

PALMETTO PEPPER POTIONS

It started with dozens of chile pepper plants and a backyard. When a friend passed along some surplus pepper plants in 1997, Columbia-area couple Julie and Mark Riffle planted them all around their yard. That summer, their backyard transformed into a pepper field when the dozen pepper varieties all ripened together. Julie searched for ways to preserve the peppers the family couldn't eat. The seed of Palmetto Pepper Potions was planted.

Mark was a spice fanatic; Julie, not so much. But she was, as Mark says, a “master in the kitchen,” and she started concocting spicy dishes that would satisfy her husband's taste buds.

It wasn't exactly love at first taste. Julie called her first efforts forgettable, but she kept at it, learning to respect the power of the peppers and growing to enjoy – and later crave – their heat. Her parents sent her fruits from their Florida garden, and Julie started experimenting with mangoes, star fruit and pineapples in her sauces. When she created a batch she and Mark loved – the sauce that would become known as Daily Red – she started writing down her recipes.

Julie and Mark started having hot sauce parties. Friends and family started clamoring for more. In 2001, they used some of an inheritance from Mark's Grandma Betty to explore possibilities for producing enough hot sauce to meet the demand.

By Christmas 2003, the only gifts the Riffles' friends wanted were bottles of hot sauce. Julie and Mark were buying cases of empty bottles from California. “With what we paid for empty bottles, ingredients, labels and the time spent making individual batches, it cost us a significant amount to make each bottle,” says Julie.

Unable to find much written about specialty food manufacturing, the Riffles called the manufacturer of a favorite hot sauce for guidance. They also gave bottles of their hot sauces to members of their favorite bands. The drummer for the band Danielle Howle and the Tantrums was so taken with a bottle he found in the singer's refrigerator, he contacted the Riffles about designing their logo, labels and Web site. Palmetto Pepper Potions became a bona fide brand.

Shortly after their first flavor, Molten Golden, was launched in fall 2004, Palmetto Pepper Potions won a Scovie award – the Oscars of hot sauces – taking top honors in its category among 600 entries.

Five months later, *Southern Living* magazine discovered Palmetto Pepper Potions. A story was published in the magazine's South Carolina issue in July 2006.

Now, Palmetto Pepper Potions works with a co-packer who sources all the ingredients and works with the Riffles in the intricate process of batch scaling Julie's recipes. The potions include Daily Red, the original; the Caribbean-style Molten Golden; the habanero hot Larynx Lava; and the peach-infused Trenholm Venom. They've made their way into

specialty food stores across the nation and in Canada and Costa Rica. Pepper Potions products even have been spotted in a Food Network episode. In March 2007, Palmetto Pepper Potions garnered its first big distributor when its sauces were picked up by the south region of trendy organic and natural grocery chain Whole Foods Market.

In December 2007, Julie and Mark applied for – and received – a small loan at an SBA Community Express workshop. Julie and Mark had been daunted by the loan process with traditional lenders, who tend to be uncomfortable with both specialty products and newer small businesses. But the loan process at the workshop was easy and “very pleasant,” according to Julie – not at all what she had anticipated.

“Attracting interest from distributors is exciting and can accelerate the number of stores that carry your products very quickly. You've got to demonstrate your ability to fill big orders promptly to earn their business,” says Julie. “The Community Express loan has allowed us to do that.”

The loan provided much needed working capital during the Christmas season, their busiest time, allowing them to make larger batches of hot sauce and to restock sold-out stores all over the country (and beyond). The loan also increased cash flow for the upcoming months: January 2008 was their best January ever.

“There are hundreds of hot sauces on the market, including many novelty sauces that are one-time impulse purchases. We wanted to create sauces that people would buy again and again because they taste great,” says Julie. “We receive calls and e-mails every day from people who are passionate about our sauces.”

“We are in about 100 stores now and we are on track to double that this year,” says Hot Honcho Mark Riffle. “We're excited about launching new flavors and sharing them with hot sauce lovers around the world.”

Learn more at www.pepperpotions.com.



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