? Is it in fact a flavored malt beverage? Like beer, flavored malt beverages are distilled from malt, but they are then stripped of both flavor and alcohol so that both components can be added back to reach a desired outcome. (Think: Mike’s Hard Lemonade and Smirnoff Ice.)

Kovac insists Not Your Father’s Root Beer is a true beer, but occasionally makes head-scratching declarations. For instance, he said no sugar is added to the beverage, and that its intense sweetness “comes from the grains and spices” in the brewing process. That’s a tough sell for something that tastes like classic root beer. But Kovac, who is faultlessly pleasant,

said he has grown used to such cynicism.

“My mom says it’s jealousy,” he said.

### Murky partnerships

Much of the skepticism is rooted in the fact that Small Town Brewery’s trajectory has been as murky as a pint glass of boozy root beer.

What began simply in Wauconda has traveled a quick and complicated path involving big-time beverage industry partners who have stayed relatively silent — or obscured their exact roles — though the process. For instance, in late 2013, Small Town Brewery took on Phusion Projects, a Chicago-based “global innovative alcohol company” as a partner. (Among Phusion’s major brands are Four Loko, a caffeinated alcoholic beverage that was discontinued in its original form after at least two wrongful death lawsuits and an allegation that the company was promoting the drink to underage youth.)

Phusion went to some lengths to obscure its role with Small Town Brewing; according to the Illinois Secretary of State’s office, Phusion established a subsidiary in 2013 called Innovative Brewing. Among Innovative’s assumed names was “Small Town Craft Beer Company.” (The original Small Town Brewery partners operate as “Small Town Enterprise.”)

Asked for clarity about the relationship between companies, Chris Hunter, a Phusion co-founder, said his company bought a portion of Small Town Brewery in 2013 and helped connect it with Lakeshore Beverage, its Chicago-area distributor. Hunter declined to say how much of Small Town Brewery Phusion Projects bought.

The companies worked together to launch production of Not Your Father’s Root Beer at City Brewing, a massive contract brewing operation in La Crosse, Wisconsin, where the 5.9 percent version of Not Your Father’s Root Beer has been made since late 2014.

In February, Phusion entered into “an exclusive national distribution agreement with Pabst Brewing Co.,” that Hunter said included an option for Pabst owner Eugene Kashper to buy Phusion’s stake in Small Town Brewery. This summer, Kashper exercised that option with private equity firm TSG Consumer Partners.

With the brand in Kashper’s hands, growth has been

swift; production of Not Your Father’s Root Beer has been expanded to additional City Brewing plants in Memphis, Tennessee, and Latrobe, Pennsylvania, and, in late September, distribution reached all 50 states.

“Potentially, Small Town Brewery will be bigger than Pabst — significantly bigger, maybe, when it comes to profitability,” Kashper said. “The reason this is growing so fast is that most of the people (buying the root beer) weren’t in the beer category at all. We’re hoping to grow the beer category by bringing a lot of people into it.”

More sugary booze from Small Town Brewing is likely to follow: Kovac said Not Your Father’s Ginger Beer will be released by early November, and the 10.7 percent Not Your Father’s Root Beer will get a national release in 22-ounce bottles by the end of the year. Possible future releases include Not Your Father’s Vanilla Cream Ale, Not Your Mom’s Apple Pie, Not Your Mom’s Strawberry Rhubarb and Not Your Mom’s French Toast, all of which will be on tap at the Small Town Brewery tap room in Wauconda, which opens to the public Oct. 15 as a separate enterprise from the partnership with Kashper.

Despite Small Town Brewery’s remarkable climb, there is an arguable downside. According to both Kovac and one of his business partners, Rick Witt, Kashper and his partners are the majority owners of production rights to the 5.9 percent version of Not Your Father’s Root Beer. The original Small Town Brewery partners are paid sales royalties. (Kashper declined to discuss details of the arrangement.)

Kovac said his royalties helped him buy his stepfather a new truck, and that he has no regrets: “They’re helping us go to the East and West coasts, and taking on that risk. And they’re marketing and distributing it.”

However, Witt has second thoughts.

“If we were more seasoned, we probably would have done things a little differently,” he said. “Our collective minds and our lawyers thought we’d set up something good.”

Then again, he said, his niece recently sent him a photo of a six-pack of Not Your Father’s Root Beer that was for sale in Fairbanks, Alaska. He said that felt good to see.

Distributed by Tribune Content Agency, LLC.

# Americans are expected to spend \$6.9B on Halloween this year

**BY JAMES F. PELTZ**  
THE LOS ANGELES TIMES

A Batman bib-and-booties costume for \$14.99 caught the eye of Joanna Robles as she searched for something for her months-old son to wear while she holds him as she hands out candy on Halloween.

“His dad is really obsessed with superheroes,” Robles said while strolling through a Spirit Halloween store in Pasadena.

In the next aisle, 35-year-old Joe Lige of Canoga Park said he was browsing for an outfit “on the darker, spookier side” for a Halloween party. “My wife gives me a budget for Halloween and I always exceed it,” he quipped.

They’re among the 157 million Americans expected to celebrate Halloween this year, whether it’s by walking their kids around the block for free candy, carving a pumpkin for the front win-

dow or donning a costume for a neighborhood party.

Once mostly the purview of children, Halloween has grown into a major consumer holiday that now includes 18- to 34-year-old millennials and older adults who seize the opportunity for a night of escapism.

“It’s not just for kids trick-or-treating anymore,” said Trisha Lombardo, a spokeswoman for Spirit Halloween, which has 1,150 temporary stores — including 108 in

southern California — that operate just for the Halloween season.

Consumers altogether will spend \$6.9 billion on Halloween this year, or an average of \$74.34 each, the National Retail Federation estimates based on an annual survey conducted by the research firm Prosper Insights & Analytics.

That’s down from a peak of \$8 billion, or \$79.82 a consumer, in 2012 but still more than double the Halloween

spending of a decade ago.

That spending cuts a huge swath across the retail and entertainment economies, and to some extent the farming industry. That’s especially true in California, where amusement parks such as Knott’s Berry Farm transform into haunted venues in the weeks leading up to Oct. 31 and where more pumpkins are grown for Halloween than in any other state.

Businesses can’t point to

a single reason why consumer interest in Halloween has surged over the last decade but they do cite factors driving its popularity today.

For instance, “the millennials are really into group costumes and activities,” Lombardo said. “They love to do things in groups, whether they’re going as characters in ‘The Walking Dead’ or ‘Orange Is the New Black,’” and that drives added costume sales and theme-park attendance, she said.