

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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Reyes Beer Unit Acquires Distribution Rights In Southeast Florida from Brown Distributing

As this issue of *Kane's Beverage Week* went to press, we learned that **Reyes Beer Disision** has gobbled up more territory, with its **Gold Coast Beverage, L.L.C.**, unit acquiring certain distribution rights from **Brown Distributing** in Southern Florida. Terms weren't disclosed.

This acquisition includes brands from key craft suppliers such as Funky Buddha, Bucanero USA, Cigar City, Dogfish Head, Florida Keys, and Anheuser-Busch's Wynwood Brewing Company, and will add approximately 1.1 million cases to Gold Coast Beverage's existing operations.

High Court Rejects Retailer's Direct Shipping Appeal

No one should be surprised that the U.S. Supreme Court denied Sarastoa Wine Market's attempt to ship wine into Missouri. The state's statutes ban direct-shipping of bev/al from out-of-state retailers and the court had previously held that the 21st Amendment giving states control over the sale of alcohol within their borders was "unquestionably valid."

The matter was so clear to the justices that they didn't even bother to explain why they were rejecting Sarasota Wine Market's petition. But they had asked the Missouri attorney general to respond to Sarasota Wine Market's appeal, and he responded that the ban on out-of-state retailer shipments was imposed "as part of Missouri's tiered distribution system for regulating alcohol shipment and sale within the state-- a system this court has recognized as 'unquestionably legitimate.'"

There is a difference, conceptually, between out-of-state retailers shipping into a state and out-of-state producers shipping into a state. At least theoretically, if a customer wants to buy wine produced by a particular winery, the retailer can obtain it from a wholesaler, by special order if need be. But a small winery cannot force a distributor to carry its products, so the only way it may be able to obtain distribution in a state is to ship direct. Even there, the winery will have to comply with each state's registration and taxation rules.

It's possible some other case might find the key to getting the U.S. Supreme Court to consider it, but we wouldn't count on it.

Non-Alcohol Sales Surge 33.2% in Year, Online Non-Al And Low-Al Sales are More Than 10 Times Bev/Al e-Sales

We've been reporting on the growth of nonalcohol sales for about two years, but Nielsen put some number of it that should get everyone's attention:

- ✓ Low-alcoholic and non-alcoholic beverages sold \$3.1 billion off premise in the latest 52 weeks (+10.4%)
- ✓ Non-alcoholic sales: \$331 million (+33.2%)
- ✓ Low-alcoholic sales: \$2.77 billion (+8.1%)

There was a 315% increase in online non-alcoholic + low-alcoholic beverage dollar sales in the latest 12 months vs. a 26% increase in alcoholic beer, wine and spirits e-commerce sales. Take a look at the change in dollar change in non-alcoholic sales vs. a year ago:

- Non-alcoholic \$ % change vs. year-ago
- ✓ Beer/FMB/Cider: 31.7%

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- ✓ Wine: 39.4%
- ✓ Spirits: 113.4%Low-alcoholic \$ % change vs. year-ago
- ✓ Beer/FMB/Cider: 4.5%
- ✓ Wine: 18%
- ✓ Spirits: 8.5%

Most interesting of all is the fact that Nielsen says 78% of non-alcoholic beverage buyers are purchasing alcoholic beer, wine or spirits

"There are many health and wellness trends emerging across center store that are causing alcohol consumers to take a second look at their beverages. While non-alcoholic beer has been available to consumers for many years, there are now more no/low alcoholic wines, spirits and beer options available than ever before. These new innovations better meet health and wellness desires of certain consumers such as lower ABV, lower sugar, lower calorie or sustainable sourcing practices," said **Kim Cox**, NielsenIQ SVP of Account Development.

"The market for no/low alcoholic beverages is still relatively small at less than 5% household penetration, but is an interesting area to watch, as it now represents \$3.1B in sales and a 3.5% total alcohol market share."

LVMH Wines & Spirits Revenue Up 27%

LVMH Louis Vuitton Moet Hennessy reports the holding company's sales rose 46% (40% organic) in the first nine months from the like-year-earlier period.

The company's wines and spirits unit showed reported growth of 27% (30% organic) and 10% compared to 2019. Growth was particularly strong in the United States and Europe, which notably benefited over the summer from the reopening of restaurants and the gradual recovery of tourism. Hennessy cognac performed well with a 4% increase in volumes compared to 2019 while being limited by supply constraints. China and the United States experienced a strong rebound. The third quarter marked the integration for the first time of the prestigious Champagne Maison Armand de Brignac, in which LVMH has taken a 50% stake.

LVMH's 46% sales surge was largely the result of its fashion and leather goods group which recorded organic revenue growth of 57% in the first nine months of 2021 compared to the same period of 2020 and 38% compared to 2019.

Food and Drinking Places Added Just 29,000 Jobs in August

That depressing statistic comes from the jobs report and led the Conference Board to observe that it shows how the pandemic continues to hamper job growth, especially in the in-person services industries.

In the case of restaurants, which were hit harder than any other industry during the pandemic, more than 110,000 closed, erasing nearly 2.5 million jobs that had existed before the pandemic. The closures were especially severe for full-service restaurants, according to **Hudson Riehle**, senior vp-research and knowledge group, **National Restaurant Association**.

The significance of this loss to the total economy is hard to overstate: Restaurants and food service providers

had been expected to provide 15.6 million jobs in 2020 -- 10% of all payroll jobs in the economy.

The eateries that closed had been in business, on average, for 16 years and employed an average of 32 people. About 17% employed at least 50 people before they closed.

One thing that helped the restaurants that stayed open was to-go cocktails, beer and wine. The restaurant association found that 35% of all customers (and 53% of millennials) said they are more likely to order from a restaurant that offer alcohol beverages to go.

"According to our research, off-premises alcohol sales represented, on average, 10% of sales for restaurants offering the option," Riehle said. "This has often allowed restaurants to bring back a bartender or additional employee. For many states, the change to allow alcohol to-go was temporary during the pandemic, but consumers and operators both overwhelmingly support making the changes permanent."

The political answer to the weak jobs report from Republicans was federal programs that "pay people not to work." We think the more fundamental problem is that people can't work if there aren't places to work.

Duckhorn Shareholders To Sell 12 Million Shares

Duckhorn Portfolio, Inc. announced the commencement of an underwritten public offering of 12 million shares of its common stock by certain of its stockholders. The Selling Stockholders also intend to grant the underwriters a 30-day option to purchase up to an additional 1.8 million common shares. Duckhorn will not receive any proceeds from the sale of the shares by the Selling Stockholders.

J.P. Morgan, Credit Suisse and Jefferies are acting as joint lead book-running managers for the offering. The proposed offering will be made only by means of a prospectus.

A registration statement on Form S-1 relating to the proposed offering has been filed with the SEC but has not yet become effective. These securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.

Winc Launches 5 Million Share IPO

Winc, Inc. ("Winc") launched an initial public offering of 5 million common shares. In addition, Winc expects to grant the underwriters a 30-day option to purchase up to 750,000 additional shares of its common stock at the public offering price, less underwriting discounts and commissions. The initial public offering price is currently expected to be between \$14 and \$16 per share. Winc has applied to list its common stock on the NYSE under the symbol "WBEV."

BofA Securities and Canaccord Genuity are acting as joint lead book-running managers for the proposed offering. Craig-Hallum and Roth Capital Partners are also acting as book-running managers and The Benchmark Company is acting as co-manager.

Good Sunday Signs with SGWS, Obtains \$1 Million Funding

Good Sunday said it closed a \$1 Million Series A Funding round, expanded its bank credit facilities and signed a U.S. distribution agreement with **Southern Glazer's Wine & Spirits**.

Southern Glazer's will distribute Good Sunday's premium line of vodka sodas, initially launching its Lemon Vodka Soda and its Watermelon Lime Vodka Soda (4.5% ABV) throughout California early next year.

Angelo Catenaro, who who founded and built Vecture Inc. into one of Canada's leading suppliers of mission-critical battery management system, led the investors in the Series A funding round. In 2016, Vecture was acquired by German conglomerate Eberspaecher.

"This capital will support our expansion plans starting with California, the largest market in the United States and the world's fifth largest economy," said Partner and Director **Justin Dumitrescu**.

Calif. Last-Resort Insurer to Boost Coverage on Wineries

The California FAIR Plan, the state's insurer of last resort, will increase its coverage limits, which have not been increased in more than 24 years, to keep up with inflation. Currently Earlier, Gov. Gavin Newsom signed a law allowing the FAIR Plan to insure farm structures.

The FAIR Plan's maximum policy limit for its commercial property program is currently \$4.5 million, and that policy limit has not been increased since at least 1997. The FAIR Plan maximum policy limit for its Businessowner's Policy program is currently \$3.6 million, and that policy limit has not been increased since at least 1994. The Consumer Price Index shows that costs have nearly doubled during that time in California.

"While wildfires can happen in many agricultural regions of the state, some parts of our state have borne the brunt of devastating fires starting in 2017," said Insurance Commissioner Ricardo Lara. "With a tighter insurance market due to wildfire risks, many farmers and vintners need more coverage than they can currently get. I am taking aggressive action to protect our farmers, vintners, and other businesses immediately while local government, state government, insurers and businesses all work together to reduce the wildfire risk and increase a competitive insurance market."

Treaty Oak Distilling, Whiskey Myers Collaborate on Bourbon

Treaty Oak Distilling announced the launch of **Treaty Oak Distilling and Whiskey Myers' Red Handed Bourbon**, a 95-proof (47.5% ABV) whiskey made to Treaty Oak Distilling's specifications by **Bardstown Bourbon Co/** in Kentucky, then aged for two years in Kentucky and Texas.

It will be available in Florida, George, Tennessee, Illinois, California and Texas Nov. 1. It's a collaboration between the Dripping Springs, Tex., distiller and Whiskey Myers, a country rock band.

A-B Sued Over Agave

In Bud Light Platinum Seltzer

The gripe: Various "representations are misleading because they give consumers the impression the product contains a more value type of Agave than it does."

The complaint notes "agave spirits are the fastest-growing category of spirits in the U.S. and increased c. 20% in 2020, twice as much as bourbon, the second highest." Also, "in 2020, the volume of agave spirits surpassed the rum and bourbon categories."

It goes on to note that Bud Light Seltzer has a "made with agave" statement on its front label. The complaint then alleges that the product doesn't meet **Alcohol & tobacco Tax & Trade Bureau** label standards because it "lacks any agave spirits and instead uses "Agave Syrup," a sweeter derived from the Agave plant" and therefore misleads the public.

So too does A-B's use of "platinum" on the label and the slogan "Made for the Night," a phrase the complaint says signifies Bud Light Seltzer "is not a typical hard seltzer made from cane sugar. It also takes issue with a picture on the front of the box showing the product poured into a glass. "This is significant, as consumers are accustomed to drinking hard seltzer from cans" but spirits from glasses.

The lawsuit was filed in the U.S. District Court for the Northern District of Illinois by Spencer Sheehan, a Great Neck, N.Y., lawyer.

Uber Finalizes Acquisition of Drizly

Uber Technologies, Inc. said it completed its acquisition of **Drizly** America's largest e-commerce marketplace, and the two companies will begin integrating their complementary delivery apps and services. The purchase consideration was about \$1.1 billion, consisting of some 18.7 million newly issued shares of Uber common stock plus cash.

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To "toast" to this milestone, Uber and Drizly are offering \$5 off purchases made on [Drizly](#) through this Sunday, October 17, with the promo code PAIR at checkout.**

Drizly was designed to be fully compliant with local regulations in more than 1,600 cities across 33 US states. Drizly works with thousands of local retailers to provide consumers with an unmatched shopping experience and the largest selection of beer, wine, and spirits.

Drizly is now a wholly owned subsidiary of Uber. Over the coming months, Drizly's marketplace will be featured within the Uber Eats app, while also maintaining a separate Drizly app and web experience.

"Uber Eats and Drizly are truly the perfect pairing," said Uber CEO Dara Khosrowshahi. "As we invest in expanded offerings in our delivery business—from grocery and convenience stores to a wide variety of retailers—alcohol remains a key driver of demand from consumers in the US. On the Uber Eats app searches for alcohol items have spiked by 200% in the last year alone. By joining forces with Cory's talented team, we can accelerate our shared trajectory by introducing Drizly to Uber consumers and expanding its geographic presence in the years ahead."

Sonoma County Grape Harvest: 'Near Perfect Year for Growing Grapes'

What a difference a year can make. In 2020, we were concerned about the safety of our friends in Sonoma County. This year, the folks there are celebrating the end of harvesting and say that while the grape yield appears to be slightly lighter to average, the 2021 crop will be viewed as an excellent vintage. Equally encouraging is that the winegrape market is in much better balance than in past years, said **Karissa Kruse**, president of the **Sonoma County Winegrowers** and executive director of the **Sonoma County Grape Growers Foundation**.

This year's crop was a little lighter due to a variety of water conservation efforts growers implemented this season to limit water use. This was true across the county and among all varieties. Though the season was void of long, lingering heatwaves, grapes in warmer regions matured slightly earlier due to it being a lighter crop and grapes from the cooler region ripened at a more normal rate.

Looking ahead, challenges remain. The ongoing California drought is entering its third year with the 2020/21 water year being the 9th driest year in the last 127 years of record keeping. Sonoma County is faced with extremely low water flows in the Russian River and low storage levels in local reservoirs. A long, wet winter is much needed to replenish local watersheds, reservoirs, lakes and ponds. Also, the growing shortage of workers continues to be a challenge in all industries throughout the United States including at local wineries and vineyards.

Given this, **Sonoma County Grape Growers Foundation** surveyed nearly 1,000 full-time vineyard workers to better understand the challenges and needs of the local labor force and their families. The survey was significant in that 965 respondents participated which accounted for more than 15% of local vineyard workers. The survey was provided in Spanish and English and participants remained anonymous.

"We conducted the largest survey of vineyard workers ever taken in California. Due to the fires, the pandemic, and the economy, we know the past few years have been challenging for everyone. So, we conducted this survey to learn of the key issues to better understand our workforce, their challenges and needs," said Kruse. She added, "Our focus, like that of our local grape growers, has always been to identify challenges, find solutions and foster the best communication to ensure the strongest relationships."

Among the critical findings, more than 80% of the vineyard workers in Sonoma County are employed full-time. Over the past five years, local winegrape growers created more full-time work opportunities for vineyard workers. The full-time positions provided stability for the workers and keeps the talented workforce in the community. As a result, Sonoma County does not face many of the challenges of finding and securing seasonal employees as areas of the Central Valley and other regions of California experience.

The unique relationship between Sonoma County winegrape growers and their vineyard workers was apparent in other results in the survey.

- On average, more than half of local vineyard workers have worked for the same Sonoma County farming family or farm manager for more than 10 years.
- More than 20% of the respondents have worked for the same employer for more than 20 years.
- More than 40% of the respondents stated they are receiving free housing or getting housing assistance from their employer. This represented an increase from the 30% of vineyard workers receiving housing support five years ago.
- Vineyard workers rely on their family and employers as their top two resources if they need support.
- The average rate of pay for vineyard workers in Sonoma County is \$19.87 per hour which is a \$3.13 per hour increase since 2017.
- During harvest, wages for vineyard workers in Sonoma County can be as \$30 - \$40 per hour.

"Our more than 1,800 growers and their employees work together to grow, harvest and maintain Sonoma County as the most sustainable winegrowing region in the world," stated Kruse. She added, "Together, we are sustaining agriculture in Sonoma County today and for decades to come. I was also happy to learn that over 90% of our vineyard workers would recommend working in agriculture to their family and friends. This will be critical to preserving agriculture in Sonoma County and California in the years ahead."

Beer Volume Up (Again): BeerBoard

People are drinking more beer.

That's the obvious conclusion from BeerBoard's latest report on the locations it services.

After climbing 13.7%, 10.8% and 3.8% in the three prior periods, volume at locations monitored by BeerBoard was up 4.7% in the weekend of Oct. 7-10, BeerBoard reports. The two prior periods were Sept. 23-25 and Aug. 28-29.

Some 91% of locations were open. That's the fifth consecutive period that 91% of all locations were open, and the average number of taps remains at 20 per location. Michigan was the only state to gain on the weekend, adding one handle (24). South Carolina dropped a handle to check in at 17 total.

The percentage of taps pouring also stayed at 74%. Five states tracked tallied the same percentage as last period, while three saw a one-point increase (Georgia, Illinois and Texas). Nevada and Tennessee each fell one percentage point on the weekend.

Sol Chelada Volume Up 9.5%

Mexican imports are surging, but **Sol Chelada's** 9.5% growth outpaces the segment, **Molson Coors Beverage Co.** says.

"Mexican imports are doing well in spite of some supply chain issues, and cheladas are part of that growth," says **Cara Lauritzen**, marketing manager for the Sol family of brands. "We have great momentum on Sol Chelada, and we look forward to keeping that going into 2022."

Year-to-date, Sol Chelada's 9.5% growth is outpacing the segment's 8.5% rate, according to IRI multi-outlet and convenience store data for the week ended Sept. 12. It's performing particularly well in the Pacific region, where it's grown about 31% in Nevada, 26% in California and 23% in New Mexico, per IRI. And with velocity up 35% versus a year ago, it's the fastest-turning major brand in the chelada segment.

"Sol Chelada is succeeding because of the quality of the liquid and the authenticity of the brand," Lauritzen says. "People know and love Sol and Sol Chelada in Mexico, and they're seeking it out in the U.S., as well."

The Sol brand is looking to build on its strong year in the months ahead. It is renewing a partnership with **Banda MS**, one of Mexico's biggest musical groups, and plans to go big with Banda during *posadas*, when friends and family gather to celebrate around the Christmas holiday, Lauritzen says.

"Working with Banda MS is a huge win for Sol. The band has billions of viewers, is the most-streamed Mexican group and keeps winning awards for their work," she says.

Sol's flagship lager will continue its artist series next summer, partnering with acclaimed Mexican street and mural artist **Farid Rueda**, to update the brand's packaging to help stand out at retail, she says.

"Farid's design will make Sol's packaging even more impactful at retail, celebrating the brand's authentic Mexican heritage," she says. "What's more, it will make it easy for retailers to make a really vibrant display simply by stacking cases."

Molson Coors in Pact with Coca-Cola Canada To Produce Topo Chico Hard Seltzer

Molson Coors will produce and distribute Topo Chico Hard Seltzer in Canada. It described the agreement as "another significant step in its plan to aggressively grow the company's above premium portfolio and become a leader in the fast-growing hard seltzer segment. The product is sched-

uled to launch in the summer of 2022 throughout most of the country, with the Canadian debut taking place one year after the wildly successful launch of Topo Chico Hard Seltzer in the United States."

Despite being launched in 16 different markets in the United States, Topo Chico Hard Seltzer occupies the No. 3 slot as a new item in the general malt beverages category. The brand also garnered a 2.4% share of the U.S. market according to IRI's multi-outlet and convenience store data. This success has led to the national expansion of the brand across the United States, which will take place in January of 2022.

Topo Chico Hard Seltzer blends sparkling water and natural flavors, and is inspired by Topo Chico sparkling mineral water, a 125-year-old brand with a rich heritage that has been popular with consumers across the globe. The hard seltzer will be developed in four flavors including: Tangy Lemon Lime, Exotic Pineapple, Strawberry Guava and Tropical Mango, which will be available in a 12-pack slim can variety pack, as well as single serve cans in select flavors.

Topo Chico Hard Seltzer represents the third hard seltzer brand in the Molson Coors portfolio currently available in Canada. The Topo Chico brand is owned by Coca-Cola. Both **Vizzy Hard Seltzer** and **Coors Seltzer** launched in March 2021, and early returns have exceeded expectations with both seltzers within the leading seltzer brands based on market share. Both brands have realized extensive national distribution with increasing velocity within all provinces.

Molson Coors closed in New York State Exchange trading at \$45.77, down 8 cents a share.

How Woodford Reserve Is Planning For the Next 25 Years

Woodford Reserve (Brown-Forman) is turning 25, and there will be the usual celebrations. But what's most important is the brand's focus on the future.

Earlier this year, Woodford Reserve said it would double its capacity, increasing its three iconic copper pot stills to six stills. A new building will house utilities and storage space, clearing the way for new fermenters in the current distillery building. Additional grain and barrel unloading areas as well as a training center for employees are also being planned.

Woodford Reserve sits on Kentucky's oldest distilling site where **Elijah Pepper** began crafting whiskey in 1812. **Owsley Brown II**, former Brown-Forman CEO, had a vision in the mid-1990s – to create a homeplace where guests could learn the history of bourbon while sipping on the world's finest bourbon.

"The words of Owsley Brown II still hold true today," **Elizabeth McCall**, assistant master distiller, said. "Woodford Reserve is a labor of love for everyone involved. A love of this place, a love of history and a love of making superb whiskey."

Brown-Forman renovated the historic distillery and – in 1996 – opened it to the public for tours.

To conserve this National Historic Landmark, where many whiskey innovations occurred in the 1800s and 1900s,

Woodford Reserve collaborated with historic preservation leaders in Frankfort and Washington so the design of this latest building will complement the older structures.

The global brand helped elevate American Whiskey as a category worldwide when it partnered with renowned French fine crystal producer Baccarat to create the **Woodford Reserve Baccarat Edition**.

The Woodford Reserve family of brands now includes five permanent expressions -- bourbon, rye, double oaked, malt and wheat -- along with limited edition expressions, including the Master's Collection and the very highly sought after Double Double Oaked with its cult following.

For 1st Time in 90 years, Empire State Building Observation Deck to Serve Drinks

Bronx Brewery will be the first supplier, dispensing its libations from 5-9 p.m. Saturday Oct. 14 through Oct. 30.

The award-winning craft brewery from the Bronx's Port Morris neighborhood will sell four select beers – their American Pale Ale, World Gone Hazy IPA, Smile My Guy IPA, and Das Bronx Oktoberfest – from a special 90th Anniversary cart on the building's 86th floor. The Empire State Building's own [State Grill and Bar](#) will offer \$10 mini NY-style cheesecakes alongside the brewer's selections. Bronx Brewery is the second vendor in the building's Observatory pop-up program after a successful August run with My Cookie Dealer.

"We are proud to join forces with the Empire State Building to celebrate Oktoberfest in the heart of New York City," said Sean Valenti, spokesperson for Bronx Brewery. "Our work revolves around community, creativity, and inclusivity, which are all things that come to mind when we think of the Empire State Building."

Johnnie Walker Offering a Scotch From 'Ghost' Distillery Pittyvaich

Pittyvaich opened in 1974 and closed after only 18 years of life in 1993, But Diageo-owned **Johnnie Walker** reached into its reserves and is offering it as **Johnnie Walker Blue Label Ghost and Rare Pittyvaich**. It's 43.8% ABV and will be available in the UK, but not the U.S.

It's the fourth release in the limited edition Ghost and Rare series and is a blend that includes two other "ghost" whiskies from the distilleries of Port Dundas and Carsebridge. He combined these with exceptionally rare Scotch from a quartet of Speyside distilleries including Mannochmore, Auchroisk, Cragganmore and Strathmill as well as the Highland whisky of Royal Lochnagar.

The Macallan Introduces The Harmony Collection Rich Cacao

The Macallan has unveiled **The Macallan Harmony Collection Rich Cacao**, the first limited edition whisky in an innovative new series of single malts that will see the brand progress its journey towards sustainable packaging.

Inspired by The Macallan's deep-rooted connection to nature for nearly 200 years, The Harmony Collection is an exploration into the world of sustainable packaging. Fusing

together innovative techniques with materials from the natural world at the end of their life to see them reborn with a renewed purpose.

Crafted from a harmonious combination of European and American oak casks, the result is an exceptionally rich single malt whisky characterized by a deep, dark chocolate profile, which pairs perfectly with the richest chocolate for a luxurious sensorial experience.

In homage to its chocolate inspiration, The Macallan Harmony Collection Rich Cacao is encased in a beautiful fully recyclable and biodegradable presentation box, made using natural by-products in the chocolate-making process. The box is crafted without compromise using discarded husks from cacao pods and brings together The Macallan's renowned craftsmanship with contemporary packaging techniques aimed at minimizing waste.

SRP \$100. Available for pre-order on ReserveBar.

Mount Gay Debuts New Expression: Andean Oak Cask

Mount Gay Rum, the world's oldest running rum distillery dating back to 1703, released its newest expression as part of the Master Blender Collection: **Andean Oak Cask**, the fourth limited-edition in the exclusive series that celebrates over 300 years of expertise and innovation.

For the 2021 small-batch release, Master Blender Trudiann Branker turned to Andean Oak, a non-traditional wood choice, to explore another layer of aromatic complexity. The casks were used for 11 months to finish the ageing of a single batch of rums distilled twice in traditional copper pot still and aged 14 years in ex-Bourbon casks.

Branker's innovation began once she had discovered that virgin Andean Oak Casks had never been used in any previous Mount Gay Rum expressions. Over the course of 11 months, she carefully nurtured a specially selected batch of rum until she reached a beautiful marriage of flavors and aromas imparted on the liquid by this unique oak tree, the only oak native to South America. Standing at nearly 82 feet tall, Andean oak trees are found across the mountainous ranges of 18 departments of the Colombian Andes at an altitude ranging from 1,000-3,200m.

Upon entering the bonds at Mount Gay, Branker was intrigued by the light-colored wood and the very subtle aromas of vanilla traditionally found in American oak, alongside the spicy and smoky notes found in Andean Oak. It was there that the idea for the newest expression in the Master Blender Collection was born.

"I was inspired by the incredible feedback we had following my release of The Port Cask Expression and I wanted to push my boundaries further," she said. "Using a totally new cask paired with a traditional pot still rum created something entirely new, bold and layered that I think rum enthusiasts around the world will thoroughly enjoy."

The result is described as a delicate, yet opulent layered blend of spice, nutmeg, vanilla, ripe pear and toasted coconut on the palate. Dominantly vanilla on the nose, Mount Gay Andean Oak Cask offers a spiciness on the palate that perfectly complements the fruity notes of the aged

pot still rum. This rum evolves as time goes by, revealing depths of flavor over the course of a tasting journey.

Bombay Sapphire Debuts A Murcian Citrus-Based Gin

Bacardi Ltd.-owned **Bombay Sapphire**, the world's No. 1 premium gin by value and volume, unveiled **Bombay Sapphire Premier Cru Mercian Lemon**, a new super premium expression created to celebrate the region of Murcia in Spain and the stunning citrus that it produces, while shining a light on the long-standing relationships Bombay Sapphire has forged with its dedicated suppliers and farmers. ABV: 47%.

Disaronno Launches an Italian Gin Inspired by Motorsports

Disaronno International announces the launch of a new Italian gin, inspired by motorsports and hand-crafted with 100% organic Italian ingredients. **EnGINE Gin** is the creation of fashion and spirits entrepreneur Paolo Dalla Mora, who drew inspiration from his love of classic cars and motorcycles and his enjoyment of traditional North Italian flavors, blending them together into an elegant spirit packaged in a unique tin vessel.

Made in small lots in Langhe, the heart of Italy's automobile industry, EnGINE Gin incorporates traditional Italian botanicals that are 100% organic, including Ligurian sage, lemon, licorice root, and damask rose. Vacuum distillation using a rotary evaporator preserves the most delicate aromas and flavors, allowing the true character of the gin to shine. Drawing on its founder's love of motorsports, EnGINE Gin is packaged not in a bottle but a unique tin oil can that evokes the classic age of automobiles.

"The idea to develop EnGINE stems from a union of my two great passions, the world of motors and spirits, a market I have worked in for over 10 years. For some time, I had in mind a beverage project and one day, while I was working on my bike in the garage in Barbaresco drinking a cup of the traditional Langa digestivo with hot water, lemon peel and sage leaves, I thought it would be interesting to reproduce those very flavors in an alcoholic version and taste it in a long drink," said Paolo Dalla Mora, Founder of EnGINE Gin.

"Once the formula was defined with the help of expert hands and good palates, I started imagining what the aesthetics of the project could be and, considering that it all took shape in my garage, I thought it would be suitable for EnGINE to have an identity that went in another direction with respect to the transparency that spirits look for today—something dirtier, unexpected, capable of completely distorting the concept of a bottle. EnGINE is, in fact, the first gin in a tin container, and with its strong, decisive spirit, it radically contrasts with a gin aesthetic which instead is becoming increasingly limpid, pure and clean."

EnGINE Gin stands out for its distinctly Italian flavors, with vivacious lemon and intense sage contrasting with classic juniper notes, supported by sweet licorice and delicate rose. It makes a unique Gin and Tonic, garnished with a fresh sage leaf, and works well in any classic gin cocktail, from the Martini to the Negroni. Given its motor-inspired creation, EnGINE

is also perfect for the Automobile, a classic cocktail made with gin, scotch, sweet vermouth and orange bitters.

Redemption Whiskey Launches Limited Edition Cognac Cask Finish

To create this limited-edition offering, Redemption collaborated with **Ferrand Cognac**, one of the world's most revered Cognac houses, to finish the award-winning High Rye Bourbon in Cognac casks.

The resulting whiskey delivers bold and spicy notes balanced with an elegant, warming sweetness akin to Cognac. It has a warming, long finish of buttered pecan, praline, and baking spice.

"We challenged our artisan teams at Redemption and Ferrand Cognac to create a small production Redemption offering worthy of gifting to the most discerning whiskey lovers," said **Tom Steffani**, President of privately held **Deutsch Family Wine & Spirits**, which produces Redemption. "The resulting whiskey exceeds all expectations. It is a great example of our ongoing commitment to push the boundaries of what's possible with our rye-forward whiskeys."

St Rémy Debuts a New Expression

St Rémy, the world's leading French brandy, is launching a new expression, **St-Rémy Signature**, in the U.S.

Created for a new generation of brandy drinkers, St-Rémy Signature's unique production process resulted in a drink echoing the lifecycle of its desired fans. While adding flair, freshness and style to the category, St Rémy Signature continues to retain its dedication to being 100% French from grapes to glass.

St-Rémy Signature is described as luminous, bright and amber in color with sweet aromas of vanilla, coconut and almond. Round and balanced on the palate, the woody notes are enriched with honey, nut and butter flavors. The result is a smooth, proud and authentic brandy, creating a moment of true harmony. St-Rémy Signature provides a unique base for your favorite serves, reimagined and classic brandy cocktails, such as the French Metropolitan.

St-Rémy Signature will begin to roll out this month in select markets, online and on-trade with an SRP of \$29.99 for a 750ml bottle.

RNDC Pledges \$500K to University To Create Beverage Management Certificate

Republic National Distributing Co. (RNDC) pledged \$500,000 to Florida State University Dedman College of Hospitality. This donation establishes the RNDC Certificate of Beverage Management.

The RNDC Certificate in Beverage Management is designed for individuals interested in pursuing careers involving beverage management, with a primary emphasis on sales and service within the hospitality and tourism industries.

RNDC's gift will create an endowment to maintain comprehensive, high-level programming with an emphasis on lagers, ales, wines, distilled spirits and coffees and teas. Additionally, it will provide much-needed support to the recruitment and retention of excellent faculty, international education opportunities (including study aboard programs), internships focused on the beverage sector and additional scholarly

activities such as guest lecture series, conference travel and much more.

DISCUS Launches Index of \$50-Plus Spirits

Distilled Spirits Council of the U.S. (DISCUS) introduced a new tool to analyze sales of spirits brands at the top end of the distilled spirits market.

David Ozgo, DISCUS senior vp-economic and strategic analysis, said the Luxury Brand Index tracks sales of brands in six major spirits categories that sold for a retail price of \$50 or more for a 750 ml bottle. Price points for this segment of the market are more than three times that of the typical bottle and account for only 3-4 percent of total spirits volume. This represents about 105 million bottles sold, totaling more than \$10 billion at retail.

"Across all major spirits categories, consumers are captivated by the quality, exclusivity and heritage of luxury brands," Ozgo said. "The sale of luxury spirits brands has spiked 125% between 2015 and 2020, and demand for these prestige products is growing."

The LBI includes sales of Cognac, American whiskey, Irish whiskey, Single Malt Scotch, Japanese whisky and Tequila from the past five years.

Key LBI Findings:

- Luxury spirits brands have grown in volume by 125% between 2015 and 2020, an annual growth rate of 17.7%; far greater than the 2.5% rate seen across all spirits brands.
- Continuing the upward trend, through the first half of 2021, volumes of luxury spirits brands are up nearly 25%.
- Luxury whiskeys have grown more slowly than the other categories but still outpace the growth of the total spirits sector with an annual growth rate of 11.1%.

Category Highlights

American Whiskey: America's native spirits have been enjoying a resurgence over the past decade, and new luxury segments of the American whiskey category have emerged. These include Bourbon, Tennessee whiskey, Rye and American single malts. Since 2015, the luxury American whiskey category has grown at an annual rate of 41 percent. Now totaling approximately 6 million bottles.

Japanese Whisky: Americans renewed fondness for whiskey has helped Japanese whisky gain a strong foothold in the U.S. market in recent years. Many Japanese whiskies are luxury priced, and the segment grew at an annual rate of 42 percent between 2015 and 2020. Now totaling nearly 2 million bottles.

Tequila: It has only been within the last 10 years that Americans have developed an appreciation for 100 percent blue agave tequilas. Since 2015, this new luxury category has enjoyed an annual growth rate of 30.7 percent. Now totaling nearly 28 million bottles.

Cognac: Cognac is one of the traditional luxury spirits. While well established for decades, luxury priced Cognacs grew at an annual rate of almost 16 percent since 2015. Now totaling nearly 29 million bottles.

Irish Whiskey: Irish whiskey has enjoyed rapid growth in the U.S. climbing at a rate of more than 14 percent annually since 2015. Now totaling more than 1 million bottles.

Single Malt Scotch: Single malt scotch, with its long and rich history, has many luxury priced brands. In recent years, currency fluctuations and tariffs have presented challenges, but through the first six months of 2021, the luxury segment has returned to strong volume growth of 5.6 percent. Now totaling nearly 9 million bottles.

The LBI will be released quarterly to provide insight to the beverage business community, analysts and media. Retail prices were calculated by IRI Worldwide using retail scanner data. Volumes were derived from the Distilled Spirits Council's proprietary brand data.

Who & What -

Alamitos Vineyards, an estate vineyard and winery situated at the base of the Santa Cruz Mountains in the enclave of New Almaden, signed **George Troquato** as wine-making consultant for its growing portfolio. A third-generation vintner, Troquato brings 30 years of winemaking experience from California's Central Coast.

Wilson Daniels promotes **Kim Wood** to VP-Southern Division, effective Oct. 15. He's been Southwest Regional Manager for four years and will report to Shannon Coursey, senior vp-national sales.

Iron Hill Brewery, Exton, Pa., hires **Chris Westcott** as chief executive officer. Most recently, Westcott served as the Chief Executive Officer of Rosa Mexicano, a full-service restaurant offering fresh, contemporary, upscale Mexican cuisine in New York City and other major metropolitan areas.

Campari Group, sixth largest player in the premium spirits industry, hires **Jesus Susunaga Acosta** as the new Maestro Tequilero for Casa San Nicolas, effective immediately. The new Master Distiller will oversee the entire Casa San Nicolás product line, contributing in the maintenance of the highest quality standards of the present award-winning Mexican spirits, such as Espolón and Cabo Wabo, as well as future innovations in the Arandas plant in Jalisco, Mexico. In over-the-counter U.S. trading, Campari closed at 14.75, up 18 cents.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor