Once-famous beer on ropes

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NEW ORLEANS - The old brick building with its looming tower and ornate iron gates where Dixie Beer was brewed before Hurricane Katrina is vacant. What the storm's 10 feet of floodwater didn't destroy, looters carried off.

But a century after its founding, Joe and Kendra Bruno, who've struggled to keep the brewery going since buying it in 1986, say the beer is coming back.

"We've worked too hard to give up now," said Joe Bruno. "Dixie is fine, a lot of people want it back on the shelves and so do we."

Beer industry pundits seem lukewarm on the brewery's prospects. After all, Katrina was one of a series of disasters which befell Dixie since founder Valentine Merz started production of the pale amber brew on Halloween 1907.

Of the 13 beers that were once brewed in New Orleans, only Dixie Brewing Co. remained by the early 1980s. With microbreweries the rage, and the national market dominated by heavies like Miller Brewing Co. and Anheuser-Busch Cos., Dixie became the last major independent brewer in the Deep South.

Once the city's favorite beer - living up to the slogan, "Around here it's Dixie Beer," demand fell in 1975 after fumes from a chemical used to clean floors tainted the beer's flavor. The bad batch haunted Dixie's reputation long after the brew was back to normal.

By the time the Brunos bought the company from Neal Kaye Jr. in 1986, the brewery was almost $14 million in debt. Kaye had bankruptcy papers drawn up and was ready to file if the sale fell through.

The Brunos won't say how much they paid for the busted but once-beloved brand. "We only paid our lives, our blood, our sweat and tears," Kendra Bruno said. "We love the place we've carried off."

Bruno said. "We love the place we've carried on."

The old brick building where Dixie Beer was brewed before Hurricane Katrina hit stands vacant in October in New Orleans.

Owners Kendra Bruno, left, and Joseph Bruno stand inside the old Dixie Brewery in October in New Orleans.