



BY DONNIE SNOW

Tot Uncommon

A burgeoning boutique brand gives whiskey production a shot

Cook with great ingredients, get a better dish. The same holds for distilling. Unfortunately, great ingredients are expensive and tend to make production cost-prohibitive. That is, until the boutique revolution ushered in the advent of super-premium brands.

The '90s created a consumer culture so rife with cash it exploded wine and spirits markets. In this climate, paying \$10 for a six-pack of San Francisco's Anchor Steam beer seemed reasonable. Consequently, boutique brands found retailers more comfortable with reserving cherished shelf space for unknown, expensive, superb products. Artisanal American spirit makers like Lincoln County's Phil Prichard have reaped the benefits.

Pot-distilled from a family recipe, Prichard uses table-quality molasses to produce a singular product more appropriately swirled in a snifter than mixed in a blender, and thus more prone to purchase by aficionados than spring-break beach bunnies.

"When people think about rum, they think tropics, but I like to remind people the history of this country was built on rum," Prichard begins. "We weave American history with the production of Tennessee rum. It's not a great leap between how rum was made 200 years ago and how we make rum now."

The embodiment of the entrepreneurial artisan distiller, Prichard steeps his award-winning rum in heritage like the English steep tea.

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"He uses the same stuff you pour on your pancakes," says retailer Jason Ross, of Nashville's Grand Cru Wine and Spirits. Ross was one of the first retailers Prichard tempted with his standard refrain: *Wanna taste the best rum made?* Ross did, and became a convert.

Lincoln is one of three Tennessee counties permitting distillation, and Prichard has one of the three licenses granted by Tennessee, along with Jack Daniel's (13 miles away) and George Dickel. Industry experts say that license along with a product quickly outgrowing boutique status makes Prichard's a desirable target for major conglomerates like Diageo and Brown-Forman. Prichard admits to being pursued by two interna-

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tional corporations, but says he is contractually obligated not to say which.

"I can tell you we have been probed by two major players and not a day goes by we don't get a call from an investment banker," he says.

"But we didn't build this company just to be bought out," he continues. "We built it to make great rum."

There's no downplaying the upside of a buyout, however. Prichard has procured distribution deals through 25-plus states and even eight European countries, but an operation like Diageo could thrust his brand onto the world stage in a fashion similar to Nashville's onetime boutique cigar brand CAO when it was bought by global behemoth Wintermans/ST Cigar.

A buyout could mean more capital for marketing, which until last June when Tampa-based HLA Group was hired to develop a national campaign, rested on Prichard's salesmanship alone.

Moreover, a buyout might give Prichard the capital he'll likely need for his next big project: Tennessee whiskey.

"It is in the still as we speak," says Prichard, who's already dabbled in the spirit more typically associated with Tennessee with an apricot-infused bourbon liqueur, Sweet Lucy.

Situated in an old Kelso schoolhouse, quarters could get cramped if the growth continues. Sales double almost every year, according to Prichard, who projects sales around \$1.4 million FY 2009.

"We are expanding output as we speak," he explains, adding that his whiskey will be ready for market within three years. (Prichard hastens to add his "big brother up the road"—Jack Daniel's—remains a good friend despite the foray into whiskey. That could be because Prichard isn't making a Tennessee version of small-batch bourbon, but rather an offshoot of single-malt Scotch whisky much like Irish whiskey manufactures have done.) To make room, Prichard hopes to move his American rum production south.

"We would like to have the [Nassau, Bahamas] Bacardi facility," he says.

Prichard announced interest in the country's only rum producer just days after Bacardi disclosed plans to shutter the 42-year-old plant next year.

"People would be more willing to accept rum made in the Bahamas than Tennessee," says the gregarious former dental fabricator. As for the Kelso still, "Well, people really like whiskey."

Serious interest in the Bahamian distillery ultimately depends on how much it'll cost. Prichard's is a small operation—the office still operates on dial-up Internet—so the company can't cut multimillion-dollar checks like some of the industry's major players. But with those very entities "probing" about buying Prichard's Distillery, the still-boutique brand's future is a recipe still being written. **tn**

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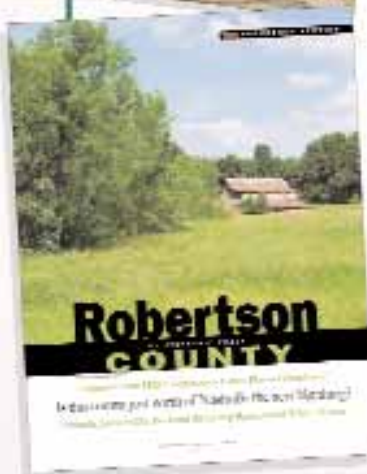
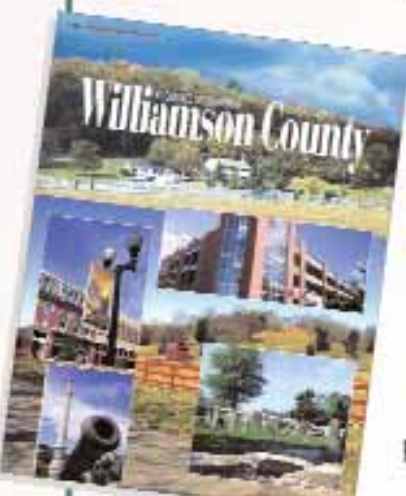
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