

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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ABI 1st Period Sales Jump 11.1%, Underlying Net Climbs 9.6%

Anheuser-Busch InBev reports first quarter total volume was up 2.8%, but total revenue increases 11.1% and underlying profit (normalized profit attributable to equity holders excluding mark-to-market gains and losses linked to hedging of share-based payment program and hyperinflation) rose 9.55% to \$1.2 billion, or 5 cents a share.

Budweiser, Stella Artois and **Corona** all recorded 6% sales gains in the first quarter.

In the United States, revenue grew 2.1% with revenue per hectoliter up 6.2% driven by revenue management initiatives and continued premiumization. Sales to wholesalers were down 3.8% as sales to retailers slid 5%, which ABI described as underperforming the industry. The industry overall was impacted by the resurgence of Covid in January.

In response to the below-standard sales figures, AB I said it was “rebalancing our portfolio toward faster growing above-core segments and adjacencies. Our above core portfolio continues to outperform, led by Michelob Ultra which grew double digits. Our premium and super-premium brands grow in the mid-single digits. Within the spirits-based ready-to-drink segment, our portfolio continues to grow ahead of the industry, led by **Cutwater** and the successful launch of NUTRL vodka seltzer.

Molson Coors Net Sales Jumps 16.7%, Profit Nearly Doubles in Period

Molson Coors Beverage Co. reports net sales rose 16.7% (17.6% constant currency) to \$2.64 billion in the first quarter. Net profit nearly doubled — to \$151.5 million, or 70 cents a share, from \$84.1 million, or 39 cents a share.

“Many of our core brands continued to outperform their peers, we again earned the largest growth in U.S. hard seltzers among major brewers and our expansion beyond beer continued to track ahead of our \$1 billion revenue target,” CEO **Gavin Hattersley** said. “All were factors in delivering not just a successful quarter, but the most quarterly top-line growth this company has had in more than 10 years.”

In the U.S., both Coors Light and Miller Lite grew revenue for the quarter, generating their best combined industry share performance in five years.

In Canada, Coors Light grew share of the beer category.

And in the company's European and Asia-Pacific business unit, revenue nearly doubled from 2021 and exceeded first-quarter 2019 levels. Sales were led by its portfolio of “national champion” brands, which booked significant improvement with the reopening of pubs in the U.K., where beer sales returned to 98% of pre-pandemic levels.

Above-premium brands take flight

Fueled in large part by the national launch in the U.S. of Topo Chico Hard Seltzer, the fastest-growing major hard seltzer brand in America, per IRI, Molson Coors has grown its share of net sales revenue in the above-premium segment for five straight quarters. These higher-priced brands now represent more than 26% of trailing-12-month net sales revenue across the company's global portfolio.

Blue Moon and Peroni posted double-digit net sales revenue growth in the U.S. in the first quarter, benefitting from the on-premise recovery, as well as strong results at retail.

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Hattersley said the company is “well on track” to achieve \$1 billion in revenue in its emerging growth division by the end of 2023, driven in part by the ascendance of the energy drink ZOA.

The Dwayne “The Rock” Johnson-backed energy drink brand booked record sales in March and continues to climb the list of top-selling energy drink brands in the U.S.

La Colombe, meanwhile, finished the quarter up 17% in dollar share, outpacing the overall ready-to-drink tea and coffee category, which was up 1%, per IRI.

Finally, Five Trail whiskey, Molson Coors’ first full-strength bottled spirit, expanded into two additional U.S. markets after a strong performance in its initial four markets.

The company’s shift into more higher-priced, higher-margin products also is paying off – and that’s even if high inflation exerts more pressure on consumers throughout the year. “In our biggest global markets, consumers continue to trade up, not down. While it may seem counterintuitive, this trend is consistent with consumer behavior in the recent economic downturns,” Hattersley said.

But should consumers seek to trade down into less-expensive products, he said, the company’s refocused economy portfolio is “well-positioned to capitalize.”

“These are dynamic and uncertain times, but what’s clear is that we have built our business to manage through challenging times,” said CFO **Tracey Joubert**. “Our demonstrated operational agility through the pandemic, our dramatic improvements to our financial flexibility, our successful cost savings program that has served to fuel targeted investments to support our core brands and key innovations – have all further strengthened our business as we continue to drive toward our goal of sustainable long-term top and bottom-line growth.”

Campari Group NetSoars, Sales Rise 34.4%

Campari Group reports net profit before tax of 107 million EUR (about \$112.59 million), a 65.1% increase, as sales soared 34.4% to 397.4 million EUR.

Sales in the Americas (46% of total Group sales) were up organically 14.9%. The Group’s largest market, the US, grew 6.6% despite a tough comparison base, the company said, citing resilient home consumption and renewed strength in the on-premise. The performance was driven particularly by **Espolòn, Wild Turkey, Aperol, Campari and Cabo Wabo** the company said. Canada grew 9.4% and Jamaica registered strong growth (+20.1%). The rest of the region, including Brazil, Mexico and Argentina, grew by double digits as markets recover from the pandemic in a small quarter.

Turning to brands, Campari said its Global Priorities (58% of total Group sales) registered an organic growth of +30.6%. **Aperol** grew +71.9%, thanks to strong growth in core Italy (+101.4%), Germany (+79.2%), the US (+51.2%), France (+79.5%) as well as all other European markets. The brand is benefitting from renewed activations and recruitment thanks to the reopening of the on-premise and sustained at-home consumption, boosted by a favorable comparison base (+0.1% Q1 2021) and phasing.

Campari delivered strong growth of +56.6% thanks to

all major markets including Italy (+118.7%), the US, Jamaica, Germany, Brazil and France. The positive performance was favored also by phasing ahead of a robust price repositioning in Europe. **Wild Turkey** registered solid growth, up +14.0%, mainly driven by the core US market and Australia as well as Asian markets (Japan, South Korea). **Skyy** declined 11.5% largely due to the comparison base in the core US in connection with the brand relaunch whilst the international markets continue to grow. **Grand Marnier** grew overall (+8.9%) thanks to the core US market.

The company’s Jamaican rum portfolio grew 6.5% overall against a tough comparison base, driven by the favorable category trends in premium rum.

– Regional Priorities (24% of total Group sales) recorded a positive performance (+31.7%). **Espolòn** grew by double digits (+29.2%) despite a tough comparison base, thanks to the core U.S. as well as international markets, albeit off a small base. **Glen Grant** grew double digits driven by premiumization, in particular within South Korea, China and GTR. **Crodino** grew by strong double digits driven by strong growth in core Italy against an easy comparison base as well as seeding markets. The other brands such as the Italian specialties, the sparkling wines and vermouths (**Cinzano, Mondoro and Riccadonna**), **Magnum Tonic and Aperol Spritz** ready-to-enjoy all delivered positive results.

– Local Priorities (9% of total Group sales) grew +19.6% with positive growth across the entire portfolio, in particular Campari Soda, Wild Turkey ready-to-drink and X-Rated.

Sparkling Wine Sales Cut Into White Wine on Drizly

Year-to-date in 2022, white wine has accounted for 29% share of the wine category on Drizly, a consistent share that it held for 2021 and 2020 as well. However, since 2017, white wine’s share has decreased by two percentage points.

According to data from [Nielsen IQ](#), white wine sales declined by 3.4% in the 52-weeks ending March 26, 2022, which is slightly less of a decline compared to overall wine category sales, which decreased by 5.2% over the like year-earlier period.

Some data suggests this decline could be the result of generational shifts, as millennial and Gen Z consumers choose non-wine beverages like hard seltzer and ready-to-drink (RTD) cocktails, but they could also be prompted by increasing interest in other wine categories, such as Champagne and sparkling wine.

Even though sparkling wine sales may be cutting into white wine share on Drizly, **Julie Rossman**, marketing vp at Marlborough, New Zealand’s [Kim Crawford Wines](#), maintained in 2021 that the increasing popularity of wines that are similar to white wine – like rosé and Prosecco – has been beneficial to the category.

“Studies have shown that more and more consumers are including wine in their consideration set for refreshing alcoholic beverages that was once dominated by the beer and spirits categories,” says Rossman, “which has obviously benefited the white wine segment, as those wines are

typically consumed chilled.”

Over the past 12 months, the peak months for white wine share were the summer months of June, July, and August when share spiked to a year-round high of 31% of the wine category. White wine share dropped to its year-round low in December, when it accounted for just 21% of wine category share. “White wine sales have proven to be quite seasonal, gaining share and peaking in spring and summer months, then dropping off in the fall,” says **Liz Paquette**, Drizly’s head of consumer insights. “Retailers should certainly take seasonality into account when stocking this category and be prepared for peak sales in the coming months.”

Across Drizly, the far-reaching premiumization trend has also affected white wine, driving up the average unit price steadily from an average price of \$13.80 in 2017 to \$15.40 in 2022 to-date. The vast majority of white wine sold on Drizly, 65 percent, falls within the \$10 to \$20 price range. This data suggests retailers should focus on the core SKUs in the \$10 to \$20 range rather than stocking up on luxury wines over \$20, which combined make up just 22 percent of white wine share.

Which White Wines Are Selling?

Despite the emergence of more unique grape varieties across Drizly, the top-selling white wine sub-categories are stable: Sauvignon Blanc (39% share), Chardonnay (31%), and Pinot Grigio (21%) remain the most popular white wine varieties. These three grape varieties have prevailed since 2020, and their wide recognition leaves them poised to endure as category leaders.

“The leading white wine varieties account for approximately 36 percent of total wine in the US,” says **Adam Rogers**, the North American research director of [IWSR Drinks Market Analysis](#), noting that Chardonnay, Pinot Grigio, and Sauvignon Blanc varieties also led consumption according to IWSR data. “Although each experienced declines last year, they are trending more positively in 2022.”

According to Rossman, Sauvignon Blanc has grown by 24% in the U.S. market – more than any other varietal wine. “Sauvignon Blanc has a distinctly different style compared to Chardonnay, and consumers gravitate to the crisp, refreshing, light-bodied, and flavor-rich characteristics, especially those that originate from New Zealand,” she says. **Kim Crawford Sauvignon Blanc** was the best-selling white wine SKU on Drizly in 2022, and has been the top-selling white wine brand since 2020.

The majority of white wines sold on Drizly come from the U.S., with American wines comprising 50 percent of white wine share over the past 12 months. New Zealand held the No. 2 spot with 24 percent of share, largely driven by the popularity of its Sauvignon Blancs, and Italy came in at No. 3. All three countries maintained their rankings over 2021 and 2020. French white wines, long the No. 4 most popular country of origin, are on the rise, gaining two percentage points in share so far this year.

Interestingly, the fastest-growing white wine subcategories all represent more obscure grape varieties such as Niagara, Aligote, Cayuga, Macabeo, Zinfandel, and Grillo – suggesting some well-known varieties like Riesling and Muscat could potentially fall off the top five most popular grapes listing in favor of novel varieties. Consumers across

categories are consistently seeking new and alternative interpretations of their preferred beverages, so it’s likely these grapes are on the rise due to the spirit of discovery many consumers are embracing.

Drizly’s Best-Selling White Wine SKUs, Past 12 Months

1. Kim Crawford Sauvignon Blanc
2. Oyster Bay Sauvignon Blanc
3. Santa Margherita Pinot Grigio DOC
4. Cavit Pinot Grigio
5. Matua Marlborough Sauvignon Blanc
6. Whitehaven Sauvignon Blanc
7. Barefoot Pinot Grigio
8. Kendall-Jackson Vintner’s Reserve Chardonnay
9. Bota Box Pinot Grigio
Josh Cellars Chardonnay

Drizly’s Fastest-Growing White Wine SKUs, Past 12 Months

1. La Crema Sonoma County Sauvignon Blanc
2. The Prisoner Carneros Chardonnay White Wine
3. Château Fuissé Pouilly-Fuissé Tête de Cuvée
4. Sun Goddess Pinot Grigio Ramato
5. Cupcake LightHearted Pinot Grigio White Wine
6. Dom Auchere Sancerre
7. Cupcake LightHearted Chardonnay White Wine
8. Black Girl Magic California Riesling
9. Luna di Luna Pinot Grigio
Gerard Bertrand Cremant de Limoux Brut

Who is Buying White Wine?

White wine buying continues to skew toward older and female customers on Drizly. In the past 12 months, Gen X

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consumers have over-indexed on white wine – making up 35% of share versus 30% share on Drizly overall – while Gen Z and millennial consumers have under-indexed on white-wine buying.

“We know that the younger generations like millennials and Gen Z are drinking less wine overall, especially traditional still wine, than previous generations,” explains Paquette, “which is likely contributing to the share decline as more and more of these consumers become of legal drinking age.”

Women likewise over-index on white wine purchasing, accounting for 65 percent share of purchasing within the white wine category versus 52 percent on Drizly overall.

Active Lifestyles and Discovery to Drive Future Sales

As consumers increasingly seek out refreshing, lower-calorie, and “better-for-you” beverages, white wine is poised to drive sales in the future, Rossman says. “Retailers should keep in mind that healthy living continues to be an important passion area for consumers today,” he adds.

Rogers agrees. “Leading New Zealand brands Kim Crawford, Matua, and Starborough each recently engaged in the health and wellness trend by offering lower-calorie and -ABV line extensions to their parent brands,” he adds.

Imports Lead Improvement In NBWA Beer Purchasers Index

National Beer Wholesalers Association’s Beer Purchasers Index showed improvement last month, led by imports which were strongly in expansion territory with a reading of 70, only slightly below the year-earlier reading of 74. Premium lights also signaled expansion with a reading of 52, but that was below April 2021’s reading of 69. (Any reading of 50 or higher signals expansion.)

That was all the good news in the latest report.

- The **craft** index at 48 is significantly below last April’s reading of 64.
- The **premium regular** segment index is at 38, which is significantly below the April 2021 reading of 56.
- The **below premium** segment is at 37, well below the April 2021 reading of 51.
- The **FMB/seltzer** category took another big hit, falling to 40 in April 2022 from the April 2021 reading of 90.

Finally, the **cider** segment remains below 50 with a reading of 33 in April 2022, compared to the April 2021 reading of 44.

NBWA noted that for the fourth month in a row, the beer industry continues to revert to pre-pandemic trends. The April 2022 BPI has a “total beer” reading of 55 and an “at-risk” inventory reading of 47. This combination of readings is an improvement over the first three months (Q1) with “at-risk” inventories falling below 50 as the industry heads into the second quarter.

CBands Prices \$1.85 Billion Senior Notes

Constellation Brands, Inc. said it priced the public offering of \$1.85 billion aggregate principal amount of Senior Notes, consisting of (i) \$550.0 million of 3.60% Senior

Notes due 2024 (the “2024 notes”) for a public offering price of 99.941% of the principal amount of the 2024 notes, (ii) \$600.0 million of 4.35% Senior Notes due 2027 (the “2027 notes”) for a public offering price of 99.942% of the principal amount of the 2027 notes, and (iii) \$700.0 million of 4.75% Senior Notes due 2032 (the “2032 notes”) for a public offering price of 99.638% of the principal amount of the 2032 notes (the 2024 notes, the 2027 notes, and the 2032 notes, collectively, the “notes”). The notes will be senior obligations that rank equally with all of Constellation’s other senior unsecured indebtedness.

Closing of the offering is expected to occur on May 9, 2022. Net proceeds will be used to fund the concurrent series of cash tender offers for its outstanding 3.20% Senior Notes due 2023 and 4.25% Senior Notes due 2023 (together with the 3.20% notes, the “2023 notes”), of which \$1,050.0 million aggregate principal amount is outstanding, and redeem prior to maturity any amounts of the 2023 notes remaining outstanding following the consummation of the tender offers. If the tender offers and the 2023 notes redemptions are not consummated, or the net proceeds from the offering are otherwise more than the amount needed to fund the tender offers and the 2023 notes redemptions, Constellation intends to use the net proceeds from the offering for general corporate purposes, including working capital, funding capital expenditures, retirement of debt, and other business opportunities.

BofA Securities, Inc., Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC are acting as the joint book-running managers of the offering.

Bordeaux Cuts Carbon Emissions 24%

Bordeaux winegrowers and wine merchants have collectively reduced carbon emissions by 24% since 2012, and plan to further cut greenhouse gas emissions to reach a total reduction of 46% by 2030, the **Bordeaux Wine Council** said.

The regional action plan will track changes in five main sources of emissions, notably: viticultural practices, energy efficiency, freight transportation, glass packaging and carbon capture. These tactics are a continued response to address the dual challenges facing Bordeaux: the need to adapt to climate change and reduce their environmental footprint.

As of 2021, 75% of Bordeaux vineyards are certified sustainable, as compared to 35% in 2014. Sustainability has gained impressive momentum in Bordeaux: organic vineyard area increased 43% in 2021, and today, almost 20% of Bordeaux vineyards are fully certified organic.

Here are the sector’s top goals for the 2030 carbon reduction plan:

Adjust viticultural practices to reduce the number of passes through the vines by 10%, and increase the fleet of non-fuel oil equipment by 20%. Bordeaux is testing and deploying alternatives to viticultural practices including the use of fuel oil and raising awareness of how to maintain machinery to prolong equipment life. It is also seeking out more natural solutions to reduce inputs, such as the development of ecological corridors and implementing agroforestry.

2. Deploy energy-saving solutions in buildings to increase process efficiency. A renewed focus on constructing

low-energy buildings and semi-underground cellars that avoid the use of air conditioning and heating, and opt for natural insulation such as straw bales helps reduce environmental impact.

3. Target 100% of freight and road transport to be provided by haulers committed to climate initiatives.

The region prioritizes partnerships with transportation providers who are committed to climate initiatives. Reinforcing the use of alternative fuels, such as biofuels made from grape pomace in collaboration with local distilleries is another active solution. The use of more carbon-free solutions, such as balancing sea freight with air, is also underway.

4. Reduce glass bottle and packaging weight by 10%.

From 2007 to 2019 the average Bordeaux wine bottle weight was reduced by 12% and the region is committed to continuing the trend. The sector will launch an awareness program to encourage use of eco-designed materials and has a goal of reducing bottle weight by 10% by 2030.

5. Capture, store and utilize carbon in addition to reducing it.

Beyond reducing carbon, Bordeaux aims to capture, store, and utilize the carbon that is naturally present in local soils and plants. By planting trees and increasing flower cover, carbon can be better managed as part of a responsible vineyard plan. Capturing the carbon that results from the fermentation process can also be recycled to create non-toxic biodegradable products widely used in food, pharmaceutical and cosmetic sectors.

Berkshire Mountain Launches Cultural Cocktails

Marking the 15th anniversary of **Berkshire Mountain Distillers**, Cultural Cocktails "is a tribute to the remarkable culture we celebrate here in the Berkshires," said **Chris Weld**, founder of *BMD*. "We are so fortunate to live in a region of creative, inspiring institutions and *BMD* is honored to be a part of a supportive community that cherishes art, culture and the crafting of a great cocktail."

Cultural Cocktails will be featured at bars, restaurants and cultural institutions and as the signature drink at summer events. In addition, *BMD* will serve *Cultural Cocktails* from the distillery's outdoor cocktail bar.

Truly Launches Limited-Edition Truly Poolside Variety Pack

Truly Hard Seltzer announced the launch of its new, limited-edition **Truly Poolside Variety Pack** which features four new summer cocktail-inspired flavors including Strawberry Melon Fizz, Orange Peach Fizz, Piña Colada Style and Kiwi Mojito Style. The Truly Poolside Variety Pack will be available May 15 through July at select retailers nationwide.

Truly Poolside Variety Pack takes inspiration from **Dua Lipa's** second studio album, *Future Nostalgia*, and features bold can designs, a nod to those retro, nostalgic influences. For added playfulness, each can sports a spirited summer saying like; "How chill," "Dive into flavor," "Floaties not included" and "Best served poolside." Each

flavor in the pack is 5% ABV, 100 calories, and only 1g of sugar.

"As the next phase of our multi-year partnership with Dua Lipa, we're thrilled to launch the new Truly Poolside Variety Pack," said **Lesya Lysyj**, CMO of the Boston Beer Co. "From the summer cocktail-inspired flavors to the vibrant can designs, we wanted to create something new and innovative yet still familiar with hints of nostalgia. No matter what you have planned for the summer, we hope you get out there and flaunt all your flavors, big and small."

Westland Distillery Extends Outpost Range

Westland Distillery's Outpost Range welcomes **Colere Edition 2 American Single Malt Whiskey** (50% ABV, 700ml, \$149.99 SRP) to their growing portfolio of premium single malts that celebrate Pacific Northwest provenance and the new frontiers in whiskey.

With a first edition launched in 2021, Colere American Single Malt Whiskey reflects Westland's core mission to push beyond the old-world conventions and explore new varieties of barley bred outside the commodity system. Only 3,000 bottles of this second edition are available worldwide for purchase at www.westlanddistillery.com/shopfront and where fine whiskeys are sold.

"Our second edition of Colere is another example of the possibilities a single malt has, especially when stepping out of the whiskey landscape we've inherited and are accustomed to," says Westland Co-Founder **Matt Hofmann**. "Already, only two releases in, we are seeing new frontiers opened as the exploration of new and ancient barley varieties continues. With this year's release it's not just theoretical, you can taste the impact that barley has on the final flavor."

Schlafly Releases New Style for Summer

Schlafly Beer, the original, independent craft brewery in St. Louis, released a new seasonal beer, **Hazy Punch IPA (6% ABV)**. Brewed with Eclipse, Citra and Mosaic hops, this beer is said to deliver on all of the summer flavors: hazy, juicy, fruity and hoppy.

Hazy Punch IPA is now available in 6-packs of 12-oz cans across Schlafly's distribution as well as Schlafly's four St. Louis area brewpubs.

"This beer celebrates the future of Schlafly's approach to design and packaging," says Schlafly CEO, **Fran Caradonna**. "Not only will it come from our new canning line, but it showcases a colorful and vibrant design, which is something that customers will see from us more this year – both for seasonal releases and with Schlafly staple beers."

Mijenta Tequila Launches 'Most Refined Expression'

Mijenta Tequila said it launched its most exclusive and refined expression to date, Añejo Gran Reserva, just in time for Cinco de Mayo. SRP: \$199.

Aged for 18 months in a series of hand-selected casks to create its unique and sophisticated flavor profile, the ultra-premium small-batch spirit will be limited to 2,160 bottles

in its first release.

The Añejo comes on the heels of Mijenta's highly acclaimed Blanco and Reposado expressions, which launched in September and December 2020 respectively. Mijenta Añejo Gran Reserva is produced using the award-winning Blanco as its base, a limited quantity of which is reserved expressly to produce this spirit. The tequila undergoes an intricate 18-month aging process during which it matures in four different types of hand-selected casks, each of which brings a unique property to the final expression. This aging process creates a complex, intense and refined profile distinct from other añejo tequilas, the company said.

Thomas Ashbourne Craft Spirits Launches With Celebrity Backers

Thomas Ashbourne Craft Spirits debuts, offering "expertly developed libations that consist of fresh and all-natural ingredients, high-proof, distilled spirit bases and recipes derived from Michelin star caliber cocktails. SRP: \$15.99 per 375ml bottle and \$25.99 for a 200ml four-pack cans.

Harnessing the power of some of today's most recognized global celebrities, CEO **Cara Kamenev** has built an elite team of founding partners. Each has curated a distinct craft cocktail for launch: **Sarah Jessica Parker**—*The Perfect Cosmo*; **John Cena**—*The Classic Old Fashioned*; **Ashley Benson, Rosario Dawson** and **Vanessa Hudgens**—*The Margalicious Margarita* and **Playboi Carti**—*The Hardscatto*.

"We've been focused on sourcing high-proof, premium spirits with the best natural ingredients to elevate the Thomas Ashbourne portfolio above the pre-made cocktail standard," says Kamenev. "With the help of our celebrity partners, each flavor profile was meticulously crafted and demanded the highest standards in taste, quality and sophistication. We're here to dispel the myth that bespoke, high-end cocktails can only be enjoyed in certain settings, by certain people. Our brand will provide consumers a high-quality beverage comparable only to the best bar-made cocktails that can be enjoyed anytime, anywhere."

The products will be available in May in California, Texas, Illinois, Florida, Washington State and New York. They will roll out nationally later this summer. All four Thomas Ashbourne branded cocktails are kosher certified and gluten-free with a premium spirit base that ranges from 20-25% ABV.

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2. Deploy energy saving solutions in buildings to increase process efficiency. A renewed focus on constructing low-energy buildings and semi-underground cellars that avoid the use of air conditioning and heating, and opt for natural insulation such as straw bales helps reduce environmental impact.

3. Target 100% of freight and road transport to be provided by haulers committed to climate initiatives. The region prioritizes partnerships with transportation providers who are committed to climate initiatives. Reinforcing the use of alternative fuels, such as biofuels made from grape pomace in collaboration with local distilleries is another active solution. The use of more carbon-free solutions, such as balancing sea freight with air, is also underway.

4. Reduce glass bottle and packaging weight by 10%. From 2007 to 2019 the average Bordeaux wine bottle weight was reduced by 12% and the region is committed to continuing the trend. The sector will launch an awareness

program to encourage use of eco-designed materials and has a goal of reducing bottle weight by 10% by 2030.

5. Capture, store and utilize carbon in addition to reducing it. Beyond reducing carbon, Bordeaux aims to capture, store, and utilize the carbon that is naturally present in local soils and plants. By planting trees and increasing flower cover, carbon can be better managed as part of a responsible vineyard plan. Capturing the carbon that results from the fermentation process can also be recycled to create non-toxic biodegradable products widely used in food, pharmaceutical and cosmetic sectors.

Imports Lead Improvement In NBWA Beer Purchasers Index

National Beer Wholesalers Association's Beer Purchasers Index showed improvement last month, led by imports which were strongly in expansion territory with a reading of 70, only slightly below the year-earlier reading of 74. Premium lights also signalled expansion with a reading of 52, but that was below April 2021's reading of 69. (Any reading of 50 or higher signals expansion.)

That was all the good news in the latest report.

- The **craft** index at 48 is significantly below last April's reading of 64.
- The **premium regular** segment index is at 38, which is significantly below the April 2021 reading of 56.
- The **below premium** segment is at 37, well below the April 2021 reading of 51.
- The **FMB/seltzer** category took another big hit, falling to 40 in April 2022 from the April 2021 reading of 90.

Finally, the **cider** segment remains below 50 with a reading of 33 in April 2022, compared to the April 2021 reading of 44.

NBWA noted that for the fourth month in a row, the beer industry continues to revert to pre-pandemic trends. The April 2022 BPI has a "total beer" reading of 55 and an "at-risk" inventory reading of 47. This combination of readings is an improvement over the first three months (Q1) with "at-risk" inventories falling below 50 as the industry heads into the second quarter.

CBands Sets Yields on Senior Notes

Constellation Brands, Inc. said it priced the public offering of \$1.85 billion aggregate principal amount of Senior Notes, consisting of (i) \$550.0 million of 3.60% Senior Notes due 2024 (the "2024 notes") for a public offering price of 99.941% of the principal amount of the 2024 notes, (ii) \$600.0 million of 4.35% Senior Notes due 2027 (the "2027 notes") for a public offering price of 99.942% of the principal amount of the 2027 notes, and (iii) \$700.0 million of 4.75% Senior Notes due 2032 (the "2032 notes") for a public offering price of 99.638% of the principal amount of the 2032 notes (the "notes"). The notes will be senior obligations that rank equally with all of Constellation's other senior unsecured indebtedness.

Closing of the offering is expected to occur on May 9,

2022. Net proceeds will be used to fund the concurrent series of cash tender offers for any and all of its outstanding (i) 3.20% Senior Notes due 2023 (the "3.20% notes"), of which \$600.0 million aggregate principal amount is outstanding, and (ii) 4.25% Senior Notes due 2023 (together with the 3.20% notes, the "2023 notes"), of which \$1,050.0 million aggregate principal amount is outstanding, and redeem prior to maturity any amounts of the 2023 notes remaining outstanding following the consummation of the tender offers. If the tender offers and the 2023 notes redemptions are not consummated, or the net proceeds from the offering are otherwise more than the amount needed to fund the tender offers and the 2023 notes redemptions, Constellation intends to use the net proceeds from the offering for general corporate purposes, including working capital, funding capital expenditures, retirement of debt, and other business opportunities.

BofA Securities, Inc., Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC are acting as the joint book-running managers of the offering.

Proximo Intros Gran Coramino

Created in partnership with world-class tequila maker, **Juan Domingo Beckmann, Gran Coramino** debuts with **Reposado Cristalino**, proving hard work tastes different. **Kevin Hart**, the comedian, is a founder of the venture. **Proximo** is the importer.

Gran Coramino Reposado Cristalino is available on GranCoramino.com, [ReserveBar](http://ReserveBar.com), and at retail across California, Illinois, Texas, Georgia and New York. It will be available nationwide starting June 1 for a suggested retail price of \$49.99.

The 100% agave tequila is first aged in eastern European oak barrels and finished in California Cabernet wine casks to reflect the state that Hart calls home. The liquid is then transformed into a **Cristalino** tequila – a unique slow-filtration process that Beckmann invented for the tequila industry more than 10 years ago – delivering a complex, deeply smooth flavor with a crystal-clear appearance.

Blue Run Spirits Intros Year's 2d Whiskey

Blue Run Spirits, Georgetown, Ky., announces its second whiskey release of the year with Blue Run "Reflection I" Kentucky Straight Bourbon Whiskey, contract distilled by the company's liquid advisor, Bourbon Hall of Fame member **Jim Rutledge**. Blue Run "Reflection I" is now available at select retailers in the U.S. and Canada, as well as online at BlueRunSpirits.com beginning at 3:00 p.m. Eastern Wednesday, May 4.

Blue Run "Reflection I" Kentucky Straight Bourbon (SRP: \$89.99) is a small-batch whiskey that Rutledge distilled at [Castle & Key Distillery](http://Castle&KeyDistillery.com) in 2018. Just 200 carefully selected barrels were chosen for this bottling, each toasted to a #3 or #4 char and aged in Frankfort and Bardstown, KY. "Reflection I" is bottled at 95 proof.

"Reflection I is going to appeal to both the whiskey novice and the seasoned veteran," said **Mike Montgomery**, CEO/cofounder of Blue Run Spirits. "This release blends barrels with medium to deep char levels allowing us to marry some

very intriguing flavor differences. It is a full-flavored sipper that truly demonstrates Jim Rutledge's finely honed skills as a distiller."

"Reflection I" exhibits Rainier cherries and creamy butterscotch on the nose, followed by fluffy pancakes and maple syrup on the front end, fresh rosemary on the mid-palate and an invigorating nutmeg finish. This bottle features precious metal sliver ink and a sterling silver coating on the brand's signature butterfly medallion.

The company's previous release, High Rye Kentucky Straight Bourbon Whiskey Batch 2 was also contract distilled by **Jim Rutledge** at Castle & Key and blended by recently appointed Blue Run Whiskey Director **Shaylyn Gammon**. Batch 1 sold out in minutes and was recently included in Fred Minnick's Top 100 list and named one of the top 25 bourbons of the 21st Century by Robb Report.

Blue Run Spirits can be purchased in Kentucky, Louisiana and Texas (RNDC); Georgia (Savannah); South Carolina and Tennessee (Advintage); Washington, D.C., Maryland and Delaware (Prestige-Ledroit); California, Colorado, Illinois and Florida (Breakthru); New Jersey (Fedway Associates); Canada (Evergreen); and online through Seelbach's at www.bluerunspirits.com/shop.

Yuengling's Team RWB Cans Can Play Tune

Each **Yuengling Team Red, White & Blue** can will feature a QR code co-branded with American country music star and official Yuengling Lager and Stars & Stripes program Brand Ambassador, Lee Brice. When scanned, the QR code will immerse consumers in a digital Stars & Stripes experience where they can watch Lee Brice's "[More Beer](#)" music video; learn about Yuengling's Stars & Stripes Free Summer Concert Celebration on July 9; shop in the brewery's virtual gift shop; enter to win tickets to see Brice on tour this summer, and donate to Team RWB.

Starting this month, the limited-edition cans will be available across the brewery's 23-state footprint in 12pk/12oz and 24pk/12oz cans and single-serve 24oz cans until the end of the summer, available for purchase at fans' favorite stores, restaurants and bars.

"As America's Oldest Brewery, we take pride in our longstanding commitment to the U.S. military and are thankful to those who have made tremendous sacrifices to protect our country's freedom," said **Jennifer Yuengling**, VP- Operations and 6th generation family member.

Yuengling also recently announced the return of its annual, free summer festival highlighting the Stars & Stripes program where Team RWB cans will also be available to purchase. This year, the free concert will be headlined by Lee Brice on July 9 in Downtown Pottsville, PA.

Lost Lantern Spirits Completes Fundraising

Lost Lantern Spirits said its \$1 million seed financing round was oversubscribed. Backers include **FreshTracks Capital, Vermont Seed Capital Fund, Dudley Fund**

and **Burlington Telecom Innovation Fund** as well as a group of independent angel investors. Proceeds will be used to expand its marketing reach.

Jack Cakebread, 92, Dies; Founded Cakebread Cellars

He founded Cakebread Cellars with his wife Dolores while working as a partner in an auto repair shop and moonlighting as a photographer. Today Cakebread Cellars is considered one of Napa Valley's great, classic estates, renowned for its Cabernet Sauvignon and Chardonnay wines.

Cakebread was no ordinary photographer: he had studied with Ansel Adams. His landscape photography had been displayed in the San Francisco Museum of Modern Art. His photography skills led to him photographing winemakers, including Robert Mondavi and Joe Heitz, for Nathan Chroman's book, "A Treasury of Modern Wine."

He became enchanted with wine, and one day after a shoot at Beringer and Christian Brothers wineries, he stopped to visit his mother's best friend from grade school who owned Sturdivant Ranch. He mentioned in passing that if the property was ever for sale, he'd be interested. Two hours later he got the call, agreed to a \$2,500 down payment and a payment plan.

The rest is history. The first vintage was released in 1973, and after a slow start accelerated when Bruce Cakebread after graduating from UC Davis with a degree in viticulture and enology, became winemaker and Jack Cakebread graduated from UC Berkeley and the executive program at Stanford University's Graduate School of Business. In 1987, the family launched the American Harvest Workshop featuring prominent chefs and food purveyors. It was one of the first wine and food experiences.

Who & What —

Anheuser-Busch rehires **James "Jamie" Mathis**, who had been chair of the Husch Blackwell law firm's alcoholic beverage practice. He succeeds **Thomas Larson**, who led a team responsible for U.S. transactional legal matters. Larson is now vp-corporate for parent **Anheuser-Busch InBev**. Mathis previously was an associate general counsel at A-B between 2004 and 2010. Both Mathis and Larson are based in St. Louis.

Bobby Anderson, long-time **Speyburn Distillery** manager retires.

Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor