

KANE'S BEVERAGE WEEK

The marketing, regulatory and financial news that matters . . . when it matters
for bev/al executives and their advisers

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The Inside Story

Judge Grants TRO, Labels A-B's Ads For Michelob Ultra Hard Seltzer 'Deceptive'	2
Calif. Winegrape Crush Lightest Since 2011	2
USTR in 'Holding Pattern' in Airbus Dispute	2
A-B Solves Global Supply Chain Issues By Making Stella Artois in St. Louis	3
Molson Coors U.S. Sales Rise 1.9%, But Fell 7.7% World-Wide in Quarter	3
Pernod Ricard's Sales Slipped 3.9% Organically in Fiscal 1st Half	3
CANarchy's Beer Portfolio Up 18% in 2020	4
McComick Taps RNDK for 5 More States	5
Grain & Barrel Takes Equity Stake, to Distribute Virgil Kaine Lowcountry Wines	5
Wisecre Enters 5 States, Adds a Hazy IPA	5
SGWS to Distribute Foley Family Wines	5
Hospitality Recovery Coalition Launches Grassroots Campaign on Spirits United	5
British NA Beer Debuts in U.S.	6
Sinegal Wines Launches Details Wines	6
A-B's Craft Unit Promotes PPE Recycling	6
2.5 Million Michelob Ultra Low-Carbon Cans At NC Retailers	6
Ala. Senate OK's Home Delivery of Distilled Spirits	6
And Much, Much More	

Beam Suntory Global Sales 'Flat' in 2020

Beam Suntory reports global net sales were flat for the year, as a return to growth in the second half offset lower sales in the first half of the year. Full-year sales grew 4% in the United States, as restaurant and bar activity improved in the second half and spirits continued to gain share from beer and wine.

Sales were essentially flat in Japan, up at a single-digit rate in the UK and Russia, up high-single digits in Australia and Canada, and up double digits in Germany and South Korea. The impact of the pandemic led to lower sales in markets including Spain, India, China, South Africa and the Global Travel Retail channel.

Global sales for **Jim Beam** grew to surpass 11 million 9-liter equivalent cases for the first time, extending the brand's leadership as the world's No. 1 Bourbon whiskey. Reflecting sustained consumer demand for premium brands, sales for **Basil Hayden's** bourbon, **Hornitos** tequila, **Toki** whisky and **Roku** gin increased at double-digit rates.

Sales were also exceptionally strong for Japanese ready-to-drink products and On The Rocks Premium Cocktails (acquired in September 2020), as consumer demand for convenience, refreshment and quality cocktails expanded.

"As we expected, consumer demand increased in the second half of 2020, even as the global pandemic continued to impact markets around the world," said **Albert Baladi**, president/CEO. "I couldn't be more proud of how our people adapted to confront the challenges of 2020 – from our frontline distillery workers to our sales teams, from our brand builders to every company function.

"As a result, we were able to meet consumers digitally in the emerging 'home premise' to support at-home cocktail-making and satisfy their expectations for convenience through increased investments in e-commerce and ready-to-drink products. At the same time, we supported our on-trade partners with innovations like cocktails to go, and guided by our vision of Growing for Good, we provided vital assistance to hard-hit restaurant and bar workers in markets around the world."

"Looking ahead, the pace of recovery from the ongoing pandemic remains uncertain. In this environment, we expect to drive continued improvement in sales as we benefit from the strategic investments we made in 2020, the exciting brand plans we have in place, and our commitment to delivering quality to consumers at every step of the value chain up to the moment of consumption," Baladi said.

Baladi said by purchasing renewable electricity and the completion of multiple energy efficiency projects (Kentucky, Mexico and Scotland), Beam Suntory reduced its total Scope 1&2 carbon emissions by 25% compared to the 2015 baseline.

The company has reduced water use per unit of production by 29% (versus 2015 baseline) by optimizing existing cooling systems and investing in more efficient cooling technologies at the Jim Beam distilleries in Kentucky.

To support hospital systems and first responders in the fight against COVID-19, the company's facilities in Kentucky, Japan, Spain, Scotland, Ireland, Canada and Mexico produced sanitizer sufficient to clean more than 50 million pairs of hands.

Beam Suntory provided more than \$3 million to support restaurant and bar workers and their families across numerous markets. Initiatives included Maker's Mark's partnership with the LEE Initiative Restaurant Reboot Relief Program and Restaurant Workers Relief Program, which donated more than 1 million meals to restaurant workers in the US.

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14305 Shoreham Dr, Silver Spring, MD 20905-4481

Donna Whitaker, Subscriptions Manager

subs@bevnewsonline.com

Phone: 301-384-1573; FAX: 301-879-8803

JOEL WHITAKER, Editor and Publisher

editor@bevnewsonline.com

Phone: 301-384-1573 (New number!)

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Judge Grants TRO, Labels A-B's Ads For Michelob Ultra Hard Seltzer 'Deceptive'

"Truth matters," U.S. District Court Judge Michael H. Simon wrote in issuing a temporary restraining order against **Anheuser-Busch** for its advertisements for Michelob Ultra Hard Seltzer. The ads say the seltzer is "the only" or "the first" "national USDA certified hard seltzer."

But, Simon wrote, that's not truthful. It's also deceptive and hurts a competitor, **Suzie's Brewery**. Both producers received USDA Organic certification. But Suzie's received it first. So it's not truthful for A-B to claim to be "the only" or "the first" "national USDA certified organic hard seltzer."

What is truth, Simon found, is that Michelob Ultra Hard Seltzer is "the only" or "the first" USDA certified organic hard seltzers that are distributed nationally.

In his opinion, Simon noted that Suzie's Brewery "does *not* object to Defendants stating in their television or radio commercials, press releases, or other advertising that Michelob Ultra Organic Hard Seltzer is the 'only national hard seltzer that is USDA certified organic' or is 'the *first nationally distributed* USDA certified organic hard seltzer."

But Suzie's does take issue with A-B's claim the product is the "only national USDA certified organic hard seltzer" or the "first-ever national USDA certified organic hard seltzer, or that A-B is "bringing an innovative, first-of-its-kind organic option to the hard seltzer category."

The judge noted the Anheuser-Busch ad that contained the deceptive language first aired during the NFL championship playoff game. "Almost immediately after (that), several consumers contacted Suzie's Brewery, questioning the veracity of Suzie's organic certification." Also, Simon wrote, Suzie's sales director was recently contacted by one of the distributors of Suzie's Organic Hard Seltzer who asked if the brand was "really USDA-certified organic" after that distributor saw a commercial stating the Michelob Ultra was "the first and only USDA certified organic hard seltzer." He also cited a story in USA Today and commented: "the fact a presumably knowledgeable journalist could be misled by Anheuser-Busch's representations is additional circumstantial evidence that less sophisticated consumers were and can be deceived."

Calif. Winegrape Crush Lightest Since 2011

Remember all those worries about a winegrape glut in California? Those worries are substantially gone, now that the **California Department of Agriculture** has released its Preliminary Winegrape Crush report showing about 13% fewer grapes were crushed this year, thanks in part to lower yields per acres as a result of a warming growing season and fire.

"The crop decreases mostly affected by smoke were Sonoma County Pinot Noir, Monterey County Pinot Noir, Napa Valley Cabernet Sauvignon and Sonoma County Cabernet Sauvignon. The short crop helped to balance out some of the excesses in coastal bulk wine that had built up over previous years from new bearing acres, slower sales growth, and larger than average yields per acre. The spot market for grapes and bulk wine became more active during

harvest last year and there is continued market activity early in 2021," said **Steve Fredricks**, president, **Turrentine Brokerage**.

Sonoma County Pinot Noir saw a 39% drop in production from the 2019 harvest, and prices fell 20%. Sonoma County Chardonnay tonnage fell 34% due to a warmer than usual growing season. Central Coast Pinot Noir saw a 19% price reduction as only 34,445 tons were crushed, a 37% drop that was attributed to lower yields.

Chardonnay, the top varietal in the state, was down 16% in volume, the second consecutive year production fell. Prices dropped 12% statewide.

In a commentary for clients, **Ciatti Global Wine & Grape Brokers** said, "The severity of the downturn in statewide Cabernet Sauvignon pricing came as a bit of a surprise. Given that the pricing impact was more pronounced on the coast that in the San Joaquin Valley, we believe the impact of the summer wildfires strongly contributed to the lower than expected results." It appeared, Ciatti added, that a higher percentage of Cabernet Sauvignon grapes "were either unpicked or re-sold at a discount in the areas most perceived to be most affected by smoke from wildfires.

USTR in 'Holding Pattern' in Airbus Dispute

Office of the U.S. Trade Representative said it won't consider revisions to tariffs imposed of European products in the World Trade Organization dispute involving large civil aircraft subsidies.

USTR noted that it had just revised the tariffs in January and, therefore, said no further action is necessary now.

National Association of Beverage Importers (NABI) said it is appreciative of the USTR decision not to increase and expand the financial damages suffered by importers of wine and distilled spirits (and the threatened tariffs on beer) who are in no way connected with this aerospace trade dispute. The move was expected given the trade policy of the Biden/Harris Administration which seeks to rebuild trust and confidence with the traditional trading partners and allies of the United States. Any increase in the Airbus tariffs would have negated that clear message.

"In other words, the glass is half empty. USTR and the Biden/Harris Administration could and should have done more to signal optimism from a glass being half full," NABI said.

Robert M. Tobiassen, president, called the move "a missed opportunity to present a conciliatory signal, particularly in response to the European Commission's offer of a six-month mutual suspension of the Airbus and Boeing tariffs."

USTR had "the options of repealing the January additional tariffed products or agreeing with the EU for a mutual six-month suspension of the Airbus and Boeing tariffs with the added ask of a suspension by the EU of the doubling of the Steel and Aluminum retaliatory tariffs imposed by the EU.

"A suspension is not a repeal so domestic interests on both sides of the Atlantic Ocean would realize the Biden/Harris Administration and European Commission are not rolling back their WTO approved trade sanctions," he said.

Addition of an EU suspension of the doubling of the tariffs helps to equalize the large civil aircraft suspension of \$7.5 billion in volume of trade in the Airbus case compared to the approximately \$4.0 billion in volume of trade in the Boeing case. "Building trust and confidence is a step-by-step process," said Tobiassen, "and these small steps would build goodwill thereby creating a more positive feeling during settlement negotiations."

USTR said the "affected industries" had agreed to the move. But it didn't consult with the bev/al industry. "My members ask why does USTR not care about us as an 'affected industry' and let the aerospace industry decide whether we should continue to be devastated? The only link between aircraft and beverage alcohol is the fact you can purchase a drink on your flight," Tobiassen said.

A-B Solves Global Supply Chain Issues By Making Stella Artois in St. Louis

Anheuser-Busch InBev is shifting some production of Stella Artois to the U.S. in a bid to solve global supply chain issues, the company said.

Production will begin in St. Louis later this year, to be followed by A-B's Los Angeles, Newark, and Jacksonville breweries. The four breweries will all receive upgrades as part of the \$1 billion, two-year investment that A-B says is intended to stimulate the American economy.

"Stella Artois is an industry-leading premium lager with unmatched quality, history and heritage. It is a critical element of our industry-leading portfolio and we are excited to invest even further behind the growth of this beloved brand," said Michel Doukeris, CEO of Anheuser-Busch.

"As part of our \$1 billion U.S. investment, we will combine our brewing expertise with over 600 years of Belgian heritage to ensure that beer drinkers continue to enjoy Stella's uncompromising quality and refreshing premium lager taste," he added.

Why turn Stella Artois from an imported beer to a domestic? "Throughout the pandemic, our advanced planning and proactive actions have put our U.S. supply chain in a strong position; however, we are subject to the instability of the international supply chain when it comes to some of our imports," says Brendan Whitworth, AB's chief sales officer in the U.S.

In addition to \$1 billion for upgrading breweries, A-B said it will spend \$296 million more on producing and distributing Stella Artois over the two years.

Molson Coors U.S. Sales Rise 1.9%, But Fell 7.7% World-Wide in Quarter

Molson Coors Beverage Co. reports fourth quarter net sales fell 7.7% (8.3% constant currency), primarily driven by Europe and Canada declines resulting from restrictions in the on-premise channel as a result of the coronavirus pandemic. But in the U.S., the company's largest market, sales advanced 1.9%. The company reports a \$1.4 billion net loss for the period.

For all of 2020, net sale fell 8.7% to \$9.65 billion and net income fell 13.5% to \$851.7 million, or \$3.92.

The company, which suspended its dividend earlier because of the Covid pandemic, said it expects to reinstate its

dividend in the second half.

"The revitalization plan we announced in October 2019 positioned our company well to weather the storms of 2020," said Gavin Hattersley, president/ceo. "We built on the strength of our iconic core and in the second half of 2020, we achieved a record high portion of our U.S. portfolio in above premium products. We expanded beyond the beer aisle and we set the stage to build our emerging growth division into a \$1 billion revenue business by 2023. We invested in our capabilities while supporting our people and our communities."

"The fact is our plan is working," added Hattersley. "When you consider what we set out to do under our revitalization plan and what we were faced with during the year," particularly in Europe where the continued restrictions in the European on-premise channel had a significant impact on the year and quarterly results, "we accomplished an incredible amount in 2020 and that has given us a tremendous springboard for 2021."

Molson Coors chief financial officer Tracey Joubert said, "While on-premise restrictions, and in particular our Europe business, drove declines in the top- and bottom-line in both the fourth quarter and for the full year, we enter 2021 with improved financial flexibility and have determined to reinstate guidance for the year.

"While uncertainty and on-premise challenges remain, particularly in Europe, we anticipate 2021 to be a year of both top-line growth, as we begin to benefit from the early successes of our revitalization plan, and of investment, as we continue to drive toward long-term revenue and underlying EBITDA growth."

Pernod Ricard's Sales Slipped 3.9% Organically in Fiscal 1st Half

Pernod Ricard reports net sales fell 9% on a GAAP ba-

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sis. Net profit fell 6%.

Sales rose 2% in the Americas, with "good growth in most domestic markets, with particular dynamism in USA, but significant declines in Travel Retail, the company said. The increase in sales in the Americas was distinct contrast to the 6% decline in Asia-Rest of World and in Europe, which was down 6%.

Strategic International Brands fell 6%. **Malibu, Jameson** and **The Glenlivet** all gained, but the overall category was impacted by Travel Retail exposure. Martell and Scotch grew in domestic markets. Strategic Local Brands fell 4%: mainly driven by Seagram's Indian whiskies and **Seagram's Gin** in Spain.

Specialty Brands grew 22%, continuing the development of Lillet, Malfy, Aberlour, American whiskies (Jefferson's, TX, Rabbit Hole and Smooth Ambler), Avion and Redbreast Strategic Wines +3%: solid growth thanks mainly to Campo Viejo and Brancott Estate.

CANarchy's Beer Portfolio Up 18% in 2020

That's according to IRI scan data for Total U.S. Multi-Outlet and Convenience and is better than the overall craft beer category, which was up only 9%, **CANarchy Craft Brewery Collective** noted. It attributed the success to fresh innovation, strength in the seltzer space as a craft segment leader, variety pack victories and a robust digital strategy.

These initiatives and many others boosted sales to wholesale (STW) from 480,000 barrels in 2019 to 490,000 in 2020, an increase of 10,000 barrels, or 2%, it said. The collective also grew sales to retail (STR) at a rate greater than shipments at 5%, indicating that velocity at retail was strong. Factoring in hard seltzer growth, sales were up 33%.

All CANarchy breweries were up significantly compared to 2019. Cigar City Brewing saw a 27% increase, Oskar Blues Brewery rose 53%, including seltzer, and Three Weavers Brewing soared 67%.

Chris Russell, Chief Commercial Officer, said, "We strengthened our processes, our productive capabilities and most importantly, our key partnerships at the wholesale and retail levels. We believe that we are well positioned to build on this momentum in 2021 as a strong contributor to category growth through strong core brands, a robust innovation pipeline and an effective go-to-market strategy."

Leadership in Hard Seltzer Space

In 2018, CANarchy became one of the first national craft breweries to produce hard seltzer. CANarchy continues to be a strong craft player in the seltzer category, with brands including **Wild Basin Hard Seltzer** by Oskar Blues, **Blind Lemon Seltzer** by Deep Ellum; **Grandeur Peak Spiked Sparkling Water** by Squatters; and **Clear Coast Fresh Hard Seltzer** by Perrin.

Wild Basin grew 334%, increasing its share of Total Seltzer by 44% versus 2019. The Berry Mix Pack ranked No. 9 among new variety 12-pack entries in 2020, and the brand continued to innovate with the introduction of Cocktail Mix Pack in October.

Blind Lemon increased by 694% in 2020, ranking as the #5 local Hard Seltzer in Texas Multi-Outlet and Convenience.

Grandeur Peak currently occupies the #2 spot in local seltzer in Utah Multi-Outlet and Convenience, with 32% growth in 2020. Clear Coast is the #2 local seltzer in Michigan Food.

Cigar City Brewing and Three Weavers have launched exciting new entries into the seltzer space in Q1 2021 - Cigar City Seltzer launched at the beginning of February across the Southeast, with expansion throughout the east coast to follow; and Surfwood Clean Hard Seltzer is available at Three Weavers' Inglewood taproom. Also in February, Deep Ellum Brewing Company released Blind Lemon Variety Mix Pack, including new Blind Peach, Blind Berry, Blind Lime and original Blind Lemon flavors; and Grandeur Peak released two new flavors.

Starting at the end of the second quarter, Wild Basin will roll out with refreshed branding. The new design maintains the colorful packaging and unique branding that Wild Basin is known for, and incorporates a new font inspired by classic National Park signs. CANarchy also plans to launch VII by CANarchy, a 7% ABV seltzer in single-serve 16 oz. cans, targeted primarily at the convenience segment with the objective of capturing new consumers and new occasions.

New Beer Innovation

Cigar City Brewing's **Jai Low IPA** was one of the most successful year-round craft brands to hit the market last fall, finishing second to **Sierra Dankful IPA** in the last 13 weeks of 2020, and performing at the top of the Florida market. **Florida Man Double IPA**, also by Cigar City Brewing, earned the #2 New Double/Imperial IPA spot in the country.

New Hazy IPAs performed well across the collective, with **Oskar Blues' Thick Haze IPA** securing a No. 5 spot among New Hazy IPAs in Colorado Multi-Outlet and Convenience; **Three Weavers' Cloud City Hazy IPA** among the Top 10 Hazy IPAs in Los Angeles Food and Perrin's Call Me Hazy IPA the #1 New Hazy IPA in Michigan Food.

CANarchy Moves Into Recovery Beverage Category

Revitalyte joined the collective in December and was successfully introduced in about 20 test markets in 2020. The initial distribution build and pull through velocity have surpassed expectations and show a promising future as availability increases through the U.S. Availability should reach the collective's entire distribution footprint by the end of the second quarter. Adding Revitalyte gives the already diverse CANarchy portfolio new reach into the growing non-alc recovery beverage category.

Variety Pack Victories

The CANarchy Mix Pack, a Top 10 IPA Mix Pack, led variety packs in dollar growth trend versus 2019; and **Oskar Blues CANudrum Mixed Pack** and **Cigar City Brewing Mix Pack** rank among the Top 20 Variety packs. Mix packs also performed well locally. The **Deep Ellum MixTape Mix Pack** is among the Top 20 Variety 12-packs in Texas Multi-Outlet and Convenience and has increased by 39% since 2019; and the Wasatch Party In a Box and Squatters Session Sampler packs ranked #2 and #3, respectively, among Variety 12-packs in Utah Multi-Outlet and Convenience.

Digital Strategy

CANarchy plans to increase investments more than 200% across the collective in order to further track path to purchase, while providing transparency with its distributors.

McComick Taps RNDC for 5 More States

McCormick Distilling signed **Republic National Distributing** as its distributor in Colorado, Indiana, Nebraska, South Dakota, and North Dakota, bringing to 30 the number of markets in which RNDC represents McCormick.

"We are excited to expand this great partnership and continue to work together to grow the McCormick portfolio," said **Bob Hendrickson**, RNDC Chief Operating Officer. "We appreciate the trust McCormick has shown in RNDC as we grew from nine markets in 2019 to 30 markets in 2021 and look forward to working hand-in-hand to continue this growth trajectory."

Known for decades as a regional distillery, the company grew to national distribution with its McCormick Vodka brand. In the last twenty years, the company has developed a robust portfolio now sold in all 50 states and in 78 countries, including premium brands 360 Vodka, Broker's Gin, Tequila Rose, Hussong's Tequila, Triple Crown Whiskey, Five Farms Irish Cream Liqueur, and its newest label, Whicked Pickle.

Established in 1856 and home to the historic Holladay Distillery, McCormick Distilling Co. is the oldest business in the Kansas City area and the oldest distillery west of the Mississippi still operating in its original location. Originally founded by "Stagecoach King" Ben Holladay and his brother, Major David Holladay, the distillery has a remarkable history. The land itself was first charted by Lewis and Clark in 1804, over half a century before the Holladay brothers began distilling on the site.

Grain & Barrel Takes Equity Stake, to Distribute Virgil Kaine Lowcountry

Grain & Barrel Spirits said it took an equity stake in **Virgil Kaine Lowcountry Whiskey**, another Charleston-based craft spirit company, and will distribute the product. Virgil Kaine joins Grain & Barrel's award-winning lineup which includes Dixie Vodka, Chicken Cock Whiskey and the soon-to-be-released High Goal Gin.

Virgil Kaine was founded by Charleston-based chef **David Szlam** in 2011. He and his business partner chef **Ryan Meany** are driven by flavor, and their debut release was **Virgil Kaine Ginger Infused Bourbon**, a Bourbon blended with ginger grown on a nearby sustainable farm, **Spade & Clover Gardens** (Johns Island, SC). The Bourbon's nose of sorghum, orange, and oats is followed by a ginger palate balanced with dried apricot and sherry, finishing full with vanilla and light tannins. Virgil Kaine Ginger has become a bartender favorite along the east coast.

Grain & Barrel Spirits founder and CEO **Matti Christian Anttila** says Virgil Kaine will become nationally distributed this year.

Virgil Kaine Lowcountry Whiskey Founder and President **David Szlam** adds: "With Grain & Barrel at the helm of distribution, we at Virgil Kaine can focus on what we do best: making delicious whiskeys."

Wiseacre Enters 5 States, Adds a Hazy IPA

Wiseacre Brewing Co., which just completed a

40,000-square-foot brewery in Memphis that can produce 100,000 barrels of beer a year -- five times the previous capacity — said it will begin statewide distribution in Kentucky and New Jersey in February and Colorado, North Carolina and South Carolina in March.

Wiseacre is also launching a new year-round beer, **Bow Echo**, a hazy IPA with notes of citrus and tropical fruit and a fluffy texture derived from oats. Bow Echo Hazy IPA will join Ananda India Pale Ale, Gotta Get Up to Get Down Coffee Milk Stout and the Great American Beer Festival Bronze Medal-winning Tiny Bomb Pilsner as part of Wiseacre's signature lineup.

Wiseacre is currently sold in Alabama, Arkansas, Florida, Georgia, Illinois, Louisiana, Pennsylvania, Mississippi and Tennessee, so the expansion will mean that Wiseacre fans in a total of 14 states will be able to buy all of the Memphis-based brewery's year-round beers closer to home.

With new canning technology and equipment, Wiseacre can introduce new packaging options such as 16 ounce cans and 12-packs, including a 12-can Variety Pack featuring Ananda, Gotta Get Up to Get Down, Tiny Bomb and a rotating seasonal beer.

Sun Bump Belgian Wit will be the first of the rotating seasonals - it made a brief appearance last year, but this marks its first full year of extended distribution.

"In light of COVID, we'll hold off having events at bars and restaurants for now so we can continue to follow safe business practices for our staff, distributors, retailers and customers. And while this launch will look very different from those in the past, we are no less excited for it!" **Kellan Bartosch**, WISEACRE co-founder, said.

"We will start shipping beer to new places with the promise that there will be a true On-Premise launch down the road when it's safe. That may be in the summer or it may be well after, but we are committed to bringing the excitement of a market launch when the time is right. In the meantime, it is thrilling that, even in these times, we have distributor partners, retailers, and customers in far away places who can't wait to drink Tiny Bomb and the rest of the WISEACRE family of beers!"

SGWS to Distribute Foley Family Wines

Southern Glazer's Wine & Spirits signed a national distribution agreement with **Foley Family Wines** (FFW), a family-owned and operated producer and marketer of luxury wines.

Southern Glazer's also signed definitive agreements to acquire certain assets of **Epic Wine & Spirits of California** (Epic), with the transaction to be completed subject to typical closing conditions.

This new alignment coincides with the launch of Southern Glazer's new Fine Wine and Artisanal spirits strategy, aimed at enhancing the route to market and customer service aspects for restaurant, fine wine, and craft spirits partners.

Hospitality Recovery Coalition Launches Grassroots Campaign on Spirits United

Hospitality Recovery Coalition, which is led by the

Distilled Spirits Council of the U.S., launched a nationwide, grassroots, cocktails-to-go campaign encouraging consumers to contact their state legislators and urge support for local distilleries, restaurants and bars struggling to cope with the harsh economic impacts of COVID-19. "

Consumers are seeing the devastating impacts COVID-19 is having on their favorite distilleries, restaurants and bars and want to do everything they can to provide support," said Distilled Spirits Council President/CEO **Chris Swonger** on behalf of the coalition.

"Now, they have an opportunity to make a difference by telling their legislators to pass cocktails-to-go measures to help these businesses survive. We continue to hear stories from hospitality business owners who say offering cocktails to-go has helped them hang on during the pandemic.

Making cocktails-to-go permanent will ensure distilleries, restaurants and bars have a stable source of revenue as they begin the long path to recovery and provide consumers with a great way to enjoy hand-crafted cocktails at home responsibly."

Consumers interested in showing their support can write their legislators in just under three minutes via Spirits United, the Distilled Spirits Council's grassroots platform.

The campaign is launching just before the Valentine's Day weekend which normally sees an increase in business for hospitality businesses but will undoubtedly look very different for restaurants and bars this year.

In fact, according to the National Retail Federation, less than a quarter of consumers plan to gift a night out to their partner, the lowest response in the survey's history.

The Hospitality Recovery Coalition is an initiative led by the Distilled Spirits Council of the United States in partnership with the American Distilled Spirits Alliance, Council of State Restaurant Associations (CSRA), National Restaurant Association, Tales of the Cocktail Foundation and TIPS.

British NA Beer Debuts in U.S.

Big Drop Brewing Co., the world's first craft brewery dedicated to non-alcoholic beer, makes its U.S. debut, brewing its most-popular NA beers in Chicago.

Big Drop is being brewed at **Great Central Brewing Co.**, in Chicago. The first two beers are **Pine Trail Pale** and **Galactic Extra Dark**, with **Paradiso IPA** following this month.

"The interest and demand for NA beers is on the rise," said Big Drop CEO **Rob Fink**. "Consumers are more conscious of their own health but they don't want to compromise on quality or taste. With Big Drop, beer lovers can enjoy a full-flavored non-alcoholic beer whenever they like – no compromising."

By engineering a brewing technique using special yeast and controlling the temperature during brewing, all Big Drop beers are naturally non-alcoholic, clocking in at 0.5% ABV or less. "We don't remove alcohol from conventionally brewed beer, because when you remove alcohol, flavors often go with it," adds Fink.

In Chicago, Big Drop NA beers are available at Great Central Brewing Co. for curb-side pick-up and soon at retailers across Illinois, western Michigan and the Minneapolis/St. Paul area. Big Drop brews also are available online at <https://us.bigdropbrew.com/>. Six-packs of 12-ounce cans are \$12.99.

Sinegal Wines Launches Details Wines

Sinegal Estate extends its portfolio, introducing **Details Wines by Sinegal Estate**. Details Wines is a stand-alone brand.

Details Wines follows the 1,403-step-approach cultivated at Sinegal Estate to source grapes and produce its eponymous 2018 Cabernet Sauvignon.

"The genesis for Details - the wine, the name and the label itself, is based on our meticulous and methodical approach to each step of the winemaking process while always allowing room for the human touch of our winemaking team led by Ryan Knoth" states Sinegal Estate Co-Founder and Managing Partner **David Sinegal**.

"Delivering on that premise requires obsessive attention to detail and that commitment to excellence is symbolized in the goat's head with hieroglyph icons of the process, a nod to 'the devil is in the details', a cornerstone of my father's business ethos which he's instilled in me."

A-B's Craft Unit Promotes PPE Recycling

Brewers Collective, the craft business unit of Anheuser-Busch, announced a national partnership with innovative recycling company TerraCycle to promote the proper recycling of personal protective equipment (PPE).

Brewers Collective has installed TerraCycle Zero Waste Boxes, specially intended for single-use masks and gloves, at 18 craft breweries across the U.S. Once the boxes are filled, they will be returned to TerraCycle for recycling. The collected PPE will be cleaned, melted, and processed into a raw material that can be used to make new products, such as composite decking, outdoor furniture, and reusable shipping pallets.

The decision to focus on PPE recycling emerged from the continued widespread public use of protective equipment due to the COVID-19 pandemic. In 2020, Johns Hopkins University estimated that the U.S. was using an average of 45 million masks per day, most of which are not approved for traditional recycling bins. As PPE usage continues, community streets, parks, and beaches are being littered with single-use gloves and masks, which poses a dangerous contamination risk.

In addition to installing Zero Waste Boxes, select breweries will also be promoting broader community awareness of proper PPE recycling through local "Pints for PPE" efforts at their brewpubs. "Pints for PPE" offers refreshing incentives, such as gift cards or merchandise, for consumers who bring their used PPE into local participating brewpubs. Details and timing of local "Pints for PPE" events will be shared on participating breweries' social channels.

2.5 Million Michelob Ultra Low-Carbon Cans On North Carolina Retailers' Shelves

The cans, which are described as "infinitely recyclable" are produced in a joint venture with Rio Tinto and are the first in the world to be made using metal produced through a revolutionary new zero carbon aluminum smelting process.

Rio Tinto supplied the metal from its Elysis joint venture, which is scaling up a breakthrough new technology that

eliminates all direct greenhouse gases from the aluminum smelting process, instead producing oxygen. Leveraging this metal combined with Rio Tinto's low-carbon aluminum made with renewable hydropower and recycled content, these are A-B's most sustainable beer cans yet, with a reduction in carbon emissions of more than 30% per can.

"At Anheuser-Busch, we strive to find a better, more sustainable way in all that we do. Building strong communities means building more sustainable communities and by bringing these low-carbon cans to North Carolina, we are proud to set an example of how corporations, their supply chains, local government, and consumers can all work together to build a more sustainable future," said **Ingrid De Ryck, Chief Procurement and Sustainability Officer at Anheuser-Busch.**

Ricardo Marques, VP-Marketing, Michelob Ultra said. "Sustainable packaging is a key opportunity to highlight our commitment to the environment in a tangible way and we are excited to explore the opportunities to bring this to life in 2021 and beyond."

A-B said it is donating renewable energy credits to the City of Charlotte, offsetting the equivalent electricity used to power all city-owned facilities with clean, renewable electricity for a week.

Ala. Senate OK's Home Delivery of Spirits

The Alabama Senate passed, 26-3, a bill to allow home delivery of distilled spirits in original containers from package stores, and from restaurants and bars with a meal purchase.

"Home delivery of spirits is a win-win for adult consumers and Alabama, especially during the pandemic," said **David Wojnar, Senior VP-Head of State Public Policy, Distilled Spirits Council of the United States.** "Spirits consumers will enjoy increased convenience, and the state will receive much-needed revenue. We applaud the Alabama Senate for passing this consumer- and business-friendly measure and encourage the House to move quickly in allowing home delivery of spirits."

Absolut's New Campaign Asks "What Does It Mean to Love Responsibly?"

Absolut is launching "Drink Responsibly, #LoveResponsibly," a campaign that asks people to share what loving responsibly looks like to them in a world where connecting with others in meaningful ways has become increasingly more difficult.

A survey conducted for Absolut by KRC Research highlights how all types of relationships have been put to the test over the past year, with nearly 40% of Americans saying they have experienced strains in their closest loving relationships, and that drinking more alcohol plays a role in some instances.

Still, more than 80%¹ believe that celebrating Valentine's Day this year is as important, or even more important, than last year, showcasing the resilience of love.

"A lot has changed since Valentine's Day 2020, and for many, our most important relationships have been tested in ways we never expected," said **Pam Forbus, CMO of Pernod Ricard USA.** "We've been forced to rethink how to

show our love when physically separated, and how to evolve our love when living, working and learning in closer quarters than we are used to.

For many Americans, the challenge of having to adapt relationships to new realities has been significant. Absolut's survey found the pressure on relationships is felt more significantly by younger and middle-age generations, with 52% of Gen Z, 43% of Millennials and 44% of Gen X audiences saying they've felt strain in their closest loving relationships over the past year, compared to only 29% of Baby Boomers.

Americans of all generations, however, noted a series of consistent, negative impacts on their relationships over the course of the pandemic, including stress and anxiety (46%), isolation/social distancing (36%), spending less time with loved ones (33%) and differing opinions on how to navigate pandemic restrictions (33%). Importantly for Absolut, a quarter of Millennials noted that drinking more alcohol during the pandemic has created negative impacts on their relationship.

"We know that alcohol can play a positive role in bringing people together, but when over-consumed or consumed irresponsibly, it can catalyze negative actions, reduce our tolerance for one another and diminish our ability to love responsibly," said **Regan Clarke, VP-Millennial Connector Brands, Pernod Ricard USA.**

"At a time when many loving relationships are strained due to the pandemic, it's our responsibility to ensure our product is not exacerbating these problems. That's why we're not just encouraging people to #LoveResponsibly, we are reminding consumers that drinking responsibly is a key component of healthy, responsible love."

Mandalay Bay's Sports Center Renamed Michelob Ultra Arena

Mandalay Bay Resort & Casino said it entered into a multi-year naming rights agreement with **Anheuser-Busch,** renaming the resort's 12,000-seat sports and entertainment venue in Las Vegas the "*Michelob Ultra Arena.*"

The agreement's integration will feature a variety of assets inside the Michelob Ultra Arena and at select bars and lounges throughout the property. A-B will have the opportunity to sponsor various activations and exclusive on-property special events through the duration of the agreement.

Skrewball Peanut Butter Whiskey Expands

Skrewball Peanut Butter Whiskey, San Diego, expanded into the Caribbean basin, beginning with 12 islands within the region. The brand entered Canada in late 2020, starting with Alberta.

The brand plans to continue its entrance into additional islands in the Caribbean basin, in tandem with additional Canadian provinces, throughout early 2021.

"We are eager to introduce Skrewball Peanut Butter Whiskey into the Caribbean region," said **Carl Carlson,** president of Skrewball Peanut Butter Whiskey. "Consumers on the islands, as well as cruise line guests, are passionate about the brand, and we're excited to launch our presence across this new region."

Skrewball is distributed in the U.S. by **Infinium Spir-**

its. In January 2021, the two announced **Webb Banks**, a spirits distributor, had agreed to represent the Infinium Spirits portfolio, including Skrewball Peanut Butter Whiskey, across select global markets.

“Our new partnership with Webb Banks marks an important step as we begin to shape Skrewball Peanut Butter Whiskey into a global brand,” said **Shane Fitzharris**, Senior Vice President and General Manager at Infinium Spirits International. “Infinium Spirits’ strategic agreement with WEBB Banks allows us to bring this award-winning spirit to new traveling consumers and further build brand equity.”

WSWA Cancels Annual Convo Over Covid

For the second consecutive year, **Wine & Spirits Wholesalers of America's** annual convention has been cancelled, a victim of Covid-19.

However, WSWA CEO/President **Michelle Korsmo** said the trade group will produce a virtual, expanded version of its WSWA Brand Battle Tournament.

Typically held during the WSWA Convention, the annual stand out *Shark Tank*-style event showcases rising brands with unique stories, packaging and flavor profiles. The event usually features 5-7 brands that compete in front of a panel of wholesaler and industry professional judges that provide valuable feedback and unrivaled opportunities for development and distribution.

This year’s expanded, “bracketology -type” event will feature 40-50 brands that will battle in eight specific competition categories – each with a chosen Best in Category winner that will continue onto the final round of competition to determine the overall 2021 Brand Battle Champion.

This year’s competition will take place virtually every Tuesday, taking on the moniker **Tournament Tuesdays** from June through mid-August, culminating in the final Brand Battle Championship this September. This year’s judges will feature WSWA Access Wholesaler Advisors, WSWA Board Members, as well as other titans from the wine and spirits industry. A full list of judges, by category will be announced and posted to the WSWA Brand Battle page.

Cavit Wines Launches The Cavit Cares Pizza Challenge To Support Local Restaurants

Cavit Wines, America’s #1 Italian Wine Brand, has kicked off the Cavit Cares Pizza Challenge, for a chance to win a year of free pizza in partnership with Slice, the innovative tech platform powering local pizzerias.

Through entries, the brand intends to drive local pizzeria sales while also donating directly to the James Beard Foundation's Open for Good campaign, an initiative that is committed to helping independent restaurants survive, rebuild, and thrive for the long term.

CIA Introduces Online Master's Degree In Wine And Beverage Management

Culinary Institute of America added an online master's degree in Wine and Beverage Management to its School of Graduate and Professional Studies.

The 30-credit curriculum includes three short residencies: two in Napa, and one at the CIA's Hyde Park campus, in New York's Hudson Valley, offers candidates the flexibility of learning on their own schedule, while continuing to advance in their careers and immerses students in every facet of the business, from bottle to glass, exploring global wine business management; spirits, fermented, and non-alcoholic beverages; entrepreneurial innovation, marketing, distribution; and much more.

The college is currently accepting applications for Fall 2021 entry. To enroll, students must be at least 21 years of age with a bachelor's degree. For more information or to apply, visit www.ciachef.edu/wine-masters.

Purdue Offers Affordable, Compact Wine Course

If you wonder how big winemaking has become between the coasts, here's one good indication: Indiana's land grant university, Purdue, is offering wine industry employees wanting to enhance their knowledge, skills, business and careers, and serious noncommercial winemakers looking to take their pastime to the professional startup level.

Purdue’s online Winemaking Certificate course is an affordable, compact, yet comprehensive review of commercial winemaking principles and practices. It includes six progressive modules covering ground from grape to glass.

Topics covered range from a critical review of winemaking techniques, styles and traditions to advice on aging, stabilization, filtration, bottling, and shelf-life optimization. Portions of the curriculum focus specifically on winemaking in Indiana and the Midwestern and eastern United States, but much of it is applicable to wineries anywhere in the world.

“The class accommodates different skill and experience levels, and all participants will gain new knowledge and refresh their existing knowledge, even if they have taken other winemaking classes already,” said Christian Butzke, Purdue’s wine professor, who developed and teaches the Winemaking Certificate course.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor