

Student Research

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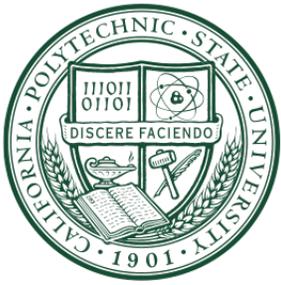
Re:Find Distillery

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Re:Find Distillery

The brainchild of Alex and Monica Villicana, Re:Find Distillery specializes in handcrafted spirits made from ultra-premium grapes grown in the Paso Robles wine region. These spirits celebrate the attributes that Alex and Monica Villicana value most—sustainable, local, high-end, and artisan products.

Re:Find – FINDing a purpose for saignée, the prized free-run juice removed prior to fermentation to enhance wine quality, and REfining it into top-shelf spirits⁸

The History of Re:Find Distillery

The Early Years of Villicana Winery

From real estate agent to winemaker to distiller, Alex's journey to Paso Robles can be traced back to his family's passion for wine and food. Alex's father, being a wine and food connoisseur, often visited the Paso Robles region to indulge in the Central Coast's respected wines. Alex often joined his father for these trips and inevitably Alex developed his own passion for food and wine.

Alex attended the University of Southern California and earned a degree in Communications. He always assumed growing up that he would be in the restaurant business so he followed his instincts and enrolled in a culinary program. In 1991 when his culinary program did not lead to a career, he accepted his first job in the wine industry working harvest at Creston Winery. Alex fell in love with the wine industry and more importantly the area.

The following year Alex returned to work another harvest at Creston Winery, but this time he had another goal in mind—finding grapes to make his own wine. After asking around Alex found a vineyard that was willing to let him hand pick grapes on the end of the rows where the mechanical harvester could not reach.

Alex reached his goal and ended up with 600 pounds of Gamay grapes⁵. Creston Winery allowed Alex to use their facilities to crush, press, and store his grapes, which would end up yielding 25 cases of wine. With their first vintage bottled, Alex and Monica designed their flagship label that would lay the foundation for Villicana Winery and later Re:Find Distillery.

In 1993 Alex expanded his knowledge of the winemaking process by planting a half-acre vineyard on his parents property in Pasadena, CA. The knowledge gained from the planting of that half-acre vineyard would prove to be an invaluable experience that would later help Alex and Monica when they purchased their own vineyard. Alex expanded his knowledge of winemaking by enrolling in UC Davis' Extension program studying winemaking and viticulture. There he learned the science behind his passion for his craft.

In 1996 Alex and Monica started looking to purchase a vineyard in the Paso Robles area that they could call their own. Eventually they settled on a property on East side of Highway 46 that satisfied their needs of price, acreage, and good frontage—but Alex believed the West side was a better place to plant a vineyard. They put in an offer on the 46 East property, since it was their best option, and were in escrow when they were presented with a chance to get Alex's dream vineyard. While finishing up a real estate deal in Los Angeles, Alex's escrow agent learned that he was looking for property in Paso Robles. Being from the area, she happened to have a friend that was willing to sell his property on the Westside. Two days later Alex canceled escrow on the 46 East property and began negotiations on the West side property.

The seller had three parcels of land he was willing to sell: an 80-acre, 72-acre, and 40-acre parcel¹³. Alex and Monica decided on the 72-acre parcel because it was best suited to plant a vineyard on. The property was located at the end of Mountain Spring Road, which sits about a quarter mile south of the current Villicana Winery tasting room. The property had a long unpaved driveway not making it ideal for a tasting room, but perfect as their vineyard.

With the much appreciated help of their family and friends Alex and Monica Villicana transformed their 72-acre property into the now high-end 13-acre vineyard. They were involved with every aspect of planting the vineyard, from digging holes and laying irrigation to selecting the ideal rootstock for their soil and microclimate. In 1999 after several years of hard work in their vineyard Alex and Monica finally crushed their first batch of estate grown fruit⁶.

For years, Alex would commute every weekend from their home in Los Angeles to follow his passion of winemaking. For the Villicana's, winemaking was an important part of life, but was not yet paying the bills. During the week Alex worked as a successful real estate agent and Monica had a lucrative career working for Silicon Graphics. When their second child was born in 2002, they were faced with a decision: keep making wine on the side while following their careers in Southern California, or follow their passion and move up to Paso Robles to be full-time winery owners.

Being reasonable people, they did what anyone would do in their situation—Alex and Monica quit their jobs, sold their house, and purchased a piece of property in Paso Robles that would later be the tasting room of Villicana Winery and Re:Find Distillery. When asked about the decision to work full-time in the wine industry, Alex simply smiled and said, "If we didn't do it then, than we may have never had another chance."¹³

The property is located on Adelaida Road and had two existing houses on site when purchased in 2002. Back then, Alex considered it a “B or C” location, but with the explosive growth the Paso Robles wine industry has experienced from 2000 to 2014, the location is now a high-traffic destination for wine tasters.

Late in 2002, Villicana Winery’s tasting room was opened to the public, finally giving a home to the Villicana label. Alex’s journey from real estate agent to winemaker would lay the groundwork for his next endeavor as a micro-distillery owner and distiller.

The Humble Beginnings of Re:Find Distillery

Re:Find Distillery was established in 2011 by Villicana Winery owners Alex and Monica Villicana. Although Alex and Monica never considered owning a distillery, they successfully opened Re:Find Distillery in 2011.

After opening Villicana Winery in 2002 Alex and Monica dedicated themselves to the success of their winery. Since they worked so painstakingly hard from start to finish on their product, it disappointed them to have to discard anywhere from 30-40% of the saignée (French for “bleed”), or also known as free run juice.

What is saignée?

In certain varietals with large berries such as Mourvedre, Grenache, and Syrah, after grapes are pressed winemakers want to concentrate the skin to juice ratio in order to create a more concentrated and premium product. The juice that is removed to create the perfect ratio is called saignée, or free run juice. Since the free run juice is only removed to create a more concentrated product, it is still an extremely high quality juice. Unfortunately, most wineries that use the saignée method end up just pouring the free run juice down the drain. This is due to the fact that there is not much you can do with this byproduct.

Year after year Alex had to pour a percentage of his profits down the drain. So he became determined to find a way to turn the waste product into a profit stream. His first idea was to produce a high quality grape juice, but due to the pasteurization process the juice would lose all of its flavor and unique characteristics. His next idea was to make a traditional brandy, but brandy requires to be aged a minimum of two years in barrels and he just simply did not have the space for it. Finally Alex stumbled upon the definition of vodka: “a colorless liquor of neutral spirits distilled from a mash”, and a light bulb went off.⁴

The more research into vodka that Alex did the more feasible he began to think it could be for them. For the next couple year Alex looked into the licensing, legality, distribution system, and most importantly financing behind a distillery. Finally in 2011 Alex and Monica Villicana opened Re:Find distillery and became the first licensed owners of a micro-distillery in the Paso Robles region.⁸ Their innovation allowed them to utilize an incredible base material, that would otherwise be thrown away, and turn it into an ultra premium product.

In Re:Find Distillery's first year of 2011, Alex collected free run juice from Villicana Winery and neighboring Alta Colina Winery, totaling about 1,000 gallons¹³. Since Re:Find was the first micro-distillery in the area, Alex was unsure how demand for his product would be. Fortunately, the San Luis Obispo county community welcomed Re:Find Distillery with open arms and Alex sold out of his spirits almost instantly.

The next year in 2012, Alex expanded his source of free run juice to several other wineries in the area totaling around 10,000 gallons. Again, Re:Find Distillery's products were very successful and Alex sold his product with ease. With wineries eager to sell their free run juice, Alex collected about 23,000 gallons in 2013 and 22,000 in 2014¹³.

Since Alex was purchasing free run juice from wineries that would otherwise discard it, it was easy for him to find sources for his raw material. It was a win-win situation—wineries that supplied the free run juice gained a new income stream and Re:Find Distillery got an unbeatable quality raw material for a reasonable price. Alex would simply drop-off large plastic containers for wineries to fill throughout the course of the day during harvest, and would swap out new container when they were full. 20,000-25,000 gallons of free run juice is equal to about 50 farmed acres of grapes or 150 tons of grapes, at today's market value it's valued at around \$300,000-\$400,000, all of which would be discarded if Re:Find Distillery did not repurpose it¹³.

Why Use Grapes?

Re:Find Distillery produces a high-quality local product that is also sustainable. Due to the density of vineyards and wineries in the region, Re:Find has access to a large supply of the main input for their spirits. There is a distinct advantage to using grapes rather than the traditional potatoes and grains that vodka is usually distilled from. Vodka's byproduct of the first fermentation process is called glycerol. When swirling wine in a glass people call the visual effect of the glycerol the "legs." The more alcohol produced in initial fermentation, the more glycerol is produced. Glycerol adds texture, softness, and weight to the spirit¹³. This is so important in the palatability of spirits that some grain-based distilleries will add glycerol to spirits to add softness, but Re:Find naturally produces the sought after glycerol due to the high sugar content of the free run juice.

"Although Re:Find is not the first grape based vodka in the world, it may possibly be the first to use the bleed—there is no way to grow grapes of this quality to make vodka—and make a profit."¹³

-Alex Villicana

The Importance of Sustainability

Amidst the drought in California, agriculture companies are making a bigger and bigger push towards sustainable practices in an attempt to mitigate the risk of losing their water supply. Sustainability is defined as "the endurance of systems and processes"⁹. The Environmental Protection Agency (EPA) states that "sustainability is based on a simple principle: Everything that we need for our survival and well-being depends, either directly or indirectly, on our environment. Sustainability creates and maintains the conditions under which humans

and nature can exist in productive harmony that permits fulfilling the social, economic and other requirements of present and future generations”¹².

Re:Find is using sustainable practices in order to make their spirits. By collecting the free run juices, or saignée, not only from their own wine production, but neighboring vineyards, Alex Villicana has been able to find use for premium grape juice that would otherwise be thrown away. The numbers behind the run-off juice that Re:Find uses are staggering. Alex stated “We are taking 50 acres of vineyard, which equates to 150 tons of grapes and 16 million gallons of water. We are sustainable in a sense that we are able to take all that man power and diesel fuel and water and we have found a way to make something better”¹³.

Similar to being certified organic, companies can be certified sustainable for their grape growing in California. There are several different programs that can give companies a certified sustainable label; these groups are third party programs that have guidelines for sustainable practices. If a grower follows the strict guidelines, they may put a label on their product that states they practice sustainable growing techniques. A sustainable label is beneficial to add to a product because it helps to market wine to the consumer. One organization that certifies vineyards as sustainable is an organization called SIP sustainable. SIP sustainable certification goes beyond the USDA organic certification process. They focus on every level of the winemaking process from labor to energy and water conservation⁹. Unfortunately for Re:Find, because they produce spirits and not wine, they are not eligible for the sustainable label. However, they have found a technique to help market their sustainable practices. On their bottle, is an explanation of their project to produce the spirits put out by Re:Find. By adding this explanation consumers are finding Re:Find’s spirits that much more attractive.

The Wine Industry in the Paso Robles

There are over 200 wineries in the rural region of Paso Robles⁷. Companies in the winery industry all make wine or brandy that is produced from grapes. One of the products offered by Re:Find; Brandy, is a spirit that is derived from grapes and distilled to no more than 94.9% alcohol⁸. Most wineries grow their own grapes via a vineyard entity, however, some wineries set up contracts with vineyards and purchase wine grapes. The major wineries in the United States are Constellation Brands, E&J Gallo, and the Jackson Family Wines. It can be difficult for small scale wineries to compete with larger wineries that reap the benefits of larger distribution channels. Small producers like Re:Find are able to be competitive by producing more premium products as well as diversifying into new markets such as distilleries⁸. There are several factors that affect the demand for wineries. The hotel and restaurant industry as well as consumer income are two of these factors¹. Consumer income is a factor that directly affects Re:Find as it sells higher priced spirits. Thus it is important for Re:Find to produce premium spirits to compete with the larger wineries.

Following the Wine, Beer, and Spirits Trend

As the wine industry grows across the US, there has also been related growth in the craft beer industry. In addition, there is a new generation of small distilleries attempting to mimic the fast growth of the craft beer industry. Also known as “micro-distilleries” or “craft-distilleries,” these producers focus on hand-crafted and artisan spirits. Micro-distillers have been successfully repealing some Prohibition-era laws restricting production and distribution, much like the craft beer industry has done over the past 20 years. Small distilleries face the challenge of scalability and may struggle to keep up with demand¹.

The Craft Distillery Industry

The craft distillery industry competes directly with wine, beer, and international spirits manufacturers. A new generation of small distilleries is trying to replicate the explosive growth in the craft beer industry¹. U.S. distilleries are forecast to grow 5% between 2014 and 2018. A critical issue for the industry is that it relies heavily on consumer tastes. Consumer preferences can change quickly based on news articles, entertainment and celebrity trends, and health concerns. While beer accounts for over half of the total alcoholic beverage market, wine and spirits have grown in recent years¹. According to the Distilled Spirits Council of the U.S., liquor has one third of the U.S. alcohol market share¹. Out of the alcohol beverage market, liquor is the only one that pays a greater share of public revenues than its total market share. Even at 30% of the market, liquor accounts for 45% of the tax revenue brought in from alcohol¹.

The Distilling Process

Making spirits begins with the ingredients. Any vegetable, grain or fruit that contains sugar or starch can be used to produce vodka; Re:Find uses premium wine grapes. Brandy on the other hand must be derived from wine grapes. When making vodka with starch based ingredients such as potatoes or grains, a mash must be produced prior to fermentation. The reason for this is that the starches must be converted into fermentable sugars which ultimately produce the alcohol. Starches are converted to sugars by adding enzymes to the ingredients that when heated, convert the starches to sugars. Grapes do not need to go through this process because they already contain the necessary sugars needed to produce alcohol.

After juice or mash is made the fermentation process begins. During the fermentation process, sugars from the grape juice are converted into alcohol by adding yeast, therefore the higher the sugar content, the higher the alcohol content. The saignée is placed in a fermentation vessel with the yeast. Oxygen is kept out to allow the yeast to produce alcohol. The result of the fermented saignée is called the wash. Wash is removed from the fermentation vessel, which is then ready for the distillation process.

During the distilling process, the wash created during the fermentation process is placed into a still. Once in the still, the wash is heated high enough so that the alcohol contents vaporize, but not so hot that the water will vaporize, around 173° F¹⁴. The exterior of the still is then cooled

using water which causes the vaporized alcohol to condense into vodka. By definition, in order to qualify as a vodka, the vodka must be distilled up to 95% alcohol¹⁴. The vodka is then diluted, usually to 40% prior to bottling. By triple distilling their product, the Villicana's get their desired alcohol content, and their finished product, Re:Find Vodka.

Re:Find's Gin is made using Re:Find vodka as a base. The difference is the vodka is placed back into the still and blended with a variety of different botanicals to create Re:Find Gin. For gin, juniper is a necessity. In Re:Find Gin, there is a ratio of about 5 pounds of botanicals for every 60 gallons of spirits. 2.5 pounds of the botanicals must be juniper with the remaining 2.5 pounds being "open for interpretation" in the words of Alex Villicana. Alex has experimented with many different botanicals such as coriander, orris root, lemon & orange peel, grains of paradise, and lavender. These options in botanicals for gin allows the Villicana's to not only create a high quality gin, but also makes every batch unique. Due to differences in the botanicals, weather it is the amount or the flavor of the botanicals put in, each batch of gin is essentially a different vintage¹³.

Current Company Overview

Operating Capacity

Although demand for their product is increasing, Re:Find is limited currently at around 20,000-25,000 gallons of free run juice to process. This is due to the limited time frame to run all the juice through the stills, and also tank space on site. Currently Villicana's facility holds about 6,000 gallons of wine a year for winery and 20,000- 25,000 gallons of stabilized juice for the distillery.

Re:Find produces about 1,000-1,200 cases a year and about 200 cases of spirits a month all bottled by hand. Product breakdown is as follows:

Vodka- 300 cases/year of 750ml bottles priced at \$38/bottle

Gin- 300 cases/year of 750ml bottles priced at \$42/bottle

Limón cello- 100-200 cases/year of 375ml bottles priced at \$25/bottle

Cucumber Vodka- 100-200 cases/year of 375ml bottles priced at \$25/bottle

Whiskey (Produced off site)- 100 cases/year of 375ml bottles priced at \$35/bottle¹³

Marketing

Without knowing how popular their product would later become, Alex and Monica did not have a set plan on how to market their product to the consumer. What they did know was that they would be focusing on their key marketable points: sustainable, produced from premium grapes, handcrafted, and gluten free.

For Alex and Monica marketing a sustainable and handcrafted spirit came with ease, but when they decided to try add gluten free to the label they ran into some obstacles. To legally add "Gluten Free" to their label, Re:Find Distillery had to be approved by the Alcohol and Tobacco Tax and Trade Bureau (TTB). The TTB requires samples of the spirits to be sent to a lab in order

to verify the absence of gluten¹³. Although the process was lengthy, the Villicanas believed that the ability to label “Gluten Free” would be beneficial—since trends showed an increase of popularity in gluten free products. Although important, having a label that differentiated Re:Find from other spirits was only one of the ways the Villicana’s utilized their marketing strategy.

Re:Find Distillery’s marketing tools included your typical means of selling a spirit, such as: personal sales calls, tasting events, online presence by way of social media, and in-restaurant promotions. What set them apart was their heavy reliance on new customers visiting the Villicana’s tasting room, then later spreading the word about their unique offerings.

Alex described the tasting room as his number one asset for selling his product. Since the two tasting rooms are located on the same property, they have a symbiotic relationship for attracting new customers. Two sets of consumers are drawn to the Villicana estate for tastings: consumers interested in the winery and consumers interested in the distillery. Since both tasting rooms are located steps away from each other, customers tend to visit both and generally end up purchasing at each tasting room. Due to this multifaceted approach, the winery increased consumer growth for the distillery, and in turn the distillery increases consumer growth for the winery.

After visiting Re:Find’s tasting room, Alex relies on the consumer to spread the knowledge of the brand by word of mouth. This word of mouth marketing accounts for a large percentage of visitors that seek out Re:Find’s tasting room. Also after trying their spirits, Alex has seen an increase in consumers that visit their local eateries requesting that they carry Re:Find products. Some local restaurant will even highlight and advertise specialty cocktails made from using Re:Find products. These key menu placement not only promotes the brand, but also help to educate consumers on how to efficiently mix Re:Find’s quality spirits.

Together the utilization of traditional and non traditional marketing techniques has helped Re:Find differentiate themselves among their competitors.

Competition

Since Re:Find Distillery was the pioneer distillery in Paso Robles, they initially had little to no competition locally in their specific industry sector. Looking at competition outside San Luis Obispo County, Alex would consider Ascendant Spirits Distillery in Buellton, CA and Hangar 1 Distillery in Alameda, CA to be his main competition¹³. Further than that, Alex would consider all the major brands of vodka his competition. However, due to Re:Find’s size and differentiation they are largely set apart from their competition. Being able to meet the ever increase supply that their customers demand is the main challenge for this growing business.

Sales at Re:Find Distillery

Selling Locally vs. Out of State

As Re:Find Distillery expands, they need to adapt their local business strategy to a new out-of-county business strategy. Locally, sales are easy to come by since Alex is a well-known pillar in the community. Out-of-county sales are more difficult to land because Re:Find Distillery is still in its infancy stage.

When Alex first started making local sales calls to potential clients, he was surprised to find how receptive people were about carrying his spirits. This came as a surprise because Alex's experience making sales calls for the winery have been stagnant due to the saturated local wine market in Paso Robles. Alex explained the reasoning behind the success of the distillery sales calls verse the winery sales calls is that in the Paso Robles region local business owners all work together to highlight their locally sourced products. Being the only local distillery, coupled with local tasting events such as SAVOR the Central Coast, Re:Find spirits became sought after by local business owners.

While selling outside of San Luis Obispo County, Alex had to work harder to explain the benefits of carrying his differentiated spirits. One of the key selling points that Alex used was the Paso Robles name. Since Paso Robles is a well known region for wine, it was a natural comparison for out of county business owners to connect high quality wines with high quality spirits. After all, both products were made from the same base material: high quality Paso Robles grapes.

The only issue Alex regularly ran into was distribution of his product due to Re:Find's size of production. As he explained, most of the distributors are experienced in working with high volume sales, so Re:Find's smaller shipments are easy to overlook. It was a constant struggle for Alex is to stay relevant in those distributors minds. Luckily for Alex, the increased demand for Re:Find spirits in out of county eateries forced distributors to pay attention to Re:Find's shipments.

Growth of Sales Out of State

Currently Re:Find Distillery has its products in locations from San Francisco to Los Angeles as well as Tennessee and Missouri. Their future plans are to expand into Arizona and Nevada by the end of 2014. When asked about his expanding out of state market Alex simply stated it all happened by accident.

One of Alex's closest friends, who happened to own neighboring Victor Hugo Winery, had one of his out of state distributors in town. As they were talking, the topic of Re:Find Distillery came up and the distributor was intrigued. After hearing the story firsthand from Alex and trying his spirits, the distributor insisted Re:Find spirits would be a hit in Nashville, TN. Sure enough, Re:Find was an instant hit in Nashville. From there Alex was introduced to another distributor from Missouri that was excited by the Re:Find story and wanted to bring his spirits to St. Louis. With the popularity of the Re:Find spirits in those two states Alex was eager to increase his out of state expansion into Nevada and Arizona.

Challenges

Alex and Monica have had many challenges to overcome in the process of creating their distillery. The federal government has much stricter tax laws when it comes to spirits versus lower alcohol content beverages such as wine and beer therefore filing the correct tax forms is a challenge. They are also faced with several logistics challenges such as proper licensing and bottle supply.

Tax and Regulation of Alcoholic Beverages

The liquor industry is one of the most regulated industries in the United States¹. More than half the price of a typical bottle of distilled spirits goes to taxes, making distilled spirits one of the most heavily taxed consumer products in America¹. All producers of alcoholic beverages must pay Federal Excise tax. The Alcohol and Tobacco Tax and Trade Bureau (TTB) regulates all alcohol production in the United States. Production is taxed by the barrel, gallon, or 750ml bottles. Distilled spirits are taxed \$13.50 by the proof gallon, which means that the proof must be determined in order to be taxed accordingly (See Appendix A).

In addition to the Federal Excise tax, distilled spirits producers must also pay state alcoholic beverage tax. The California State Board of Equalization taxes different types of alcohol with different rates per wine gallon. For distilled spirits under 100 proof, the rate is \$3.30 per gallon and for distilled spirits over 100 proof the rate is \$6.60 per gallon¹⁰ (See Appendix A).

A proof gallon is 100 proof, or 50% alcohol by volume (ABV)¹¹. Proof of distilled spirits can be determined by a hydrometer, but must be measured at 60 degrees Fahrenheit due to the temperature-density relationship of alcohol. A precise hydrometer will read 0 for water, 100 for distilled spirits, and 200 for absolute alcohol¹⁰. Often, spirits are distilled to absolute alcohol and need water added back in order to dilute it to a lower ABV. To determine the number of liters needed, simply divide the current ABV the desired ABV, subtract by one, and multiply by the number of liters².

Licensing

In order to produce or sell alcohol, applicants must apply for an alcoholic beverage license at a Department of Alcoholic Beverage Control³. The nearest location is in San Luis Obispo at 3220 S Higuera Street. Typically, a license will take 45 to 90 days to process. Alcoholic Beverages Licenses are broken down into Temporary Licenses, Non-Profit Temporary Licenses, Off-Sale Licenses, On-Sale Licenses, and Non-Retail Licenses³ (See Appendix B). Distilled spirits manufactures are required by law to sell spirits through the three-tier system.

Bottling Challenges

The general logistics of getting supplies for spirits has been a major challenge for Re:Find. In the Paso Robles region, wine bottles are easy to come by as there is an abundance of wineries which creates a market for wine bottles. Typically, wine bottles are received within a week of order time. As one of the pioneering spirits producers in the area, bottles for spirits are much more difficult to come by. Ordering bottles can be a timely affair as all bottles must be ordered from Italy. Once ordered, the bottles take roughly three months to import. The lag time in bottle shipping brings several challenges for the Villicanas. Bottles must be ordered months in advance which creates the challenge of accurately projecting product output. Projections in production must be accurate to ensure the correct amount of bottles is ordered. If projections are off and not enough bottles are ordered, there will be surplus of spirits that go unbottled.

Re:Find Distillery's Future

With the increase in demand for Re:Find spirits, Alex is in the process of purchasing a new still that will increase his capacity by 600-800 cases per year¹³. This extra capacity will allow him more room to experiment with different types of spirits to introduce to his consumer base. Some examples of these spirits would be an aged grape spirit, a traditional aged brandy, more flavored vodkas, and rum that would be aged in old bourbon and rye barrels. Alex also plans to collaborate with local beer breweries, Firestone Brewery and SLO Brew, to produce more local whiskey.

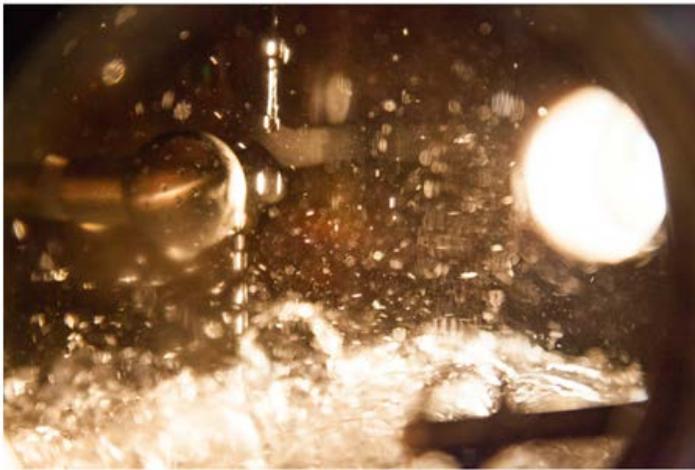
According to Alex, "The craft distillery industry is currently where the craft beer industry was 20 years ago, and the winery industry was 40 years ago—the focus is on the individual producer rather than the industrial scale business. Individuals using good quality ingredients, ferment cleanly, which makes your end product better quality."¹³

With those last words from Alex in mind, only time can tell if Re:Find and the craft distillery industry will have as major of an impact on the Paso Robles region as its alcoholic beverage predecessors.

Cheers!



Products



<http://www.refinddistillery.com/>



<<http://www.refinddistillery.com/>>

Appendix

A

PRODUCT	TAX	TAX PER PACKAGE (usually to nearest cent)
Beer	Barrel (31 gallons)	12 oz. can
Regular Rate	\$18	\$0.05
Reduced Rate	\$7 on first 60,000 barrels for brewer who produces less than 2 million barrels. \$18 per barrel after the first 60,000 barrels.	\$0.02
Wine	Wine Gallon	750ml bottle
14% Alcohol or Less	\$1.07 ¹	\$0.21
Over 14 to 21%	\$1.57 ¹	\$0.31
Over 21 to 24%	\$3.15 ¹	\$0.62
Naturally Sparkling	\$3.40	\$0.67
Artificially Carbonated	\$3.30 ¹	\$0.65
Hard Cider	\$0.226 ¹	\$0.04
¹ \$0.90 credit, or for hard cider \$0.056, may be available for the first 100,000 gallons removed by a small winery producing not more than 150,000 w.g. per year. Decreasing credit rates for a winery producing up to 250,000 w.g. per year.)		
Distilled Spirits	Proof Gallon *	750ml Bottle
All	\$13.50 less any credit for wine and flavor content.	\$2.14 (at 80 proof)
* A proof gallon is a gallon of liquid that is 100 proof, or 50% alcohol. The tax is adjusted, depending on the percentage of alcohol of the product.		

<http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm>

B**NON-RETAIL LICENSES**

License Code	Description of License
01	Beer Manufacturer
02	Winegrower
03	Brandy Manufacturer
04	Distilled Spirits Manufacturer
05	Distilled Spirits Manufacturer's Agent
06	Still
07	Rectifier
08	Wine Rectifier
09	Beer and Wine Importer
10	Beer and Wine Importer's General
11	Brandy Importer
12	Distilled Spirits Importer
13	Distilled Spirits Importer's General
14	Public Warehouse
15	Customs Broker
16	Wine Broker
17	Beer and Wine Wholesaler
18	Distilled Spirits Wholesaler
19	Industrial Alcohol Dealer
22	Wine Blender
23	Small Beer Manufacturer
24	Distilled Spirits Rectifier's General
25	California Brandy Wholesaler
26	Out-of-State Beer Manufacturer's Certificate
27	California Winegrowers Agent
28	Out-of-State Distilled Spirits Shipper's Certificate
29	Winegrape Grower's Certificate
79	Certified Farmers' Market Sales Permit
81	Wine Sales Event Permit
82	Direct Shippers Permit

<<http://www.abc.ca.gov/permits/permits.html>>

TEMPORARY LICENSES

License Code	Description of License
30	Temporary Retail Permit (Only in conjunction with a Person to Person transfer)

NON-PROFIT TEMPORARY LICENSES

License Code	Description of License
31	Special Daily License (Temporary Beer or Wine)
32	Daily Beer
33	Daily Wine
34	Daily Beer and Wine
37	Daily On-Sale General

OFF-SALE LICENSES

License Code	Description of License
20	Off-Sale Beer and Wine
21	Off-Sale General

<<http://www.abc.ca.gov/permits/permits.html>>

ON-SALE LICENSES

License Code	Description of License
40	On-Sale Beer
41	On-Sale Beer and Wine for Bona Fide Public Eating Place
42	On-Sale Beer and Wine for Public Premises
43	On-Sale Beer and Wine for Train
44	On-Sale Beer for Fishing Party Boat
45	On-Sale Beer and Wine for Boat
46	On-Sale Beer and Wine for Airplane
47	On-Sale General for Bona Fide Public Eating Place
48	On-Sale General for Public Premises
49	On-Sale General for Seasonal Business
50	On-Sale General for Club
51	Club
52	Veterans' Club
53	On-Sale General for Train
54	On-Sale General for Boat
55	On-Sale General for Airplane
56	On-Sale General for Vessel of more than 1,000 tons burden
57	Special On-Sale General
58	Caterer's Permit
59	On-Sale Beer and Wine for Seasonal Business
60	On-Sale Beer for Seasonal Business
61	On-Sale Beer for Public Premises
62	On-Sale General Bona Fide Public Eating Place Intermittent Dockside Vessel
63	On-Sale Beer and Wine for Hospital
64	Special On-Sale General Theatre
65	Special On-Sale Beer and Wine, Symphony
66	Controlled Access Cabinet Permit
67	Bed and Breakfast Inn
68	Portable Bar
69	Special On-Sale Beer & Wine Theater
70	On-Sale General Restrictive Service
75	On-Sale General Brew-Pub
76	On-Sale General Maritime Museum Association
77	Event Permit
78	On Sale General Wine, Food and Art Cultural Museum
80	Special On-Sale General Bed and Breakfast Inn
83	On-Sale General Caterer's License
85	Limited Off-Sale Retail Wine License
86	Instructional Tasting License

<<http://www.abc.ca.gov/permits/permits.html>>

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