

Brewing brothers sip success

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They're not in the same league as Widmer Brothers just yet, but Dennis and Sidney Clack have found a growing following with their little brewery.

The Clack brothers in January sold their first keg, which was brewed at their Pale Horse Brewing plant, 2359 Hyacinth St. NE, Salem. The family-owned and -operated brewery currently sells two brands in bottles and kegs: Pale Horse Stout and Hillbilly Blonde, a blonde ale.

Pale Horse sells its products to about 20 local restaurants and pubs, including McGrath's Fish House, Adam's Rib Smoke House, Venti's Cafe, Magoos Sports Bar, and Big Shots Bar & Broiler. It also has placed bottles on the shelves of Roth's Fresh Markets and selected Bi-Mart stores, including the one on Lancaster Drive NE.

The company's work force consists of "two slaves and one employee," said Sidney Clack, 73, referring to himself, his brother and nephew Dominic Clack.

Opening the brewery in the 2,500-square-foot building required "four people's life savings," said Sidney Clack, who was an electronics engineer for 26 years.

Craft beers generally are defined as beers made on a smaller scale by independent companies. Although they are a tiny segment of the beer industry, craft brewers now account for more than 3 percent of U.S. beer sales. Sales of craft beers continue to rise, even in the midst of a recession.

Beer companies, such as Pale Horse, have found that the most receptive market for their products often is within a few miles of home.

"It gets harder when you get out of town. When we go to Eugene, we're not local anymore," said Dennis Clack, 60, the company's brewmaster.

A former employee of Kerr Concentrates and defunct food processor AgriPac, Dennis Clack gained an interest in brewing with an impulse purchase of a Mr. Beer brewing kit from ShopKo. Within a few years, he was winning awards at home-brewing contests.

At one contest, a beer judge was so impressed that he suggested that Dennis Clack go professional. But there's a world of difference between brewing a 6-gallon batch in the basement and sometimes spending 12 hours per day at the brewery.



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Dennis Clack, the brewer of Pale Horse Brewing, works at a tank at the North Salem brewery that he and his brother Sidney recently opened.

By the numbers

Brewers in the craft-brewing niche continue to experience sales increases even during the recession, according to the Brewers Association, a Boulder, Colo.-based trade group:

-Craft brewers sold an estimated 4.2 million barrels of beer in the first half of 2009, up from 4 million barrels in the first half of 2008.

-Overall, U.S. beer sales are down 1.3 percent in the first six months of 2009.

-Imported-beer sales are down 9.5 percent in the same period.

-Total U.S. craft-brewing industry annual dollar volume is \$6.3 billion.

Source: Brewers Association

"Lots of people can make good beer," Dennis Clack said, adding that it takes much more than brewing skills to run the business.

For example, there are repeated visits with potential customers before a sale is made.

"I liked the fact they were from Salem, and we support local businesses as much as we can," said Cecilia Ritter James, a co-owner of the Wild Pear Restaurant in downtown Salem.

Wild Pear serves the brewery's blonde ale and stout in bottles.

When customers are told that the beer is made in Salem, "it sells itself," Ritter James said.

The blonde ale is the more popular of the two Pale Horse beers at the Wild Pear, Ritter James said, probably because it's a refreshing drink in hot weather. She expects sales of the stout to pick up in the fall and winter.

Pale Horse describes its stout as a dry Irish variety, which has a lighter body than some stouts on the market.

Both the blonde ale and the stout are delicious, Ritter James said.

Startups such as Pale Horse have plenty of competition. The Brewers Association, a Boulder, Colo.-based trade group, in July counted 1,525 breweries in the United States — the highest total in 100 years.

Craft-beer sales have continued to increase this year, although at a slower rate than in 2008.

The volume of craft-brewed beer sold increased 5 percent for the first six months of 2009, compared with 6.5 percent growth in the first half of 2008, the Brewers Association said in statistics released Monday.

"These guys are thriving because of their focus on the local angle," said Tom Dalldorf, the editor and publisher of Celebrator Beer News. Small brewing companies are seeing business increase at a time when many of the brewing giants are experiencing flat or declining sales.

Pale Horse isn't profitable yet, but the Clack brothers hope the business will turn a profit by early next year. The Clacks say they opened their brewery prepared for setbacks; the weak economy wasn't a primary concern.

"People still drink beer," Sidney Clack said with a shrug.

Dennis Clack figures that at his age, he can't wait much longer to pursue his dreams.

"If we can make it during this bad economy, we'll be OK," he said as he made a test batch of a new beer the brewery plans to introduce.

The as-yet-unnamed beer is an India Pale Ale. The Clacks said it will contain plenty of hops but that it will be less "hoppy" than some pucker-producing IPAs.

Pale Horse's founders also are eager for a new \$16,000 brewing tank to be completed by a manufacturer and installed in their brewery.

The tank will double the brewery's capacity, allowing it to make as many as 1,200 barrels per year.

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