

# KANE'S BEVERAGE WEEK

The marketing, regulatory and financial news that matters . . . when it matters  
for bev/al executives and their advisers

Volume 83, No. 22

Copyright 2022 Whitaker & Company, Publishers, Inc. All Rights Reserved.

June 3, 2022

## The Inside Story

Omicron's Toll on On-Premise Likely to Get Worse	2
U.S. Online Alcohol Sales Reach \$6.1 Billion, More Growth Expected — Rabobank	2
Wine Tops New Year's Eve Sales on Drizly	3
The Mess in California Ports Cost Wineries Over \$250 Million	3
Christmas Day Delivered 2d Highest Day for Check Value in 2021	3
Christmas Day Delivered Second-Highest Day for Check Value in 2021	4
Control States Volume Up 4% in November	4
Miller Family Wine Co. Launches New Non-Alcoholic Wine Brand	4
Paulaner USA, Van Diest Beer Cut Ties	5
Molson Coors Halts Production Of Saint Archer, Sells Facility	5
US Beverage Takes Stake in Unita Brewing	5
Spirits, Wine Sales Rose Up to 40% In Early Months of Pandemic	5
Permanent Spirits Direct Shipping Advances in California	6
Boston Beer: Earnings to Fall Dramatically	6
Frozen Cocktail Pop Producer Files as Winery	6
US Chamber Seeks to Make Case That Business is Competitive, Resilient	6
And Much, Much More	

## Duckhorn Profit Soared 73% on 1.3% Sales Gain in 3d Quarter

**Duckhorn Portfolio** reports net profit soared to \$15.6 million, or 14 cents a share, from \$9 million or 8 cents a share, in the fiscal third quarter, ended April 22. But volume fell 0.6%. Close to press time, Duckhorn was trading at \$20.78, up 71 cents.

“Evaluating our sales results on a three-year basis, which we believe is indicative of the underlying performance of the business without pandemic-related noise, net sales and volumes reflect compound annual growth rates (CAGR) of 13.3% and 19.9%, respectively,” the company said.

“As we celebrate a full year of being a public company, we are proud to have established ourselves as the only pure-play luxury wine player of said **Alex Ryan**, President/CEO/Chairman. “The power of our portfolio and our ability to capitalize on the growing demand for luxury wine was evident in the quarter as we continue to achieve positive top line results against robust year-over-year comparisons and gain share in a dynamic market. Duckhorn Vineyards and Decoy continue to stand out, as they both significantly outperformed the high-growth luxury wine segment and we believe we have runway for years of growth ahead.

“Given the momentum we have sustained year-to-date, we are raising our Fiscal 2022 net sales, adjusted EBITDA and adjusted EPS guidance. Our consumers and distributors recognize us for our quality and consistency, and we are positioned to deliver on our financial targets for the fiscal year. We remain confident in our ability to continue to execute our strategy and provide valuable returns for our stakeholders for years to come,” he said.

## Jury: Deutsch Family's Bottle Design Didn't Infringe Diageo North America's Trademark for Bulleit

But the jury also found that the Bulleit bottle was entitled to trademark protection and that Deutsch's **Redemption** bottle diluted the Bulleit bottle's effectiveness. The jury didn't award Diageo any damages.

Diageo responded quickly that it would pursue “all available legal remedies,” including an injunction to block Deutsch from using the Redemption bottles.

In filing the lawsuit, Diageo said Deutsch had changed the shape of the bottle to resemble Bulleit's design. Deutsch responded that Diageo's Bulleit bottle was functional and generic and Deutsch's wasn't similar to cause confusion.

Close to press time, Diageo was trading at \$186.11, down \$1.96.

## Federal Appeals Court Upholds Law Barring Out-of-State Retailers Sales to NC Residents

A federal appeals court upheld a North Carolina statute that bars out-of-state retailers — but not in-state retailers — from shipping wine directly to North Carolina consumers. The statute does not violate the Constitution's dormant Commerce Clause, the court held.

The case was brought by B-21 Wines, a Tarpon Springs, Fla., retailer, and three North Carolina residents who wanted to purchase wine from out-of-state retailers and have it shipped directly to them. North Carolina's statute prohibits both out-of-state retailers from shipping wine to North Carolina residents, and North Carolina residents from having “any alcohol beverage mailed or shipped to them from out of state.”

### KANE'S BEVERAGE WEEK

14305 Shoreham Dr, Silver Spring, MD 20905-4481

Donna Whitaker, Subscriptions Manager

subs@bevnewsonline.com

Phone: 301-384-1573; FAX: 301-879-8803

JOEL WHITAKER, Editor and Publisher

editor@bevnewsonline.com

Phone: 301-384-1573 (New number!)

Subscriptions: \$799, 47 issues a year

ISSN: 0882-2573

North Carolina's rules are different for North Carolina retailers. They can ship to North Carolina residents and those who live out of state. North Carolina requires its retailers to get special permits before shipping bev/al. That distinction led B-21 to cry foul.

North Carolina does allow out-of-state wineries to ship directly to consumers.

The decision notes that in 2019, North Carolina amended its bev/al statutes to specify their purpose is to "limit rather than expand" commerce involving alcohol and to maintain "strict regulatory control through the tier-tier system."

The appeals court agreed that the discriminatory nature of allowing in-state retailers to ship wine directly to consumers while preventing out of state retailers from doing so "is obvious." But that doesn't matter, the appeals court said, because the 21st Amendment "gives each state leeway in choosing the alcohol-related public health and safety measures that its citizens find desirable," and North Carolina "has decided that its three-tier system can tolerate a limited exception for in-state and out-of-state producers, allowing them to sell wine directly to consumers," while restricting retail sales to in-state retailers only. "And that exception is within North Carolina's constitutional power to create."

The court noted that the Supreme Court has confirmed that the states "possess 'virtually complete control' over the distribution of alcoholic beverages — including wine — within their borders." It distinguished the North Carolina situation from that recently decided in a case involving Tennessee, which had imposed a lengthy residency period before one could get an off-premises retail license. North Carolina hasn't imposed such a requirement because it is not "essential to its three-tier system." But it has created the Retail Wine Importation Bar which is integral to the North Carolina three-tier system because it relates to the state's ability to separate producers, wholesalers and retailers. "Direct shipping of alcoholic beverages to North Carolina consumers by out-of-state retailers would completely exempt those out-of-state retailers from the three-tier system," opening the North Carolina wine market to "less regulated wine, undermining the State's three-tier system and the established public interest of safe alcohol consumption it promotes."

Eliminating the role of North Carolina wholesalers by permitting out-of-state retailers to ship into the state would create "a sizeable hole in the State's three-tier system. And when such direct wine shipping is authorized, the 'least regulated (and thus the cheapest) alcohol will win.'"

The three-tier system is based upon the concept of the states being able to regulate how alcohol is imported and sold within its borders, the court noted. Thus, if a state can restrict licenses to in-state entities, which it can, then it can also determine whether those entities can or cannot not only sell alcoholic beverages for carryout, but also whether those entities can ship their products to consumers within the state.

The Fourth Circuit Court of Appeals noted that its decision is the same as that arrived at by appeals courts in the Sixth and Eighth Circuits.

One judge dissented, saying the majority "has forsaken the commercial unity that makes this nation one."

## PLCB Faces Heavy Penalties for Ignoring Legislative Directive on Direct Shipping

The Pennsylvania General Assembly directed the **Pennsylvania Liquor Control Board** to allow properly licensed companies to sell and deliver special orders directly to their customers without added handling fees.

The legislation required the PLCB to implement a procedure for processing special orders, but the PLCB took the position that implementing a special order processing procedure was discretionary and a legislative implementation darte of June 1, 2017, was merely advisory. "As a result, to date, the PLCB has not implemented an SO processing procedure, thereby preventing licensed importers and vendors from directly shipping SOs to their customers, and the PLCB continues to assess handling fees on all SOs," the Commonwealth Court found.

With the outbreak of Covid-19, the PLCB announced the indefinite closure of PLCB stores and licensee service centers to reduce the spread to the disease and ordered all retail licensees, clubs, permittees and producers to stop selling food and alcohol until further notice.

More than two years ago— on May 1, 2020 — the Commonwealth Court ordered the PLCB to allow licensed vendors and importers o ship special orders directly to customers, and also to implement a procedure to process SO direct shipments.

Damages may amount to more than \$100,000 and attorneys fees to be paid by the PLCB could be more than \$300,000.

In a separate opinion, the Commonwealth Court ruled that a restaurant could pursue a class-action lawsuit seeking the return of millions in illegal special-order fees the PLCB has collected over the past five years. PLCB claimed that as a state agency, it couldn't be sued. But the court found that sovereign immunity didn't apply because the agency's failure to implement the legislature's order to allow direct shipping and stop collecting the fees was "dilatatory and obdurate."

## Old Bridge Cellars Sues Rose & Arrow Over Trademark

When **Columbia Hudson Ventures**, a contract winery and bottler, ran into liquidity issues, it asked one of its clients, **Old Bridge Cellars**, to prepay a significant part of the price of wine to be produced. To induce Old Bridge to do this, Columbia said it would assign to Old Bridge intellectual property rights in brands owned by Columbia. Old Bridge agreed to the proposal, accepting the assignment of the "Rose and Arrow Art Work" design trademark logo.

After Columbia morphed into **LM Wine Co.**, Old Bridge noticed that LM had begun to use the trade name "Rose & Arrow Estate" on labels of wine featuring the Rose & Arrow Artwork" mark. Shortly thereafter, with the production contract being set to expire, LM said it would be willing to renew the contract — provided Old Bridge assigned to LM the "Rose & Arrow Artwork" trademark,

which Old Bridge had paid to acquire from LM's predecessor. The tale gets more complicated, when Old Bridge realized the "Rose & Arrow Artwork had never been registered as a trademark.

The relationship between the parties deteriorated, and LM changed its name to Rose & Arrow LLC. Meanwhile, Old Bridge sought cancellation of a registration for the Rose & Arrow Estate and sought a trademark to use Rose & Arrow on wine. There followed mutual recriminations.

Now, Old Bridge seeks to resolve the matter, filing suit in federal district court to enjoin use of the Rose & Arrow Estate or any term similar to the Rose & Arrow Artwork mark for alcohol beverages produced or sold by LM.

Attorneys for Rose & Arrow didn't respond to a request for comment.

**RtD's Surpass Seltzers, Tequila Continues to Grow, But Tito's Remains Top-Seller: Drizly**

Early reports on Memorial Day weekend sales are coming in, and it appears to have been a good holiday for bev/al marketers — or at least distilled spirits marketers — on **Drizly**.

The top-selling liquor on Drizly this Memorial Day weekend was Tito's Handmade Vodka, Tito's and Casamigos Blanco both held their position from last year, but Jameson Irish Whiskey, Hennessy V.S. Cognac and Grey Goose Vodka all fell from the top five, replaced by High Noon Hard Seltzer Variety Pack, Clase Azul Reposado Tequila and Espolon Tequila Blanco.

The fact that three of the top five sellers were tequila is symbolic of the strength of tequila this Memorial Day. This year, vodka held only a 1 percentage point lead of tequila in terms of all liquor sales — 22% for vodka, 21% for tequila.

As for ready-to-drinks, for the first time the RtD subcategory surpassed the hard seltzer category, 4.8% to 4.4%. High Noon's performance was especially notable, placing as No. 3 this year, up from No. 7 a year earlier. Cutwater Spirits was even more impressive, climbing to No. 13 from No. 31.

**Bear Fight Single Malt Whiskey Launches**

The **Next Century Spirits** brand is available in Colorado, Connecticut, North Carolina and New York. "A much broader rollout to come in Fall 2022," the company says in an announcement.

"The final flavor profile decision was made in order to create the most approachable, daily drinker American Single Malt in the world," says Master Blender **Nick Scarff**, who has earned more than 130 medals in international tasting competitions for products he has developed. "The inspiration for this product came from a combination of a lifelong love affair with Scotch combined with the desire to prove that America could also produce top quality single malt whiskies."

"We believe Bear Fight can create a new value proposition for consumers that shows amazing whiskey can be found in all categories and prices," says **Anthony Moniello**, chief commercial officer. The brand (SRP: \$39.99) has been awarded gold medals across multiple international spirit competitions including: Double Gold at the World

Spirits Competition in San Francisco, Best in Category at the World Whiskies Awards (the only American Single Malt under \$150) and Double Gold at the New York International Spirits Competition (the only American Single Malt under \$75), to name a few.

**Company Distilling to Open Its 1st New Distillery in July**

**Company Distilling** said it will open its first newly-constructed distillery in Townsend, Tenn., July 8-10. Throughout the weekend, guests can expect to experience live music, enjoy a cocktail, and tour the facility. The full product portfolio for Company Distilling will also be available to sample, including its Straight Bourbon Whiskey finished with maple wood, which hit the shelves last November as Company's inaugural offering.

Since its founding in 2020, Company Distilling's goal has been to create spaces where people can gather around and enjoy exceptional spirits.

"Our initial vision for Company Distilling was to be more than just a whiskey brand. We envisioned being a full portfolio spirits company, and we had a collective group experience that I thought brought different areas of expertise to the table. We were stronger together especially when we were thinking about doing more than just one thing," says **Jeff Arnett**, Master Distiller. "I think one of the greatest things about where we are is the freedom that comes from being a small, nimble group of people controlling our own destiny."

**Kris Tatum**, President, further elaborates on the togetherness aspects of Company. "We're committed to living up to our promises. We have high expectations and a team that collectively has years of industry experience. Our uncommon bond and friendships drive us to continue to make

**Use This Coupon to Subscribe Or Renew**

**To: Whitaker & Company, Publishers, Inc.**  
 14305 Shoreham Dr, Silver Spring, MD 20905-4481  
 **YES!** Begin (or renew) my subscription to **KANE'S BEVERAGE WEEK**.

- Daily and Weekly by e-mail - \$823 (1 yr/233 issues)
- Weekly by First Class Mail — \$823 (1 yr/47 issues)
- Maryland residents — add 6% sales tax
- Check enclosed
- Charge my VISA/MasterCard/Amex

# \_\_\_\_\_  
 Expires \_\_\_\_\_ Security Code \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Firm \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_ ZIP+4 \_\_\_\_\_  
 Phone \_\_\_\_\_  
 FAX \_\_\_\_\_  
 e-Mail \_\_\_\_\_

**For Fastest Service: FAX TO 301-879-8803**

quality spirits that bring people together.”

## Lake County Winegrape Commission Plans New Ad Campaign

Lake County (Calif.) Winegrape Commission's new campaign features a dusty cowboy riding through rows of mountain grapes, suggesting that the grapes in Lake County are “never picked,” but rather “wrangled.” In addition, the advertisement states that grapes have been “raised on volcanic lava milk...ever since they were babies”— a nod to the region's young volcanic soils.

“We look forward to highlighting Lake County in a way that sets the region apart from other winegrowing areas. The new branding embodies the unique nature of volcanic growing conditions to capture the attention of wine enthusiasts seeking a surprising alternative,” said **Megan Hoberg**, Marketing & Events Manager of the Lake County Winegrape Commission.

Volcanic wines have seen a dramatic increase in market popularity and demand in recent years as consumers seek out new and unique options. Surrounded by volcanoes — Mount Konocti, Cobb Mountain, Mount Hannah, and the Mayacamas — the area is rich in lava dome complexes, geothermal activity, black obsidian, cinder cones, and maars of basaltic-to-rhyolitic composition. Dispelling the myth that “a grape is just a grape,” Lake County clearly positions the region as one that owns the very definition of higher altitudes, volcanic soils, and rugged mountain grapes — producing wines with a truly distinct, intense, and recognizable personality.

## Cool Cat Intros Pride Packaging

June is National LGBTQ+ Pride Month, and **Cool Cat**, a line of gay-founded, owned and operated low-calorie wine spritzer cocktails, will introduce limited edition Pride-theme packaging to commemorate June as National LGBTQ+ Pride Month. The rainbow-themed 4-packs of 12oz cans will be available for purchase in select on- and off-premise accounts in New York, California, Florida, Connecticut, and online at [drinkcoolcat.com](http://drinkcoolcat.com).

In addition to the limited-edition cans, Cool Cat will donate \$10,000 to **The Center** in New York, which provides vital programs and services for the local LGBTQ+ community, including advocacy, health and wellness programs, arts and entertainment and cultural events, recovery, parenthood, and family support.

## Bar Convent Brooklyn to Offset Footprint

**Bar Convent Brooklyn** is collaborating with **Barr Hill**, a Vermont distillery, to offset 100% of the show's 73,000-square-foot physical footprint by planting and maintaining 73,000 square feet of new pollinator footprint, creating a life source for bees which are responsible for one-third of all agricultural products uses in the bar and beverage industry.

Bar Convent also plans to plant 10 trees for every person who attends the trade show, partnering with Trees for the Future to do this. Among other sustainability initiatives it plans, it will compost cocktail waste throughout the event,

provide additional recycling bins and use recyclable cups and cutlery.

Barr Hill will be offering an observation beehive experience during the show on June 14 and 15. Attendees can come by the Barr Hill booth in the venue's courtyard to see, taste, and learn more about the distillery's efforts with sustainability first-hand. Barr Hill uses raw honey to make its spirits, including Barr Hill Gin, the most awarded American-made gin, and the distillery is an advocate for bee populations and beekeepers.

Bar Convent Brooklyn will take place June 14 and 15 in Industry City, Brooklyn, NY.

## Inspiro Intros Tequila Aged in Rose Barrels

**Inspiro Tequila Rosa Reposado** is distilled from 100% Blue Weber Agave before it is aged in oak cases previously used from rose wine. The Rosa Reposado is then finished in pinot noir wine barrels for a short while to impart a rose gold color and exceptionally complex and unique taste profile.

The Inspiro brand was created after Mara Smith couldn't find a tequila brand that met her expectations that was additive free with the look, taste and aroma that appealed to her.

## Oregon Shows Strong Growth In Wine Sales and Volume

Sales growth for wine in general was up 7.7% for table wine, but up more than 23% for wine from Oregon, according to a report by **Danny Brager** for the **Oregon Wine Board**.

For 12 months ending January 2022, one of the brightest spots was the higher priced wine between the \$25 to \$49 price per bottle segment, which is trending up 11.9%. The \$50+ wines are trending up 45.8%. For Oregon, a winemaking region that sits comfortably at the table of higher priced wines, our largest share gains are in the \$20-\$25 table wine segment. Brager noted: “Oregon's price tier trends tend to generally ‘mirror’ overall Table Wine trends – but unlike Oregon, total table wine trends are weighted heavily to the ‘bottom’ tiers.”

Pinor noir, which accounts for 58% of the acreage planted in Oregon, is head and shoulders above Cabernet Sauvignon, Zinfandel, Sauvignon Blanc, Chardonnay, Red Blends, Merlot, Rosé and Pinot gris in \$15+ domestic table wine at a 32.8% volume share in the 12 months ending January 2022. Similarly, Pinot noir's volume growth by variety in Oregon was up 18.3% in 2021, three times the growth of Pinot noir across the U.S. which came in at 6.1%.

Oregon continues to maintain its premium, higher than average retail price in stores, a key factor in insulating the wine business given broader wine premiumization price tier trends. A 750 ml bottle of Oregon table wine cost \$17.10 in 2021, California's was \$10.46, and Washington's \$8.15. Total market overall price is \$8.46 per bottle on average.

As for sparkling wine, Oregon showed enormous growth, up 62.5% total volume in 2021. Compare that to total volume for domestic Sparkling wine at 10.1%. Chardonnay is the second highest total volume growth, with a 42.8% increase, even more outstanding considering that Chardonnay



across the U.S. was down -3.2%.

In wines shipped direct to consumers in 2021, Oregon averaged \$42 for an average bottle, behind California at \$43.94, with Napa specific wines at \$72.41 per bottle, but over \$6 higher per bottle than Washington as reported by SOVOS/ShipCompliant.

In summary, Brager notes the following growth points:

- ✓ The Oregon segment is growing faster than the table wine category, both in retail and DtC

- ✓ Oregon wine is a premium player as a key participant and driver of growth at the premium end of the overall wine market (higher price tiers)

- ✓ Oregon wine is a meaningful retail, three-tier, and DtC player, and DtC in general is commanding a larger OVERALL channel share within wine

- ✓ Oregon wine's signature varietal Pinot noir is making further inroads nationally, with the share expanding both within and outside of Oregon.

## DISCUS, Scotch Whisky Association Toast End of Retaliatory Tariffs

Crippling retaliatory tariffs on American Whiskey and Scotch Whisky in trade disputes wholly unrelated to the distilling sector have ended.

Between 1997-2017, when there were no tariffs on distilled spirits between the US and UK, bilateral trade in whiskies increased 212% (from \$453 million to \$1.41 billion). The devastating retaliatory tariffs imposed on Single Malt Scotch Whisky and the American Whiskeys resulted in a 35% decrease in bilateral trade in whisk(e)y between 2018-2021 (from \$1.51 billion to \$982 million).

Important trade agreements reached between the U.S. and EU in the mid-1990s – which the UK has subsequently carried over – to eliminate tariffs on most spirits, including Scotch Whisky, Bourbon, and Tennessee Whiskey, form the foundation of mutually beneficial trans-Atlantic trade, the Distilled Spirits Council of the U.S. and the Scotch Whisky Association said in a statement.

"The benefits of free trade are clear, and we champion it. We look forward to focusing on bringing our whiskies to consumers around the world and competing in the marketplace on a level playing field," they added.

## O'Neill Vintners & Distillers Introduces Saint Javelin Vodka; Proceeds to Aid Ukraine

O'Neill Vintners & Distillers said Saint Javelin Vodka (SRP: \$22.99), a new premium vodka that will go on sale in mid-August. O'Neill will be donating all proceeds to [Razom](#), an organization that is providing critical humanitarian war relief and recovery to the people of Ukraine. In addition, to kick start the campaign, O'Neill will donate \$50,000 before the first bottle is sold.

"It has been horrific to watch events unfold on the other side of the world, seeing families being torn apart and lives broken and changed forever," said **Jeff O'Neill**, founder/ceo. "Many of us have made small contributions to Ukraine, but I was trying to find a lasting platform that could continue to promote success against a barbaric regime

that our children may have had to face later.

"The name Saint Javelin is no accident as it pays homage to the thousands of anti-tank missiles supplied by the United States that have become an iconic weapon of war. Lightweight but lethal, these javelins have helped the underdog Ukrainians inflict major damage on Moscow's much-vaunted military and thwart their advance."

The guiding principle of O'Neill's spirits division is 100% transparency, 100% of proceeds donated, and 100% dedicated to doing good. The new brand, Saint Javelin, will aim to sell 5,500 cases of vodka in its first year. We will bring weekly updates on our progress including funds contributed and where they went to support the efforts.

## Boston Beer's Jim Koch Urges Craft Brewers To Pledge to Provide Safe Space for LBGTQ+

In partnership with GLAAD, **Jim Koch**, founder/brewer, **Boston Beer Co.**, called on craft breweries to sign the [Safe Bars P.A.C.T.](#) (Promise of Awareness, Compassion, and Trust) – a code of conduct for professional beverage organizations, trade associations, and non-professional beverage groups to sign and commit to – and is now calling on other craft breweries to do the same.

"Beer has a powerful way of bringing people together, and with that power comes responsibility. I believe craft brewers can play a critical role in providing safe and inclusive spaces for everyone to enjoy great beer, starting with our own taprooms and breweries," he said.

**Samuel Adams** will also donate \$100,000 to Safe Bars to further support the organization's P.A.C.T. initiative and training programs in bars and craft breweries nationwide, with the goal of creating welcoming spaces for guests and safe and respectful workplaces for staff.

## UC Davis Building Greenhouse to Protect Grapevine Collection from Disease

A new, \$5.25 million greenhouse is being built on the University of California, Davis, campus to safeguard an important grapevine collection from red blotch disease and other pathogens.

The 14,400-square-foot greenhouse will have a vestibuled entry, be insect-proof and provide another level of disease protection. It is being spearheaded by [Foundation Plant Services](#), or FPS, which provides the U.S. grape industry with high-quality, virus-tested grapevine plant material.

The program serves as the primary source for grapevine plant material distributed to nurseries under the California Department of Agriculture's Grapevine Registration and Certification Program, which provides the majority of grapevines planted in the United States. For the grape industry, it is essential to protect this material from disease-carrying insects and guarantee fast access to clean plant material.

"The program is considered the largest quarantine center for the grapevine industry in the United States," said **Maher Al Rwahnih**, a plant pathologist and FPS director. "This is kind of a game changer for us."

### A history of serving the grapevine industry

FPS has maintained healthy grapevine planting stock on the UC Davis campus for more than 70 years in open fields at the Classic and Russell Ranch foundation vineyards. FPS scientists first detected grapevine red blotch virus at Russell Ranch in 2017. By 2021, an estimated 51.6% of the crop there was infected. Material from that vineyard is not being sold, and the site is now part of an epidemiological study to try to pinpoint how the disease is transmitted.

FPS pathologists have detected red blotch on less than 1% of the Classic vineyard crop. But, "we don't know how long the Classic vineyard will remain clean," Al Rwahnih said. "Every testing season, this is what keeps me up at night. We're not sure why it's happening in Russell Ranch and not the Classic vineyard."

Once the greenhouse is operating, grapevines propagated from plant material from the Classic vineyard will be moved into the greenhouse, tested and verified as clean from disease. From there it will be sold to nurseries, which will grow additional plants to sell to growers.

### Two greenhouses part of plan

Normally the foundation has 4,000 vines available, but the greenhouse will only house 2,000 vines, so inventory will be cut in half.

"This phase is just a starting phase," Al Rwahnih said. "It's not sufficient for our needs."

FPS plans to build another greenhouse in the next two to three years to increase capacity.

## **Benriach Intros 1st Single Cask Malt Scotch Whisky to U.S.**

**Benriach Distillery** announces the arrival of the Benriach Cask Edition, its first single cask single malt Scotch whisky bottlings ever available in the U.S. Each of the three expressions exclusive to the U.S. have been drawn from individual casks selected by Master Blender **Rachel Barrie** to offer a rare and unique insight into the versatility of Benriach's eclectic cask styles.

Limited to a few hundred bottles per cask, each whisky is bottled at cask strength, its most natural and non-diluted form. Age statements range from 12 to 27 years old.

"Our 'sleeping beauties', as we often call these casks, continue to be sourced from all over the world, enabling us to creatively explore the full flavor possibilities of Speyside Single Malt," said Barrie. "Each cask will tell its own story of a journey of flavor where the spirit is married with oak, over years and through the seasons, to really create a unique moment in time never to be repeated again."

"From the Marsala Wine Hoghead cask bringing out clementine, apricot, nectarine and cherry blossom flavors, to the Pedro Ximénez Puncheon with intense notes of heather honey, butterscotch and sultana, each cask allows us to explore a different aspect of Benriach's fruit-laden character," said Barrie.

For the first time ever, each of the three expressions have been released to select markets across the country. Depending on the expression, the ABV ranges from 55.4% to 58.2%, while SRP ranges from \$100 to \$380. Each bottle draws its natural color from the cask in which it rests.

## **Phenomenal Spirits Debuts RY3 14 Yr. Cask Strength Single Barrel Light Whiskey**

**Phenomenal Spirits**, Virginia Beach, Va., releases its new handpicked **RY3 14 YR Single Barrel, Cask Strength Light Whiskey**.

The debut comes as the overall Craft and "Light" Whiskey segments are building traction among cask-strength enthusiasts across the country, Phenomenal says. RY3 14 YR is bottled at Cask Strength (minimum of 120 Proof) to emphasize the true characteristics of this aged Whiskey that boasts layers of Cinnamon, Tobacco, Orange Peel, and subtle notes of oak.

Unlike other "light" product segments, Light Whiskey is neither lower in calories nor lower in ABV but rather the opposite. The "light" in the name refers to the whiskey's flavor which tends to be less caramel-forward, smoother, and easier-drinking than its American Bourbon and Rye counterparts. The Light Whiskey segment was established in 1968, in response to the growing trend of U.S. drinkers towards lighter spirits including gin, vodka, and lighter blended imported whisky.

With the tremendous comeback of U.S. whiskey, craft whiskey substyles including light whiskey are enjoying renewed interest among enthusiasts and novices alike.

Light Whiskey's is made with a mash bill of 99% corn and 1% malted barley distilled to between 160 and 190 proof and aged in used or uncharred new American oak.

Phenomenal Spirits operates its own blending facility in Virginia Beach, Va., to achieve scale and operational efficiency and control quality and consistency along with all aspects of product development. Sudhir added, "We are thrilled with US consumer's embrace of our RY3 Whiskey in the time since it first debuted in 2020. We are very excited to introduce a range of daring new products beginning with RY3 14 YR. Cask Strength Single Barrel Light Whiskey, a true treasure in the Craft Spirits category."

SRP: \$75-\$85 in California, Georgia, Tennessee, Mississippi, Alabama, North Carolina, Massachusetts, and Connecticut.

## **Provi Completes 1st Stage Of SevenFifty Integration**

**Provi** said it has completed the first phase of integration **SevenFifty** into Provi's marketplace, which will now include SevenFifty's pricing and portfolio information about 700,000 products from 1,200 distributors.

The integration is being done as a phased rollout, moving on-premise and off-premise buyers from SevenFifty to Provi through the remainder of the year. By year-end, Provi will offer a single log-in for buyers, so they won't have to search on one site and order on another.

"Provi and SevenFifty have the shared goal of better connecting all three tiers of the beverage alcohol industry," said **Taylor Katzman**, Provi founder/CEO. "SevenFifty has spent the last decade thoughtfully building innovative tools for distributor sales reps while creating a highly detailed wine and spirits content database. Integrating these distributor portfolios into Provi's marketplace brings us one step closer to providing a more thorough and efficient experi-

ence for both on- and off-premise buyers.”

In January, Provi announced it was joining forces with SevenFifty to create a unified and expanded marketplace for the beverage alcohol industry. The integration comes with a shared focus on digital transformation and will provide a robust ecommerce marketplace and distributor toolkit to streamline operations for licensed buyers and distributor sales reps.

## Sonoma County Program Faulted For Endangering Ag Field Workers

A Sonoma County, Calif., program that allows agricultural employers to bring their workers into mandatory evacuation zones to work during wildfires. A new study from the University of California Irvine details the dangers posed to workers by the program and makes 10 recommendations to improve worker safety.

For the LNU Fire, the Ag Pass program allowed 41 worksites and 115 workers within the fire perimeter. During the Glass Fire, the Ag Pass program allowed 37 worksites and 178 workers within the fire perimeter. However, the number of workers is likely larger, in particular for the LNU Fire, since 233 of the approved Ag passes did not list the number of workers.

Significant improvements need to be made to ensure health and safety, especially for socially vulnerable workers, the study says, including but not limited to:

1. Post-Incident Accountability and Data Accuracy
2. Clear Protocols for Identifying Workers and Location
3. Participation by Farmworkers in Ag Pass Program
4. Require Employer Emergency Plans
5. Verify Employer Insurance Coverage
6. Post-Exposure Health Screenings and Hazard Pay
7. Emergency Training for Workers
8. Real-time Monitoring of Air Quality

## Nevada Beverage Taps DispatchTrack To Improve Deliveries

**DispatchTrack**, a leading provider of right-time delivery management software, said it has been selected by **Nevada Beverage Company**, a large Las Vegas-based beverage wholesaler, to improve delivery efficiencies and ensure orders are consistently delivered on time.

With DispatchTrack's AI-powered hybrid routing, which factors in weight, travel time, traffic, inspection time, and more to seamlessly combine static and dynamic routing, Nevada Beverage Company is able to make more stops a day, DispatchTrack said. It also benefits from highly efficient coordination between sales, merchandising, and delivery, facilitated by a dedicated salesperson app to ensure easy coordination with each delivery. Among other benefits and capabilities, DispatchTrack's configurable SaaS technology provides automated delivery costing to help identify which stops are profitable.

“The beverage industry is grappling with a host of challenges including staffing shortages, supply chain delays, volatile fuel costs, and increasing demand. To be successful, wholesale distributors have to be more efficient and deliveries

have to be made on time if they want to keep customers happy,” said **Satish Natarajan**, DispatchTrack co-founder and CEO. “We share and admire Nevada Beverage's unwavering commitment to customer service and we're proud to help them keep their promises to their customers by ensuring deliveries are always received at the right time.”

## Hacker-Pschorr Münchner Gold Lager in Cans

For the first time **Münchner Gold Lager** is now available in the U.S. in 16.9 oz cans. The new lightweight cans are available in a convenient 4-Pack, making it easy to bring to a BBQ, tailgating event or even the beach, and feature the brand's unique heritage, tradition, and superior taste.

“Just in time for summer gatherings and events, we are pleased to introduce the Münchner Gold Lager, one of our most popular recipes, in our convenient and portable cans,” says **Steve Hauser**, CEO of **Paulaner USA**, the U.S. importer of Hacker-Pschorr. “Preserving the taste and integrity of this centuries old recipe has always been our number one priority. Our cans are perfectly designed to protect the flavor of the beer and its lightweight design makes it ideal to take along to parties.”

## Calif. Bill Seeks to Restore DtC Shipping By California Distillers, Brewers

A pandemic-era program that allowed craft distilleries to ship products to legal age consumers across California ended in March. Now, a bill in the California Senate seeks to allow craft distilleries and breweries to ship to California customers, as well as increasing the limits on amounts that are allowed to be shipped from 2.5 liters per day to customer, to 4.5 liters.

Supporters note that California wineries saw sales increase to \$57.6 billion last year from 4000 wineries, up from \$5.5 billion in 1986 when 700 wineries were first permitted to ship within California.

## The Kraken Debuts Canned Cocktails With a Sweepstakes

The **Kraken Rum**, the world's top-selling dark rum brand, released three new canned cocktails: Kraken & Cola, Kraken & Ginger Beer and Kraken Rum Punch. With the U.S. RtD market expected to continue to expand at a compound annual growth rate of more than 13% until 2030, “we're eager and thrilled to introduce a new and convenient way for consumers to enjoy their favorite rum cocktails in three carefully curated flavors,” said **Lander Otegui**, SVP-Marketing at **Proximo Spirits**. “As one of the only dark rum-based RTD offerings on the shelves, our Kraken Rum cocktails offer an unexpected way to add a little extra fun to your summer plans whether you're sipping at home or on an adventure at sea.”

Named for the sea beast of myth and legend, Kraken is celebrating its newly released ready-to-drink cocktails by giving rum drinkers a chance to win a squid spotting expedition around the island of Roatan in Isa Guadalupe. To enter the Krak Open Summer Sweepstakes and a chance to win an all-expenses-paid trip to spot a real-life kraken, consumers can visit [KrakOpenSummer.com](https://www.krakopensummer.com).

Kraken Rum ready-made cocktails are 5% ABV and sold in 4-pack cans as well as a variety of single-serve tray packs at \$12.99 MSRP.

## Empire Merchants Picks City Hive's B2B Platform for Distributors

City Hive Inc., an omni-channel digital commerce and data platform used by more than 3,000 retailers in more than 1,000 cities in 40 states launched a proprietary business-to-business online platform that “unlocks speed, efficiency, and transparency (and) can be utilized by any distributor in the industry. **Empire Merchants** and **Empire Merchants North**, wine and spirits distributors in New York State, are among the first to use the B2B platform with the launch of [empire360.com](http://empire360.com).

“We are thrilled to provide our state of the art technology infrastructure to be utilized by every player within the industry – retailers, suppliers and now distributors. We are enabling true connectivity between the tiers and are powering the future of the industry”, said **Roi Kliper**, CEO of City Hive. “Countless retailers have availed of City Hive’s cutting edge technology to transform their businesses with scalable solutions and customer ownership. We’re excited to bring this infrastructure and philosophy to B2B”.

City Hive can integrate to any ERP/CRM program and distributors using the platform can interact and transact directly with their customers 24/7/365 in their own branded storefront, outside of a marketplace. The platform bridges the divide between on and offline sales by positioning sales reps at the heart of this omni-channel operation and equipping them with data insights, digital assets, sell sheets and powerful CRM tools. For On- and Off-Premise customers, the platform facilitates off-hour ordering, product research, past order history access, and payments. City Hive is on track to launch their Distributor product in more than 30 states by the end of the year.

## 21st Amendment Brewery Teams With Hops Grower for New Brew

In a play on “Star Wars,” **21st Amendment Brewery**, San Francisco, and lauded family-owned hop farm **CLS Farms** teamed up for a limited-edition Imperial IPA brewed with innovative hops grown in the premier hop region of Yakima Valley in Washington State. **Close Encounters of a Hop Kind** (8.5% ABV) “transports beer drinkers far beyond typical Double IPAs with CLS Farms’ extraterrestrial proprietary hop varieties: El Dorado, Zappa®, and the brand new, never before used X-14. Handcrafted out of a love for experimental hops, **Close Encounters of a Hop Kind** is a deceptively easy-drinking DIPA,” the companies said.

21st Amendment is an open-door brewery that welcomes collaborations with industry professionals they admire. In turn, CLS Farms offers 21st Amendment exclusive access to world-renowned hops so **21st Amendment Co-Founder and Brewmaster Shaun O’Sullivan** can be inventive with how he approaches the hottest beer styles.

“Discovering new and experimental hops is a driving energy behind the excitement for craft beer. Our friends Eric and Shelley Desmarais at CLS Farms along with their family

and crew are at the tip of the spear with hop innovation and exploring new varieties. That innovation brings our collaboration to a higher level. **Close Encounters** with its light haze and deep straw color has flavor and aroma bursts of tropical, stone fruit, lime, melon, and purple, that’s right purple. All those flavors wrapped and tucked into a double IPA in a 16 ounce can, well, we can all definitely dig that,” says O’Sullivan.

The new **Close Encounters of a Hop Kind** will be available this summer in 16 oz. can 4-packs and on draft in all 34 states where 21st Amendment distributes.

## Tröegs Intros Perpetual Haze

**Tröegs Independent Brewing** introduces **Perpetual Haze**, which combines the clean, crisp bitterness of a West Coast IPA and the softness of a hazy. Front and center are Citra and Cashmere hops to unlock juicy notes of orange, passionfruit, and nectarine. It’s available on draft and in 16-oz. cans everywhere Tröegs is sold.

In another development at Tröegs, the company announced that a portion of sales of its **Trail Day Dry-Hopped Pilsner** will be donated to the Nature Conservancy to help protect the 15,000 acres of the ecologically important 185-mile Kittatinny Ridge forested mountains that runs through Pennsylvania.

“We grew up in the shadow of the Kittatinny Ridge and it passes within 10 miles of the brewery,” says Tröegs founding brother Chris Trogner, “so we know this land well. And few things are more important to brewing beer than clean water.”

Trail Day is available in 16-oz. cans in Pennsylvania, Maryland, Delaware and New Jersey.

## 2 Scholarships Available To Attend TEXSOM Conference

**SommFoundation** and its sponsor, **Santa Margherita USA**, are offering scholarships for two professionals to attend the annual TEXSOM event in Irving, Texas, Aug. 28-30. Registration, airfare and hotel will be covered. Meals and ground transport are not included. Deadline to apply in June 13. Full details and to apply:

<https://www.sommfoundation.com/enrichment-trip/texsom-2022/>

## Who & What —

**KLG PR** now represents **Bearface Whiskey**, which is aged in the Canadian wilderness.

**Smirnoff Red, White & Berry** names Kaley Cuoco, the actress, “chief summer officer.”

Continued Success,  
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor