

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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DISCUS Targets Tax Disparity Between Spirits, and Malt-Based RtDs

Distilled Spirits Council of the U.S. will seek to change tax laws that result in spirits-based ready-to-drink products paying up to 18 times as much tax as malt-based RtDs, **Chris Swonger**, president/CEO, said during DISCUS's annual economic briefing.

State tourism boards are recognizing that when people visit their state they are looking for things to do. So craft distillers are benefitting from tighter links to state tourism programs.

Philip McDaniel, CEO/co-founder, **St. Augustine Distillery** and chair of the DISCUS Craft Advisory Council said DISCUS will also seek parity with wine and beer when it comes to states permitting direct-to-consumer shipping.

Spirits Supplier Sales Up 12% in 2021

The distilled spirits sector achieved strong growth in 2021 driven by the gradual reopening of restaurants and consumers trading up to super-premium spirits for at-home occasions, the **Distilled Spirits Council of the United States (DISCUS)** said.

DISCUS President/CEO **Chris Swonger** reported that supplier sales in the United States were up 12% in 2021 to a total of \$35.8 billion, while volumes rose 9.3 percent to 291.1 million 9-liter cases.

In 2021, spirits gained market share of the total U.S. beverage alcohol market with sales rising 1.7 share points to 41.3%. This represents the 12th straight year of market share gains for spirits overall.

"Last year, enthusiasm for spirits continued as consumers spent more to elevate their cocktail experiences with super-premium brands," said Swonger.

"Consumers savoring spirits at home and trading up to higher-end brands, combined with the gradual reopening of bars and restaurants, resulted in record sales for the spirits sector. We're also seeing strong growth for spirits-based ready-to-drink products, and that's adding to our sector's gains as well."

Swonger noted that the premiumization trend, along with innovative COVID-relief measures such as cocktails-to-go, delivery and e-commerce, have helped to boost restaurants, bars and small distilleries as they continue to manage through the uncertainty and volatility created by the lingering pandemic.

Uneven COVID-19 Impacts on U.S. Hospitality Industry Continues

Swonger underscored, however, that while the spirits sector has remained resilient during the pandemic, the uneven economic impacts of COVID-19 remain for certain segments of the U.S. hospitality industry.

"The twists and turns of this pandemic continue to create volatility in the recovery of restaurants and bars," said Swonger. "Restaurants showed signs of roaring back during the first half of the year but sales stalled in the second half with the new spike in COVID cases, staff shortages and supply chain disruptions. We will continue to advocate for more funding through the Restaurant Revitalization Act to help them get back on the path to growth."

Sales volumes at on-premise establishments, which represent about 20% of the U.S. market, were up 53% in 2021 following nationwide restaurant and bar closures and restrictions.

"Off-premise sales volumes, which saw sharp gains in 2020, were flat in

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2021. Since the start of the pandemic, the **National Restaurant Association** reports that about 90,000 restaurants have temporarily or permanently closed, and the industry still hasn't recovered more than 650,000 jobs."

During the briefing, **Philip McDaniel**, CEO and co-founder of St. Augustine Distillery and chair of the DISCUS Craft Advisory Council, also reported that many distilleries continue to face major challenges from supply chain disruptions, including difficulty securing glass bottles, closures and labels, as well as rising costs of materials and transportation.

On a positive note, McDaniel stated that the uptick in tourism across the country will help support the recovery of small distilleries, which rely heavily on tasting room sales. "There are now more than 30 spirits trails across the United States," said McDaniel. "This growth in spirits tourism not only benefits distilleries, it also helps transform surrounding communities, and boosts state and local economies."

Preference for Higher-end Spirits Grew in 2021
In presenting an overview of 2021 spirits sales trends, **Christine LoCascio**, DISCUS chief of public policy, reported that the premiumization trend accelerated in 2021.

"Nearly 82% of the spirits sector's total revenue increase was from the sale of high-end and super-premium spirits brands," said LoCascio. "Purchasing luxury spirits to create craft cocktails was a simple pleasure for spirits consumers who hunkered down at home and curtailed spending on vacations and dining out for a second year in a row."

LoCascio noted that tequila was a key driver of growth accounting for nearly one-third of the total increase in spirits revenue. "From sipping fine tequilas, to enjoying classic cocktails like the margarita and paloma, consumers' tastes for super premium tequila took off in 2021," said LoCascio.

2021 Spirits Category Trends

The top 5 spirits categories by revenue:

- Vodka sales up 4.9% or \$341 million to \$7.3 billion
- Tequila/Mezcal up 30.1% or \$1.2 billion to \$5.2 billion
- American Whiskey up 6.7% or \$288 million to \$4.6 billion
- Brandy & Cognac up 13.1% or \$403 million to \$3.5 billion

• Cordials up 15.2% or \$376 million to \$2.9 billion

Top five fastest growing spirits categories by revenue:

- Premixed cocktails including spirits-based RTDs up 42.3% or \$489 million to \$1.6 billion
- Tequila/Mezcal up 30.1% or \$1.2 billion to \$5.2 billion
- Irish Whiskey up 16.3% or \$185 million to \$1.3 billion
- Cordials up 15.2% or \$376 million to \$2.9 billion
- Single Malt Scotch up 14.4% or \$130 million to \$1 billion

2021 Legislative & Policy Wins:

In the public policy arena, Swonger highlighted a number of victories in 2021 on the federal and state levels including important progress on the tariffs front. "After three very difficult years of sagging American Whiskey exports, the EU and U.S. are back to a zero-for-zero tariff

agreement on distilled spirits thanks to the Biden administration's efforts to reset trade relations and bring an end to the needless damage being done to U.S. businesses caught up in the trade disputes," said Swonger.

"It's time now for the UK to lift its tariff on American Whiskeys so we can get back to sharing the special taste, heritage and quality of America's native spirit with our UK consumers."

Federal:

- A two-year suspension of the EU Tariffs on American Whiskey in steel-aluminum dispute and a five-year suspension of U.S., UK and EU tariffs on spirits products in Boeing-Airbus dispute

- Inclusion of small distilleries in the Restaurant Revitalization Fund legislation

- Inclusion of historic impaired driving prevention measures in the federal infrastructure bill

State:

- Cocktails to-go now permanent in 16 states; additional 14 states passed legislation to extend measure

- Retailer home delivery laws passed in eight states
- Tax reductions secured for spirits-based RTDs in Michigan and Nebraska

- Passage of N.C. law permitting distilleries to sell bottled spirits on Sunday

2022 Legislative & Policy Priorities

Swonger also outlined top priorities for the coming year including:

- Securing the immediate suspension of UK tariffs on American Whiskeys

- Continued support of the Restaurant Revitalization Act funding for restaurants, bars and distilleries affected by the ongoing pandemic

- Legislation to permit the U.S. Postal Service to ship beverage alcohol in those states where it is currently permitted

- Fairer tax treatment and increased access for spirits-based ready-to-drink (RTD) products in the states

- Expanded marketplace modernizations including cocktails to-go, spirits direct-to-consumer shipping and the repeal of existing Sunday sales bans in South Carolina, North Carolina, Montana, Texas and Mississippi.

Promoting Responsibility and Road Safety

Swonger, who also serves as president and CEO of **Responsibility.org**, underscored the spirits industry's strong commitment to encouraging responsibility and moderation. He highlighted the recent federal government data showing historic declines in underage drinking as well as the spirits industry's support for provisions in the infrastructure bill that include the development of advanced technology in cars to eliminate drunk driving.

He also cited Responsibility.org's leadership in forming the National Alliance to Stop Impaired Driving (NASID) to provide a strong, collaborative national focus on the growing problem of multiple substance impaired driving.

"Over the past year, being able to enjoy a cocktail and reconnect with family members and friends in person has been a source of great joy," said Swonger. "While the over-

whelming majority of Americans who choose to drink, do so responsibly, it's important for adults to seek out resources or talk to a health professional if drinking is interrupting relationships or affecting daily routines."

Heaven Hill Acquires Samson & Surrey

Heaven Hill Brands, America's largest independent, family-owned-and-operated distilled spirits supplier, acquired Samson & Surrey, including its portfolio of brands and facilities. The acquisition of Samson & Surrey further extends Heaven Hill's portfolio with six high-growth, super-premium brands in several of the industry's fastest growing categories.

"Throughout our 86-year history, our focus has been building a business with a portfolio of great brands sold through a great team," said Max L. Shapira, president, Heaven Hill Brands. "The Samson & Surrey portfolio strategically enhances our portfolio with emerging brands in strong growth categories. Together with their team, Heaven Hill is poised to leverage the tremendous potential of these exciting brands."

Under the leadership of Robert Furniss-Roe and Juan Rovira, Samson & Surrey has built a remarkable portfolio of highly differentiated premium brands growing at 60% per year, tracking \$40m in Sales and present in over 30 markets worldwide. Included in the acquisition are Tequila Ocho, Widow Jane American Whiskey, Few Spirits, Brenne French Whisky, Bluecoat Gin, and Mezcal Vago. The company will continue to operate as an independent division of Heaven Hill lead by Robert and Juan.

"Over the last five years we have enjoyed unprecedented success thanks to the talents of our team, the truly remarkable award-winning liquids we make, and the engaging consumer stories we tell. The combined talent, scale, and resources of Heaven Hill now present a unique opportunity to provide a long-term home for Samson & Surrey and to further accelerate our growth," said Robert Furniss-Roe, co-founder/CEO, of Samson & Surrey. "We believe strongly in the potential of our brands which are perfectly positioned to capitalize on the key spirits market trends. We could not be more delighted to join Heaven Hill and work together to continue building a strong portfolio in the premium and super-premium segments," Juan Rovira, co-founder/COO of Samson & Surrey.

According to DISCUS Super Premium Tequila and Whiskey continue to enjoy growth rates more than 30% over the last five years as American consumers continue to adopt more premium products.

Perella Weinberg Partners LP acted as exclusive financial advisor to Heaven Hill with respect to the transaction. RBC Capital Markets, LLC acted as exclusive financial advisor to Samson & Surrey.

Mast-Jägermeister Takes Stake In Dwayne Johnson's Teremana Tequila

Originally introduced in March 2020, just as the Covid pandemic was getting under way in the U.S., the brand sold 640,000 cases last year in the U.S., Canada and Mexico. The brand attributes its success to premium quality and superior taste at an affordable price. Terms of the invest-

ment by Mast-Jägermeister weren't disclosed.

Mast-Jägermeister has been the exclusive distribution partner. With its investment comes additional global sales, marketing and logistics expertise as well as organizational structure to support continued growth internationally.

"For our company, this is a very exciting opportunity to add such a strong and dynamic brand to our portfolio," said Michael Volke, Global CEO of Mast-Jägermeister SE. "It is a great complement to our line of Jägermeister products, and we look forward to tapping our deep industry relationships to continue to expand its footprint in the U.S., as well as bring Teremana to top beverage markets of the world. We are all committed to having Teremana as the next major brand in our portfolio."

Illegal Wine Shipments Halved in Michigan

Some 71,529 bottles of wine were illegally shipped into Michigan from out-of-state retailers from January-March of 2021, Michigan Beer & Wine Wholesalers said. That's less than half the 160,000 bottles shipped illegally in 2020.

Miss. House Passes Bill to Privatize Wine, Spirits Distribution

The measure, which removes the Mississippi Department of Revenue from controlling the alcohol warehouse, passed 112-2. It now goes to the state Senate.

So, who would benefit from the bill? "It would remove the legal prohibitions that currently exist and would allow businesses to invest millions in capital and create hundreds of jobs across our state," State Rep. Trey Lamar (R) told Y'all Politics in January. "Of importance, the package retail and restaurant industry would not be changed by this legislation except that they would make purchases

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through private companies instead of through the state government.”

Translation: Probably **Southern Glazer's Wine & Spirits, Breakthru Beverage, and Republic National Distributing Co.** A review of the last two years reports of campaign contributions filed with the Mississippi Department of States does not show Lamar received any campaign contributions from SGWS, Breakthru or RNDC.

Covid Claims Another Victim: WSWA Cancels 2022 Convention

Wine & Spirits Wholesalers of America “understands the important role this annual event has played for wholesalers, suppliers, retailers, and other vendors within the industry for more than 75 years, the association said.

But, “as evidenced by the ongoing rocky large-scale event recovery, and as felt by other large trade associations, WSWA, with input from board members and industry partners, decided that hosting a large event where tastings and meeting in-person are paramount was not for the best in the Spring of 2022,” **Michelle Korsmo**, WSWA president/CEO, said.

Looking toward 2023, WSWA said it has completely reimaged the 2,800-person event. The 2023 experience will showcase supplier growth, provide media asset creation, encourage deal-making and networking, as well as deliver experiential learning and wholesaler thought leadership. **Chris Underwood**, WSWA chairman, said: “Our industry is built on relationships and the convention has always been a great conduit for building lifelong ones. WSWA’s new convention format will certainly enhance this experience for all, for decades to come.”

“The WSWA Board weighed heavily in this new direction, and this is the right move for the industry. I am positive that the convention and trade show event we launch in 2023 will once again be the epicenter for beverage alcohol for years to come,” said **Tom Cole**, current Vice Chairman, and Senior Advisor to the Board of Directors for RNDC. “WSWA’s convention has and will always be the strongest platform to foster the acceleration of all three-tiers of the industry as we continue to make the U.S. alcohol marketplace the best in the world.”

WSWAs 2013 convention will be April 3-6 in Orlando.

Virginia House OK Extending Cocktails-to-Go

The Virginia House passed and sent to the state Senate a bill to extend cocktails to-go until July 1, 2024.

“Cocktails to-go have been an economic lifeline for Virginia’s hospitality businesses throughout the pandemic, and consumers have grown accustomed to the increased convenience,” said **David Wojnar**, senior vp-head of state public policy for the **Distilled Spirits Council of the United States**. “In fact, states all across the U.S. are taking action to extend or make cocktails to-go permanent. We are excited to see Virginia on that list. We applaud the Virginia House for taking action to support hospitality businesses and urge the Senate to do the same.”

Sixteen states and the District of Columbia have passed legislation to make cocktails to-go permanent, and 14 other

states passed legislation to allow cocktails to-go on a temporary basis.

RNDC Seattle Drivers, Employed By Penske, Vote to Join Teamsters

More than 75% of the nearly 100 beverage delivery and warehouse workers employed by Penske Logistics who warehouse and deliver products for **Republic National Distributing Co.** have voted to join Teamsters Local 174.

The Penske workers join fellow beverage workers from **Southern Glazer's Wine and Spirits, Columbia Distributing, Anheuser Busch, PepsiCo, Swire Coca-Cola, and Shasta** as members of Teamsters Local 174.

“The organizing campaign for these workers was challenging, given the fact they work for a subcontractor, not directly for RNDC,” the union said.

Early in the campaign, several workers supporting the union organizing drive were fired by Penske in a clear case of retaliation for Union activity. Teamsters Local 174 filed charges with the National Labor Relations Board on behalf of the workers, and Penske was found guilty of violating federal labor law. The workers received back wages

“This blatant violation of the law helped energize the workers, culminating in a victory giving the workers the right to be represented by Local 174,” the union said.

Beer Pouring Locations Bounces Back

As 2022 got underway, 89% of beer-pouring locations were open and pouring beer the weekend of Jan. 6-9, according to **BeerBoard**. But that didn’t last long, BeerBoard reports, noting that it has returned to 90% or better.

The number of taps pouring also fell in the last period, but climbed back to 19 per location nationally, up 27% from the 15 average number of taps pouring in each location. Nine of the 10 states tracked added at least one handle, paced by Tennessee (19) which added three and Michigan (24) which added two. Minnesota remained at 21 handles per location.

But the percentage of taps pouring continued its decline, dropping to 75% of the average number of taps per location. Only Nevada of the 10 states surveyed showed a gain the percentage of taps pouring, rise 1.3%.

Volume, however, shot back up after two consecutive periods of decline, climbing 14.7% from Jan 27-30. Each of the 10 states tracked were up double-digits on the weekend, led by Illinois (+24.2%), Georgia (+23.7) and Florida (+21.2%).

Like Volume, Rate of Sale bounced back to see a +6.7% return on the weekend. Prior to Jan 27-30, it had declined in three of the four previous reports. Florida (+14.7%), New York (+14.7%) and Georgia (+14.6%) were the leaders among all 10 states tracked seeing growth on the weekend.

2 in 3 U.S. Companies Plan To Expand Workforce in 1st Half

Some 65% of U.S. senior managers surveyed by **Robert Half** plan to add new permanent positions. That’s up 14 points from six months ago. Another 33% said they expect to fill vacated positions.

Among the 24 U.S. cities in the survey, those with the

highest percentages of employers planning to add permanent positions are Charlotte (75%), San Francisco (74%) and Detroit (72%). In addition, managers in administrative and customer support (72%) and marketing (69%) departments have the greatest hiring needs.

Contract hiring is also heating up: Nearly three-quarters of senior managers (71%) expect to bring in more contract professionals in 2022. Those in marketing and technology departments (78% each) are most likely to increase the number of contract workers they use.

Among the tactics being used to attract candidates: higher salaries (55%), remote options, evaluating candidates outside their office's geography (50%), signing bonuses (44%), more paid time off (41%) and looser education, skills or experience requirements (31%).

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How Jack Daniel, Uncle Nearest Helped Du Nord Expand to 10 States

The Nearest & Jack Advancement Initiative, founded by the **Jack Daniel Distillery** and **Nearest Green Distillery** is accepting application for its business incubation program. Participating in the program transformed **Du Nord Social Spirits**, a small batch distillery based in Minneapolis, Minnesota producing gin, vodka, liqueurs and whiskeys.

Launched by the Jack Daniel Distillery and the Nearest Green Distillery in 2020, the Nearest & Jack Advancement Initiative aims to advance diversity within the American whiskey industry with a Business Incubation Program, Leadership Acceleration Program, and the creation of the Nearest Green School of Distilling.

The Business Incubation Program offers BIPOC entrepreneurs mentorship in all areas of the distilling business including access to marketing, branding, expanded distribution networks, and other assets and opportunities for growth.

Du Nord Social Spirits was the first business selected for the Nearest & Jack Advancement Initiative Business Incubation Program in 2020. As part of the program, Du Nord worked with industry experts to transform its branding identity and packaging while receiving mentoring from leaders at both Uncle Nearest and **Brown-Forman**.

Through distributor networking opportunities, the distillery increased its sales footprint and is now available in 10 states across the country. Additionally, Du Nord recently partnered with Delta Air Lines to have its Foundation Vodka available on all domestic Delta flights.

"Our experience in the Business Incubation Program has been a game-changer while providing the foundational elements of strong branding and helping us develop a path of growth. Without this program, we would not be in the position we are now," said Du Nord CEO and Head Distiller, **Chris Montana**. "Our partnership with Delta Air Lines is only possible thanks to the support from Jack Daniel's.

The Nearest & Jack initiative and Brown-Forman literally made the impossible happen."

The Nearest & Jack Advancement Initiative will soon begin accepting applications for the 2022 Business Incubation Program.

NBWA Beer Purchaser's Index Back To Pre-Pandemic Readings

For the first time since April 2020, the **National Beer Wholesalers Association Beer Purchasers' Index** for January came in below 50. The reading of 46, combined with an at-risk inventory reading of 58 is reminiscent of when the industry frequently experienced excess inventory, NBWA said.

The components that make up the aggregate BPI this January are also more like pre-pandemic readings, NBWA said. Most importantly, the dramatic drop in the FMB/seltzer BPI continues, falling to 39 in January 2022 from 90 in January 2021. Meanwhile, crafts, premium lights, regular premium and below premium segments all fell below 50 for the month. Only the import segment posted a solid expansionary index this January.

The "at-risk" inventory measures rose above 50 for the first time since April of 2020 signalling that supply constraints in the beer industry are beginning to alleviate. It is important to take note of the upward trend in "at-risk" inventories as supply-side challenges start to resolve and inventories continue to build, NBWA said.

New Products

Champagne Henriot Intros Millesime 2012, A Product of Climate Extremes

The House of **Henriot**, founded in 1808 by **Apolline Henriot**, released its newest creation: **Millésime 2012** (SRP \$100).

Inspired by the philosophy of the Maison's founder, **Millésime 2012** pays tribute to nature by expressing the characteristics of a singular year through a vintage Champagne. It will be available nationwide in the U.S. beginning this month and can be purchased at select fine wine retailers.

As a snapshot of the overall year, **Millésime 2012** represents the house's mastery not only of time, but also of the art of blending. Troublesome episodes of frost, hail, and heavy rain throughout the first few months of the year eventually turned to favorable heat waves at harvest time, which led to even ripening of grapes with vast aromatic diversity.

"During harvest, the heterogeneity of the grape profiles resulting from the weather conditions in 2012 made quite an impression," says Vineyard Director and Cellar Master, **Alice Tétienne**. "When we made the blend for this new creation, our desire was to capture the diversity of the aromatic profiles while achieving harmonious balance. **Millésime 2012** is thus a wine of contrasted harmony."

A blend of 54% Chardonnay and 46% Pinot Noir, **Millésime 2012** is derived exclusively from the house's historical Grand and Premier Cru vineyards located in the Montagne de Reims (Mailly-Champagne, Verzy, Trépail and Av-

enay) and Côte des Blancs (Chouilly and Avize).

Raventós Codorníu Launches 2 New Brands Nationwide

Raventós Codorníu, Spain's oldest producer of wines and Cava, unveils two new brands in its U.S. portfolio—**Blank Verse** and **Dirty Minded**—taking a fresh look at California's classic grape varieties and embracing growth in the domestic premium wine sector.

Inspired by its definition—metered poetry without rhyme—Blank Verse (\$17.99) is sourced from vineyards across California's Central Coast, capturing the iconic flavor profiles ubiquitous to Pinot Noir and Chardonnay from one of the state's premier wine growing regions.

"Blank Verse is an approachable wine aimed at connecting and integrating the stories of the people that enjoy it, following what's been a challenging chapter in our history. This wine is an opportunity for us to write our next great verse," says **Mike Jackson**, president of **Raventós Codorníu North America**.

Dirty Minded Wines offer a fresh take on their environmentally conscious ethos: embracing modern aesthetics and promoting responsible farming practices that preserve the land for future generations. The inaugural 2020 Sauvignon Blanc (\$14.99) opens with fruit-driven aromas of Meyer lemon, pineapple and key lime, complimented with bursts of white flowers and orange blossom.

"Dirty Minded is about bringing winemaking and grape growing back to its roots. Our approach is to work closely with growers to tend the vines and grapes with care and consideration—to protect the longevity of the land, produce the high-quality wines we all enjoy, and have a bit of fun while doing it," says **Kyle Altomare**, winemaker for Blank Verse and Dirty Minded.

The red wine counterparts to each of these brands—Blank Verse Pinot Noir and Dirty Minded Cabernet Sauvignon—will be available from May 2022.

Argentina's 1st USDA-Certified Organic, Kosher Wine Debuts in U.S.

Origins Organic Imports introduced 2021-vintage Alavida Malbec (SRP \$19), Argentina's first USDA-certified organic *and* kosher wine and one of few wines in the world to attain this unusual dual status. Alavida Malbec is also vegan, gluten-free, and Ecocert-approved.

It's currently available in Washington, DC; Delaware; California, Connecticut, Florida, Illinois, Maine, Maryland, New Jersey, Vermont and Washington State. It will become available in New York State and Oregon April 1.

The Alavida name is a riff on "*A la vida!*" Spanish for "To life!" and itself a riff on the traditional Hebrew toast "*L'chaim!*" Origins Organic is owned by husband-and-wife team Labid al Ameri and Anne Bousquet. "Argentina is a nation rich in diversity, and our own multi-cultural family has been making certified organic wines in Argentina since 1997," al Ameri observes.

The new wine hails from high-altitude vineyards in the Uco Valley, an area identified with a growing number of the Mendoza region's finest quality wines. Grapes grow at

4,000+ feet in the Andes foothills, where daily temperature swings of up to 60° F deliver more sugar (hot days) and more acid (cold nights). By omitting SO₂, characteristics associated with the Uco Valley's high-altitude, cool-climate terroir are heightened and enhanced. Purity of fruit, aroma, flavors, and freshness become even more apparent.

The winemaking process for Alavida is almost identical to that used in making a non-kosher wine, with two exceptions. Ingredients such as yeast must be kosher, and the wine physically made by a sabbath-observant Jewish team under the supervision of a rabbi. For Alavida that means double the number of people involved: a Jewish team member to handle grapes and wine, paired with a home team member standing alongside and directing. For Alavida, that entailed five duos! Winemaker Rodrigo Serrano gave the work orders; his Jewish counterparts executed them.

Once the truck filled with grapes arrived at the winery, the Jewish team took the grapes from the truck, used the forklift, pressed the on/off button at the sorting table, and so on. Though the visiting team members were experienced winemakers, they had never worked at this quality level. At the end of each day, everything was locked by the rabbi. If winemaker Serrano wanted to take a sample, he could not do so. Indeed, if a non-Jewish person were to stumble and accidentally touch a tank, the wine is no longer kosher — representing a potential loss of 4,700 liters of wine.

Stoli Group Kentucky Owl Releases St. Patrick's Limited Edition Bourbon

Stoli Group's Kentucky Owl released **St. Patrick's Limited Edition Bourbon**, featuring selected barrels of Kentucky Whiskey using the Irish whiskey bonding process that was common during the 19th and early 20th Centuries.

Irish whiskey bonding was resurrected by **Louise McGuane**, Ireland's first modern whiskey bonder and founder of **J.J. Corry Irish Whiskey**, who joined Kentucky Owl's **John Rhea** to produce the St. Patrick Limited Edition. "We tasted through the lens of bringing fruit-forward profiles that are desirable to us as Irish whiskey makers, but we also wanted something still representative of the Kentucky Owl style," McGuane said. "This blend tastes like the Kentucky Owl products whiskey drinkers love, with an echo of big and bold juicy fruit flavors so familiar in Irish whiskey."

The barrels used in the project will now be transported to Ireland for McGuane to fill with future releases of Irish whiskey.

Marketing Memos

Miller Lite Enters Metaverse for 'Big Game'

The Meta Lite Bar is the first brand-hosted bar in the metaverse. It's also the only place with Miller Lite's Big Game ad will be shown.

Beginning at 8 a.m. Monday, Feb. 7, the Meta Lite Bar will be available on Decentraland with interactive features, virtual pilsners, and a chance to have their *real* Sunday football celebration paid for by Miller Lite with the Virtual Cheers for Real Beers giveaway.

Visitors can interact with a slew of classic bar fixtures. Step up to the plate with darts or billiards, give the halftime show a run for its money by taking to the bar stage with digital instruments, snap an actual meta-selfie in the photo booth, select some tunes on the vintage jukebox and more. A night in doesn't mean you can't have a wild night out in the metaverse.

"While many brands are showing up in the metaverse right now, Miller Lite is doing things differently by keeping one foot in the virtual world and another in the real world," said **Sofia Colucci**, global VP of Miller family of brands. "We're using our Meta Lite Bar to encourage real-life hangouts over real-life beer by giving guests a chance to score their stock of game-day Miller Lite on us. Now, you and your avatar can enjoy Miller Time with friends."

Howler Head Bourbon to Sponsor Car In NASCAR Season Opener

Howler Head Kentucky Straight Bourbon Whiskey will serve as primary sponsor of Ross Chastain's Chevrolet Camaro in the Clash at the legendary Los Angeles Coliseum on Sunday (2/6).

NASCAR will open the 2022 season inside the Coliseum in one of the biggest shake-ups to its schedule in years. The annual exhibition, the Clash, held at Daytona International Speedway since 1979, previously served as the kickoff to competitive NASCAR racing and was held the week before the season-opening Daytona 500.

The 2022 race will be held two weeks before the Daytona 500. The race will be inside the stadium on a temporary, quarter-mile, asphalt track. The historic Coliseum is home of the University of Southern California football team and seats 77,500.

Howler Head is owned by Wooler Brands, Ventura, Calif., and produced at Green River Distilling Co.

Smirnoff Super Bowl Sweeps Offers Watch Kit to 56 Fans

Smirnoff is a text-to-win sweepstakes, awarding 56 fans a Super Bowl Party watch kit. The Super Bowl kit will feature 21 essentials all football fans need starting with Smirnoff 21.

Former Super Bowl Champion, **Vernon Davis** will also make surprise drops with all the fixings for a winning game day to essential workers in the Los Angeles area who are not able to tune into the Super Bowl. The drops follow a survey that found 2% of football fans have to miss the Super Bowl.

RNDC's 'Legacy in Bottle' Drive Aids HBCUs

During a month-long campaign marking Black History Month, **Republic National Distributing Co.** (RNDC) and some of its Black-owned beverage alcohol brands will donate a portion of sales to help support UNCF (United Negro College Fund), the nation's largest and most effective minority education organization.

Participating wineries and distilleries include **Longevity Wines, Intercept Wines, Mermosa, FLO Wine, Uncle Nearest, Ten to One Rum, Brough Brothers, and Black**

Irish.

Eastside Distilling Sponsors 40th Annual Hood to Coast Relay in Oregon

Eastside Distilling, Inc. said it is the exclusive distilled and craft spirits partner for the 2022 Providence Cancer Institute Hood To Coast and Portland To Coast Relays. The 40th annual Hood To Coast, presented by Nike, will begin on August 26, 2022 and end on August 27, 2022.

In addition to the main relay events in August, Eastside Distilling will have a presence at all Hood To Coast Race Series events throughout the year, which includes the following one-day relays and road races: Leprechaun Dash (March 19), Cape Lookout Relay (April 30), Seabrook Relay (June 4), Windy River Relay (July 23), High Desert Relay (October 1), and Turkey Trot (November 23).

Near the finish line in Seaside, Oregon, relay participants can enjoy tastings of the distillery's Portland Potato Vodka, made with pure water sourced from Mt. Hood, at the Eastside Bar inside the Spirits Garden. Specialty cocktails made with Portland Potato Vodka will also be offered at local bars and restaurants along the race routes.

Hood & Portland To Coast is the largest running and walking relay race in the world. Teams start at the peak of Oregon's iconic Mt. Hood and end at the shores of the Pacific Ocean. The 197-mile (or 130 from Portland) event attracts participants from all 50 states and more than 40 countries annually.

Who & What -

RNDC Names Nichlas Mehall President/CEO

The appointment is effective Feb. 1. Mehall succeeds **Tom Cole**, who will serve as a senior advisor to the Board of Directors.

Mehall served as RNDC's Chief Financial Officer (CFO) since 2017 and successfully strengthened the company's financial position, significantly improved RNDC's investment in technology and led the recent expansion into new markets. Before joining RNDC, Nick held a number of leadership roles at **Diageo**. As SVP of Finance for Diageo's U.S. and Canada Spirits business, he was responsible for the financial delivery for Diageo's largest global market, with an emphasis on furthering the company's core strategic initiatives including resource allocation, pricing and investments in trade and brand marketing across the portfolio.

"I'm thrilled to be stepping into the CEO position at RNDC, where I have had the pleasure of being part of the management team for the past five years. Since 2017, we've experienced tremendous growth that has resulted in an expanded geographic footprint, larger market share and deeper supplier relationships. I look forward to working with Bob Hendrickson, our COO and the best commercial leader in the industry, our talented management team and the Board to deliver the strategic plan for RNDC, leveraging the solid foundation we've built. I see great potential for how we can strengthen our relationships with suppliers and other key partners, transform as an organization and lead our industry," he said.

Eastside Distilling's Paul Block Resigns as CEO, Chairman

Paul Block, who joined **Eastside Distilling Inc.** 19 months ago as chairman and CEO resigned suddenly, effective Feb. 1.

The Company has named **Geoffrey Gwin** as the interim CEO, and **Elizabeth Levy-Navarro** as the Chairman of the Board. In addition, the Company appointed **Amy Lancer** as Chief Commercial Officer of Spirits.

Lancer joined the company last year as VP-Financial Planning and Analysis. She previously had more than two decades of experience, having worked for Heineken, Bacardi, Diageo-Guinness, and Pernod Ricard USA.

LALO Hires Jeff Arnold as President/COO

LALO Spirits, Austin, grew more than 250% over the last 12 months, far exceeding its original sales projections, it says, and is now one of the fastest-growing spirits in Texas.

To position LALO for continued expansion in 2022, co-founders **Eduardo "Lalo" González**, **David R. Carballido** and **Jim McDermott** hired **Jeff Arnold** as the company's first President and COO. Arnold will oversee operations, work with CEO Jim McDermott to strategize expansion and join LALO's Board of Directors as the team increases its quality-focused production to meet booming demand.

Arnold has over 20 years of experience in consumer packaged goods and spirits. Prior to joining the company, Arnold was part of the founding team of [Waterloo Sparkling Water](#), where he served as COO. Prior to that he held high-level positions at Apple, Moët Hennessy USA, Ralph Lauren and Nike

Foley Family Wines Promotes Hollister To Chief Sales Officer, Elevates Others

Foley Family Wines (FFW) promoted industry veteran **Jonathan Hollister** to Chief Sales Officer. Hollister, who had been Vice President of Sales (West), will lead global sales for FFW's expanding portfolio. Prior to his time with FFW, Hollister held senior sales leadership roles at Stoli Group and Jackson Family Wines.

Len White is promoted to Vice President of Sales, West, succeeding Hollister. Most recently White served as Division Sales Manager responsible for California and Hawaii and was instrumental in executing a successful strategic wholesaler realignment with Southern Glazers Wines & Spirits while aggressively growing volume, value, and revenue. White will report to Hollister.

Rob Carruthers is promoted to a newly created role of Senior Vice President, Strategic Accounts, leading teams responsible for on and off-premise national accounts. FFW also announced the promotions of both **Crystal Crump** and **Joe Colangelo** to Director Strategic Accounts Retail (East) and Director Strategic Accounts Retail (West) respective-

ly. Both Crump and Colangelo will report to SVP, Strategic Accounts Carruthers along with **Devon Louquet**, Vice President Strategic Accounts On-Premise.

Ghost Tequila Expands to 50 States, Bolsters Marketing, Sales Teams

Ghost Tequila completed its national rollout, entering Illinois, Missouri, Kentucky, Indiana and the Dakotas. It's now available in all 50 states.

The company has also recently appointed new director-level roles to execute on the company's accelerated growth strategy:

Sandra Calvert, a former sales executive at Diageo, Phillips Distilling, VEEV Spirits, Lucas Bols, and Pomp and Whimsy, joins the company in the new role of National Accounts Director.

John McDonnell III joins Ghost in the new role of Brand Director, responsible for U.S. domestic programming and international sales. Prior to Ghost, McDonnell worked for Horizon Beverage in Massachusetts, and was a portfolio director at Caribbean distributor WEBB Banks.

Tara Moreland who formerly worked for Bonavita Beverage, Asombroso Tequila, Leblon Cachaca, Partida Tequila, and Copalli Rum, is the company's new California-based West Coast Sales Director.

Matt Polisei, Ghost's new Control States Director, previously worked for Southern Glazer's Wine & Spirits and Republic National Distributing Company, and also led sales for BeatBox Beverages and for Our/Detroit Vodka (Pernod Ricard).

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3 Badge Beverage Corp. promotes Chief Operating Officer **Richard Zeller** to Chief Executive and hired **Michael Braga** as director of finance. Most recently, he was director of accounting at Napa Valley grower and producer, Hundred Acre Wine Group.

Luxco (MGP Ingredients) named **Ian Stirman** as the first master distiller for all **Ross & Squibb Distillery** brands, including **George Remus Bourbon** and **Rossville Union Rye Whiskey**, as well as any future brands released under the Ross & Squibb name. He will be responsible for guiding the product development process for new innovation and annual limited releases, holding customers for barrel picks and distillery visits and building brand awareness of the distillery and its brands.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor