

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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U.S. Beer Shipments Slip in June

After five months of domestic tax paid shipments in the U.S. exceeding the like year-earlier month, **Beer Institute** reports shipments fell slightly, by just 0.7% in June to 15.1 million barrels.

For the entire first half, domestic tax-paid shipments are up 4.1% to 83,325,000 barrels, BI said.

Places Open, Pouring Beer Dips a Point

BeerBoard reports locations open and pouring beer dipped a point to 91% of locations open. Average Number of Taps dropped one handle to average 19 per location nationally. Seven states tracked lost one handle each, while three states held firm from the prior period.

Percentage Taps Pouring dialed back to 70% on the weekend, following two straight periods of growth. Each of the 10 states tracked by BeerBoard saw a decline for the period, led by South Carolina, which fell from 76% to 71%.

Volume lost all of its growth from last period, and then some. Coming off a +14.2% climb July 8-11, volume realized a -17.8% drop for July 22-25. Each state tracked saw a decline, with Tennessee (-26.4%), Nevada (-22.2%) and Georgia (-20.1%) among the most significant.

Rate of Sale also saw the gains from the prior period evaporate this weekend, as it was -16.4% for the period. Similar to Volume, Tennessee (-20.0%), Nevada (-18.8%) and Georgia (-17.6%) were the leaders among each state to realize a decline on the weekend.

AB InBev Sales Up 28%, Volume Up 21%, Reverses Loss

Anheuser-Busch InBev reports total volumes grew 20.8% in the second quarter with own beer volumes up 20.5% and non-beer volumes surging 23.2%. Revenue advanced 27.6%.

Sales of the company's global brands -- Budweiser, Stella Artois and Corona - increased 23% globally and 19.3% outside their home markets.

Michel Doukeris, CEO, attributed the gains to "consistent execution of our commercial strategy – centered around winning brands, category development and digital transformation – delivered continued momentum in the second quarter with top-line growth 3.2% ahead of 2Q19 pre-pandemic levels, even in light of ongoing COVID-19 impacts. Looking forward, we will continue to build upon our customer- and consumer-first approach to drive growth and value creation."

In the U.S., total revenue grew 6.8%, sales to wholesalers grew 2.2% and revenue per hectoliter grew 4.6%. Sales to retailers declined 1.4%, which ABI estimated at below industry growth.

The company said it is continuing to "strengthen and premiumize our portfolio, rebalancing toward faster-growing above core segments. **Michelob ULTRA** and our craft brands grew by double-digits yet again in 2Q21. Our seltzer portfolio, led by **Bud Light Seltzer**, grew by 28%, which is 2.7x the growth of the segment according to IRI and our canned cocktail brand **Cutwater** is growing by triple digits."

Diageo's North American Sales Jumped 20% in Year

Diageo plc reports net sales rose 8.3% worldwide, led by North America

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where sales rose 20.2% reflecting resilient consumer demand, spirits gaining market share from beer and wine and replenishment of stock levels by distributors and retailers. The results are preliminary, so the company didn't provide an income statement, so net profit figures are not available, but it did say it increased basic earnings-per-share 89.4%, and recommended a 5% increase in its final dividend.

Diageo reported sales growth across all regions, resulting in a 16% increase in organic net sales globally. It noted the sales figure benefitted from "lapping a reduction of inventory levels by our customers in fiscal 20," when the global pandemic waging raging.

Diageo said it increased spending on marketing 23% and expanded its gin and ready-to-drink portfolios, including the acquisition of Aviation American Gin.

Over the past 10 years, the company said, it increased shareholder return 13% a year.

Ivan Menezes, CEO, said he believes the company's "foundation, built through outstanding brand-building, active portfolio management, consumer-led innovation, smart investment in data analytics tools and embedding a culture of everyday efficiency, has been a key competitive advantage for Diageo. We were well-positioned to successfully manage the challenges created by Covid-19, we have responded quickly to changing consumer trends and we have emerged stronger.

A key priority has been supporting the hospitality sector through the pandemic, including our \$100 million global fund to enable the safe re-opening and recovery of pubs and bars. We have also built on our successful ESG track record with the launch of 'Society 2030: Spirit of Progress', our new 10-year action plan to shape a more sustainable and inclusive business.

While our business has recovered strongly in fiscal 21, with net sales growth on a constant basis ahead of fiscal 19 in three of our five regions, we expect near-term volatility in some markets. However, I remain optimistic about the growth prospects for our industry, with spirits continuing to gain share of total beverage alcohol globally and premiumisation trends remaining strong. I believe Diageo is very well positioned to capture these exciting opportunities to drive long-term sustainable growth and shareholder value."

Molson Coors Sales Rose 17.4%, Net Profit Nearly Doubled in Second Quarter

Molson Coors Beverage Co. reports net sales revenue increased 17.4% (13.7% in constant currency) Sales in North America were up 1.9% and sales in Europe rose 17.8%. Net income nearly doubled to \$3886 million, or \$1.79 a share.

The company said above-premium brand volumes reached a record-high portion of its U.S. portfolio compared to any prior quarter since the creation of the MillerCoors joint venture in 2008 and a record-high portion of its European portfolio.

"We continued to invest in our capabilities, including the announcement of a new hard seltzer canning line in the U.K. and investments to quadruple our production of hard seltzer in Canada," the company said, adding:

"We're continuing to succeed in emerging markets and beyond beer, as our Latin America volume grew by triple digits versus prior year and non-alc brands like ZOA have already surpassed our expectations for the entire year. We're also delivering on our commitment to invest in our communities and people, as we recently announced another \$1.5 million investment in 33 organizations across North America dedicated to empowerment, equity and justice."

Gavin Hattersley, president/CEO, said the quarter "represents the best results we have had since implementing our revitalization plan nearly two years ago, and it delivered the most top-line growth of any quarter in over a decade. We've reached the point where the investments, partnerships and product launches that were byproducts of the revitalization plan are now bearing results, and we plan to put our foot even more firmly on the gas pedal as we drive towards sustainable top- and bottom-line growth for this business."

In North America, Molson Coors said net sales increased 10.1% and 8.3% in constant currency due to higher net sales per hectoliter and a 1.9% increase in financial volume driven by favorable shipment timing in the U.S. where domestic shipments increased 1.2%, as well as strong performance in Latin America.

North America brand volumes decreased 1.0% including a 4% decrease in the U.S. driven by de-prioritization of non-core SKUs in the economy segment while the above premium and premium segments grew versus the prior year.

Canada brand volume decreased 5.1% with continued on-premise restrictions, while Latin America grew triple digits primarily due to the lower impact of on-premise restrictions in the current quarter.

Net sales per hectoliter on a brand volume basis increased 4.7% in constant currency due to positive brand mix in the U.S. and net pricing increases in the U.S. and Canada, partially offset by unfavorable geographic mix attributed to growing license volume in Latin America.

In the U.S., net sales per hectoliter on a brand volume basis increased 6.9% including positive brand mix as the company continued to premiumize its portfolio aided by innovation brands. The rate favorability, coupled with financial volume increases, resulted in an 8.2% increase in net sales revenue in the U.S. Net sales per hectoliter on a brand volume basis also increased in Canada, due to higher net pricing and positive sales mix, and in Latin America due to positive sales mix.

Marie Brizard 1st Half Sales Slip 5%

Marie Brizard Wine & Spirits reports first-half sales eased 5%. On an organic basis, excluding exchange rates, sales were down 5.8%. Factor in the effect of exchange rates, and sales were down 6.7%.

Sales in France were down 2%. The 12% decline in international sales was attributed to Covid-related restrictions, and some shipments being postponed to the second half. Things picked up in the second quarter, MBWS said, with international sales declining only 7.1%.

In the U.S., Marie Brizard said "the sharp decline in sales in the USA in the first half of 2021 is mainly a mechanical reflection of the non-recurring effects which bene-

fited the Group last year, namely the new distribution agreement being implemented on 1st January 2020, the resulting build-up of inventory by our partner, and the transfer of inventory on hand at the end of 2019.

"Shipments to the U.S. are increasingly disrupted by the problems with sea freight, while the U.S. Off Trade market was still penalized by a high base effect in 2020, following the closure of the bars and restaurants at the time along with a high level of promotional activity. The Group benefited from the On Trade recovery, especially for Marie Brizard and to a lesser extent Sobieski."

Uncle Nearest Buys Land For Distillery Expansion

Uncle Nearest Premium Whiskey, the fastest-growing American whiskey brand in U.S. history, said it closed a \$2.1 million deal to purchase an additional 53.12 acres of land that abuts its Nearest Green Distillery. The additional land will bring the distillery's total acreage to 323.12 and extend its frontage to over half of a mile along the highway.

With this expansion, Uncle Nearest will dedicate 100 acres of its property to plant and grow its own non-GMO, organic corn. Aptly called the "Field of Dreams," the corn will be used solely to create the brand's portfolio of premium, award-winning whiskeys. In addition to its massive growth, Uncle Nearest Premium Whiskey is the most-awarded whiskey or bourbon of 2019, 2020 and 2021.

"When we broke ground, we made history as the first distillery in America to be named after a Black person. Every day, our brand continues to make history and we are finding more and more people wanting to celebrate this history with us at record numbers," said **Fawn Weaver**, CEO and founder of Uncle Nearest. "Expanding our distillery allows us to increase our production capabilities, as well as to continue to enhance the guest experience, so every person who visits has a reason to return again and again."

Nearest Green Distillery, home of the legacy of Nearest Green, the first known African American master distiller, reopened its doors on June 19, 2021. After a more than year-long pandemic-related closure, the distillery unveiled its Phase Two additions, including a Welcome Center; Philo + Frank's, the world's first non-alcoholic speakeasy; the first single barrel rickhouse; and Family Tasting Room. The current 270-acre footprint will continue to be built out to provide the best tourist experience possible.

West Fork Whiskey Plans 'Tourism Destination'

West Fork Whiskey Co., Indianapolis, is building a new 35,000-square-foot facility it hopes to open next spring. The new West Fork facility will include a 5,000-square-foot event center, a 4,000-square-foot restaurant with a focus on Indiana agriculture and a "speakeasy," as well as retail, production and aging space.

Increased production at the new facility will make West Fork one of the 50 largest producers of whiskey in the U.S.

Control States Volume Up 8.6% in July

Control States spirits case sales grew 8.6% in July over the same period last year despite of an imposing 13.1% comp, **National Alcoholic Beverage Control Association** reports.

The monthly growth rate was elevated by over-the-top month-over-same-month-last-year sales increases reported by the control Control state spirits shelf dollars were up 13.7% during June while trending at 15.6% during the past twelve months.

Premiumization continues to drive Price/Mix in the control states. During June 2021, the median and weighted average prices of 750 ML spirits volumes sold in those control states that set the retail price point continued to be reported at historically high levels. During June the median price was \$24.95, and the weighted average price was \$17.66. During last year's June, these prices were \$23.99 and \$16.82, respectively.

Price/Mix for June is 5.1%, down from May's reported 5.9%.

Cocktails, with 3% share of the nine-liter case control states spirits market, was June's fastest growing category with 33.4% reported and a twelve-month trend of 39.8%. Irish Whiskey, with 2% share, grew during June at 26.8% and 13.7% during the past 12 months. Tequila, with 9% share, grew at 23.8% during June and 28.9% during the past twelve months. Vodka, with 32% share, grew during the same periods at 5.9% and 2.5%, respectively. Cordials (15.7% during June, 13.2% during past twelve months), Gin (4.8%, 2.0%), Irish Whiskey (26.8%, 13.7%), Rum (5.1%, 3.8%), Scotch (9.3%, 4.0%), and Vodka (5.9%, 2.5%) grew at rates above their 12-month trends, while Brandy/Cognac (-6.1%, 12.2%), Canadian Whiskey (3.1%, 5.9%), Cocktails (33.4%, 39.8%), Domestic Whiskey (9.5%, 9.9%), and Te-

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quila (23.8%, 28.9%) grew at rates below their twelve-month trends.

June's nine-liter wine case sales growth rate was -3.5%. Rolling-twelve-month wine volume growth in these six control states is 0.6%, slipping from May's reported 1.3%.

Tanduary Taps Romano for Chicago

Tanduary's move to partner with **Romano Beverage** is part of the company's drive to expand its distribution portfolio abroad. "Time is of the essence. We are growing our international market portfolio and we need partners like Romano Beverage to ensure that we achieve our targets based on the timelines we set," said Tanduary Executive Vice President **Kyle Tan**, who heads the company's international expansion.

Tanduary has credited its success in the international market through its partnerships with top distributors. Most recently, the rum maker was declared the World's No. 1 Rum for 2020 by *Drinks International Magazine*. This is the fourth consecutive year that it has outsold other brands from different countries.

Apart from Illinois, Tanduary is now available in Arizona, California, Florida, Hawaii, Indiana, Michigan, Minnesota, Nevada, New Jersey, New York, Tennessee, and Wisconsin, and the territory of Guam. It is also available in China, Singapore, the United Arab Emirates, and selected cities in Europe.

Tanduary has also inked partnerships with top teams from the National Basketball Association (NBA) to boost its presence to an international audience.

This year alone, it has partnered with the Minnesota Timberwolves, Milwaukee Bucks, and Phoenix Suns. It also has existing partnerships with the Golden State Warriors and the Brooklyn Nets.

Robledo Family Winery Seeks to Boost Output to 50,000 Cases from 300

It's asking Sonoma officials to let it build a number of new buildings, including a 9,910-square-foot hospitality and administration center.

Only 300 cases are currently produced on site, but Robledo produces about 20,000 branded cases altogether, mostly at a winery production site in Carneros. The family wants to move everything onto the site where only 300 cases are produced currently.

NBWA Trained 24,000 Distributors To Spot Human Trafficking

National Beer Wholesalers Association said it successfully trained nearly 24,000 beer distributors from 207 companies to recognize and report signs of human trafficking, surpassing its initial goal to train 10,000 distributors by the end of 2021.

In January alone—National Slavery and Human Trafficking Prevention Month—NBWA aimed to train 1,000 workers but far surpassed that goal, training 5,164 instead. Renewing its commitment, NBWA said it now aims to train at least 25,000 distributors by the end of the year—greatly expanding the reach and impact of this life-saving campaign.

Throughout 2020, NBWA collaborated with a bipartisan

group of attorney generals across the country to spread awareness about human trafficking and the initiative itself. In March of 2021, NBWA hosted a webinar featuring a bipartisan panel of Attorneys General including Chris Carr (GA), Aaron Ford (NV), Eric Schmitt (MO) and Phil Weiser (CO). These leaders shared insights into how they are combating human trafficking in their states and the role beer distributors can play to protect the most vulnerable. Beer distributors have partnered with eleven state attorneys general offices to promote this important program.

NBWA also partnered with independent organizations and member companies to strengthen the initiative. [Street Grace](#), a community-based organization committed to fighting the sexual exploitation of minors, helped produce the awareness training video and has remained a steadfast partner in the growth and success of the campaign.

Additionally, NBWA has supported distributors in building partnerships with local law enforcement and human rights organizations to strengthen the initiative. In January, [Markstein Sales Co. of California](#) joined forces with [New Day for Children](#) to illuminate the extent of the issue and identify steps that can be taken by beer distributors and others to fight human trafficking in their communities.

The following month, the [Montana Beer & Wine Distributors Association](#) and the [LifeGuard Group](#), an organization specializing in survivor support services for victims of human trafficking, collaborated to launch the [Sentinel Project](#), a locally based initiative to combat human trafficking throughout the state.

"We anticipate continued growth throughout the next five months and are confident our industry will hit our increased target of 25,000 employees trained by the end of the year," added **Craig Purser**, NBWA president/CEO. "To do so, we plan to engage more industry and government leaders to continue to educate the public and the workforce on what they can do to combat human trafficking. Ultimately, increased awareness and training directly translates to lives saved from the horrendous crime that is human trafficking."

Off-Prem Sales Ease Over July 4 Weekend

Off-premise alcohol sales declined for the 2021 July 4th holiday compared to 2020, which was expected given the shift back to on-premise establishments along with the tough comps from last year, **Nielsen IQ** said. While off-premise alcohol sales declined 4.8% compared to July 4, 2020, sales remain above the norm for off-premise, with dollar sales up 11% compared to July 4th 2019.

Spirits experienced the least declines, down 2.7% compared to last year, but up 25% compared to two years ago. Beer/FMB/cider was down 5.1% (up 7% vs 2019). However, core beer (excluding FMBs and seltzer) experienced the strongest declines in beverage alcohol, down 7% (-2.9% vs 2019). Wine declined by 6.1% compared to last 4th of July, but is up 10% in off-premise channels compared to the 2019 July 4th holiday.

Ready-to-drink alcohol segments won the July 4 holiday. Spirit RTDs led growth, up 67% compared to the 2020 holiday (+428% vs 2019) and wine cocktails were up 40% (201% vs 2019). Hard seltzer growth was slower, but still

surpassed 2020 sales nonetheless, up 9% (+189% vs 2019). Hard tea and kombucha also increased in sales compared to last year, up 7.2% (35% vs 2019) and 17.4% (193% vs 2019) respectively.

Entry Level Spirits Losing Share: Drizly

Funny. I never thought of **Tito's, Smirnoff, Jim Beam** or **Jack Daniel's** as "entry-level spirits." But **Drizly** does, and I suspect they know more than me.

In 2021 to date, 37% share of liquor purchases on Drizly fall within an entry-level price range (\$10 to \$30). While this is still quite significant, this is down slightly from 38% in 2020 and, more dramatically, 44% in 2019.

Liz Paquette, Drizly's head of consumer insights, says this downward trend is "a result of premiumization, which has driven share shifts in the liquor category over the past few years."

Therefore, it's more important to not just have any entry-level spirits SKUs on retail shelves, but to have the right ones. "It remains essential for retailers to have the top-selling, entry-level SKUs in stock to attract new customers and build profitable baskets, both in-store and online," explains Paquette.

To help retailers optimize their entry-level inventory, we took a look at the top-performing categories, SKUs, and age demographics for this price point and spoke with a pair of Drizly retailers about what they've found to be most successful.

Drizly's Top-Selling Entry-Level Spirits Brands, 2021 to Date:

1. Tito's
2. Smirnoff
3. Svedka
4. New Amsterdam
5. Bacardi
6. Espolòn
7. Jim Beam
8. Jack Daniel's
9. Jameson
10. Fireball

Vodka Leads Entry-Level Sales

Vodka is the one spirits category that has seen share gains within the entry-level segment year-over-year. Entry-level vodka is up two percentage points in share. Both bourbon and American whiskey, on the other hand, have declined by one percentage point in share each.

These shifts can be attributed in part to premiumization trends in the spirits industry. In certain spirits subcategories, consumers are trading up for more premium offerings. "The vodka category has been less impacted by the premiumization trend than bourbon and tequila, which have seen share shift away from the entry-level price category," explains Paquette.

"Consumers are losing slight interest in entry-level priced bourbons since the difference in quality is significant," says Adam Rogers, North American research director at [IWSR Drinks Market Analysis](#). "Craft brands, which generally hold a higher retail price, are also making consumers

more accustomed to higher prices."

Vodka's share of the entry-level spirits category is also bolstered by flavored vodka, a growing subcategory where the majority of products fall into the entry-level price point. "This is being driven by younger legal-drinking-age consumers who are more familiar with flavor, due to the number of hard seltzer flavors in the market," says Rogers. "It's a natural transition which bodes well for the flavored vodka category."

"The best-selling entry-level spirits on Drizly year over year have been stable and are made up predominantly of household names and national brands," says Paquette. "Retailers can optimize their entry-level spirits without taking up too much shelf space by prioritizing top sellers."

Drizly's Top-Selling Entry Level Spirits SKUs, 2021 to Date:

1. Tito's Handmade Vodka
2. Smirnoff No. 21 Vodka
3. SVEDKA Vodka
4. Jameson Irish Whiskey
5. Fireball Cinnamon Whisky
6. Espolòn Tequila Blanco
7. BACARDÍ Superior White Rum
8. Jim Beam Bourbon Whiskey
9. Captain Morgan Original Spiced Rum
10. Absolut Vodka

Who's Buying Entry-Level Spirits?

Drizly data shows that two generations are over-indexing on entry-level spirits share relative to the overall Drizly average: Gen Z and Baby Boomers.

"The lower price point may appeal to Gen Z, which is the youngest generation," says Paquette. "Additionally, the household brands and nostalgia associated with the brands that lead the entry-level category appeal among Baby Boomers."

Isaac says that entry-level spirits at his store are most popular with consumers between the ages of 21 and 30, while Wluka Switkes says it's between 21 to 34.

Wine Intelligence: Is Wine Losing Its Hold on Younger Adults?

The boost for wine seen across a number of key wine markets in 2020 has masked a much more profound demographic trend among wine drinkers, **Wine Intelligence** says.

Consumer research shows that the wine category in the key markets of the U.S. and UK is becoming increasingly reliant on older drinkers – those over 55 years old – while younger adults of legal drinking age (LDA) are shifting to other alcohol categories, or out of the alcohol space altogether, it adds.

In 2010, the overall incidence rate (the extent to which the population of a given country drinks wine) of monthly wine drinkers among US adults was approximately 33% – meaning one in three Americans over 21 were monthly wine drinkers. At the same time, the corresponding incidence rate of wine drinkers among UK adults (aged 18 and over) was 52%. By late 2020 in both markets, the incidence of month-

ly wine drinkers had fallen slightly – to 30% in the U.S., and 50% in the UK respectively.

In both countries, the overall adult population has grown sufficiently in the decade between 2010 and 2020, so that the net effect on actual numbers of wine drinkers is relatively small. However, over the past 10 years, the demographic composition of these wine drinkers has changed markedly, Wine Intelligence says.

In 2010 in the U.S, 32% of all regular wine drinkers were 55 and over, and 28% were aged between 21 and 34. As of 2020, almost half of all American monthly wine drinkers are 55 and over. The UK has seen a more extreme pattern, with those aged 18-34 falling from 24% to 14% of regular wine drinkers, and over 55s increasing from 37% to 56%.

Within their own population cohort, the changes look even more dramatic. The data shows that a typical 21-34 year old in the US is around half as likely to be a monthly wine drinker in 2020 as they were in 2010, and there is a similar story in the UK.

There are some mitigating factors to take into account. The populations of both countries have increased since 2010, and part of this increase is down to people living longer, so a growing bias towards older consumers ought to be expected. And it is also true to say that wine has always skewed towards older consumers, as wine becomes more of a beverage of choice as consumers reach their 40s.

However, this trend to older wine drinkers over the past 10 years can't be explained by a generally aging population. Also, the trend isn't being replicated in all markets. Canada's wine drinking population is actually growing among younger adults, while Australia's is in gentle decline across all age groups. The closest mirror to the UK/US trend can be found in Sweden, where over 55s are now the biggest age cohort of drinkers.

Younger drinkers are developing a different relationship with wine than that of their parents

Wine Intelligence insights indicate that younger adults are developing a profoundly different relationship with wine now compared with younger adults in the past. Younger adults who are monthly wine drinkers have become more wine involved, higher spending and frequent drinkers of wine compared with younger drinkers 10 years ago.

In the 2021 updated Wine Intelligence [US Portraits](#) and [UK Portraits](#) consumer segmentation models the segments that skew younger – know as Generation Treeters and Social Newbies – have shown significant changes in their behavior compared to previous younger LDA drinkers.

They drink wine more often, tend to spend more money on wine when they do buy it, and appear more confident about what they are buying, despite the fact that many have lower knowledge levels about wine compared with their forebears of 2010. In the US, these two younger-oriented segments now account for one dollar in three spent on wine in off-premise, and half of all dollars spent on wine in on-premise.

Additionally, younger adults do not appear to have disappeared from the category altogether. 24% of all wine drinkers – so including those who drink wine less than once

per month – in both markets is between the legal drinking age and 34 years old, compared with 18% and 14% respectively for regular wine drinkers – so those who drink wine at least once per month – in both markets. In other words, younger adults have not left the wine category, but they appear to have polarized into a group of fully engaged, higher spending drinkers, and a much more peripheral, 'irregular' wine drinker group.

What might have caused this change from regular to irregular wine drinking among younger adults? Younger LDA drinkers have broadened their repertoire of alcoholic beverages, particularly the growing popularity of RTDs, including hard seltzers. Wine Intelligence said it has also seen a specific pandemic effect of reduced social drinking opportunities and additionally, there has been a growing income inequality among younger adults. Younger LDA drinkers are also leading the trend towards both moderation and abstinence from alcohol.

What can, or should, the industry do about this loss of traction with younger adult consumers? Aside from the temporary effect of Covid on drinks portfolios, the other major factors appear to be much longer-run trends, which may not be reversible. More far-sighted wine industry players are already adjusting strategies to accommodate, such as moving into lower and no-alcohol product, with more emphasis on lower calories, lower carbs (most of which come from removing alcohol); or by acknowledging that the wine market will become smaller over time, but with a greater degree of premiumisation of the product that is sold, to a more digitally-confident and high earning segment.

There is good news for more premium producers in the fact that younger adult regular wine consumers in two major markets say they care more about wine than they used to. Unlike their 2010 forebears, today's younger adult regular wine drinkers are more willing to spend more for everyday wines and trade up on wines for special occasions. There is also encouraging news for domestic producers in both markets, as the propensity to buy local, which has been exacerbated by Covid, is particularly strong among younger consumers. However, for those industry players in low-priced, mainstream, undifferentiated product, these demographic shifts suggest the long-term outlook is more challenging.

Trivento Says It's No. 1 Argentine Brand Of Wine Globally

Achieving combined global retail and e-commerce sales of more than US\$250 million, the Malbec powerhouse known as the House of Wind doubled sales performance over the past five years to obtain the top spot in the global ranking, according to an ISWR Drinks Market Analysis.

Founded in 1996, Trivento specializes in Malbec and Cabernet Sauvignon from some of the most sought-after high-altitude vineyards in Mendoza. Contributing to the brand's global momentum are ongoing strategic investments in infrastructure, vineyards and people to drive recognized quality in the glass; a focus on expanding distribution in key markets; the development of highly visible, brand-relevant partnerships in regional markets; and enhanced sustainability initiatives and consumer-relevant green credentials such

as Trivento's [recent B Corp Certification](#).

Fetzer Vineyards is the importer, and **Rodrigo Maturana**, SVP-marketing and international business, says, "It's exciting to see Trivento take its place as the leading Argentine wine brand in the world. A focus on ensuring our wines are available wherever U.S. consumers are, along with technology plays that elevate our marketing—from augmented reality soccer experiences to virtual winery tours—gave us a boost in recent years and continues to create tailwinds for Trivento, now even more broadly available thanks to enhanced distribution."

In addition to the U.S., the UK and Brazil are key markets for Trivento.

New Products

Spoto Family Wines, Robin Zander Join to Release New Wine

[Spoto Family Wines](#) an ultra-boutique, third generation, family owned and operated winery, and Hall of Fame rock musician Robin Zander and lead singer for [Cheap Trick](#) have released a new wine -- **The Spoto-Zander 2017 Oakville Special Select Cabernet Sauvignon "Surrender."** SRP: \$175.

"We've been huge fans of Robin and the band for years and have discussed launching a label together for some time as we both have a passion for winemaking and music and wanted to bring together those two elements that make life so enjoyable," said Stuart Spoto, winemaker and owner of Spoto Family Wines. "To have this wine bottled and ready for people to enjoy is truly a dream come true for us both. We simply can't imagine doing this with anyone else and cannot wait for people to try it while listening to some of the best rock music of our time."

Robin Zander and Christy Spoto are both passionate animal lovers. Christy is a longtime supporter and Puppy Raiser for [Canine Companions](#), and Zander has announced that proceeds from the sales of the "Surrender" Special Reserve Oakville Cabernet Sauvignon will benefit [Save the Elephants](#) to help protect the threatened animals.

Aged four years in a custom made Tonnellerie Leroi French oak barrel, "Surrender" is a perfectly balanced Bordeaux-style Cabernet consisting of 88% Cabernet Sauvignon, 5% Cabernet Franc, 5% Merlot, and 2% Malbec. The Oakville Station, where the grapes were sourced, is part of one of the most historic vineyards in Oakville, located due west of the "Welcome to Napa" sign in the heart of the Napa Valley.

Don Julio Releases Primavera

Tequila Don Julio said it is releasing an "extremely limited quantity of the new **Tequila Don Julio Primavera** – a deliciously smooth expression that takes Tequila Don Julio's traditional Reposado and finishes it in orange wine casks for a sophisticated, silky taste that whispers *citrus* but screams 'let's party!'"

The new product was originally scheduled for release next spring.

"This summer has been bursting with a resurgence of

celebrations and there's nothing we like more at Tequila Don Julio than a great party, which is why we are so thrilled to be able to introduce Tequila Don Julio Primavera earlier than planned," says Christina Choi, Senior Vice President of Tequila, Diageo North America. "There are only 15,000 cases available now, but don't worry if you can't find it this year – just as the name suggests, Tequila Don Julio Primavera will be back for our originally scheduled launch in spring 2022."

3 Badge Beverage Intros Uncle Val's Zested Gin

[3 Badge Beverage Corp.](#) expanded its reach in the growing ultra-premium gin category with the debut of [Uncle Val's Zested Gin](#). Handcrafted with a touch of natural citrus, Zested Gin (SRP \$39/750ml; 45% ABV) is a smooth, sipping gin that is as perfect enjoyed on its own or in simple cocktails.

Arriving just in time for Negroni Week (September 13-19), Uncle Val's Zested Gin is distilled five times and infused with Bergamot orange, coriander, barley malt and juniper, making it the ultimate gin to refresh the classic three-part Italian cocktail recipe.

"We are thrilled to welcome Zested to our flagship Uncle Val's portfolio of handcrafted gin," said **August Sebastiani**, president of 3 Badge Beverage. "As our newest entry into our portfolio, Zested is inspired by my Uncle Valerio's undeniable zest for life. Together, the bottle, labels and, of course, the gin itself, all evoke a dedication to craftsmanship that is still very much alive in the old world of Uncle Val's Italy."

August Sebastiani developed the entire Uncle Val's line as an homage to his late uncle, Valerio Cecchetti, a physician with an affinity for gardening in his quaint Italian town outside Lucca, Italy. The herbs Uncle Val grew were not only perfectly suited for the local cuisine, but also happen to make exceptionally unique and smoothly delicious gin.

Gin has been one of the fastest-growing categories in the global spirits industry over the last few years. Zested is the fourth expression to join the Uncle Val's Gin portfolio, which also includes the Botanical, Restorative and Peppered labels. In 2020, Uncle Val's outpaced category growth of 20% with an increase of 35% in dollar sales over the previous year.

Galiano Wine Launches with 2 Varietals, Currently Building Distributor Network

Galiano Wines, a new California label, is launching with two wines, a cabernet sauvignon and a pinot noir -- and "building out our distributor network," the company says. So if you're a distributor looking for an additional line, Galiano may be a line you should consider.

The label was founded by **Vinny Galiano** and his wife **Stephanie** who expanded their own personal wine making hobby into a wine produced in Lodi, Calif., by a team of farmers and expert wine makers.

The wines are available online. A case gets a 10% discount and free shipping. Galiano also has a wine club offering monthly, bi-monthly and quarterly deliveries for bottle quantities of 3 to full case offerings. 10% discount applied to all wine club orders. There's also affiliate and influencer programs as well as a rewards program.

Dewar's Launches 8 Year Old Japanese Mizunara Oak Cask Finish Scotch Whisky

The innovation, named **Dewar's Japanese Smooth**, "harmoniously brings together the best of two whisky-making cultures and traditions from Scotland and Japan in a single bottle," the company says. This latest edition of the Dewar's Cask Series features Dewar's 8-year-old double-aged Scotch whisky which is then finished in Japanese Mizunara Oak casks for six months.

Dewar's said the resulting whisky is unique and features subtle floral honey and heather notes along with complex sandalwood aromas on the nose followed by cinnamon spice on the palette – a result of the porous qualities of the rare 200-year old Mizunara oak tree variety, also known as the "water oak", which is used for the Dewar's cask finish.

"The guiding principles in the creation of this whisky were balance and smoothness. This Mizunara finish enhances the signature Dewar's heathery floral honeyed notes whilst subtly imparting complex woody notes of sandalwood and cinnamon spice. It is an indulgent and pleasurable whisky with a rare breadth and depth of complex and subtle flavors. The smooth yet full-bodied finish makes it perfect to enjoy neat, on the rocks, or in a classic Japanese style highball," says **Stephanie Macleod**, Master Blender for Dewar's.

"We are thrilled to launch Dewar's Japanese Smooth but unlike previous iterations of our Cask Series it will be a permanent addition to our award-winning range of whiskies. We believe this is too good a whisky to keep it to a 'Limited Edition' issue and thus far the world's leading whisky connoisseurs would seem to concur" adds **Brian Cox**, vp-Dewar's Scotch Whisky, North America.

X by Glenmorangie Focuses on Mixability

To help launch the new brand, **Glenmorangie** recruited designer **Brandon Blackwood**, pianist **Chloe Flower**, creative **Alani Figueroa** and R&B artist **Tone Stith**, who will celebrate "the multitude of unique flavor possibilities when mixing X by Glenmorangie and toast to the mix of things that makes each of us unique" in videos on NTwrk.

X by Glenmorangie has a sweeter, richer profile ideal for simple serves that require minimal ingredients, the company says. The versatility of the single malt allows for easy cocktail creation to seamlessly fit into all occasions, from BBQs and brunches to date nights and impromptu karaoke outings.

As part of the partnership, the four, known as the Glenmorangie Mix Makers, will collaborate on a limited edition, collectible barware kit that will be available through an exclusive drop on NTWRK this July, alongside an all-new video series on the platform and an ongoing event series throughout the Summer.

"People are more comfortable than ever mixing up their own cocktails, so we wanted to craft a single malt whisky that makes the space itself more inviting for newcomers and cocktail lovers to enjoy whisky wherever and however they please," says **Allison Varone**, VP, Emerging Brands at **Moët Hennessy**. "Our Mix Maker partners will help illustrate how

they mix up their craft and how X by Glenmorangie's ethos resonates with them."

Sovi Wines Debuts Non-Al Sparkling Rosé

Sovi Wine Co., a Sommelier-owned non-alcoholic wine company, launched the first product in its wine collection – a fresh and authentic **non-alcoholic rosé**. Crafted with premium, sustainably grown grapes from California vineyards, Sovi Rosé is bubbly yet dry with aromas of pink grapefruit, cherry, and watermelon. Sovi Sparkling Rosé is now available for purchase online with shipment directly to your door.

"As wine lovers ourselves, we founded Sovi with a passionate, yet rebellious spirit to finally offer consumers a refreshing, non-alcoholic wine without compromising flavor or experience," says **Julia Littauer**, Co-Founder of Sovi and former Sommelier. "Sovi is perfect for people who have a heart for wine and a craving for inclusion."

Consumers can purchase a Sovi Sparkling Rosé 4-pack of 8oz cans for \$24.00 to be delivered directly to their door.

Cigar City Brewing to Intro Seltzer Limeades

Cigar City Seltzer Limeades will bring a slightly tart, refreshing option to shelves in four distinct flavors including Cherry, Mango, Peach and Coconut, which all complement a distinct limeade base. The Limeade Mixed 12-Pack will be available for distribution across Cigar City Brewing's national footprint beginning in Fall 2021.

"Admittedly, we arrived a little late to releasing craft seltzers, but the timing has worked to strengthen our innovation," said **Maria Grieshaber**, Brand Director at Cigar City Brewing. "Most producers were already on their second and third iterations when we released our first. We have been able to take advantage of what we are seeing on shelves, and more importantly, what we aren't. While lemonades and tropical lines are seeing a surge, we felt that we could go in a slightly different direction. The Limeade Mixed Pack has the traditional flavor combinations people look for, while also offering a surprise or two, and feedback during testing has been amazing!"

Who & What —

HIRE: **Lauren DeStefano** as chief financial officer, **Hotaling & Co.** She was the vp of Treasury Wine Estates. . . **Mark Beringer**, great-great-grandson of Beringer Vineyard's founding brother, Jacob Beringer, to be director of winemaking at Phantom Creek Estates, Oliver, British Columbia. He joins from Beringer Vineyards where he was chief winemaker.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor