

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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Boston Beer Posts 1Q Loss as Shipments Plunge

Boston Beer Co. reports first quarter depletions fell 7% and depletions plunged 25.1%, leading to a 21.1% drop in sales to \$430.1 million and a net loss of \$2 million. A year earlier the company reported a profit of \$65.6 million, or \$5.26 a share.

The depletions decline reflects the slide in demand for the company's **Truly Hard Seltzer**, **Angry Orchard** and **Dogfish Head** brands which increases in its **Twisted Tea** brands were not able to overcome. The company's **Samuel Adams** brand was nearly equal in both periods.

"Despite our depletions decline, we gained dollar share in measured off-premise channels in the first quarter — the second-largest share gain among brewers," said Chairman and Founder **Jim Koch**. "The out-of-stock issues that affected our first quarter performance have improved during the quarter, setting us up for additional growth over the rest of the year."

Koch announced the launch of **Truly Vodka Seltzer**, a new ready-to-drink hard seltzer with 110 calories and 5% ABV, which is to begin rolling out later this summer. "We believe it will help us compete effectively in the high-end of the hard seltzer category and continue to broaden the reach of the Truly brand," he said.

Dave Burwick, president/CEO, described the prior year performance as "exceptional" and said the company "fully expect depletion and shipment volumes to improve, both in absolute terms and against less difficult prior year volume comparisons. We also expect margins to increase from the lower first quarter levels as our supply chain performance slowly improves during the remainder of the year."

"We continue to believe we have strategies in place to get back to company-wide mid single-digit to double-digit depletions growth driven by broad-based growth across our entire portfolio of brands — especially as consumers drink more 'Beyond Beer' products — and via our strong innovation pipeline," he said.

Boston Beer said it believes distributor had about five weeks inventory on hand as of March 26 and was at an appropriate level for each of its brands. The Company expects distributors will keep inventory levels below 2021 levels in terms of weeks on hand, as the need for peak season inventory prebuilds is greatly reduced due to our increased production capacity.

Looking to the future, Boston Beer said it expects to close 2022 with depletions and shipments having increased between 4% and 10%. For the Company to achieve the mid-point of its full year depletions range, its depletions for the remainder of the year must increase 10% compared to the last nine months of 2021 and increase 29% compared to the last nine months of 2020. It expects to increase prices 3% to %.

Heineken Holding 1Q Sales Jump 35.9%

Heineken Holding N.V. reports revenue grew 35.9% in the first quarter (24.9%, organic) as beer volume grew 5.2% organically. Heineken's volume rose 12.9%.

Net revenue per hectolitre was up 18.3%, driven by assertive pricing and premiumization across all regions, as well as a positive channel mix effect, particularly in Europe. Currency translation positively impacted net revenue (beia) by €186 million or 4.3%, mainly driven by the Brazilian Real, the Mexican Peso and the Vietnamese Dong. The consolidation of United Breweries Limited (UBL) in India positively impacted net revenue (beia) by €200 million or 4.6%.

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Premium beer volume grew 6.3%, outperforming the portfolio in most Heineken's markets in the first three months of 2022. Heineken's growth in premium is driven by Heineken, which grew 12.9% in volume, significantly outperforming the total beer market and ahead of 2019 by close to one-third. Volume grew double-digits across all regions and in more than 45 markets.

Growth was mainly driven by Brazil, China, the Netherlands, Spain, Ireland, Italy, the UK, Portugal, Nigeria, and the United Arab Emirates. **Heineken 0.0** grew in the twenties with strong momentum in Brazil, Mexico, the USA, Chile and South Korea. **Heineken Silver** continued its strong growth in Vietnam and China.

End State Stores, Penna. Consumers Say In Distilled Spirits Council Poll

The majority of Pennsylvania consumers – both Democrats and Republicans – support major changes to the current government-run retail sale of wine and spirits in the state of Pennsylvania, according to a new poll released by the **Distilled Spirits Council of the United States**.

The poll, conducted by the Tarrance Group surveyed consumer attitudes on a range of issues related to state ABC stores.

Key findings include:

- 64% favor or strongly favor a state constitutional amendment to end government retail sale of wine and spirits in the State of Pennsylvania
- 76% favor or strongly favor allowing beer distributors and grocery/convenience stores to sell pre-mixed and ready-to-drink cocktails
- 61% believe systems like in Ohio and West Virginia – where the state distributes wine and spirits but allows private businesses to sell these products – is the right system

“This poll makes it clear that Pennsylvania residents across the political spectrum are supportive of modernizing the retail sale of spirits and expanding the number of stores that carry these products,” said **David Wojnar**, senior vp and head of state government relations at DISCUS. “With only 600 state stores, Pennsylvania lags behind other control states, and voters want change. We have long worked with control-state systems to ensure consumer needs are being met and are hopeful we can do the same in Pennsylvania.”

Act 39, signed into law in 2016, allowed the sale of wine in grocery stores but failed to allow spirits products the same market access.

“Spirits consumers should have the same opportunity to purchase their favorite distilled spirits products that wine and beer consumers do,” Wojnar added. “Allowing retail outlets that already sell beer and wine to also sell spirits products would be a great start towards answering consumer demand.”

Manager Buys Goosecross Cellars

Christi and Dave Ficeli have purchased **Goosecross Cellars** in Yountville, Calif. Terms weren't disclosed.

Dave and Christi Coors Ficeli met while working for

E&J Gallo Winery. Dave's professional experience is primarily in marketing and production roles for Gallo, Treasury Wine Estates and Jackson Family Wines. Christi worked in her family's beer business, serving as a sales representative at Coors for over 14 years, before transitioning to the wine world. Renowned winemaker Bill Nancarrow joined Goosecross in 2014 after spending more than ten years making wine at Duckhorn.

Until February, Goosecross Cellars wines were only available through the winery, 100% direct to consumer. As of February 2022, **Old Bridge Cellars** took on sales and marketing activities for Goosecross Cellars to the wholesale channel.

Premiumization Drives Recovery For On-Premise Retailers: CGA

Consumers in the US are opting to spend more on their drinks in bars and restaurants as premiumization drives the recovery of the On Premise after COVID-19, CGA said. .

The premium price tier of the spirits market took a 40% share of sales by value in February 2022, while super-premium took 18%. The ultra-premium segment had a 4% dollar share, having grown sales by 180% year-on-year. It means that the three premium categories now account for 62 cents in every dollar spent on spirits, CGA's exclusive On Premise Measurement (OPM) service shows.

The premiumization trend was paused during the pandemic is now accelerating again, creating challenges for some spirit brands in the mid-price tier, which saw its share trimmed to 23% in February, from 25% in the same month in 2021. Other CGA insights within specific spirits categories include:

Half (50%) of **gin** sales now come from the premium price tier. Premium and super-premium segments have grown their sales by 137% and 167% respectively year-on-year

Super-premium **tequila's** share of total sales has jumped from 28% to 32% in a year, while the mid-price tier's share has gone the other way—from 32% to 28%

Vodka's premium price tier has increased its share from 42% to 44%

Whiskey's super-premium and ultra-premium sales have grown by 163% and 165% respectively over the last year.

There have been more notable moves towards premiumization in other categories including brandy and rum, which have traditionally been dominated by the mid-price category.

Patrick Bannon, CGA client director, Americas, said: “Celebration and treat occasions are crucial to the US On Premise, and the data suggests that more and more consumers are looking for more premium offerings after two years of disruption from COVID-19. However, mid-priced brands still have a big role to play too, and beverage suppliers and operators that can respond to ever-changing tastes and preferences with the optimal spirits assortment will have a significant competitive advantage.”

“CGA will be keeping a finger on the pulse through its OPM read and other capabilities, including our proprietary Assortment Optimization Tool,” Bannon said.

SipSource Data: Volume Below \$17, But Growth Is Above \$17

In a new SipSource product, the Price Tier Performance Scorecard, **Wine & Spirits Wholesalers of America** finds that for spirits, the two lowest price tiers (\$9.99 or less and \$10-\$16.99 per equivalent 750 ml bottle) account for 56% of volume and are relatively stable in terms of growth versus a year ago. For table wine, the three lower price tiers (collectively less than \$11 per equivalent 750 ml bottle) account for almost 75% of the category's volume, while all three price tiers are currently declining at double-digit levels.

"Twelve-month comparisons through February 2022 versus the year prior still include the extreme pantry loading that started when COVID shelter-in-place directives had a significant impact on consumer behaviors," notes SipSource Analyst **Danny Brager**. "The pantry loading was highly focused on the lower end of table wines, and as the comps start to now move beyond that period, it's likely that volume decreases will begin to moderate. On the other hand, higher-end table wine price tiers declined through most of 2020, creating relatively easier comps for the current 12-month period, so we expect some moderation of the very large growth rates we're seeing currently. Yet, we expect that the higher end will still be the center of industry growth.

Sparkling Wine Pops over \$18

"The sparkling wine PTP Scorecard is a strong one with growth right across the board from the low end to the high end," said Brager. "However, we anticipate that the current large growth rates at the higher ends we're seeing will moderate somewhat." The Sparkling Wine PTP Scorecard shows impressive growth in all categories, but growth above 20% in the top three price-tiers over the past year (February 2021- 2022): Tier 3 (\$18 – \$34.99): +20.2%, Tier 4 (\$35 – \$74.99): +21.9%, and Tier 5 (\$75+): +29.4%.

Bracing for Impact

Inflationary pressures, as well as expanded spending opportunities for consumers beyond alcohol that were significantly restricted during COVID (e.g., travel, entertainment, recreation, etc.), may have some impact on the level of premiumization seen over the past year.

"Depending on the portfolio of any individual supplier or importer, this represents either a very positive or negative story," explains Brager. "If you're operating in a segment and price tier with strong growth, the wind is at your back, and you can assess if you're keeping pace with the gains, but if you're operating in a segment and price tier with negative trends, the headwinds could be significant. Yet if you're growing in that latter case, you have a "winning/positive" exception that you can leverage to ensure you're not painted universally in a negative light. It's critical for brands to determine both the size of the prize and the trend associated with the segments and price tiers they operate within, so that they can assess their relative performance."

Beer, Spirits May Drive Weight Gain, But White Wine May Strengthen Bones

Drinking beer and spirits is linked to elevated levels of **visceral fat** – the harmful type of fat that is associated with

an increased risk of cardiovascular disease, metabolic syndrome, and other health complications – whereas drinking wine shows no such association with levels of this harmful fat and may even be protective against it, depending on the type of wine consumed.

That's the finding of a new study published in *Obesity Science & Practice* journal.

The study also showed that moderate drinking of white wine was associated with higher bone mineral density in older adults.

It's an important study because aging is often accompanied by an increase in the problematic fat that can lead to heightened cardiovascular disease risk as well as by a reduction in bone mineral density. This has important health implications given that nearly 75% of adults in the U.S. are considered overweight or obese. Having higher levels of body fat has been consistently linked to an increased risk for acquiring many different diseases, including cardiovascular disease, certain types of cancer, and a higher risk of death. And it's worth noting that national medical care costs associated with treating obesity-related diseases total more than US\$260.6 billion annually.

The study relied on a large-scale longitudinal database called **the U.K. Biobank**. We assessed 1,869 white adults ranging in age from 40 to 79 years who reported demographic, alcohol, dietary and lifestyle factors via a touchscreen questionnaire. Next, height, weight and blood samples were collected from each participant. Body composition information was obtained by using a direct measure of body composition called dual-energy X-ray absorptiometry. Then, a statistical program examined the relationships among the types of alcoholic beverages and body composition.

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When it comes to one being overweight or obesity, alcohol consumption may be a factor, the study says, adding that other studies haven't found a clear link between weight gain and alcohol consumption.

August Distillery Plans \$23 Million Expansion

Augusta Distillery will invest \$23 million to convert the former home of fastener manufacturer F.A. Neider Co. to a state-of-the-art facility in Augusta, Ky.

The company's initial brand expression, **Buckner's** 13-year single barrel cask strength bourbon, is available at retail in Kentucky and Ohio. Recently added as a Craft Member of the Kentucky Distillers' Association, Augusta Distillery is planning its next release for later in 2022.

Reyes' Monarch Beverage Unit To Rep Bell's Brewery in Indiana

The agreement adds about 175,000 cases to Monarch's volume and is a result of Bell's joining **New Belgium Brewing**. "Our Monarch team is eager to start warehousing, selling, delivering and merchandising this great portfolio," said **Stephen Reyes**, president, **Reyes Beer Division East**.

What New Bev/Al Products Can Teach Us

Nearly all of the popular new product launches on Drizly in the first quarter featured single-serve formats and canned offerings ideal for gatherings on the go, the company says.

The popular new products of Q1 show a marked shift over consumption habits from 2021, particularly in the beer and wine segments where innovation is disrupting seasonal norms and longstanding new product trends. Within the beer category, hard seltzer virtually disappeared from the top new products list after making up the entire list in Q1 of 2021 – only **Bud Light's Hard Soda Seltzer Variety Pack** was a popular new release this season. Wine saw a similar shift, with three of the top five spots in 2022 going to canned wine cocktails that compete directly with popular ready-to-drink (RTD) cocktails and seltzers.

Generational Trends Are Brewing in Beer

New beer launches in the first quarter centered on innovation, with novel products like **Bud Light Next** and **Flying Embers Bubbly Brut Nature Hard Kombucha** topping the popular new products list. Bud Light Next, which is directly marketed toward Gen Z as the first "zero-carb" beer, shows that innovation in the beer space will likely be a major trend going forward, Drizly said.

"[Gen Z] consumers have shown interest in 'better for you' options across beverage alcohol, specifically in beer, which is driving the growth of alternative beer categories like hard seltzer and hard kombucha," explains **Liz Paquette**, Drizly's head of consumer insights. "Further, this generation is also particularly interested in trying new things – likely driving interest in this new innovation."

This season, only one popular new product – **Voodoo Ranger Juice Force IPA** – represented a traditional beer category. This is the second year in a row where innovation led beer category product launches in Q1, though the new products in 2022 span a range of styles while 2021's new

launches were all in the hard seltzer space.

"With so much change happening in the beer alternatives segment, retailers should keep a close eye on new products and brands in this space and pay attention to what is driving sales," says Paquette, noting that core beer SKUs still make up 75% of beer share of Drizly.

New Wines Aim to Compete Directly with RTDs

The most popular new wine products this season weren't the rosé releases that often dominate the early spring. Instead, perhaps taking the lead from established spirits brands and popular RTDs, major brands released celebrity collaboration bottlings and wines in single-serve cans.

Three of the five top new products – **Sutter Home's Sweet Tea, Peach with Lemon**, and **Lemonade** wine cocktails – take direct aim at the demand for cocktail-esque beverages that are easy to consume on the go. "Wine-based RTDs, seen in the Sutter Home innovation, are positioned to compete directly with ready-to-drink alternatives which are on the rise in the beer and liquor categories," says Paquette. She adds that the shift to single-serve wines is the biggest change in wine trends over 2021, when the top five wines were all standard, 750-milliliter offerings.

19 Crimes released its **Martha Stewart Chardonnay** in tandem with the lifestyle expert, continuing its successful reputation with celebrity-endorsed bottlings, while **Wölffer Estate's Summer in a Bottle Provence Rosé** represented the lone rosé to make the top five new wine products listing this quarter.

Liquor Underscores Existing Trends

Unlike the beer and wine categories, the new liquor products released this quarter compound existing spirits trends and support traditional seasonal shifts.

"The key trends we see across the liquor category are reflected with the products that topped this list," says Paquette. "This includes ready-to-drink innovation, with new brands like **NUTRL** and existing brands such as **Crown Royal** entering the space, plus ongoing premiumization within the tequila category."

The **NUTRL Hard Seltzer Variety Pack** and **Crown Royal Whisky Lemonade Cocktail** add to competition in the still-hot RTD subcategory. NUTRL in particular, which is vodka-based, may be a brand to watch, as it is a direct competitor to **High Noon** – historically the most popular RTD brand across Drizly purchasers.

One new tequila, **Avión Reserva Cristalino Añejo Tequila**, landed in Drizly's top new products list, representing ongoing consumer and brand interest in premium aged tequilas. The average unit price of tequila has risen five percent year-over-year, a \$2 per-product average increase, driven by the growth of aged offerings like añejo and reposado tequilas.

Both **Jameson** and **Smirnoff** released new spring flavors, with Jameson's **Orange Irish Whiskey** and **Smirnoff Peach Lemonade Vodka** launching – both of which support the traditional spirits trend of releasing citrus flavors in Q1.

Ackley Brands Debuts an Oregon Pinot Noir, Seeks to Invest in Vineyards

Washington State and Oregon winery owners looking to sell have a ready buyer in [Ackley Brands](#), a family invest-

ment company that launched [Borealis](#), a new Oregon Pinot Noir.

“We are excited to catapult Borealis into the national market,” said **Brandon Ackley**, president. “It is a model Oregon Pinot Noir, that blends the elegance of old-world wine craft with the grit and creativity of the Northwest.”

The company currently farms more than 200 acres of organic and biodynamic vineyards in Oregon’s Willamette Valley and is currently developing another 177 acres in Yamhill–Carlton.

Pacific International Liquor Adds a Sake

Ginjo Style **Kobe Sake** is 11.5% ABV, and is produced in Kobe, Japan. Kobe is known as the oldest sake-producing area (for 700 years), and it produces more than 25% of all the sake produced in the entire country. It’s taste is described as “surprisingly smooth and crisp.”

William Grant Launches New Range Of Premium Ready-to-Drink Cocktails

Batch & Bottle, a new range of premium RTDs from **William Grant & Sons**, the independent family-owned distiller, has officially launched.

With four premium, pre-batched, ready-to-serve cocktails, Batch & Bottle features some of the world’s most iconic spirits brands and brings bar-ready cocktails directly into the home, effortlessly elevating any hosting occasion. This launch offers customers a delicious and convenient pre-mixed cocktail, perfect for at-home celebrations such as backyard gatherings and simple date nights.

The fourth Batch & Bottle expressions include Monkey Shoulder Lazy Old Fashion, Reyka Rhubarb Cosmopolitan, Glenfiddich Scotch Manhattan and Hendrick’s Gin Martini.

Paulaner Moves to Eco-Friendly Packaging

Effective immediately, all Paulaner 4-pack cans will convert to eco-friendly cardboard, as opposed to plastic wraps. This is part of the company’s greater commitment towards sustainability, which plans to phase out all plastic packaging within the year.

“Traditional beer packaging has contributed to needless excess waste, damaging our environment, and devastating our oceans,” says Steve Hauser, CEO and president of Paulaner USA. “As a company dedicated to using only quality ingredients in our brewing process, it was important for us to extend this impeccable standard in every facet of the company, and that includes everything, including our packaging.”

The transition to cleaner, sustainable packaging goes hand in hand with Paulaner USA’s commitment to the reduction in single-use plastic. Hauser adds, “By reducing plastic wraps and replacing it with eco-friendly cardboard, we are contributing to the betterment of the environment and will continue to learn and explore new ways in which we can help, not hinder, our eco-system.”

In addition to being more sustainable, the new can packaging will also feature bold new images and graphics

on moisture resistant cardboard stock. Consumers will begin to see the new packaging designs beginning this Spring for Paulaner Hefe-Weizen, Paulaner Münchner Lager, Paulaner Oktoberfest Bier, Paulaner Pils, Paulaner Grapefruit Radler, Hacker-Pschorr Weissbier, and Hacker-Pschorr Munich Gold.

Dry Land Distillers Raises \$1.3 Million in Private Round

Dry Land Distillers, Longmont, Colo., successfully closed its first Class A private financing round, raising nearly \$1.3 million. Proceeds will be used to increase production capacity 400%.

Stoli Group to Aid Ukraine With Release of Limited-Edition Bottle

Stoli Group said it released a limited-edition bottle of **Stoli** Vodka to benefit Ukraine. Proceeds from the bottle will be donated to World Central Kitchen (WCK), a non-profit organization founded by Chef José Andrés that provides fresh, nutritious meals to refugees fleeing Ukraine and those who are staying in cities impacted by the war.

“As Ukrainians continue to suffer unimaginable losses, we are doing our small part to show unequivocal support,” said Damian McKinney, Global CEO, Stoli Group. “This Stoli Vodka bottle will not only provide financial resources to Ukraine but is also a symbol of solidarity.”

Drawing from the colors of the Ukrainian national flag, the geometric graphic pattern that adorns Stoli Vodka’s Ukraine limited-edition design is inspired by the communities around the world that have come together to support the people of Ukraine. This special limited-edition will be launched globally as one of the key pillars in reaching the goal of raising \$1MM for WCK by August 24th – to celebrate Independence Day of Ukraine.

Freeland Spirits Finishes 5-Year Rye In Magdalena Rum Barrels

Freeland Spirits, Portland, Ore., is launching its first limited release rye whiskey that was finished in Magdalena Rum barrels. The five-year-old sourced rye was transferred into four Magdalena Guatemalan Rum barrels, where it spent two years in its second maturation. This marks the first time that Freeland has offered one of its limited releases outside of the distillery’s two tasting rooms.

“We’re double-excited about this limited release,” said Freeland Spirits Founder **Jill Kuehler**. “It’s a great collaboration with Magdalena Rum and it’s our first time making a limited release available outside of our tasting rooms. We’re excited to give more people the chance to experience our smallbatch releases.”

Master Distiller Molly Troupe says, “It’s like thick caramel syrup drizzled over vanilla ice cream.” SRP is \$75.

Kansas Fairgoers Can Drink Beer, Wine

Under a new law signed by Kansas Gov. Laura Kelly, attendees at the Kansas State Fair will be able to consume beer and wine throughout the fairgrounds. The measure

also permits distilled spirits.

Fair officials say they haven't determined whether the new procedures will be implemented for this year's fair, Sept. 9-18.

The policy was promoted as helping the Fair recoup revenue it lost when the 2020 event was canceled owing to Covid-19. Proponents also argued fairgoers "wanted to walk around to look at animals ...with a daiquiri."

Bud Light Seltzer Intros Cocktail Hour Pack

Bud Light Seltzer introduces its new limited-edition **Bud Light Seltzer Cocktail Hour** variety pack to its portfolio of "Loudest Flavors Ever". The flavors include Tropical Punch, Lime Margarita, Watermelon Mojito, and Strawberry Daiquiri.

"Bud Light Seltzer continues to drive innovation, delivering the "Loudest Flavors Ever" and our latest seasonal offering is no exception," said **Andy Goeler**, vp-marketing, Bud Light. "Our new limited-edition Cocktail Hour variety pack is perfect for our loyal fans who expect us to have bold, delicious flavors, and is appealing to consumers who are looking for a seltzer spin on their fan-favorite summer cocktail flavors as they gather with friends and family this season."

The Bud Light Seltzer Cocktail Hour will be available for a limited time nationwide, beginning Monday, April 25. The pack will be available for purchase in 12 oz. slim can variety 12-packs. In line with the Bud Light Seltzer portfolio, the limited-edition Bud Light Seltzer Cocktail Hour pack is made with pure cane sugar, natural flavors, contains zero sugar and comes in at 100 calories and 5% ABV.

In late-May, Bud Light Seltzer is also introducing two new, bold flavors to its Classic Variety pack: **Watermelon and Tangerine**.

SLIQ Spirited Ice Intros Patriot Pops

The white wine infused frozen cocktail will be available from May through Labor Day Weekend in three different flavors — Watermelon, White Peach and Blueberry. Each is vegan, kosher, less than 70 calories and 5% ABV. SLIQ is donating proceeds from Patriot Pops to Folds of Honor, which aids families with fallen or disabled service members.

Budweiser Launches The Energy Collective to Help World Move to Renewable Electricity

Having reached its goal in many markets of brewing every beer with 100% renewable electricity by 2025, **Budweiser** announced the launch of The Energy Collective to help provide renewable electricity to bars, music venues and stadiums around the world. This launch follows and contributes to Budweiser parent company **Anheuser-Busch InBev's** recently announced ambition to achieve net zero across its value chain by 2040.

The Energy Collective is now facilitating connection to renewable electricity in select countries including Ireland and Brazil and will be piloting the program in Colombia in 2022. Budweiser is exploring opportunities in additional countries including the UK, Chile, Uruguay and more. Ap-

parently, the U.S. is not among the countries benefitting from this initiative.

Ship My Spirits Expands to Vermont

Distillers and their trade associations — American Craft Spirits Association (ACSA), American Distilling Institute (ADI) and Distilled Spirits Council of the United States (DISCUS), and the Distilled Spirits Council of Vermont — have expanded the Ship My Spirits campaign to Vermont.

"By simply providing distillers with the same access to consumers and allowing that we utilize the same proven age-verifying delivery methods, we can strengthen our distilling industry — while providing a revenue stream for the state of Vermont and our distilleries," said **Ryan Christiansen**, president of **Caledonia Spirits** and representative of the **Distilled Spirits Council of Vermont**.

The Vermont legislature is currently considering multiple bills that would permanently allow distillers to ship their spirits products directly to adult consumers just as wineries have done for more than a decade in the state.

"Direct shipping is a critical step to secure the future of our industry," said **Margie A.S. Lehrman**, ASCA CEO. "Not only do we know we can do this safely and responsibly, but we have also seen how direct shipping has created an important lifeline for our community of craft producers who are currently facing so many small business challenges, from tourism declines due to COVID, the rising costs of grains, to global glass supply shortages."

"Consumers want distilled spirits shipped straight from the distillery to their doorbell, and that's the goal of the 'Ship My Spirits' campaign," said **Chris Swonger**, president/CEO of DISCUS. "Direct-to-consumer laws in Vermont need to be modernized to increase consumer choice, build small businesses and tourism, and create an on-ramp to distribution for new products. Allowing distillers, large and small, to direct ship supports consumers, producers, wholesalers and retailers which continues our support of the three-tier system."

Bud Light to Pay \$15 Million to Fans Who Predict All 32 1st Round Draft Picks

"As the official beer sponsor of the NFL, **Bud Light** continues to cement itself as the beer of choice for football fans across the country by providing them experiences and something to cheers to year-round," said **Andy Goeler**, vp-marketing. "Our 'Perfect Draft' campaign is the latest way Bud Light is celebrating the most passionate fanbase in sports with the ultimate prize — getting paid like a first-round NFL pick."

To encourage fans 21+ to enter the competition for their chance to get paid, Bud Light has partnered with former tight end, and 2007 first-round selection, Greg Olsen. Fans 21+ can submit their picks to enter the 'Perfect Draft' competition at budlight.com/perfectdraft.

Fans can submit their 'Perfect Draft' selections up until Thursday, April 28 at 7 p.m., and then tune in to the 2022 NFL Draft in Las Vegas at 8 p.m. to watch the action unfold and see if you will be cashing in on a first-round payday!

Bud Light will also be on the ground in Las Vegas throughout NFL Draft Weekend to help fans 21+ raise a toast to the newest additions to their favorite team. Fans can visit Bud Light at the NFL Draft Experience and fill out their own Mock Draft. If a fan correctly predicts the first five selections from the first round Thursday night, they can show their Mock Draft for a chance to win upgraded VIP access.

Freshie Organic Tequila Seltzer Expands into Florida Via SGWS

Southern Glazer's Wine & Spirits will be the distributor. Freshie is the only USDA-certified organic and sustainably produced tequila seltzer.

The brand launched in the Chicago area in 2021 with one SKU (lime) and is now in more than 1,000 retailers and restaurants. Freshie Co-founder **Paige Iseminger** said Freshie will be supported in market this summer with digital advertising, social media and PR campaigns as well as retail sampling and events in key markets. With ISWR projecting spirit-based RTDs we see 33% annual volume growth, Freshie expects to enter other markets soon.

Virginia ABC to Announce Release Dates For Hard-to-Find Spirits

The move is intended to make it fair for everyone, CEO Travis Hill says. In the past, some customers would camp out or follow trucks on deliveries.

"We're going to announce [release dates and locations], and then it gives everybody the opportunity to make that decision of, 'okay, I'm going to try to go down to the store and see what they've got,' and having a chance versus knowing, 'well, if I go there at whatever time in the morning, people are going to be lined up and I'm not going to have a chance,'" said Hill.

He says Virginia ABC will continue to host special lotteries for the hardest-to-find products.

Bacardi Sues American Airline for 'Losing Or Stealing' 400 Cases of French Cognac

According to the lawsuit, Bacardi gave American Airlines 24 pallets containing 1,680 cases, to deliver to Los Angeles International Airport last year, but six cases never arrived and were either lost or stolen, Bacardi alleged. The lawsuit was originally reported by the Dallas Morning News.

American respond to a request for comment.

DISCUS Craft Distillers Form Sustainability Council

Distilled Spirits Council of the U.S. announced the formation of its Craft Distiller Sustainability Taskforce to collaborate and share effective strategies to maximize resource utilization and eliminate waste at every step of the production process.

"The distilled spirits industry remains deeply invested in protecting our environmental and natural resources," said **Chris Swonger, president and CEO of DISCUS and Responsibility.org.** "This new task force will exchange ideas and share best practices on preserving the water that craft dis-

tillers use to produce their wonderful spirits, finding more efficient ways to use energy and identifying alternative uses for byproducts."

Co-chairs of the task force are **Connie Baker**, co-founder, CEO, and head distiller at **Marble Distilling Co.**; **Carey Shanks**, co-founder and spirit advisor at **Marble Distilling**, and **Carlo Luri**, director of government affairs at **Bently Heritage Estate Distillery**. Taskforce leadership will participate in DISCUS Sustainability Committee meetings and report back to the full task force on relevant developments for discussion or further action.

The task force will focus its efforts on tasting room practices, benchmarking and reporting, policy and legislation, marketing, tourism, supply chain, regenerative agriculture and farming, recycling, shipping and packaging.

In announcing the task force, DISCUS said spirits producers already employ a range of sustainability strategies including:

Land Stewardship: Producers are reducing the impact on local ecosystems by making better use of soil nutrient availability, reducing fertilizer use and maximizing crop yield through spatial efficiency and planting methods.

Responsible Water Use: Producers are updating their facility design and irrigation methods for more efficient water use and re-use of water resources in crop growth and production. Wastewater is continually managed and even reused in some cases.

Energy Reduction: Whenever possible, facilities are employing renewable energy sources, such as hydroelectric and solar power, to maximize the use of an environment's natural renewable resources. Investment in new equipment and energy-saving technologies are reducing the amount of energy used in ethanol production.

Circular Material Syncing: Producing distilled spirits affords many opportunities to reuse valuable resources. Spent grain from distillation is often provided back to farmers as a nutritionally rich food source for animals. Water byproducts from the distillation process is stripped of organic matter, then reused in irrigation for new crops.

Waste Reduction: The industry is dedicated to the reduction of plastic and single-use products and packaging. Producers and manufacturers aim to exceed mandated waste reduction efforts with an end goal of zero-waste generated.

Evaluating Transport Burdens: In order to alleviate greenhouse gas emissions (GHG), producers are taking steps to reduce the burden on transportation systems by increasing truck fill rates that reduce vehicle time in transit and increasing container fill rates in ocean freighters to reduce their carbon footprint. Low-Sulphur and Compressed Natural Gas fuel types are encouraged to reduce carbon emissions.

Wolf Spirit Launchers 1st National Campaign For Puncher's Chance

Wolf Spirit announces the first national marketing campaign for Puncher's Chance Bourbon. Entitled "Take Your Shot," the program will include the company's first-ever television ads, as well as digital/social media advertising, on- and off-premise promotions, public relations and sponsorship of

the Professional Fighters League (PFL).

Created by Ion Marketing Group, Los Angeles, the ad shows athletes putting in the hard work for their shot at fame, a nod to the boxing term "Puncher's Chance," denoting that almost anyone is possible of a knockout punch, no matter what the odds.

Crafted through a partnership with IJW Whiskey Co. of Louisville, Puncher's Chance Kentucky Straight Bourbon is a five- and six-year-old blend of fine whiskeys, born from a 75 percent corn, 13 percent rye and 12 percent barley mash bill and proprietary yeast. The liquid coming off the all-copper column still is aged in American white oak barrels with a #4 alligator char in traditional wood rickhouses. Clocking in at 90 proof, the final whiskey strikes the nose with aromas of apricot and maple oatmeal.

Tie Bar Offers Miller High Life Accessories

Miller High Life is partnering with Tie Bar, a purveyor of men's quality formal wear. The limited-edition merchandise line, which includes High Life-branded ties, cufflinks, socks and even a garment bag that doubles as a cooler, will liven up any occasion at prices that won't sink the wedding budget, says Bob Vydra, associate marketing manager for Miller High Life.

Building Stronger Organizations

I was invited to participate in a meeting this week of members of a division of a major employer. My overall impression was that it was nothing more than some staffers airing gripes, not only about the present administration but about the general history of the employer.

As I listened, I thought about why President Biden's approval ratings are in the toilet — he's trying to do everything, with the result that he's doing nothing well.

Back in the 1950s, the Japanese government decided to adopt a 10-year plan, that focused on just one thing to change the economy over the next decade. I recollect that their first target was to modernize their steel industry. At the end of those 10 years, Japan had the most modern steel industry in the world and was the No. 1 steel-producing nation in the world. They then turned to autos in the 1960s, with the same result. Honda, Toyota, and Nissan all became world-class, world-respected companies. Then they turned to electronics, and you know (and use) the result of that effort — Sony, Hitachi, Panasonic, Canon.

A company facing trouble is tempted to try to fix everything at once, usually with the result that nothing gets solved. Perhaps the better approach is for each unit to ask its management to identify just one change management would like the unit to make in the next year to produce a stronger, more effective organization. It needs to be specific, and it needs to be measurable. And perhaps that unit should give the next level up in management the one thing — again, just one — that it would like him (or her) to focus on in the next year to help the unit make the company the best.

There is so much that needs to be done to improve how many organizations operate to benefit all stakeholders. But Rome wasn't built in a day, and I have a suspicion that trying

to do everything will result in a unit not achieving any of its goals.

Ask yourself this question: If you were to deliver a speech on the state of your unit today — regardless of whether it's a department, division, or company — what would you say is the biggest change that was made for the better in the last year? What is your biggest disappointment? If this process is repeated annually throughout an organization, it is almost certain the organization will be stronger, more efficient, more effective, and more profitable.

American Craft Spirits Assn's Board Leadership Is All-Female, an Industry First

American Craft Spirits Association (ACSA) reelected **Becky Harris** of **Catoctin Creek Distilling Co.** (VA) as president of the Board of Directors. She has served as a member of the organization's Board of Directors since 2019, and as President since 2020.

Gina Holman, of **J. Carver Distillery** (MN) and **Jessica Lemmon** of **Cart/Horse Distilling** (PA) were elected as the organization's Vice President and Secretary/Treasurer, respectively.

With **Margie A.S. Lehrman** continuing to serve as CEO, the elections mark the first time a 100% woman-identifying-led board will steer a national trade association. Additionally, women are 40% of the elected Board of Directors.

Who & What —

Anheuser-Busch InBev names **Ricardo Tadeu** chief growth officer, a new position. He had been chief B2B officer. **Lucas Hercovici**, formerly chief sales officer, becomes chief DTC officer, and **Marcel Marcondes**, former president of the Beyond Beer division, becomes group CMO. Nick Caton, former CFO of Anheuser-Busch, will replace Tadeu as head of ABI's BEES e-commerce division.

Garden State Wine Growers welcomes **Devon Perry** as executive director.

Splash Beverage Group names **Ron Wall** Chief Financial Officer. He joins from William Grant & Sons, where he also was CFO.

Savona Communications adds **Sandy Giovese Vio Rosso**, a 3-Liter box of Italian red wine made in the beautiful region of Le Marche on the Adriatic Sea, to its client roster. Sandy is a lighter-bodied and lower-ABV wine (12%) that's bright and juicy, bursting with red fruit and absolute refreshment. Sandy has been picked as the #1 boxed wine of choice by several outlets in blind tastings within months of her US debut.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor