

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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Before the War, Imports of Russian Vodka Were Down 79%

That's since 2011, according to **Lisa Hawkins**, senior vp-public affairs, at DISCUS. Russian vodka accounts for only 1.3% of total vodka imports in 2021, she told CNN.

That didn't make any difference in the swiftness of the bev/al industry's response to the Russian invasion of Ukraine.

Stoli Group, owners of **Stoli Vodka**, **Elit Vodka** and other brands, including **Kentucky Owl**, recognized almost immediately that consumers and retailers would think Stoli was a Russian product and swiftly condemned the Russian invasion. In a statement it said it "unequivocally condemn(s) the military action in Ukraine and stand in support of the Ukrainian people."

Damian McKinney, global CEO, said Stoli Group doesn't have any operations in Russian, but "we do in Ukraine and across many of the bordering countries."

The Stoli vodka brands and its owner **Yuri Shefler** were exiled from Russia nearly two decades ago. "As the Founder of **SPI Group** of companies, I have personally experienced persecution by the Russian authorities and I share the pain of Ukraine and its people," Shefler said. He was an early resistance fighter.

Stoli Premium and Elit vodka are manufactured and bottled in Riga, Latvia. The brand is registered with the **Alcohol and Tobacco Tax and Trade Bureau** as a Latvian product.

Pulled from Shelves

Meanwhile, Control States pulled Russian Vodka from their shelves, as did major retailers.

The 487 liquor agencies Ohio were directed to pull "Green Mark Vodka" and "Russian Standard Vodka" from their shelves immediately.

Gov. Mike DeWine (R) also ordered the state's Department of Commerce to cease the purchase and sale of all vodka made by the Russian company **Russian Standard Vodka**. The Ohio Division of Liquor Control estimated there were about 6,400 bottles of vodka made by the company currently for sale in the state.

New Hampshire Gov. **Chris Sununu** (R) also signed an executive order directing all **New Hampshire Liquor & Wine Outlets** to remove Russian-made and Russian-branded spirits until further notice. The order also applies to grocery stores who buy their beer and wine through the state.

"And I suppose if there are any Russian beer or Russian wines, that's coming off the shelves too. So yeah, it's all alcoholic spirits that would come through the state of New Hampshire now we're pulling off the shelves," Sununu said.

New Hampshire sells around \$20 million of Russian-based liquor products a year. He said the move is not only symbolic but could have some impact on the Russian liquor industry, especially if other states take similar action.

"In solidarity with the people of Ukraine, all products produced in Russia have been removed from **Montgomery County's Alcohol Beverage Services** stores," said County Executive Marc Elrich.

"There will be an opportunity to purchase popular non-Russian-made vodkas, including Smirnoff, Ciroc, Tito's, Absolut, Svedka, Grey Goose, SKYY, Ketel One and New Amsterdam. ABS wholesale customers and licensees make their own decisions about the availability of Russian-made products, however they will no longer be able to order these products from ABS until further notice," he added.

"Russia's ruthless attack on a sovereign nation is an egregious violation of

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human rights,” Utah Gov. Spencer Cox said. “Utah stands in solidarity with Ukraine and will not support Russian enterprises, no matter how small the exchange.”

The order also directs the “Governor’s Office of Economic Opportunity to review the state’s procurements for any other economic relationships with Russia.”

Total Wine & Spirits, the nation’s largest independent bev/al off-premise retailer, suspended the sale of Russian-made products, removing them from its shelves.

Oregon Liquor & Cannabis Commission (OLCC) directed the operators of Oregon’s independently owned liquor stores to stop selling all Russian manufactured distilled spirits. The OLCC has sequestered the remaining supply of Russian spirits in its Portland warehouse.

Across Oregon, about 5,000 bottles of Russian-made liquor had been for sale in 281 liquor stores. More than 6,200 bottles remain in the OLCC warehouse distribution center.

Pennsylvania Liquor Control Board also removed **Russian Standard Vodka** from its retail shelves and said it wouldn’t accept special orders for some other Russian-made brands.

Chuck Moran, executive director, **Pennsylvania Licensed Beverage & Tavern Association**, encouraged bars and restaurants to avoid using Russian-made vodka.

“It will be a minor inconvenience for some, but national American brands like **Tito’s** from Texas and locally made vodkas like **Holla Spirits** in York are good options when mixing drinks that require vodka,” Moran said.

Drizly Highlights Ukrainian Liquor

In an immediate reaction to Russia’s invasion of Ukraine, Drizly posted a list of 68 Ukrainian liquor products on its website under the headline, “Shop Ukrainian Liquor. Then get it delivered in under 60 minutes. Boom, simple.”

Drizly’s response to the Russian invasion of Ukraine is one example of actions being taken by bars and restaurants.

Royal Wine Supports Ukraine

In a show of solidarity with the Ukrainian victims and refugees under attack by Russian forces, **Royal Wine Corp.** will donate 100% of the proceeds of the sales starting on Feb. 24 through March 10 of two of their leading vodka brands – **Xdar**, which is a Ukrainian vodka, and **Lvov**, a Polish vodka named after the Ukrainian town Lviv – to Emergency Ukraine. The donation will be at a minimum of \$30,000.

“Royal Wine stands with the people of Ukraine and we demonstrate our support for their independence,” said **Mordy Herzog**, CEO of **Royal Wine Corp.** “While we are all praying and hoping for peace to return to the region we feel compelled to help in a meaningful way. As a flagship Jewish-American business, we are committed to their material and moral sustenance in their fight for freedom.”

Founded in 1848, Royal Wine Corp. has been owned and operated in the United States by the Herzog family, whose winemaking roots go back eight generations to its origin in Czechoslovakia.

Fuzzy’s Vodka: ‘Suspend the Moscow Mule’

In a move reminiscent of the renaming of French fries to “Freedom Fries” as a protest to France’s opposition to

the proposed U.S. invasion of Iraq, **Fuzzy’s Vodka** called for the suspension of the Moscow Mule. Replace it, Fuzzy’s said, with the “American Stallion” cocktail.

“We saw the bars rushing to pour the Russian vodka out in the streets while off-site liquor retailers boxed it up and shipped it back to distributors. But we thought, what about the cultural favorites we have come to enjoy over the years? How do we cut ties with our go-to drink during Happy Hour? We didn’t think it was right that we continue to pay homage to the Moscow Mule. We needed to change it...for democracy’s sake,” said **Benjamin Linero**, Managing Partner of BNMR GLVZ, the marketing and advertising agency working with Fuzzy’s.

Brown-Forman Net Jumps 18% As Sales Rise 14% in 3rd Quarter

Brown-Forman Corp. reports net income jumped 18% to \$259 million, or 54 cents a share, as net sales rose 14% (22% organic) in the third quarter, ended Jan. 31.

The company also reported brand results for the first nine months of its fiscal year. The **Jack Daniel’s** family of brands delivered double-digit reported net sales growth of 12% (+14% organic) year-to-date fueled by **Jack Daniel’s Tennessee Whiskey**, which benefited from volume growth globally and favorable channel mix supported by the ongoing reopening of the on-premise channel.

Additionally, the continued international launch of **Jack Daniel’s Tennessee Apple** and strong consumer demand for **Jack Daniel’s RTDs** were significant contributors to growth. Supply chain disruptions adversely impacted the results for **Jack Daniel’s Tennessee Whiskey**, **Jack Daniel’s Tennessee Honey**, **Jack Daniel’s Tennessee Fire**, and **Gentleman Jack** during the first nine months of the fiscal year. Reported net sales were positively impacted by an estimated net increase in distributor inventories.

Premium bourbons, led by **Woodford Reserve** and **Old Forester**, maintained double-digit reported net sales growth of 10% (+10% organic) led by gains in the United States, Travel Retail, and the United Kingdom. Woodford Reserve’s reported net sales moderated driven by supply chain disruptions resulting in a net decrease in distributor inventories.

The tequila portfolio’s double-digit reported net sales growth of 19% (+17% organic) was propelled by **Herradura** and **el Jimador**. Herradura grew volumes in the United States and Mexico due to strong consumer demand while Mexico also benefited as it cycled against a favorable prior-year comparison. el Jimador’s reported net sales growth was driven by broad-based volume gains in the United States, Colombia, and the United Kingdom.

Reported net sales in the United States grew 5% (+8% organic), the company said. Gains were driven by **Jack Daniel’s Tennessee Whiskey**, which benefited from volume growth and the continued reopening of the on-premise channel, along with strong consumer demand for our tequilas and premium bourbons. An estimated net increase in distributor inventories positively impacted reported net sales. This growth was partially offset by the effect of acquisitions and divestitures in the prior year along with lower volumes for **Jack Daniel’s Tennessee Honey** and **Gentle-**

man Jack. Reported net sales were adversely impacted by supply chain disruptions.

Developed international³ markets grew reported net sales 12% (+15% organic) fueled by broad-based growth largely due to the continued reopening of the on-premise channel as well as a rebound of travel and tourism in some markets.

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U.S. Spirits Exports Rebound, But Retaliatory Tariffs Said to Limit Growth

Total U.S. spirits exports rebounded in 2021 reaching \$1.6 billion, a 14% rise, but still below the 2018 pre-pandemic levels of about \$1.8 billion, according to a report by the **Distilled Spirits Council of the U.S.**, which added that retaliatory tariffs continue to stifle export growth

“U.S. spirits exports are beginning to bounce back and that’s definitely a positive sign, but the value of 2021 exports remains far below levels achieved before the 2018 retaliatory tariffs kicked-in,” said **Rob Maron**, DISCUS Vice President of International Trade.

“We applaud the Biden Administration for securing a suspension of the EU’s retaliatory tariffs on American spirits, including American Whiskeys. With approximately 37 percent of total U.S. spirits exports going to the EU, these retaliatory tariffs have severely impacted American spirits exports. The UK’s continued imposition of a 25 percent retaliatory tariff on American Whiskeys will only continue to curtail growth.”

According to the report, last year’s rebound in U.S. spirits exports over 2020 levels was due to a variety of factors, including the reopening of the hospitality sector, international consumers choosing more premium and super premium American spirits, and a lifting of retaliatory tariffs by key trading partners on certain spirits products.

An analysis of the past two decades showed that between 2001 and 2021, global U.S. spirits exports expanded 220%, to \$1.6 billion from \$493 million . Most of this increase was driven by American Whiskey.

Key factors fueling the growth of spirits exports over the last 20 years included a range of trade agreements, which helped to create a level playing field in many markets for American spirits, as well as the rapid increase in U.S. craft distillers in the United States. The number of distilleries has grown from fewer than 100 in 2005 to more than 2,300 today.

“The incredible rise in the number of states with distilleries of all sizes that have started exporting abroad has been fascinating,” said Maron, noting that in 2021 U.S. spirits were exported from 45 states. “Spirits consumers around the globe are increasingly appreciating the diverse range of U.S. spirits products, including American whiskey, gin, vodka and cordials.”

Among the report’s other key findings:

American Whiskeys continued to drive overall U.S. spirits exports in 2021, accounting for 61% of all spirits

exports in value terms, and 38% in volume terms in 2021. Over the past decade, American Whiskeys have accounted for, on average, 67% of total U.S. spirits exports.

The top five markets for American Whiskeys last year were the European Union (\$440 million); Japan (\$95 million); United Kingdom (\$88 million); Australia (\$84 million); and Canada (\$68 million).

Retaliatory tariffs continue to severely impact American Whiskey exports. The UK continues to apply a 25% retaliatory tariff on American Whiskeys, which resulted in a 42% decline in exports between 2018 and 2021.

In 2021, total American Whiskey exports reached \$975 million; this represents a 15% rebounding from 2020 levels, but an 18% decline compared to 2018.

In January 2022, the EU suspended for two years its 25% retaliatory tariff on American Whiskeys, which had been in place since June 2018. Between 2018 and 2021, American Whiskey exports to the EU declined 20% in value terms.

In addition to American Whiskey, a wide range of spirits products are exported from across the United States. U.S. exports of gin increased 59% reaching \$40.1 million; vodka increased 10% to \$78.2 million; and liqueurs and cordials increased 41% reaching \$103.8 million.

The top 10 American spirits exporting states are Tennessee, Kentucky, Florida, Texas, Indiana, Illinois, New York, California, Arkansas and New Jersey.

U.S. spirits exports to other duty-free markets far surpass those that maintain high tariffs. U.S. spirits exports to free trade agreement countries and those with zero duties reached \$1.36 billion in 2021, accounting for 86% of total U.S. spirits exports. Between 2011 and 2021, exports to free trade agreement countries have grown at a faster rate (52% increase) than total U.S. distilled spirits exports (25% increase). Maron concluded, “securing the permanent removal

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of EU, UK, and U.S. tariffs on distilled spirits and getting back to tariff-free trade will help support hospitality jobs on both sides of the Atlantic.”

Breakthru Beverage to Acquire J.J. Taylor's Minnesota Beer Business

Breakthru Beverage Group said it agreed to acquire **J.J. Taylor Co.**'s Minnesota beer business, which will be merged into Breakthru Beverage.

The move enhances Breakthru's Minnesota beer portfolio and further strengthens the company's Midwest position as it continues to expand service capabilities to customers and supplier partners. Expected to close later this spring, the deal also brings enhanced operational capabilities to Twin Cities beer distribution as Breakthru consolidates its beer portfolio into J.J. Taylor's state-of-the-art 600,000 square-foot warehouse.

“There's great synergy between our companies in Minnesota. This combination will dramatically enhance operations in the Twin Cities and reinforces our commitment to this market as we deploy our full suite of best-in-class capabilities and digital resources to help supplier and customer partners better reach their target consumers and drive results,” said **Tom Bené**, Breakthru Beverage Group President and CEO. “This is another strong step in our overall growth agenda, where we remain focused on strengthening our position throughout the United States and Canada.”

It's the second major acquisition announced by Breakthru this year. In January, the company said it signed an agreement to acquire **Major Brands**, the Missouri-based wholesaler.

No/Low Alcohol Beer Vital To Growth of Category: CGA

At the end of 2021, CGA's On Premise Measurement service (OPM) reveals the no/low alcohol segment within beer was worth just under \$100 million in sales compared to \$99 million at the end of 2019 – demonstrating that the segment has recovered back to 100% of its pre-COVID-19 levels.

OPM data also highlights that no/low is also one of the fastest growing segments within beer, increasing by 96% in the latest 52 weeks, further demonstrating that this is not a temporary trend for the category.

The percentage of beer drinkers consuming no/low alcohol beer increasing to 16% by Fall 2021 from 12% in Fall 2019. Intriguingly, beer drinkers have also been experimenting with other no/low alcohol categories.

The no/low spirits segment has seen engagement grow to 11% in 2021 from 8% in Fall just two years earlier, while no/low wine saw consumer engagement increase to 13% from 8% in the same time period. Beer drinkers have even increased their engagement with mocktails, to 13% in Fall 2021 from 8% in Fall 2019, highlighting that there's obvious demand for better-for-you alcohol alternatives in the On Premise – and particularly within beer.

Within the no/low alcohol beer segment, there are also substantial opportunities for new entrants to solidify a place as a major supplier. At the end of 2019, the top three brands

within the segment accounted for a 60% share, and by the end of 2021 this had only grown to 70% – making the no/low alcohol beer segment significantly less competitive than other segments within the lower alcohol space.

NBWA Purchasers' Index Lowest in 12 Years

The National Beer Wholesalers Association (NBWA) released the Beer Purchasers' Index (BPI) for February 2022. For the second month in 2022, the industry has reverted to pre-pandemic trends.

The February 2022 BPI survey shows the total beer reading at 43 and “at-risk” inventory at 64, reminiscent of when inventories were too high, and order indexes were typically at or below 50. The February 2022 total beer reading of 43 stands out as one of the lowest over the past eight years. Following a solid comparative reading in 2021, expect 2022 index readings to show signs of weakness.

The dramatic drop in the FMB/seltzer BPI continues, falling to 34 in February 2022 from 95 in February 2021. Meanwhile, readings for premium lights, regular premium, below premium and ciders fell below 50 for the month. The craft segment managed to break above 50 to hit 51. The import segment was the only segment to report a significant expansionary index in February. The “at-risk” inventory measures at 64. This is another high mark since May 2020. It is important to take note of the upward trend in “at-risk” inventories as supply-side challenges begin to resolve and inventories continue to build.

Stone Brewing Expands Virginia Brewery

Stone Brewing Co.'s Richmond, Va., brewery received four new tanks, increasing the brewery's production capacity from 150,000 barrels to 200,000 barrels. As Stone builds out new points of distribution and expands its beer and hard seltzer innovations, increased capacity means increased brewing flexibility.

Stone's East Coast brewery services nearly all states east of the Rockies and much of Stone's international distribution, including all of Europe and the UK.

True to its craft roots, Stone is also scheduled to install a highly anticipated 10-barrel pilot system on which brewers will flex their creativity adding to Stone's innovation pipeline. For visitors to Stone Brewing – Richmond, that means more fresh offerings unique to RVA. Stone's new pilot system is expected to turn out local one-off creations as early as May 2022.

Scheid Family Wines Acquires 50% Interest in HOXIE Spritzer

Scheid Family Wines said it acquired a 50% interest in **HOXIE Group** and will produce **HOXIE Spritzer**, an artisanal dry wine spritzer. Terms weren't disclosed.

Scheid Family Wines will look to expand **HOXIE** with targeted national and international distribution. **HOXIE** wine spritzers include Lemon Ginger Rosé, Grapefruit Elderflower, and a range of seasonal collections such as Strawberry Rosé. **HOXIE** is available in 4-packs of 250ml cans that retail at \$14.99.

Bars Open and Pouring Reach 2-Year High

Bars open and pouring beer reached 93% last weekend (Feb. 24-27) reached the highest level in two years, **BeerBoard** reports. The open rate last hit 93% the weekend of Dec. 16-19, 2021, but immediately fell back to 89% in early January.

While the open rate hit a high, volume and rate-of-sale declined slightly, BeerBoard said.

Volume saw a -7.1% decline on the weekend, after being up +14.7% the prior period. In fact, Volume has seen declines in three of the last four periods reviewed. Nevada (-16.6%), Florida (-15.9%), Georgia (-14.2%) and California (-14.0%) all saw double-digit declines. Tennessee (+3.5%) was the only state tracked to see a lift on the weekend.

With a -3.9% decline on the weekend, Rate of Sale has now seen a fall in four of the five previous reports. California (-13.3%), Nevada (-13.2%) and Georgia (-11.3%) were among 10 states tracked to see a decline. Tennessee was again the only state tracked to see an increase, though a nominal +0.6%.

The Average Number of Taps held firm at 19 per location nationally and six of the 11 states tracked remained the same as compared to the prior period. California was the only state to add to its total, climbing to 21 handles per location.

Percentage Taps Pouring stopped its multi-period decline and held steady at 72%. Four of the 11 states tracked saw an increase over the weekend, led by California (75%), Illinois (67%) and New York (70%).

Spirits Case Sales, Dollar Sales Fell in Control States in January

Control states spirits case sales fell 3% in January from a year earlier, **National Alcoholic Beverage Control Association** said.

Control state spirits shelf dollars fell 0.3% during January while trending at 9% during the past 12 months. Shelf dollars in the control states are down 0.3% year-to-date compared to being up 10.7% last January.

Cocktails, with 4% share of the nine-liter-case control states spirits market, was January's fastest growing category with 18.1% reported and a twelve-month trend of 36.7%. Tequila, with 9% share, grew at 8.4% during January and 22.9% during the past twelve months. Vodka, with 32% share, grew during the same periods at -4% and 0.6%, respectively.

January's nine-liter wine case sales growth rate was -9.5%. Rolling-twelve-month wine volume growth in these six control states is -4.1%, down from December's reported -3.1%.

Molson Coors Releases Vizzy Mimosa Hard Seltzer

In conjunction with the launch, Vizzy also is kicking off a new North American marketing campaign for 2022 dubbed "Iz a Vibe," which includes a pair of new national TV spots, digital and social media, and out-of-home and

point-of-sale advertising.

The TV spots are slated to air during college basketball's widely watched national tournament in March. It's also working with celebrity platform Cameo to tout Vizzy to legal-age consumers on Snapchat.

"No one's ever been sad drinking a mimosa. It's a cocktail that brings joy and sparks energy and positivity — just like Vizzy. In short, it's the perfect space for Vizzy," says **Liz Cramton**, Molson Coors' director of marketing for Vizzy Hard Seltzer.

The brand's new North American TV spots for 2022, which launch this week, include an ad dedicated for Vizzy Mimosa Hard Seltzer that features an extravagant brunch, complete with a tower of glasses dripping with Vizzy Mimosa Hard Seltzer, floating bubbles and an acrobat swinging from a vine.

A second spot aims to showcase Vizzy's bright disposition — the centerpiece of its "Iz a Vibe" campaign, which positions Vizzy as a positive influence on everything.

Beat Box's New Flavor: Juicy Mango

Juicy Mango will be available in the brand's core 11.1% ABV Party Punch lineup, as well as its new line extension, **BeatBox Zero Sugar**. The Zero Sugar line promises the same great flavor as BeatBox's 11.1% Party Punch with lower alcohol by volume at 6%, fewer calories, and fewer carbs. Both will be available for purchase nationwide in March.

Launch of Juicy Mango will coincide with a larger Latino market rollout, including music festival sponsorships, nationwide cross-merchandising with popular rimming dip companies, in-store samplings, and collaboration with Latino investors in BeatBox like EDM duo, Good Times Ahead.

Crowdfunder

BeatBox recently announced an equity crowdfunding campaign on Wefunder. With a goal of raising \$5 million, BeatBox is offering its fans the opportunity to invest in the company that has been named the fastest-selling single-serve wine offering in the United States. "We are excited to yet again open the opportunity to invest in our company to the people we do all this for — our fans," said Co-founder and CEO Justin Fenchel. "With the support of this campaign, we will continue to add more fuel to the fire as we pursue our mission to deliver \$100m in revenue by 2024," Fenchel added.

Diageo North America Opens New Canning Facility to Accelerate RtD Growth

Diageo launched a new manufacturing site featuring two high-speed can lines, capable of producing 25 million cases of malt-based beverages and spirits-based Ready-to-Drink (RTD) cocktails a year.

The operation at the new 225,000 square-foot facility supplements existing ready-to-drink production across North America. Diageo Lincolnway is producing some of Diageo's latest portfolio brands and innovations, including Smirnoff seltzers and spirits-based RTD cocktails from **Crown Royal** and **Ketel One Botanical Vodka Spritz**.

With an investment of approximately \$110 million, Diageo Lincolnway employs 50 full-time team members. Diageo's presence has grown and expanded over the years: the Plainfield Bottling site – opened since 1966 – and the warehouse collectively employs more than 600 additional people.

“The new canning facility will enhance Diageo's existing operations, strengthening our offering and accelerating our strategy in the ready-to-drink category,” said **Keara Funck**, Convenience, Vice President, **Diageo North America**.

Coors Light Ends 6-Pack Plastic Rings Use

Coors Light said it will eliminate plastic rings from packaging globally, where **Molson Coors** owns brewing operations, and is set to become the largest beer brand in North America to move away from plastic rings. To support the move to more sustainable packaging, **Molson Coors Beverage Co.** will invest \$85 million, enabling Coors Light to begin the transition to fully recyclable and sustainably sourced cardboard-wrap carriers later this year.

The Molson Coors investment will upgrade packaging machinery, which will also allow the company's entire North American portfolio of brands to advance to cardboard wrap carriers by the end of 2025. In total, the move by Molson Coors will avoid 1.7 million pounds of plastic waste annually.

In 2021, Molson Coors removed plastic rings across all major brands sold in the United Kingdom, including Coors and Carling, and transitioned to recyclable cardboard sleeves. Molson Coors in Canada moved to more sustainable plastic rings in 2021 as an initial step, and as part of this announcement commits to eliminate plastic rings entirely.

Wisecre Brewing Expands To Indiana, Missouri

Wisecre Brewing Co. said it plans to launch statewide distribution in Missouri and Indiana this month. **Craft Republic** will distribute Wisecre's products in Missouri, and **Craft Roads** in Indiana.

Five of the Memphis-based breweries' year-round beers – **Ananda IPA**, **Bow Echo Hazy IPA**, **Gotta Get Up to Get Down Coffee Milk Stout**, **Puffel Hazy Double IPA**, and the Great American Beer Festival Bronze Medal-winning **Tiny Bomb Pilsner** – will be available in both states along with Seasonal and Specialty Releases. **Tiny Bomb** has grown to become the No. 6 Craft Pilsner in the entire country with 57% growth across Wisecre's footprint in 2021.

Thanks to its state-of-the-art production facility opened last March, Wisecre is able to offer a full array of packages with 12oz, 16oz, and 19.2 oz cans coming in 6-packs, 4-packs, 12-packs, Variety Packs, and single-serve to create options for consumers in the fast changing landscape of craft beer.

Riboli Family Wines Acquires New Vineyard

Riboli Family Wines said it a new vineyard near their existing **Stefano Vineyard** in Paso Robles, Calif., for an

undisclosed amount. Located in the El Pomar District, the vineyard is known for Cabernet Sauvignon, Petit Verdot, and Petite Syrah.

This acquisition will be the seventh estate vineyard in Paso Robles for the family. The 100-acre property was chosen for its unique calcareous (limestone) soil and high-quality water supply.

“Our family is thrilled to add another vineyard from the highly sought after El Pomar District AVA”, says 4th generation winemaker, Anthony Riboli. “We are excited to continue expanding in Paso Robles fresh off our acquisition of Jada Vineyard and Winery.”

Bourbon Dominated Drizly Whiskey Sales

It represented 38% of 2021 sales, followed by Scotch at 33%, Irish Whisky at 8%, Flavored Whiskey at 7%, Rye at 6%, Japanese at 4%, Canadian at 3% and Single Malt at 2%.

In 2021, Irish whiskey accounted for an 8.5% share of total whiskey category sales on Drizly. This is down slightly from 8.8% the year prior, but it is in line with Irish whiskey's 8.5% pre-pandemic share in 2019. The category currently holds 3.1% of the total liquor category on Drizly compared to 3.3% in 2020.

[NielsenIQ](#) data for the 52 weeks ending Jan. 29, 2022, show a 6% year-over-year decrease in off-premise dollar sales. However, the category's sales increased an impressive 21% compared to the same period in 2020. The single-malt category, on the other hand, is on the rise; dollar sales grew seven percent in the year ending Jan. 29, 2022 and jumped 43% compared to 2020.

Though the Covid-19 pandemic presented challenges for Irish whiskey brands as bars shuttered, consumer familiarity with the category drove continued growth for some brands. **Pernod Ricard's** full-year report released in September 2021 reveals that top-selling Irish whiskey brand **Jameson** saw 15% growth in the U.S. market, fueled by at-home consumption and the reopening of on-premise venues.

As Irish whiskey has gained popularity over the past decade, it has moved beyond its reputation as a St. Patrick's Day staple, or a go-to choice for shots. More consumers are adding Irish whiskeys to bar carts, exploring new styles and flavors, and mixing it into cocktails.

Hendrick's Gin Offers Limited-Edition Neptunia

Neptunia is a limited-release gin. Residing in a classically shaped Hendrick's bottle with an eye-catching sea-foam green label, Neptunia is bottled at 43.4% ABV with a \$39.99 SRP.

To mark this release, Hendrick's is launching a **Magic-of-the-Sea Spa Kit** complete with everything you'd need to bring the refreshing nature of the sea directly into your home. To sustain this oceanic enchantment, Hendrick's Gin, in partnership with **Project Seagrass**, will donate 100% of the sales of the kit to fund the conservation of seagrass meadows and raise awareness of the critical role they play in providing food and habitat. The Magic-of-the-Sea Spa Kit is available for purchase now via Hendrick's [Tiny Shop](#).

Splash Beverage Expands Distribution Through Suncoast Beverage in SW Florida

Splash Beverage Group, Inc., a portfolio company of leading beverage brands, said **Suncoast Beverage Sales** in Southwest Florida will now distribute **SALT** tequila and **Ta-pouT** performance drinks as well.

Suncoast Beverage Sales is the authorized distributor of Anheuser-Busch products and also distributes a selection of specialty beers, flavored malt beverages, and non-beer brands.

Wilder Whiskey Hard Seltzers Enter Market

Wilder Whiskey introduced **Wilder Whiskey Seltzers** are officially available. "We are so excited to finally share our seltzers with the world, we think there is such a big opportunity in the marketplace right now," said **Hank Zapf**, CEO. "It's been a long time coming."

The seltzers use only the highest-quality, all-natural ingredients and are gluten-free, contain only 2g of carbohydrates, and 5% ABV. They are also 100% made in the United States, using real, American-made whiskey. The goal is to craft a whiskey seltzer that is light, refreshing, and convenient for whatever adventure the day calls for. Wilder Whiskey Seltzers are now available for purchase online and ship to your door in 40 states.

Lost Explorer Mezcal Expands in U.S. Market

The Lost Explorer Mezcal, the sustainably crafted, artisanal mezcal from Oaxaca, has partnered with **The Beverage Agency** for continued U.S. market expansion. Already available in California, New York, Texas, Florida, Illinois, and Kentucky, the partnership will grow the brand across the Western, Northeast, and Southern U.S. regions.

The brand has also named veteran spirits marketer, **Maggie Yarborough**, as Head of Trade Marketing. She will lead **The Lost Explorer Mezcal**, as it expands into markets such as Colorado, Tennessee, Georgia, Arizona, Washington, South Carolina, Connecticut, New Jersey, Wisconsin, Minnesota, and Maryland/DC markets.

Meiomi Launches 1st Red Blend

Meiomi Wines releases Red Blend, adding another flavor forward offering to its award-winning portfolio.

The Red Blend is aged primarily in French oak, whose flavors and textures complement the fruit and structure of the wine. The end result is an intensely flavored wine that is well-balanced and complex.

The Red Blend bottle will include signature Meiomi packaging including the iconic bottle shape, beveled die-cut label and screwcap closure.

Sagamore Spirit Offers Rum Cask Finish Rye

It's a blend of barrel-aged 5- and 6-year-old straight rye whiskies. After blending some of it was placed in hand-selected barrels from South America, and the rest in barrels from Jamaica, aging both for an additional 10 months. Once aged, the whiskey from both barrels were then blended back together. The Jamaican rum barrels contribute notes of ripe banana and bright pineapple, which are then balanced by the

rich vanilla and brûléed sugar character from the South American rum barrels. The result is a complex, yet approachable take on Sagamore Spirit's award-winning rye whiskey at 98-proof. SRP: \$791

"This product is another great example of our distilling team's commitment to excellence," said **Brian Treacy**, **Sagamore Spirit's** co-founder and president of distillery operations. "Rum and rye whiskey were both favorites in Maryland's early days, dating back centuries. Our team brought them together again in a whole new way that brings out the best of sugarcane and rye grain, all in one bottle."

Rum Cask Finish is part of the Sagamore Spirit Reserve Series, a collection of limited-edition Maryland-style rye whiskies that celebrate the legacy of Maryland distilling, with an unyielding focus on excellence from start to finish. Past releases include 8-Year-Old Rye Whiskey, Manhattan Finish and Tequila Finish.

2 Indicted in \$100 Million Wine Fraud

It was an "intoxicating investment opportunity," attorneys in the U.S. Attorney's Office in Brooklyn said. The defendants, who were indicted in U.S. District Court in Brooklyn, N.Y., told investors that the defendants' company, **Bordeaux Cellars**, brokered loans between investors and high-net-worth wine collectors that would be fully collateralized by high-value collections of wine.

The defendants promised investors would receive regular interest payments from the borrowers, and that Bordeaux Cellars would keep custody of the wine pledged as collateral while the loans were outstanding.

The problem, the indictment claimed, was that these representations were false, the "high-net-worth wine collectors" did not actually exist and Bordeaux Cellars did not maintain custody of the wine purportedly securing the loans. Instead, the defendants used incoming loan proceeds to make fraudulent interest payments to investors and for their own personal expenses.

The defendants, Stephen Burton, 57, and James Wellesley, 55, are both UK citizens. They were charged with wire fraud conspiracy, wire fraud and money laundering conspiracy. Wellesley was arrested on February 4, 2022 in the United Kingdom and Burton remains at large.

Illinois Bill Would Increase Winery Self-Distribution

A bill to increase the number of wineries that could self-distribute in Illinois has been introduced into the state Senate.

In a statement, the National Association of Wine Retailers praised the move and said:

"Current law limits self-distribution rights to wineries inside and outside Illinois that produce no more than 25,000 gallons of wine annually. This cap excludes too many wineries. Moreover, the current law limits wineries to self-distributing no more than 5,000 gallons of wine annually to restaurants and retailers in the state.

"When forced to procure their inventory primarily from the relatively small selection of wines offered by wholesalers, retailers are unable to compete on selection and instead are

forced to compete on price, which results in a 'race to the bottom' and far lower margins for retailers," NAWR said.

Oregon May Extend Bottle Deposits To Canned Wine

Oregon's State Senate passed, 23-4, and sent to the State House a measure that would apply the state's 10-cents "bottle bill" deposit to canned wine.

"Once an oddity, wine packaged in cans is increasingly to be found on store shelves," said Sen. Michael Dembrow, D-Portland. "Consumers assume that those cans carry deposits and can be redeemed."

Until now, wine hasn't been included in the deposit bills because some larger wine bottles would be difficult to recycle using current equipment.

Fire Destroys Larson Family Tasting Room

Larson Family Winery was once home to the Sonoma Rodeo, where famed horse trainer Buster Millerick, who worked with Seabiscuit, learned to ride.

The barn once used for the rodeo was converted into the winery's 1,600-square-foot tasting room and was adorned with memorabilia that told the story of five-generations of the family in Sonoma. It was the only place to buy Larson Family wine. The building was closed when the fire erupted, so there weren't any injuries. It was a total loss.

Old Bridge Cellars to Rep Robert Craig

Old Bridge Cellars said it entered into a long-term contract as the wholesale sales and marketing company for Robert Craig Winery. Since 2013, Robert Craig Winery has expanded its vineyard holdings beyond their physical and spiritual home on Howell Mountain to be 85% estate-grown, with significant acquisitions not only on Howell Mountain but in Mount Veeder and Coombsville AVAs as well.

Bulleit Extends Line to Include RtD Cocktails

Bulleit Frontier Whiskey (Diageo) introduces **Bulleit Crafted Cocktails**, a new premium line of whiskey-based ready-to-serve cocktails ready to pour straight from the bottle. First up: **Bulleit Manhattan** and **Bulleit Old Fashioned**.

"As a brand rooted in bartender culture, we collaborated with a number of leading bartenders to perfect and refine two timeless whiskey cocktails, the Old Fashioned and Manhattan," said **Sophie Kelly**, Senior VP-Whiskies, Diageo. "With Bulleit Crafted Cocktails, consumers can pour and serve bar quality, crafted cocktails wherever they are. Whilst nothing can replace the full experience of enjoying a drink made by your local bartender, Bulleit Crafted Cocktails are as close as you can get."

Brown-Forman Promotes 4 to Senior VP, Announces 2 Retirements

Brown-Forman Corp. promoted four company veter-

ans to Senior VPs and announced the retirement of **Ralph de Chabert**, Senior VP/Chief Corporate Citizenship Officer, effective July 1, and **John Hayes**, Senior Vice President/President, USA and Canada, effective Aug. 17.

The four are:

Tim Nall is Senior VP/Chief Global Supply Chain and Technology Officer. Nall has served as Chief Information Officer since 2015. He joined Brown-Forman in 2000 in bottling and production operations.

Crystal Peterson will be named Senior Vice President/Chief Inclusion and Global Community Relations Officer effective June 15. Peterson most recently served as a Vice President, Human Resources, supporting more than 2,600 employees in 23 countries.

Jeremy Shepherd will be named Senior Vice President and become President, USA & Canada effective July 15. Shepherd, a 17-year veteran of Brown-Forman, previously served as VP/General Manager, for the UK and Ireland.

Alex Alvarez has assumed responsibility for a newly created position of Senior Vice President and Chief Sustainability Officer and Director of ESG (Environmental, Social, and Governance). In this new senior leadership role reporting to the CEO, Alvarez previously served as the Chief Production and Sustainability Officer.

Beam Suntory hires **Jerry Daykin** as vp-global media. He will be based in London, and joins from Diageo.

Korbel Champagne Cellars promotes **Paul Ahvenainen** to Vice President – Operations and Winemaking. He has been with Korbel for 37 years, most recently directing winemaking and grower relations.

Victoria Eady Butler, master blender for **Uncle Nearest Premium Whiskey** becomes the first person to be designated Master Blender of the Year at Whiskey Magazine's American Icons of Whiskey Awards. She's the great-great-granddaughter of Nearest Green, the brand's namesake.

KLG Public Relations adds three new clients: Dos Hombres Mezcal, St. George Spirits and **Banfi Vintners**.

Austin Eastciders hires **John Glick** as president/general manager, succeeding **Brad McKeever**, who is retiring as CEO after 30 years in the industry. Glick, most recently a consultant, has 30 years of experience at Anheuser-Busch, where he was vp-business development, and Craft Beer Alliance, where he was vp-emerging business and supply chain.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor