

## **Bourbon Buyer Beware!!!**

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Picture this. In 2009, my very best friend was about to celebrate a monumental milestone in his personal life, the kind of milestone that deserves a memorable and meaningful toast, paired with the very best of his favorite juice. His favorite drink was and still is *bourbon*. So it is to be my highest honor and responsibility to source this special drink as well as present it (to each of us).

I made my way over to the local liquor store, not knowing all that much about this type of alcohol and I asked the clerk, "Do you have any special or top-shelf bourbon available worthy of a good man's celebration?" He responded, "Yes, as a matter of fact, we just received a couple of bottles this week of rare and very old bourbon from Kentucky. What is your budget?" I replied, "This is a very important celebration, so I don't mind spending a few bucks." The clerk hands me an old looking bottle with an even older looking man on the label smoking a cigar and he said, "This is 23-year-old bourbon and they don't get much better than this." I paid the \$175 asking price and went on my way. Perfect!

Fast-forward 8 years to present day. Another big moment in life comes along, but this time it's for me. I call my same best friend and say, "Hey buddy, how about we get together and celebrate me this time over that same awesome bottle of bourbon we had back in the day?" He agrees, but somehow, I end up getting stuck with the bill as I make my way back to that same liquor store expecting to find that same bottle. As a 'seasoned' bourbon shopper now, I make my way over to the special glass cabinet that contains all the good stuff and look for the old man on the bottle. However, this time I find nothing but empty shelves and dust where a handful of interesting bottles once stood in their glory. Of course, I ask the clerk for some help and if there was any way to order that 23-year-old bourbon I once had in 2009. He sort of chuckles and says, "No sir, we don't get to see too many of those anymore since they are allocated and there is an enormous demand and...blah...blah...blah....I tune him out at the word "no" and start thinking *internet* – it's as easy as click, click, enter and send, boom there it shall be, the perfect bottle delivered to my door by the UPS man.

Later in the day, I start searching the online retail sites and all I see is, 'out of stock', 'backordered', 'call for availability' and so on and so on. Now, totally determined and frankly a bit pissed, I press on. I change my searching strategy and start to hit the auction sites from the secondary market. In a matter of minutes, there he is, the old man on the bottle smoking his cigar from days long ago for a mere \$300. I am thinking that this is a completely acceptable asking price considering 8 years of inflation. I make the call, we make a deal and better yet, I get the bottle for \$285 cash. However, just before hanging up, the seller says with a tone that is a bit questioning, "You do know that this bottle is an empty, right?" "What do you mean, empty?" I said. The seller responds, "Empty, as in no alcohol in the bottle."

What on earth is going on, you ask? Either there is a massive underground market for custom made bourbon bottle lamps or something very strange has occurred in the liquor business. As it turns out, back in 2009 my good friend and I were sipping on the now extremely famed Pappy Van Winkle 23-year-old Bourbon from the equally acclaimed Buffalo Trace Distillery in Franklin Co. Kentucky. That same bottle today will retail for about \$500 that is of course *if* you can find one. Here is the amazing thing. If you are fortunate enough to purchase a Pappy 23, the very second you walk out the store that bottle is worth an astounding \$3000.00 or more to collectors on the 'Internet Corner Liquor Store'.

Truth be told, the above story of my friend and I is fictitious but it is all too real for most new bourbon buyers. There are multiple listings all over the internet of empty bottles and potential fakes. The fakes are outstanding and look just like the real deal. Your local store will never have fakes but the internet most likely will. So, out there, it's Bourbon Buyer Beware.

Not only is the Pappy 23 extremely valuable, so is the entire line of bourbons from the Buffalo Trace Distillery. It's a trickledown effect. If you can't find a 23 year, then you will want a 20 year. If you can't

get a 20 year, then you will settle for the 15 year. If there is no 15 year out there, then you will just have to accept the 10 year. If there is no 10, then you will want the other flavors, such as Elmer T Lee, George T Stagg, Eagle Rare, Blantons and a few other notables. Check out the Buffalo Trace Official Website for all the information and would be trophies for your man cave.

Not too long ago, there was a perfect storm of multiple influences that caused this incredible up-trend in the demand for premium and rare bourbons.

Storm #1) A couple of renowned chefs and critics have offered very positive reviews on the many brands offered by the Buffalo Trace Distillery. For instance, Fred Minnick, author of *Bourbon Curious* and a judge at the 2015 San Francisco Spirits Competition elected Pappy Van Winkle 15 as the overall best bourbon and named it the Ultimate Spirit at the entire event. The San Francisco event is the “Super Bowl” of spirit competitions and a win there brings instant fame around the world.

Storm #2) The generation of Millennials are now gravitating to small craft bourbon as well as limited micro-brews, looking for less volume and more taste in their drink. This generation is known for consuming things that are unique, interesting and generally have more craftsmanship put into the product. This is exactly what premium bourbon is and the Millennials are driving the demand. Storm #3) Supplying the current day demand is nearly impossible since bourbon is a carefully aged product that rests in barrels for years and years. Buffalo Trace and every other distillery for that matter could never have predicted the current and enormous demand 10-23 years ago. In the case of Pappy 23, the distillery produces a mere 8000 bottles a year (not cases). Two decades ago, the bourbon market was relatively flat and 8000 bottles was just enough to serve the forecasted sales. Therefore, the distiller did not barrel much more juice than need be, making it very rare today.

What does this mean for the everyday consumer that wants a special bottle of bourbon right now in today’s market. It is Buyer Beware out there. Like all valuable and unique items on the consumer marketplace, there is a secondary black-market ready to sell you a fake. Yes, even alcohol can be faked. Case in point, the infamous Rudy Kurniawan an Indonesian native, is now serving 10 years in a California prison for faking close to 35 million dollars in precious wine during the early 2000’s. He figured a way to take advantage of unassuming wealthy collectors and sold his fakes for hundreds and millions of dollars for nearly a decade. He was able to reproduce fake bottle labels, refill actual real empty bottles and was so brazen; he would attend auctions all over the world promoting his fake wares.

Truth be told, the buyers and sellers of empty bottles of Pappy Van Winkle are really *not actually* in the lamp making business. With a little ingenuity, wax and some cheap amber colored whiskey, a handful of criminals are working the internet exchange sites by swindling would be collectors into spending thousands of dollars on fake bourbon.

Assuming you don’t trust criminals and still want a bottle of rare bourbon, the best advice I can give you is to shop at your local liquor store, and ask them how the store’s waitlist process works for Pappy and other fine bourbons. Find out how they distribute their allocated bottles, whether it’s a waitlist system or if a raffle is used. Don’t get your hopes up too high, since the state of SC ranks as one of the lowest in population and therefore gets a small amount of the allocated bourbons from all the distilleries. Larger populous states with big cities (think NY, LA, Miami) and a robust restaurant/bar scene will get a larger distribution of the good stuff, not that “larger” means all that much more.

What can you do if you still want some great bourbon that is readily available and at a reasonable price? There are literally close to 50 fantastic choices of premium bourbons out there right now and hundreds more that are very good daily sippers perfect for cocktail making. Old Forester Bourbon, is the longest running product in America dating back to 1870. They have just released the Whiskey Row Series, which commemorates the company’s milestones and the work of founder, George Garvin Brown. In the series, you have a choice of 90, 100, and 115 proof levels, all derived from the same recipe. However, each level of proof is aged in a different warehouse environment in order to create an alternative taste profile. This is such an interesting approach to bourbon delivery and it provides a consumer the

opportunity to explore his/her sweet spot. Another very nice choice is the 10-year-old Bulleit Bourbon. This bourbon produces a wonderfully smooth, rich and deep tasting experience perfect for any special occasion. The Bulleit 10-year-old can be found in most stores for less than \$50 for a 750ml bottle. In a few short years from now, we can expect to have so many wonderful choices of deeply aged crafted bourbons as distillers have adjusted production to meet the current demand levels. Now, they may not be as valuable as the Pappy Van Winkle 23 but they certainly will be just as enjoyable. After all it's your taste and preference that matters, not what the market tells you that supposed to be good.