

Wish I had a Dixie: The Dixie Brewing Company melds past and future in New Orleans

Modern Brewery Age, Nov 27, 2000, by Peter V. K. Reid

Just west of the New Orleans city center lies the old brewery district. There is a grand old building with the Falstaff signage still climbing the smoke-stack, but that is long closed, just a shell, pillaged by scrap-metal pirates. Nonetheless, the sweet smell of malt still wafts through the neighborhood, and if you follow your nose, you'll find yourself before another towered and turreted example of early 20th century brewery architecture. This is Louisiana's own Dixie Brewing Company, one of the last regional breweries operating in the South. Dixie still makes its hallmark Dixie Lager in this beautiful building, thanks to a dedicated staff, and the strong commitment of the owners, Joe and Kendra Bruno.

The Dixie Brewing Company's history traces back to 1907, when Valentine Merz opened the brewery. At the time, there were numerous breweries operating in the city. Mr. Merz had entered the beer business as a saloon keeper (selling Anheuser-Busch's Faust, among other products). He switched over to the supplier side in 1893, serving as president of the Jackson Brewing Company, and then joining the New Orleans Brewing Co. in 1899. He was appointed president of the brand-new Dixie Brewing Company in 1906, just as the company was constructing its new brick brewery on Tulane Avenue. Fully equipped with modern machinery, it cost \$85,000.

The Dixie Brewing Company thrived until Prohibition, when it was forced to become the Dixie Beverage Company. By 1934, it was back in the beer business, although this was an ever more competitive arena. The beer wars of the '50s, '60s and '70s drove every other New Orleans brewery from the business. The last were Jackson (makers of Jax) in 1974 and Falstaff in 1978. But Dixie hung on. When Joe and Kendra Bruno bought the brewery as part of a real estate deal in 1985, they found Dixie burdened with debt, and losing money hand over fist. It would have been easier to shut it down, but something made them keep brewing. "Of course, if we had known what we were doing," Joe Bruno laughs, "we wouldn't still be here."

Over the next few years, the Brunos set about saving the brewery. The debt burden was too heavy to bear, so they declared Chapter 11 bankruptcy in 1989 to try and get a fresh start. They also unleashed their brewers to tinker with the product line-up, introducing the now famous Dixie Blackened Voodoo Lager in late 1990. The beer proved a big winner, expanding into new markets, drawing a little controversy, and helping stabilize the brewery's volume. By 1992, Dixie had exited Chapter 11, and its reorganization plan won the approval of major creditors. "By mid-1995 you could set your clock by our cash flow," Joe Bruno recalls. "We were doing well, and we ran a clean ship. We were paying off our debts and had terrific growth of 8-10% a year."

Blackened Voodoo's success encouraged other new product efforts, specialty beers like Crimson Voodoo Ale and White Moose, an unusual chocolate dessert beer. Beer critic Michael Jackson gave favorable reviews of Blackened Voodoo, noting its "deep, tawny color and malty, treacly palate...[perhaps] a Kulmbach style lager" and he noted Crimson Voodoo's "complex, malty-fruity character." Dixie also produced a new light beer, formulated by the famed Dr. Joe Owades, called Jazz Amber Light.

Late in 1995, however, the company fell into the trap that snared so many up-and-coming specialty brewers. Given the huge demand for micro-style beers, the company was encouraged to expand distribution exponentially. Dixie entered into partnership with a hot-shot import/specialty sales executive, and soon Dixie Beer was shipping all over the United States. "I told him, 'let's not go too fast'," Bruno recalls, "but wholesalers were eager to come on board, and our sales shot up--a distributor in Wyoming suddenly wanted 300 cases of our White Moose. Our expenses also went up, though, and when sales slowed down, we started to realize that the expansion had not been rational. We overloaded a lot of wholesalers, and made a few enemies. It was a bad deal, and we're still recovering from it."

In the years since, Dixie has re-stabilized its business. Distribution is still wide-ranging, but more rational. The company has experimented with ethanol production, and is now producing the Stewart's Root Beer line for the Southern Louisiana market. "We've had a lot of offers to co-pack," Joe says, "but we wanted to hold out for a really high-end product. Stewart's is that product."

Over in the brewery, the production team includes director of brewing Kevin Stuart and brewmaster Peter Caddoo. These highly-dedicated brewers produce a range of clean beers, though brewing in the turn-of-the-century structure can be labor-intensive. "There is minimum automation," Kevin notes, "so everything is hands-on."

The brewery is certainly a mix of old and new equipment. Up in the mill room, there is a two-row Auwe mill, installed by the Gusmer Co. in the remote past. "I once needed a part for it, and called them, and they just started laughing," Kevin says. "But it works fine, and actually I haven't had to adjust it in years."

Now; though, museum pieces are making way for equipment on the cutting edge. Most recently, the company closed a deal with Ball Corp., to package Dixie in plastic bottles. The brewery is installing new flash-pasteurizer, and will be running plastic bottles on its line before the end of 2000. "We will be the only regional brewery putting beer in plastic," Joe Bruno says. "Plastic will never totally replace glass, but in venues where glass is not allowed, like the French Quarter, and sports stadiums and beaches, it will be a great package."

Interestingly, the beer that will fill those plastic bottles has also seen the inside of a cypress wood tank. The Dixie Brewing Company is the very last brewery in the U.S. to use wooden tankage on a large scale, with all Dixie beers aged in wax-lined cypress wood vesseis (The brewery even fermented in wood as late as 1987, using 270-barrel open wooden fermenters). Once the new Ball Corp. packaging equipment comes on line, Dixie will probably be the only brewery in the world that is putting aged-in-wood beer in a state-of-the-art plastic bottle. But that is the charm of Dixie -- a brewery that blends historic anachronism and modern technology to brew up some of the best beer south of the Mason-Dixon line.

*COPYRIGHT 2000 Business Journals, Inc. in association with The Gale Group and LookSmart.
COPYRIGHT 2001 Gale Group*