

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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Biden Administration Taking Steps to Reopen On-Premise

That's not how it is being framed. It's being framed as a full-scale "wartime mobilization" of the U.S. private sector to get Americans to maintain "social distance," to wear masks and to get vaccinated as soon as possible.

It's being backed by some of the country's largest corporate lobbying groups — like the Chamber of Commerce, the Business Roundtable, the National Association of Manufacturers and groups representing Asian, Black and Latino executives — as well as some big-name companies.

Ford and The Gap will donate more than 100 million masks for free distribution, *The New York Times* reports. The effort will extend to pro sports leagues will help set aside more than 100 stadiums and arenas as mass vaccination sites. Uber, PayPal and Walgreens will provide free rides for people to get to vaccination sites. Best Buy, Dollar General and Target will give their workers paid time off to get a shot. And the White House will urge many more companies to do likewise.

All this is good news for the beleaguered hospitality industry. From bar and restaurants to hotels and airlines, Covid has dramatically affected hospitality. Hundreds of thousands of businesses have closed for good, in the process financially ruining many of their owners and resulting in long-term unemployment for millions of workers.

The Biden Administration freely acknowledges Trump's "Operation Warp Speed" was highly successful, but describe its distribution plan was "disorganized" at best. "What a missed opportunity the first year of this virus was," an advisor says.

Vaccines approved thus far as highly effective at preventing infection of the vaccinated person and there's some evidence they also reduce the spread. We hope, in addition to the effort described above the Biden Administration will also emphasize the need for testing — for two reasons:

First, and most importantly, it works. Places where rapid testing (meaning results in 24 hours) is used have reported astoundingly low positivity rates. For the week of Feb. 14, for instance, Indiana University reported a 0.2% positivity rate. (The State of Indiana, which does not do widespread mitigation testing reported a 10.8% positivity rate for the same period.)

The second reason we hope testing will be emphasized is there's still a lot we don't know about this disease: How long does a shot provide protection? Does it prevent spread as well as infection of the vaccinated person, etc. Widespread testing will supply those answers.

Third: It's likely that up to a third of the population won't get the vaccine. It will be critically important to prevent the spread in that group.

Historical footnote: During World War II, the U.S. private sector pivoted on a dime to produce war materiel. One of the best known examples: One of the best known examples is Ford Motor Co., which converted its Willow Run plant from producing automobiles to producing bombers. At the height of the effort, one bomber was rolling off the assembly line every 45 minutes. Most distilled spirits plants converted to making industrial alcohol for military use from producing whiskey.

Covid Victims Can Regain Taste, Smell

Most people who have lost their sense of taste or smell will regain it within days or a few weeks, a WineFuture 2021 panel on Covid was told. The loss is believed to be a result of swelling in the nose. But about 5-10% of victims suffer longer. The good news: "Even if you've lost your sense of smell, it can regenerate," said Simon Gane, a rhinologist at the Royal National Throat Ear Hospital in London

Laura Catena, managing director of **Catena Wines** in Argentina and an

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emergency room physician said she has been pressured to approve indoor wine tasting. But the pandemic isn't over yet, she said. "It's only a very tiny community of people" worldwide who have been tested. So indoor wine tasting is unwise, she added.

Elvis Garcia, of the Harvard School of Public Health, said he believes "we have already reached the peak maximum number of cases and deaths. "I don't think we'll get back to the peak where we were a month ago. But we still need to understand that we are not [safe] yet. We'll see how the middle-income countries get access to vaccines. The virus is a worldwide problem. We won't get out of this if not everybody has access to vaccines. Otherwise we'll see mutations of the virus that will affect us even if we have been vaccinated."

Governments, he said, "are only focused on this false dichotomy between economy and health. Confinements are the worst solution. But sometimes there's nothing else you can do. Confinement is a sign that things were not done right. Look at the countries that did things right, like Australia and New Zealand. They don't have confinements because they did things right."

TTB Details Actions as Covid Erupted

Alcohol & Tobacco Tax & Trade Bureau process more than 2,400 permits to enable businesses to quickly expand or start producing hand sanitizer, turning most around in a day, the agency's annual report, released this morning, says.

As the overall volume of bev/al label submissions declined once Covid erupted, TTB "took necessary steps to ensure processing times remained within our 15-day service standard—achieving 10 days on average by year-end. We also used the opportunity presented by reduced backlogs and submissions to work on program fundamentals to sustain timely service levels going forward.

To help alleviate the stress of paper filings of claims during the pandemic as agency staff worked remotely, it developed solutions to enable online filing of class.

"An entirely paper-based process until this year, this new filing option helped get refunds back in the hands of taxpayers when they needed it most," Administrator **Mary Ryan** said.

The annual report says TTB collected about \$20 billion in various taxes and fees last year. About 41% of that came from the alcohol beverage industry.

NABI, DISCUS Cheered By Testimony From USTR Nominee Katherine Tai

U.S. Trade Representative Nominee **Katherine Tai** said she recognized the need to "prioritize" reaching an agreement with the European Union to end subsidies and tariffs at the core of the Airbus dispute. The "U.S. and the EU must come together to find an answer," she said.

In her opening statement, Tai said she "will also prioritize rebuilding our international alliances and partnerships, and re-engaging with international institutions."

"Ms. Tai's understanding of, and commitment to, reaching out to our longstanding trade allies, like the European Union is refreshing and hopeful," said Robert M. To-

biassen, President of the National Association of Beverage Importers. "NABI believes a mutual six-month suspension of the Airbus/Boeing tariffs would reflect a first step in prioritizing the building back better U.S. trade relations with Europe, perhaps with the EU suspending the doubling in June of its tariffs in response to the steel and aluminum dispute to level the difference of \$7.5 billion in volume of trade to nearly \$4.0 billion by the EU in such a suspension," he added, "as a first step in rebuilding relations. USTR and the EU should be able to reach a settlement resolving the limited context of this large civil aircraft subsidy quickly and then move on to the real question and solution of state-subsidies facing the U.S. and EU from China's state-capitalism economy that can only be negotiated at the WTO by the global trading order."

Distilled Spirits Council, said it was "encouraged by Katherine Tai's comments on the need to rebuild trade relationships with our allies. We are hopeful that the Biden Administration will move quickly to ease trade tensions and resolve the tariff tit-for-tat with the EU and UK, which is causing grave and unnecessary harm to U.S. distillers and the wider hospitality industry.

Kentucky Bourbon Exports By 35% By Ongoing Trade War with EU

Tariffs imposed on U.S. spirits as a result of unrelated trade disputes slashed exports of Kentucky Bourbon by 35% in 2020, with shipments to the European Union tumbling nearly 50%, the **Kentucky Distillers' Association** said.

And it could get worse. EU expects to double tariffs on American Whiskey to 50% in June, KDA President **Eric Gregory** said. The EU had traditionally been Kentucky's largest global market for Bourbon and whiskey, making up 56% of all exports in 2017. It's now about 40%.

"Our signature Bourbon industry has sustained significant damage for more than two years because of a trade war that has nothing to do with whiskey," Gregory said. "And it will get much worse if we can't deescalate this dispute.

"We are officially asking President Biden and his administration to work with their counterparts overseas, suspend tariffs and settle these ongoing trade disputes before more long-term damage is done. A speedy resolution is in the best interest of our country and our Commonwealth."

Congressman **John Yarmuth** (D-Ky), Founder and Co-Chair of the bipartisan Congressional Bourbon Caucus, led efforts among members of Congress calling on the previous administration to work to end the dispute and provide certainty to Kentucky's distilled spirits industry.

Yarmuth and his colleagues, including Bourbon Caucus Co-Chair Andy Barr (R-Ky), have already begun working on a letter to incoming Biden administration trade officials reiterating the importance of resolving the dispute that they plan to send upon confirmation of U.S. Trade Representative nominee **Katherine Tai**.

Kentucky Bourbon has been one of the world's greatest success stories for free and fair trade, growing exports by a staggering 98% between 2010 and 2017. In that time, KDA distilleries invested billions of dollars in capital im-

provements to meet the growing global thirst for America's only native spirit.

That all changed in 2018 when the U.S. imposed a 25% tariff on steel and aluminum from the EU. The EU retaliated with a 25% tariff on American Whiskey and other goods in response, which now has escalated into tit-for-tat tariffs on Scotch, Irish Whiskey, rum, brandy, vodka, Cognac, cordials, liqueurs and other spirits.

The damage to Kentucky Bourbon has been devastating, with export values dropping by double digits since the tariffs took effect. Figures provided KDA by the Kentucky Cabinet for Economic Development show:

* Total exports of Kentucky Bourbon and other whiskeys were valued at \$455 million in 2018. That number plunged to \$319 million in 2020, a 35% decrease.

* Export values to the EU have nosedived 48% since the tariffs took effect, from \$257 million in 2018 to \$135 million last year.

* The United Kingdom had historically been the largest market within the EU for Kentucky whiskey, making up a quarter to a third of exports. Sales have plummeted from \$67 million in 2018 to just \$33 million last year, a 50% drop. The largest EU export country now is Spain at \$49 million.

Distilleries in 36 states exported whiskey in 2020, with Kentucky ranking second behind Tennessee. Total American Whiskey exports reported a similar downturn, declining 29% from 2018 to 2020. U.S. whiskey exports to the EU fell sharply 37% in that time and sank 53% to the U.K.

Kentucky Bourbon an \$8.6 billion economic engine that generates more than 20,100 jobs in Kentucky with an annual payroll topping \$1 billion each year and attracts visitors from around the world to its fabled Kentucky Bourbon Trail tourism experiences.

"This non-stop trade war has harmed Kentucky consumers, farm families, cooperages, glass and other suppliers, and our historic, homegrown distilling industry," Gregory said. "We are hopeful that leaders around the globe will jumpstart negotiations and bring these trade wars to an end before things get worse."

Responsibility.org Funds Study of Funding Constraints on State Toxicology Labs

Responsibility.org has made a three-year, \$150,000 grant to the Wisconsin State Laboratory of Hygiene – Forensic Toxicology Section to conduct a national assessment of state toxicology laboratories to improve the quality of data and foster communication with stakeholders such as state highway safety offices, law enforcement, attorneys and judges to gauge the needs of laboratories.

"National statistics show that nearly as many fatally-injured drivers are drug-impaired as those who are impaired by alcohol," said **Jennifer Harmon, Crime Laboratory Director for the San Diego County Sheriff's Department.** "These statistics echo those seen by local jurisdictions of suspected DUI arrestees as well, when comprehensive toxicology testing is conducted. Yet, public agencies and their public health and crime laboratories are severely under-resourced in forensic toxicology. The National Resource Toxicologist Pilot Program will provide collaboration, coordination and data to articulate the needs toxicology labs have

to improve traffic safety outcomes."

To obtain a well-rounded understanding of the issue and expand the reach and understanding of toxicology, WSLH will also consult with states or local agencies; provide training in conjunction with relevant state- and locally-based organizations; act as liaison between toxicology labs and national law enforcement and security partners, toxicology organizations, and universities; serve as a consultant in Frye and Daubert challenges that arise across the country in relation to Driving Under the influence (DUI) and Driving Under the Influence of Drugs (DUID) toxicology and the Drug Recognition Expert (DRE) Program; and, consult on policy issues related to toxicology at the Federal, state, and local level.

Highlighting the importance of the program, **Miles** continued: "Until we are able to test all impaired drivers for all substances, we will never understand the complete impact of impaired driving on public health."

Kentucky House Passes DtC Update

The measure, which passed 82-15 and now goes to the state Senate, would allow the use of third-party fulfillment centers to efficiently ship bottles; set a level playing field for state tax collection on distillery gift shop sales; and establish guidelines for shipping alcohol samples to media, business and marketing partners, among other measures.

Beer Shipments Rise 2.4% in January

Beer appears to be continuing its turnaround. **Beer Institute** estimated 12,725,000 barrels of beer were shipped in January, up from 12,425,000 a year earlier.

The industry's 2020 record showed a miniscule gain of just 0.1%. But that was a gain, which is encouraging. Total shipments in 2021 were 167,362,000, up 171,841 barrels

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from 167,190,159 in 2019.

Molson Coors Pauses Milwaukee Brewing To Mark Mass Shooting Anniversary

Employees at Molson Coors' Milwaukee brewery had the option to take today (2/26) off and production lines were halted at 2:30 p.m. to mark the first anniversary of a mass shooting at the facility by a former co-worker. Five employees were killed. Each shift began today with a moment of silence.

A-B 2020 Revenue Slips 3.7%, EBITDA Falls 12.9%

Anheuser-Busch InBev reports its revenue eased 3.7% to \$46.881 billion in 2020 as Covid-19 took a toll. The company doesn't report GAAP net profit, but it said "normalized EBITDA" fell 12.9% to \$17.321 billion.

Consolidated volumes declined 5.7%, with own beer volumes down 5.8% and non-beer volumes down 3.8%, driven by the impact of the COVID-19 pandemic. Combined revenues of ABI's global brands, **Budweiser**, **Stella Artois** and **Corona** declined 5.0% globally and 5.3% outside of their respective home markets.

North American volumes held up better than other regions, except for South America, falling 1.4%. In response to the COVID-19 pandemic, "stay-at-home" orders and other social distancing measures were implemented in the United States beginning in the middle of March 2020.

ABI said it has observed a gradual reopening of the on-premise channel, though the pace has been varied and there have been additional restrictions enforced as the year progressed.

In the fourth quarter of 2020, the industry was impacted by the second wave of the COVID-19 pandemic and corresponding restrictions to the on-premise channel. North American sales-to-retailers ("STRs") declined 0.2% in 2020, slightly below an industry that declined by 0.1%. This resulted in an estimated market share loss of 5 bps, but ABI's above core portfolio gained an estimated 110 bps and our mainstream brands lost an estimated 115 bps.

Sales-to-wholesalers ("STWs") declined by 1.7%. Our above core portfolio continued to outperform, driven by the ongoing momentum of **Michelob Ultra** and successful innovations such as **Bud Light Seltzer**. Michelob Ultra was once again the second-highest selling beer by value in the United States, after **Bud Light**, and was the No. 1 share gainer in beer excluding flavored malt beverages in 2020, according to IRI.

In addition, ABI said its portfolio of seltzers grew at double the rate of the industry, driven by a successful launch of Bud Light Seltzer. Continued execution of our commercial strategy has also resulted in flat share of mainstream segment in 2020.

With 11 Years of Steady Organic Growth, Duckhorn Portfolio to Go Public

Duckhorn Portfolio, the owner of **Duckhorn Vineyards**, has had 11 consecutive years of year-over-year organic growth, with net sales growing 18% a year from fiscal

2015 to fiscal 2020 and that net income soaring 28% a year from fiscal 2015 to fiscal 2020, according to a preliminary registration filed with the Securities & Exchange Commission.

After the public offering, Duckhorn will continue to be controlled by TSG Consumer Partners, a private equity firm, the preliminary statement says. Its stock will be listed on the New York Stock Exchange under the symbol NAPA. The number of shares is not specified, nor is the offering price. The initial public offering will be made through underwriters led by J.P. Morgan, Credit Suisse and Jefferies.

"A majority of our wine is sold in the growing U.S. market which boasts over 500,000 licensed retail accounts according to Nielsen," the offering statement says. It continues:

"According to Statista, the United States consumes more wine than any other nation and is expected to increase its global wine market share by volume from 13.6% in 2012 to 15.8% in 2020. According to data from Statista capturing on-premise and off-premise sales, the total sales value of wine in the United States was more than \$53 billion in 2019, having grown steadily since 2012.

"While the COVID-19 pandemic has adversely impacted on-premise sales, including in bars and restaurants, it has benefited grocery and other off-premise sales. As a result, the total sales value of wine in the United States is expected to remain relatively resilient to the impacts of the COVID-19 pandemic.

"According to Statista, 2021 is expected to mark a return to long-term category growth, and total sales value of wine in the United States is expected to exceed \$55 billion, nearly \$2 billion greater than the pre-pandemic 2019 value," it says, adding:

"Consumers in the United States have steadily increased their per capita spending on wine over time to \$163 per year in 2019, up from \$141 in 2017, equating to a 7% CAGR, according to Statista.

"Compared to peer countries, the United States experienced one of the highest annual growth rates per capita in wine consumption in 2019, and we believe the United States still holds ample opportunity for growth. For example, 2019 per capita consumption in France, the United Kingdom and Australia were \$439, \$347 and \$425, respectively, according to Statista. We believe these favorable trends will continue and that wine will take further alcohol beverage market share in the United States, led by established brands with diversified portfolio offerings."

The SEC filing says Duckhorn has "consistently increased our market share in the growing luxury wine segment, both before and during the COVID-19 pandemic, and we believe premiumization will continue to benefit our business as consumers seek trusted brands.

"According to data from IWSR, wine sold for \$20 per 750ml bottle or higher outpaced the overall wine category from 2010 to 2019. During this period, the sales value of wine sold for \$20 per bottle or higher grew at an 8.6% CAGR, compared to a 3.1% CAGR for the total U.S. wine industry. According to IRI data, the U.S. luxury wine segment grew at 20% in sales value in the twelve month period ending on October 31, 2020 and encompassing the period of

economic uncertainty caused by the COVID-19 pandemic, compared to the same period in the prior year, while the overall wine industry grew 11% over the same period.”

Duckhorn is “one of only a few luxury wine producers of scale,” the statement says.

Domaine Bousquet Import Unit Expands to Include Other Producers

Origins Organic Imports, a Miami-based import company dedicated to bringing to market organically grown wines, launches under its new name, with an expanded portfolio and a new website:

www.originsorganicimports.com.

Formally known as **WISD LLC**, the importing arm of Argentina's **Domaine Bousquet**, the company now extends beyond **Domaine Bousquet** and is part of a long-term business strategy from husband-and-wife team **Labid Ameri** and **Anne Bousquet**, owners of **Domaine Bousquet**.

“Our vision is to become the largest importer of organic-fruit wines in the U.S., a source of well-priced, high-quality offerings from around the world, in addition to those from our own property,” says **Ameri**.

With **Origins Organic Imports**, **Ameri** and **Bousquet** look forward to introducing U.S. consumers to a growing roster of producers that share its founders' DNA of quality, conscience, and value.

In 2018, **Domaine Bousquet** sold around 60,000 cases. In 2019, that figure climbed to 112,000 cases (+ 87%). In 2020, **Domaine Bousquet** recorded sales of 181,000 cases, (+62% over the previous year).

Domaine Bousquet is now the largest organic wine brand from Argentina, Argentina's second fastest-growing brand of wines, and ranks among the top five organic wine brands sold in the United States.

Driving that success are three main **Domaine Bousquet** wines: **Malbec Premium** (+33%), **Reserve Cabernet Sauvignon** (+130%), and **Domaine Bousquet Charmat Sparkling White** (+87%), joined in 2019 by **Domaine Bousquet's** **Virgin** collection of **USDA certified-organic** wines (+28%), plus 43,000 cases of the company's new-to-market 2020-debut **Natural Origins** box wines.

Bousquet, a former economist, says a long-term strategy is finally bearing fruit. “We started our import company in 2014 and it took five years to build those strong relationships with distributors. Now we are able to offer that benefit to other producers around the world.”

Alternatives to Hard Seltzer Show Sharp Gains: Drizly

Hard kombucha sales spiked in 2020 on **Drizly**, growing more than 2,000 percent and the number of SKUs offered on **Drizly** nearly tripled during the last year.

“The category's positioning as a healthier alternative has played a big role in its success and will likely continue to attract new consumers,” according to **Liz Paquette**, director of consumer insights. In 2020, **Drizly's** top-selling hard kombucha brands included (in order of largest sales

share) **JuneShine**, **Boochcraft**, **Flying Embers**, **NOVO Easy Kombucha**, and **Kombrewcha**.

Within the hard lemonade category, longtime players **Mike's Hard** and **Mike's Harder** held the No. 1 and No. 2 positions on **Drizly** last year. However, new entrants such as **Loyal 9 Sons of Liberty Lemonade** (No. 3) and **Crook & Marker** (No. 5) gained popularity, suggesting that consumers are looking to try new brands beyond the big players. The growth in organic spiked lemonade **Crook & Marker**, may indicate consumer interest in natural products.

Likewise, category pioneer and longtime leader **Twisted Tea** took the No. 1 spot in **Drizly's** 2020 top-selling hard tea ranking. However, newcomers like **Lover Boy** (No. 2) and **Owl's Brew Boozy Tea & Botanicals** (No. 4) increased their share as consumers explored the category.

Looking Ahead

In the coming year, **Paquette** predicts that more brands will invest in the hard alternatives space—including the hard coffee and hard soda subcategories.

“We have seen signs of this movement in 2020 and 2021, with new product releases like **Bud Light Seltzer Lemonade**, **Truly Iced Tea**, and **Strange Beast Hard Kombucha by Sierra Nevada**,” she says. “We also expect more craft offerings to emerge in the hard alternatives category, similar to the trend which has begun in the hard seltzer space.”

As for potential headwinds, **Paquette** says, “The aluminum can shortage may impact the hard alternatives category, as well as the broader hard seltzer and RTD categories, as the shortage persists through 2021—particularly in the craft space,” she notes. “This may lead to new formats being tested in the space like glass bottles, pouches, or cartons.”

Hawaii Senate OKs Direct Shipping of Spirits

The Hawaii Senate passed and sent to the State House a bill allowing direct-to-consumer shipping of distilled spirits in original containers.

“We are absolutely thrilled the Hawaii State Senate has passed SB No. 65 and look forward with anticipation for the State House decision,” said **Bob Gunter**, president/CEO. **Kōloa Rum Company**.

“Facing substantial losses in revenue due to the pandemic's impact on Hawaii tourism, we initially approached our lawmakers in July 2020 with a request to amend the current law and allow liquor and beer producers to ship directly to consumers. We receive inquiries about our products daily, both from within the state and across the Continental U.S., and allowing us to fulfill those requests via DTC shipments will provide a much-needed financial lifeline, allow us to bring furloughed employees back to work sooner and result in additional tax revenues for the state,” he said

Two Roots Brewing Enters Massachusetts

Two Roots Brewing Co., San Diego, said it signed an agreement with **Craft Beer Guild**, **L. Knife & Sons**, and **Seaboard Products**, to make its products available throughout Massachusetts. Retailers are currently placing orders and will have product on shelf before the end of the month.

Two Roots is the only non-alcoholic craft brewer to win back-to-back medals at the Great American Beer Festival. In 2019, their Enough Said Lager won the Gold Medal and in 2020 Straight Drank IPA won bronze in the Session Beer or Non-Alcoholic Beer category.

The launch includes three non-alcoholic craft beers. **Enough Said**, a crisp lager brewed in the German Helles style, **New West** is an East meets West style IPA that is well-balanced with fruit forward hop flavor, and **Straight Drank**, a hoppy, dank, West Coast-style IPA. All three styles will be available packaged in six-packs of 12 oz. cans.

"Entering the Massachusetts market with the combined drive of our organizations will result in a successful partnership — and marks a key step in our strategic expansion plan," said **Ron Goodson**, president/CEO. "As the popularity of non-alcoholic beer continues to accelerate, we are strongly positioned to meet consumer demand that will exceed our customer's expectations."

Moët Hennessy Takes 50% Stake in Armand de Brignac

Terms weren't disclosed. **Armand de Brignac** has been controlled by **Shawn Jay-Z Carter**, who said:

"We are confident that the sheer power of the Moët Hennessy global distribution framework, its unparalleled portfolio strength and its long-established track record of excellence in developing luxury brands will give Armand de Brignac the commercial power it needs to grow and flourish even further"

Texas' 1st Craft Seltzer Enters New Mexico

Truckloads of ShotGun have begun to arrive in New Mexico at **Admiral Beverage** and will be heading out to local retailers including Albertson's and Total Wine & More.

The expansion of ShotGun beyond Texas lines marks a first for the fast-growing spiked seltzer company and a sign of what's to come. "We are so happy to represent ShotGun, the first Ranch Water in New Mexico, stated Admiral Beverage President, Greg Brown. "We are honored to be doing business with the Foster family."

Michter's Offers US*1 Barrel Strength Rye

The expansion of ShotGun beyond Texas lines marks a first for the fast-growing spiked seltzer company and a sign of what's to come. "We are so happy to represent ShotGun, the first Ranch Water in New Mexico, stated Admiral Beverage President, Greg Brown. "We are honored to be doing business with the Foster family."

New Products

Kobrand Corp. launches **Rebellious** and adds it to Kobrand's California portfolio. Effective immediately, Kobrand is exclusively responsible for all sales and marketing activities for Rebellious in California and other select markets.

"Adding Rebellious to Kobrand's iconic California portfolio presents an exciting opportunity to expand our offering of the red blend category. The red blend category has shown strength over the last 10 years, however in more recent years, especially in California, we have seen a dramatic movement

towards premiumization within the category," explains **Robert T. DeRoose**, Kobrand's president /CEO.

Rebellious enters the market with the **2018 Red Wine Blend** (SRP: \$24.99). The grapes were selected from prestigious growing regions throughout California, including the North Coast Appellations of Sonoma and Mendocino. The red blend is comprised of 44% Zinfandel, 23% Cabernet Sauvignon, 8% Merlot, 7% Syrah, 7% Mourvedre, 7% Petite Sirah, 3% Malbec, and 1% Sauvignon Blanc; it is also fermented in separate lots. The wine is then blended and aged for 16 months in French and American oak.

Celebrating 25 years of craft beer innovation in San Diego, **Ballast Point Brewing Co.** adds two new offerings to its year-round portfolio: Big Gus and Wee Gus. The crystal-clear duo — a R&D hoppy lager and a clear hazy IPA — mark the first additions to the craft beer pioneer's portfolio since 2019. Big Gus and Wee Gus hit off-premise shelves this month throughout Ballast Point's distribution network in Southern California and Arizona in 12 oz. 6-pack cans, and is currently available on draft at all Ballast Point taprooms in San Diego, Anaheim, and Long Beach.

Bold Rock Brewery, Nellysford, Pa., jumps into hard seltzer, introducing **Bold Rock Hard Lemoade Seltzer**. The launch follows Bold Rock's successful 2020 launches of their Hard Lemonade and Hard Seltzer lines.

"This segment really took off in 2020 with one national brand achieving substantial share of the category and now other big brands are entering and blazing the trail in terms of consumer education and awareness. But, we believe this segment is very aligned to the ethos of what Bold Rock stands for as a brand. It's a drink that exemplifies fun, being together, and sharing good times. Something we all need in 2021.

Mack & Schuhle, a Miami-based importer, launches **Ca' di Prata**, a new line of Prosecco wines from **Friuli Venezia Giulia**. The portfolio includes Ca' di Prata Brut Prosecco DOC (\$16), Ca' di Prata Brut 2019 Prosecco Rose DOC (\$17) and Ca' di Prata Extra Dry Prosecco Valdobbiadene Superiore D.O.C.G. (\$18).

The Ca' di Prata name and label pay tribute to the municipality of Prata di Pordenone, whose historic bell tower is depicted on its label and shoulder. The name 'Ca' di' which means 'home of' in English, and 'Prati' which is derived from the Latin 'Pratum' meaning 'vastness of territory covered in meadows' highlights the Ca' di Prata Proseccos Italian heritage.

Lost Republic Distilling Co. introduces **Archenemy Space Whiskey** is an even blend of two straight bourbon lots distilled in Indiana and bottled in California by Lost Republic Distilling Co. It's inspired by *Archenemy*, a major motion picture from fan-owned entertainment company Legion M and Spec-treVision.

The first lot was distilled in June 2012 and the second in August of 2015 — stored in traditional 53-gallon white oak barrels with a #2 char, and unfiltered to preserve all the color and flavor.

* * *

Ménage à Trois, the wine brand widely credited with creating the wildly popular \$10 California Red Blend category, launched [Sweet Collection](#) (9.5% ABV; SRP \$15), a new lineup of sweet, semi-sparkling California wines.

It's the first new line from the brand since the sparkling collection debuted in 2014.

"As longtime leaders in the Red Blend space, we pride ourselves on understanding the category's consumer," said **Mark Dunlea**, vp-marketing. "Our research has confirmed what we've long believed – consumers are looking for occasions to indulge and treat themselves. The Ménage à Trois Sweet Collection over-delivers on that market need as a uniquely sweet, semi-sparkling California wine. This new tier further emboldens our Ménage à Trois portfolio, which has proudly been recognized for releasing the No. 1 new wine item for six consecutive years¹."

The lineup's launch is supported by "[Sweet Utopia](#)" – a vibrant and energizing campaign reflective of a younger and more diverse audience. This creative campaign depicting a captivating wine experience will garner 35 million digital impressions within its first six months, complementing the more than 200 million impressions that the brand's [TV campaign](#) secured during the holiday season.

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Flight by Yuengling is now available in 12-ounce cans across its entire 22-state footprint. This rollout comes just in time for the one-year anniversary of Flight's initial launch in 12-ounce clear bottles.

Flight by Yuengling was developed as an upscale, light beer to bring even better taste to the low-cal beer category. The beer (at 2.6 grams of carbs, 95 calories and 4.2% ABV) is described by fans as crisp and easy-to-drink beer.

Flight 12oz cans will supported by American professional Soccer Star Rose Lavelle and Award-Winning Country Singer Lauren Alaina as part of Yuengling's Raise the Bar campaign, which is built off the brewery's foundation of hard work.

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It's likely you will see **Tanqueray 0.0**, a nonalcoholic gin, on retailer shelves before year-end. The product has launched in the UK, and will become available in Spain next month. "It will then be rolled out to further markets later on in the year," a spokesman told us.

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Veza Sur Brewing Co. (Anheuser-Busch) introduces **South Coast IPA**, a full-bodied Miami IPA with a brilliantly fresh hop aroma coming from the Amarillo and Citra hops, balanced by a full malt backbone clocking in at 7.5% ABV and only 40 IBUs.

Debuted on Feb. 19th, South Coast IPA will round out Veza Sur's core beer portfolio. It will be available year-round in Veza Sur's signature stubby bottle 6-packs and 16 oz cans at independent and larger retailers throughout Florida including Mendez Fuel, Vintage Liquors, Publix, Whole Foods, Total Wine and Milam's Market.

South Coast IPA is also available on draft at the Veza Sur brewery located in Miami's Wynwood arts district, as well as bars and restaurants throughout Florida.

West Coast and East Coast are the most common IPA styles and now, with South Coast IPA, consumers can enjoy

an all-new breed of IPA that is unique to Veza Sur and Miami.

"Coming off the heels of what we can all agree was a bitter year, the taste of South Coast IPA is anything but, with tropical and citrusy notes, perfect for letting the buenas vibras roll all year long," said **Rhett Dougherty**, head brewer of Veza Sur Brewing Co. "The beer quickly became a fan favorite at our Pub in Wynwood, so we are excited to be able to launch it into bottles and introduce this amazing IPA to all hop-loving Floridians!"

* * *

Vizzy Hard Seltzer (Molson Coors), the first hard seltzer with antioxidant vitamin C, is dropping a new variety pack with four never-before-sipped flavor combinations : Papaya Passionfruit, Blackberry Lemon, Watermelon Strawberry and Raspberry Tangerine.

Vizzy Hard Seltzer is also expanding into Canada and product will hit shelves in early March.

"Vizzy is off to an incredible start. It's one of the fastest growing hard seltzer brands in the category, carving out a slot on Nielsen's Top 10 Growth Brands," said **Elizabeth Hitch**, marketing director.

Marketing Memos

Smirnoff is partnering with Washington, D.C.-based fitness studio, Black women-owned small business, [SideBarre](#), to give adults (21+) across the US the opportunity to attend a series of complimentary inspirational virtual bar(re) classes from home in support of Black women entrepreneurs across the country (while supplies last). I

n honor of our SideBarre partnership and stemming from the brand's \$500,000 commitment to the Black Community, Smirnoff will pledge \$50,000 from those dollars to **Black Girl Ventures** – a charitable organization whose goal is to provide access to community and capital targeting Black and Brown women-identifying business founders.

After the class, participants will hydrate (responsibly with water!) before joining Smirnoff, SideBarre and their celebrity friends at the Smirnoff Bar for an intimate Q&A session followed by a virtual happy hour. During the cocktail portion of the session, Cox, Guerrero and Rapinoe will join a local mixologist behind the bar to show viewers at home how to mix-up some easy-to-make cocktails using Smirnoff Zero Sugar Infusions including the **NEW Smirnoff Zero Sugar Infusions Lemon & Elderflower**, as well as some alcohol-free mocktail options.

"As a brand that is built on inclusivity and diversity, Smirnoff is proud to rise to the occasion to support Black women entrepreneurs by partnering with and donating to SideBarre and Black Girl Ventures," said **Jennifer Holiday Hudson**, **North America Brand Leader, Smirnoff**. "Through this program, we want to take actions to highlight those in local communities making a difference in helping build a better, more equitable society. By working with some of our partners like Laverne Cox, we hope that we can help facilitate important conversations and inspire people at home to take the time to focus on self-care, while also supporting Black women-owned businesses in their own communities."

Adults in the US (21+) can reserve their spot for one of

the classes at SideBarreDC.com/MeetUsAtTheBarre and choose the date that works best for their schedule. Class spots are available on a first-come-basis.

* * *

Ciroc is proud to unveil the newest iteration of **#CirocStands** to celebrate and amplify the iconic Black entrepreneurs who are redefining culture across entertainment, fashion and food. Through a collective of emerging Black artists, the brand brings to life their stories of achievement through disruptive murals illustrating Black excellence in Atlanta, Los Angeles, New York City and Miami.

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Hennessy has become the first global sponsor of the National Basketball Association, becoming the "Official Spirit of the NBA" Worldwide. The expanded partnership will tip off in Africa, Asia-Pacific, Europe and South America with the launch of an adaptation of the "[Hennessy x NBA: Lines](#)" campaign that celebrates those who push the game forward.

* * *

When the novel coronavirus erupted a year ago, few anticipated it would still be around today. Among the victims: hundreds of thousands of Spring Breakers who won't be able to enjoy **Bud Light's** new, limited-edition (through April 16) Throwback Pack. It would have been a perfect package — except that thanks to Covid, Spring Breakers will not be traveling like they have in years past.

The Bud Light's 90's Throwback Pack features retro designs on the [cans](#) and packaging paying homage to Spring Break memories of the 90's. The limited-edition pack encourages Bud Light fans 21+ to slip into their vacation mindset, while remaining socially distant, one sip at a time.

Bud Light is also bringing back the 90's style with merchandise embodying the 90's Spring Break spirit — from men's and women's swimwear to sunglasses to t-shirts. Bud Light 90's Throwback merchandise, ranging from \$25 — \$65, will be available for purchase online.

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Brand Napa Valley, the Pritchard Hill estate, unveils a contemporary logo and refreshed brand packaging this month with the release of the 2018 Cabernet Sauvignon and 2018 Proprietary Blend. Inspired by the concept of place—comprised of Brand Napa Valley's location, locale, and deep sense of place—the new logo draws upon the clean lines, sustainable design, and modern elegance of the winery and the natural landscape of the estate's 110 hilltop acres.

The 2018 Cabernet Sauvignon and Proprietary Blend are the first vintages to feature the updated branding, including new labels, specially-designed cork art, and customized boxes.

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After giving one Nascar fan a full-time job on Kevin Harvick's racing crew, **Busch Beer** is now giving NASCAR fans everywhere the opportunity to choose the name of one of the biggest events in Nascar, the Nascar Cup Series race at Kansas Speedway on May 2.

All fans need to do is make a \$1.00 donation to [Farm Rescue](#), a one-of-a-kind non-profit that supports family farmers across the country, and submit their idea for the race

name. Busch will match every \$1 donation with \$1 of its own.

After collecting all entries that meet the terms and conditions, Busch will hand the keys over to fans to vote on four of the top names to determine a winner. Voting will take place on [@BuschBeer](#) between March 8-March 9.

* * *

Bacardi Rum said it is the first alcoholic beverage brand to officially partner with Snapchat to use its innovative AR 3D Full Body-Tracking technology.

The technology — pioneered by Snapchat debuted in October 2020 — tracks 18 joints on the human body and applies 3D modeling to follow the movements of Snapchatters in view of the camera. With the custom Bacardi Lens, the more a Snapchat user moves, interacts, and dances along with the Lens — the more instrumental layers of the "Conga" track will be unlocked.

The energetic new song, which debuted in late January along with a [music video](#) and [surrounding campaign](#) just ahead of the Super Bowl, is the first and only official remake of the iconic Latin dance classic in 30 years, featuring lead vocals from **Leslie Grace**, and rap verses by **Meek Mill**.

Who & What —

Archer Roose hires **Alicia Towns Franken**, a wine educator and consultant, as vp-wine portfolio.

Fetzer Vineyards, the nation's 12th-largest wine marketer and a leading purveyor of wines and spirits from three origins, hired Chris McFerran to Senior Vice President, Sales. He joins from the Beyond Beer Business Unit at Anheuser-Busch InBev where he led wine and spirits sales.

Danny Brager, formerly Senior Vice President of Nielsen's Beverage Alcohol Practice in the United States, joins Azur Associates, a fine-beverage advisory based in Napa..

MGP Ingredients Inc. hires **Tony Kavanaugh** as export sales manager. He will be based in London. He joins from Cooley Distillery, Ireland, where he headed the commercial division.

Phillips Distilling Co. hires **Fernando Palacios** as interim Chief Supply Chain Officer and promotes **Jason Connelly** as Chief Revenue Officer reporting to Chief Executive Officer **Andy England** effective immediately. For eight years, Palacios was evp/chief operations officer for MillerCoors. Connelly has been vp-sales for Phillips Distilling.

Sebastiani Vineyards & Winery, a leading Cabernet Sauvignon producer in Sonoma, names **Mark Beaman** as the new head winemaker.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor