

# 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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June 17, 2023

## Who & What —

**Phenomenal Spirits** Virginia Beach, Va., welcomed **Barrie Sly** as international commercial manager. Most recently, Sly was instrumental in expanding global sales for a craft rum distillery to over 20 international markets. Phenomenal Spirits also welcomed **Ryan Huntsinger** to the new position of brand ambassador, Tennessee.

**David Rosenthal**, former Head Winemaker at **Chateau Ste. Michelle**, launched **Partnership Wine Consulting**, a full-service winegrowing consulting company, with the goal of helping wineries evolve to meet their ever-changing needs.

**Groth Vineyards & Winery** promotes **Christina Appleby** to Chief Financial Officer. She had been controller.

**Covenant Winery**, Berkeley, Calif., hires **Ted McArdle** as hospitality manager.

**Delmas and SJR Vineyard**, a Robertson Family legacy project founded by Steve and Mary Robertson 15 years ago, appointed **Brooke Delmas Robertson** as Winemaker.

**Foley Family Wines** promoted **Crystal Crump** to vp-sales, national accounts off-premise, from senior director off-premise national accounts, East.

**Moet Hennessy** appoints **David Pearson** executive chairman of **Joseph Phelps Vineyards**.

**Bogle Family Wine Collection** hires **Tim Hill** as the Director of Sales - Central Division and **Tara Kelly** in the newly created Director of Sales Trade Marketing position. Most recently, Hill was vp-sales at Romano Regal Wine Co.

**Redemption Whiskey** hires **Alan Kennedy** as its new master blender.

## **Brown-Forman Sells Finlandia to Coca-Cola HBC**

**Brown-Forman Corp.** said it agreed to its Finlandia vodka brand to **Coca-Cola HBC AG** for \$220 million, subject to the customary closing process. The purchase is expected to close in the second half of the 2023 calendar year.

“Finlandia has played an important role in the global growth of Brown-Forman. Since the brand originally joined our portfolio in 2000, many talented individuals have worked hard to bring Finlandia vodka to the world, and I thank them for their dedication,” said **Lawson Whiting**, Brown-Forman president/CEO. “We believe Coca-Cola HBC is well-suited to support Finlandia’s future growth and look forward to watching the continued evolution of the brand in their capable hands.”

“We are excited and privileged to become the new home for Finlandia vodka. This unique opportunity for us will support our mixability strategy with our core Non-Alcoholic Ready-To-Drink portfolio and sharpen our focus on the strategically important on-premise channel. We are already developing strong plans to take Finlandia to the next level by accelerating and leveraging the brand’s current momentum,” said **Zoran Bogdanovic**, Chief Executive Officer, Coca-Cola HBC AG. “Lastly, I would like to welcome the Finlandia team to the Coca-Cola HBC family and look forward to great successes.”

## **Modelo Especial Pushes Bud Light to No.2 U.S. Beer**

**Anheuser-Busch's Bud Light** has been dethroned as the No. 1 beer in the U.S. by **Modelo Especial**, produced by **Constellation Brands**. Modelo Especial has 8.4% of U.S. retail beer sales in the four weeks ended June 3, while sales of Bud Light fell to 7.3% in the same period, according to **Bump Williams** who analyzed Nielsen IQ data.

Until the four weeks ended April 22, Bud Light had about 10% of the U.S. beer market. Then Bud Light's share dropped to 8.7% and has been trending downward ever since.

April 22, of course, is about the time the Dylan Mulvaney controversy erupted after the transgender influencer displayed a can of Bud Light with her picture on her Instagram account. A-B said the can was a special production, the sort of thing it has done for other influencers. But conservative commentators and others launched a boycott campaign which appears to have been successful.

## **Scheid Sales Rise 6% in Year, But Firm Posts a Loss**

**Scheid Vineyards Inc.** said its sales rose 6% in the fiscal year ended Feb. 28 to \$59.3 million. Despite the sales gain, the company booked a net loss of \$2.228 million for the year. A year earlier the company had recorded a profit of \$14.2 million, or \$15.84 a share.

The increase was driven by the Company's cased goods sales which increased 15%, as compared to a wine industry trend of flat sales growth. Offsetting the growth was a decrease in bulk wine and grape sales of 18%, from \$14.4 million to \$11.8 million, primarily as the result of a smaller than average 2022 grape crop. Winery processing and storage revenues were \$8.5 million, up \$1 million, an

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increase of 13%.

**Scott Scheid**, president/CEO, said: "Achieving a 15% increase in cased goods sales in fiscal 2023 in a market that has been relatively flat is a positive sign. This sales momentum is being driven by our low alcohol brand, **Sunny with a Chance of Flowers**, as well as increased sales in some of our private and exclusive brands. We realize, however, that there is much work to be done.

In order to build a business positioned for long-term success during turbulent times, we are focused on increasing margins through taking price increases and reducing costs, honing our sales focus on our key brands, pursuing new business through our innovative brand portfolio, and continuing to strengthen relationships with our trade partners."

### Shafer Acquires a Top Atlas Peak Vineyard

**Shafer Vineyards** purchased the four-hectare Altimeter vineyard in Atlas Peak, one of Napa Valley's most renowned AVAs. Terms weren't disclosed.

The vineyard purchase will help assure premium fruit for Shafer's Cabernet Sauvignon wines.

"Acquiring this spectacular world-class vineyard is part of our unwavering, decades-long focus on producing wines of elegance, purity, and balance," said Shafer's general manager **Matthew Sharp**. "It's a great privilege to make this site part of the Shafer Vineyard portfolio.

This is the second vineyard purchase for Shafer in the past year. Last August, the winery acquired the nine-hectare Wildfoote vineyard next to its Stags Leap District estate.

In February 2022, Shafer itself was purchased by Shinsegae Property, a unit of a Korean luxury firm. The transaction was reportedly valued at \$250 million.

### Vino Vault Acquires Collector Business Of Western Carriers

**Vino Vault**, a fine wine storage, logistics, and advisory provider, announced today that the company had acquired **Western Carriers'** collector business.

Located less than 10 miles from New York City, Western Carriers is one of the most well-known and respected providers of secure, climate-controlled storage and transportation services to private collectors, auction houses, and retailers in the nation. The company also has a robust wine cellar transportation business offering U.S. collectors a professional, secure, and reliable temperature-controlled option for moving fine wine by the bottle or collection.

"The acquisition of the Western Carriers collector division is a transformative event for our company," commented **Jeff Anthony**, CEO of Vino Vault. "We are also very pleased to have acquired Western's highly capable wine cellar transportation company, allowing us to offer even more enhanced services to our customers."

**Marc Cohen**, Western EVP, added, "As a large logistics provider to the commercial wine and spirits industry, we made a strategic decision to entrust our highly specialized private collector business to an organization that could take it to the next level. We were excited by Jeff's vision,

and we have total confidence in the Vino Vault team to take great care of our valued customers."

### New Belgium CEO to Step Down After Leading Historic Growth

**Steve Fechheimer**, who oversaw acquisition of Bell's Brewery and the sale of New Belgium by its workers to Lion Group, will step down in August to pursue new opportunities, the company said.

"It's been an honor to lead New Belgium for the past six years," said Fechheimer. "This is a truly special company, co-founded by **Kim Jordan**, a social worker, who asked me to help stabilize the business and pursue a new era of growth – all while never wavering in our core belief that-business works best when it works for the people who power it. I'm immensely proud of our team, and I'm excited for New Belgium's next chapter built on the solid foundation we've established so far."

During his tenure, Fechheimer steered New Belgium through a series of major milestones, including:

- The sale of the company by its coworkers, who formerly owned 100% of shares, to **Lion Group** in 2019 – paving the way for further growth and investments;

- Joining forces with **Bell's Brewery** in 2021, a move that made New Belgium North America's largest craft beer platform with an unrivaled portfolio including **Voodoo Ranger** and **Fat Tire Ale**, coupled with **Two Hearted IPA** and **Oberon Ale**, along with popular and innovative brands like **Dominga Mimosa Sour**, **Hopslam**, and **La Folie Sour Brown Ale**, and an award-winning wood-aged sour program;

- The unrivaled growth of Voodoo Ranger, America's #1 IPA brand, which has been a rare brand capable of expanding the craft beer community and inviting new drinkers into the category at a time when the craft beer industry has largely stagnated.

- The emergence of Fat Tire Ale as America's first certified carbon neutral beer, the establishment of industry-leading climate goals, and a bold relaunch of New Belgium's flagship with a new Fat Tire recipe and brand built to engage the next generation of craft beer fans in a movement to protect the only planet with beer;

- The 2023 acquisition of a state-of-the-art, 259,000 square foot production brewery in Daleville, Va., from Constellation Brands – a deal that will expand New Belgium's existing production capacity to meet current demand and continue to grow beyond the craft category with potential future FMB, seltzer, and RTD innovations;

- The consistent strengthening of Human-Powered Business practices throughout the business, including strong and consistent action and advocacy for social and environmental change; a new governance structure to enshrine Human-Powered Business practices deep into the company's operations; and the continued recognition of New Belgium's ESG leadership by independent organizations like the Human Rights Campaign and B Lab, which certifies New Belgium as a leading B Corporation globally.

"Steve leaves an incredible legacy, delivering strong growth while staying true to New Belgium's Human-Powered Business model," said Lion Group CEO

**Sam Fischer.** "One of the hallmarks of a great leader is the strength of the team they build around them. Steve has grown an exceptional leadership team who I know will keep driving this business forward with purpose and heart to achieve great things for New Belgium's coworkers, communities, and customers."

Fischer added the U.S. is a priority market for Lion, which is committed to New Belgium's Human-Powered Business model and continuing to foster the very special culture that underpins it."

**Scientists Find More Evidence Moderate Drinking Aids Your Heart. Also: A Reason**

For the first time, researchers have an explanation why light to moderate alcohol consumption appears to be associated with lower risk of heart disease.

The researchers found that alcohol, in light to moderate quantities, was associated with long-term reductions in stress signaling in the brain. This impact appeared to significantly account for the reductions in heart disease risk seen in light to moderate drinkers participating in the study. Findings are published in the [Journal of the American College of Cardiology](#).

"We are not advocating the use of alcohol to reduce the risk of heart attacks or strokes because of other concerning effects of alcohol on health," says senior author and cardiologist [Ahmed Tawakol](#), co-director of the Cardiovascular Imaging Research Center at Massachusetts General Hospital. "We wanted to understand how light to moderate drinking reduces cardiovascular disease, as demonstrated by multiple other studies. And if we could find the mechanism, the goal would be to find other approaches that could replicate or induce alcohol's protective cardiac effects without the adverse impacts of alcohol."

Previous epidemiological studies have suggested that light to moderate alcohol consumption (one drink per day for women and one to two drinks per day for men) is associated with a lower risk of cardiovascular disease. But it was unknown whether alcohol was inducing cardiovascular benefits, or whether light/moderate drinkers' health behaviors, socioeconomic status, or other factors protected their hearts.

The study, led by Kenechukwu Mezue and Michael T. Osborne, included more than 50,000 individuals enrolled in the Mass General Brigham Biobank. The first part of the study evaluated the relationship between light/moderate alcohol consumption and heart attacks and strokes after adjusting for a range of genetic, clinical, lifestyle, and socioeconomic factors. The researchers found that light/moderate alcohol consumption was associated with a substantial reduction in the risk of cardiovascular disease events, even after accounting for those other factors.

Next, they studied a subset of 754 individuals who had undergone previous PET/CT brain imaging (primarily for cancer surveillance) to determine the effect of light/moderate alcohol consumption on resting stress-related neural network activity.

The brain imaging showed reduced stress signaling in the amygdala, the brain region associated with stress responses, in individuals who were light to moderate drinkers compared to those who abstained from alcohol or who

drank little. And when the investigators looked at these individuals' histories of cardiovascular events, they found fewer heart attacks and strokes in light to moderate drinkers. "We found that the brain changes in light to moderate drinkers explained a significant portion of the protective cardiac effects," Tawakol said.

It's long been known that alcohol reduces the amygdala's reactivity to threatening stimuli while individuals are drinking. The current study is the first to indicate that light to moderate alcohol consumption has longer-term neurobiological effects in dampening activity in the amygdala, which may have a significant downstream impact on the cardiovascular system.

"When the amygdala is too alert and vigilant, the sympathetic nervous system is heightened, which drives up blood pressure and increases heart rate, and triggers the release of inflammatory cells," Tawakol said. "If the stress is chronic, the result is hypertension, increased inflammation, and a substantial risk of obesity, diabetes, and cardiovascular disease."

Finally, the investigators examined whether light/moderate alcohol would be even more effective at reducing heart attacks and strokes in people who are prone to a chronically higher stress response, such as those with a history of significant anxiety. They found that, within the 50,000-patient sample, light to moderate drinking was associated with nearly double the cardiac-protective effect in individuals with a history of anxiety compared with others.

Yet while light/moderate drinkers lowered their risk for cardiovascular disease, the study also showed that any amount of alcohol increases the risk of cancer. And at higher amounts of alcohol consumption — more than 14 drinks a week — heart attack risk started to increase while overall brain activity started to decrease (which may be associated

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with adverse cognitive health).

The authors concluded that research should focus on finding new interventions that reduce the brain's stress activity without the deleterious effects of alcohol. The research team is currently studying the effect of exercise, stress-reduction interventions such as meditation, and pharmacological therapies on stress-associated neural networks, and how they might induce cardiovascular benefits.

## To Maintain Margins During Inflation, Dry Falls Brewing Turns to Dual Pricing

Similar to many craft businesses suffering from the [historic inflationary environment](#), COGS (cost of goods sold) increased 30-40% for **Dry Falls Brewing** in Hendersonville, N.C.. So when Arryved POS presented the opportunity to completely recover payment processing fees for both debit and credit transactions, they jumped.

"This was totally financially motivated. It's a really easy way to help with our overall cost increases without raising prices for our guests," Jeff explains. He adds: "Dual Pricing is adding to our bottom line."

Dual Pricing increased revenue \$2,641 in Dry Falls' first 25 days of implementation. That's nearly \$38,000 in additional annualized profits!

### Guests Respond Positively To The Pricing Change

As if increased revenue wasn't enough of a success story, Dry Falls' careful positioning of their new pricing avoided any negative feedback from guests. The brewery made clear signage in two highly trafficked areas of the taproom and were honest with inquiring guests.

"We had a decision to make. Do we go up a dollar per pint? Or 30 cents per pint so you can use your credit card?" Jeff Gollhofer, co-owner, said. Something had to give with Dry Falls' increasing costs, and **the team agreed charging for payment processing was better for guests than simply raising menu prices all around.**

Both Jeff Gollhofer and his son Evan note that in the southern Asheville area, convenience fees and cash discounting are becoming more popular among other local businesses. "It's normal at this point," Evan says, referring to businesses recovering payment processing fees.

## Positive On-Premise Sales Velocity Driven by Check Value: CGA by NIQ

On-Premise sales velocity in the weekend ended June 3 was up 4% compared to a year earlier. This was driven by a 4% uptick in check value, CGA by NIQ said. Traffic remained flat.

The latest two weeks have seen a similar pattern in value velocity to last year, with slightly negative trends experienced over the end of May. The week to May 27 was down by -14% vs the previous week, with the latest week down by a further -2%. Trends in the most recent week were driven by a decrease in check value (-6%), with ticket count slightly positive.

"The latest two weeks have seen a similar pattern in value velocity to last year, with slightly negative trends experienced over the end of May," **Matthew Crompton**, regional director – North America, said. "Daily trends have

been variable by day and by state, with Monday 29, May, up +31% due to Memorial Day and Sunday May 21 saw a double-digit negative following Mother's Day the previous week.

"As we move further into summer, suppliers and operators should be planning for uplifts in footfall thanks to warmer weather and consumers vacationing, as revealed in CGA by NIQ's US Hotel BevAl Opportunity Report. Key On Premise occasions coming up include Father's Day, which was the second most valuable Sunday in 2022 after Mother's Day."

Whether it's the thoughtful signage or the trending cost optimization strategies surrounding them, data shows credit card usage remains the same at Dry Falls which proves zero impact on consumer behavior.

## Hard Lemonade, Orange Wine, Non-Alc Spirits Lead Sales on Drizly

For the second month in a row, hard lemonade led year-over-year growth in the beer category on Drizly. The leader was **Simply Spiked**.

Within the wine category, orange wine experienced the highest year-over-year sales increase in May, a position it hasn't held since September 2021. The top five sellers were **Gulp Hablo Orange Wine, Field Recordings Skins Orange Wine, Borgo Savaian Aransat Orange Wine, Biokult Naken Orange Wine, and Bosman Fides Grenache Blanc**.

And non-alcoholic spirits led liquor category growth, reinforcing the trend that consumers are looking for better-for-you options year-round, Drizly said. **Seedlip** dominated the list of best-selling SKUs, but there were some newcomers as well: **Seedlip Garden 108 Non-alcoholic Spirit, Ritual Zero Proof Tequila Alternative, Seedlip Grove 42 Non-alcoholic Spirit, St. Agrestis Phony Negroni, and Seedlip Spice 94 Non-alcoholic Spirit**.

A quick scan of the products that were most gifted on Drizly for Mother's Day for seven out of 10 were Champagnes. Here's the list:

- Veuve Clicquot Brut Yellow Label Champagne
- Clase Azul Reposado Tequila
- Veuve Clicquot Rose Champagne
- Moët & Chandon Impérial Brut Champagne
- Dom Pérignon Vintage Champagne
- Caymus Napa Valley Cabernet Sauvignon
- Whispering Angel Rosé
- Veuve Clicquot Yellow Label Gift Box Champagne
- Moët & Chandon Impérial Rosé Champagne
- Moët & Chandon Nectar Impérial Rosé Champagne

If Champagne was the gift of choice for Mother's Day, cocktails reigned supreme on Mother's Day as liquor led sales once again, with 47% of share – up slightly from 46% of share last Memorial Day weekend. Tequila, ready-to-drink (RTD) cocktails, and liqueurs, cordials, and schnapps all experienced year-over-year share gains. "These align with several trends outlined in our 2023 Consumer Report, including the rise in at-home cocktail making amid inflation," says **Liz Paquette**, Drizly's head of consumer insights.

## Deaths from Alcohol-Related Liver Disease Soared During Covid

During the pandemic, deaths from alcohol-associated liver disease for American Indian and Alaska Native (AIAN) populations was six times higher than that of white people, according to a [study](#) by Massachusetts General Hospital.

The study was published in [JAMA Health Forum](#).

“Even before the pandemic we saw a steady increase in alcohol consumption in this country and continue to experience high levels of alcohol-associated liver disease exacerbated by COVID-19,” said senior author **Jagpreet Chhatwal**, associate professor of radiology at Harvard Medical School and director of the Institute for Technology Assessment at MGH. “Our examination of all racial or ethnic groups showed that none are more vulnerable than American Indian and Alaska Native.”

Chhatwal also pointed out that alcohol consumption hasn't shown any signs of decline even as the pandemic has receded. “It's no coincidence that in 2021, life expectancy in this country dropped to its lowest level since 1996, with ALD [alcohol-associated liver disease] being the top reason after COVID-19 and unintentional injuries,” he said.

Alcohol-associated liver disease, which is linked to excess alcohol consumption, is characterized by progressive deterioration of the liver and loss of function and is now the leading indication for liver transplant in the United States.

At the height of the pandemic, deaths from ALD increased nationally by 23% in one year — compared to 43% from 2009 to 2015. Drawing on the CDC's WONDER Multiple Cause of Death database, Mass General researchers learned that ALD mortality rose in nearly every state from 2019 to 2020, with the greatest mortality rates occurring in Wyoming, South Dakota, and New Mexico — states with some of the highest concentrations of AIAN populations.

The disproportionately high mortality rate reflects not just the pandemic, but a systemic failure of supportive health care and lack of critical resources for AIAN populations which demand urgent action by public policy leaders, the researchers reported.

As for actionable measures, the study cites the need for significantly higher levels of preventive healthcare and resource allocation to agencies such as the Indian Health Service, the U.S. Department of Health and Human Services agency charged with providing comprehensive health services to the approximately 2.6 million American Indians and Alaska Natives in 574 federally recognized tribes in 37 states.

“Based on our findings, strong action needs to be taken at the public policy level to increase awareness among American Indians and Alaska Natives of the alarming mortality rates from alcohol-associated liver disease, and to implement universal alcohol screening and preventive health programs,” says Neeti Kulkarni, a research analyst at the MGH Institute for Technology Assessment, and lead author of the study. “It's critical for the states and federal government to recognize and responsibly address this problem before it spirals into a major health crisis for our country.”

## Eastside Distilling Unveils Deleveraging Plan

Eastside Distilling, Inc. said it signed a non-binding term sheet with key first and second lien debt holders that, if completed, will convert a substantial portion of outstanding debt to equity.

This would significantly reduce interest expense going forward and help the Company to regain compliance with the Shareholders Equity Rule for continued Nasdaq listing. In the proposed transaction, principal creditors would exchange \$6.2 million of debt for equity at an exchange rate of no less than \$4.00 per common share equivalent and no more than \$4.80 per common share equivalent.

New equity would be limited to less than 20% of total voting stock with the balance in new non-voting convertible preferred stock. In addition, interest payments on the remaining debt would be restructured and certain debt maturities would be extended. These changes would have a materially positive impact on cash flow and support the Company's growth initiatives, especially in digital can printing.

## Truth in Labeling? Guinness Baltimore Blonde to Be Brewed in New York

In a couple of months, a consumer who buys Guinness Baltimore Blonde beer will be buying a product brewed in New York, not in Maryland, much less in Baltimore, Diageo announced.

Guinness Baltimore Blonde has been produced at the Guinness Open Gate Brewery in Halethorp, just outside of Baltimore. Diageo announced in April it was closing its production facility there, although the Open Gate Brewery, which includes a 10-gallon experimental production facility, will remain open. The Open Gate Brewery is primarily a tourist attraction.

In a statement, Diageo said: "After conducting a due diligence process, which also considered options to keep production of Baltimore Blonde in the state, the supplier that best met the business case and production timeline was FX Matt Brewing Company in New York.

Actually, only four brewers were invited to submit a proposal. And only one of the four was in Maryland.

"Our Guinness Open Gate Brewery will continue to be a destination in the Baltimore area brewing a variety of experimental beers in the 10-barrel innovation brewery on the ground floor of the visitor center. The Guinness Open Gate Brewery's innovation brewing and hospitality operations are not changing in any capacity -- we are open and continue to welcome visitors to our taproom."

The Guinness announcement is just the latest in a series of breweries fleeing Maryland. A few weeks ago, **Flying Dog Brewery** was sold to FX Matt, and will close its Frederick, Md., location. Within the last two weeks, DuClaw Brewing Co. was bought by River Horse Brewing Co. DuClaw has been based in Baltimore; River Horse is a Ewing, N.J., brewer. Ewing is a suburb of Trenton.

## LucidWild Estate to Release First Bottlings

**LucidWild Estate**, an Oregon vineyard at the heart of the Dundee Hills in the Willamette Valley, said it will

release its inaugural 2021 Pinot Noir and Chardonnay to wine club members only in September.

Committed to "Putting the Land Before the Hand," LucidWild Estate produces small-lot, single vineyard wines that reflect an honest, authentic, and terroir-driven expression of the estate vineyard. The acclaimed farming and winemaking team have carefully tended to the 25-year-old vineyard estate to showcase the highest qualities of the 100% dry-farmed vines and premium hand-harvested grapes.

"We are very excited to introduce the world to our first vintage of LucidWild Estate's single vineyard estate 2021 Pinot Noir and Chardonnay wines," said **Blair Nicholas**, proprietor of LucidWild Estate. "We take great pride in the farming and craftsmanship of our premium single vineyard estate wines. We believe that wine enthusiasts will appreciate the complexity, depth, and character of our inaugural release."

LucidWild Estate's vineyard spans more than 24 acres of the most coveted vineyard land in the Dundee Hills. These wines are an allocation-only release to wine club members in the Fall of 2023. LucidWild is currently accepting a limited number of Founders Club and Inner Circle Club members via registration on their website.

In the Summer 2024, LucidWild will open the over 14,000-square-foot SkyTerrace + WineCave. Members and guests can savor the limited production wines while enjoying the panoramic views of the estate vineyard, Coastal Mountain Range, and the Dundee Hills. LucidWild's Founders Club and Inner Circle Club members will have exclusive access to member reserved tasting lounges, as well as personalized and immersive wine tasting experiences.

## Trinchero Shakes Up Distributors

**Trinchero Family Estates** (TFE) said it reached new distribution agreements as follows:

**Southern Glazer's Wine & Spirits** will be representing TFE in the following states: California, Arizona, Hawaii, the control states of Utah, Wyoming and Mississippi, and will be retaining the business in Florida, New York, Illinois, South Carolina, Kentucky, Missouri, Colorado, Nevada, New Mexico, Arkansas and regions of Ohio.

**Republic National Distributing Co.** will be representing TFE in Texas, Oklahoma, Louisiana, Maryland, Washington, D.C., Alaska and regions of Virginia

**Columbia** – a new partner – will be representing TFE in Oregon and Washington

**Johnson Brothers** will be representing TFE in Nebraska, South Dakota and Indiana as well as maintaining business in Minnesota, Iowa, North Dakota, West Virginia and regions of North Carolina

**Breakthru Beverage Group** will retain Connecticut, Delaware, Pennsylvania and parts of Virginia

The rest of TFE's current distributor network and market assignments will remain intact. This transition comes after a rigorous evaluation of TFE's national structure and each market over the last few months, led by a cross-functional team of leaders at the organization.

Maximizing TFE's route to market has been an im-

portant strategic initiative for the organization. **Dave Derby**, SVP and chief commercial officer commented, "As the category and the industry continues to evolve, developing partnerships with the right wholesalers in the right markets is critical. We're confident these partnerships will be integral to TFE's continued growth."

## McBride Sisters Wine Company in JV With Whiny Baby, a Gen-Z Beverage Startup

**McBride Sisters Wine Co.** (MSWC) said it will produce and distribute **Whiny Baby's** wines through direct-to-consumer sales in July and national retail accounts beginning in October.

MSWC's joint venture with Whiny Baby significantly augments production capacity and national distribution for the start-up brand following its successful California launch of Whiny Baby wines in 2022. Whiny Baby will have access to the MSWC's substantial network of grape growers and will benefit from the trailblazing women-founded brand's established relationships with national retailers, buyers and hospitality partners.

It will enter the market with three distinct bottlings: "Obsessed," a vibrant and fruity red wine; "Unwind," a white wine defined by a citrusy freshness; and "OMG!?!?" a lightly-sparkling rosé. Each is sourced from California vineyards and is certified Carbon Neutral.

**Jess Drury**, Whiny Baby's founder, created the brand "as a cheeky answer to the demand for brands offering a sense of connection, particularly among Gen Z consumers. The name is derived from the allegation that her generation is comprised on "whiny babies" seeking attention.

## Connecticut 22d State to OK Cocktails to Go

Connecticut Gov. Ned Lamont signed legislation to allow cocktails to-go from restaurants and bars permanently, making Connecticut the 22<sup>nd</sup> state to make cocktails to-go permanent. Connecticut's cocktails to-go measure was set to expire in June of 2024.

"Connecticut consumers can now enjoy the added convenience of cocktails to-go on a permanent basis," said **Emily Smith**, vp-state public policy at the **Distilled Spirits Council of the U.S.** "Not only do cocktails to-go afford adult consumers the ability to take home their favorite hand-crafted cocktails, but they help support local hospitality businesses facing economic hardships. We applaud Gov. Lamont and the Legislature for making cocktails to-go permanent in support of Connecticut's consumers and businesses."

The new law requires any alcohol to-go to be accompanied by a food order. Delivery is allowed by a direct employee of the permittee or a third-party vendor that holds an in-state transporter's permit.

## For Brands, Music Festivals Promise Big Wins

Four in five consumers have visited the On Premise three or more times in the past three months, with an equally encouraging two thirds visiting in the past week, accord-

ing to CGA by NIQ's latest US Consumer Impact Report.

In terms of what consumers are ordering in venues, beer remains the most consumed Bev/Al category among almost half of consumers during the past three months. Cocktails are the next most ordered drinks, highlighting the category's consistent popularity, while coffee and soft drinks are the preferred choices amongst consumers opting for non-alcoholic beverages.

Over one in five consumers have attended an outdoor festival or concert in the past year, and half have done so over a year ago. Of those who have previously attended a music festival, a third have tried a new brand at an outdoor festival/concert and continued to drink it afterwards.

Equal proportions of festival goers spend the most on alcohol and food when attending events, emphasizing the importance of these elements to attendees, and representing enticing opportunities for brands and operators to engage with large and highly receptive audiences.

Music festival goers expect to drink beer the most, with wine coming in as the second most popular Bev/Al category at these event types, highlighting the importance of supplying to demand in categories that can be served at pace and are portable. What's more, three in five consumers attending these events are likely to consume more drinks than they would on a typical visit to bars and/or restaurants, while almost a third are likely to drink the same amount, underscoring the enormous potential for brands to capitalize in this space.

Aside from forthcoming outdoor music events, the immediate outlook in the On Premise remains satisfactory. Almost three quarters of consumers plan to eat out in the next two weeks, with 46% planning to head out for a drink, both up +3pp compared to this time last year.

**Matthew Crompton**, regional director – North America, CGA by NIQ, said: "With the festival season fast approaching, it's clear there are big wins to be enjoyed by brands working in partnership with operators, at festival sites, and also for pre and post engagement with festival goers in the On Premise. Plus, convenience and speed of service, and also portability, are key factors in terms of sales maximization at outdoor festivals and concerts. It's an exceptional chance for brands to really get creative, with strategic product development and well-planned supplier agreements, bearing in mind that festivals can be tapped into annually for consistent sales spikes, plus brand equity potential."

## Destilería Serrallés Inc. Intros Don Q Naranja

**Destilería Serrallés Inc.**, the producer of [Don Q](#), Puerto Rico's No. 1 rum, released **Don Q Naranja**. It's a flavored rum, aged in American White Oak barrels for up to 18 months with natural orange essence and flavor.

Don Q Naranja (MSRP \$14.99; 750 ml) is the fifth expression of the brand's flavor portfolio, joining Don Q Coco, Don Q Piña, Don Q Limón and Don Q Pasión. The flavor portfolio is inspired by the fresh, tropical fruits from Puerto Rico.

Naranja's bright citrus notes and alluring sweetness

make it ideal for virtually any cocktail requiring a hint of orange with the tropical, premium taste of Don Q Rum. Mix Naranja with fresh juices or other citrus-focused liqueurs for a refreshing highball or low-ABV cocktail, including a Don Q Orange Spritz or the Don Q Mule.

"We've been creating exceptional, dynamic rums for nearly 160 years, and Don Q Naranja is a vibrant example of how we craft our aged rums and infuse with all natural ingredients to create an unparalleled flavored expression," says **Silvia Santiago**, Maestra Ronera.

"Flavored spirits and low-ABV drink options are on the rise and Don Q Naranja is the perfect embodiment of both, providing more options to those that want to imbibe responsibly," added Destilería Serrallés Chief Marketing Officer, **Gabriella Ripepi**.

## Dom Pérignon, Liquid Icons Offer Scholarship

**Dom Pérignon**, the renowned Champagne House, said it is partnering with **Liquid Icons**, the fine wine research and content production company founded by the late **Gérard Basset** OBE MW MS and his friend Lewis Chester, DipWSET, and the **Gérard Basset Foundation** to launch a new **Dom Pérignon Golden Vines® MW Scholarship**. Applicants can apply online from today until July 10 at: <https://gerardbassetfoundation.org/scholarships/the-dom-perignon-golden-vines-mw-scholarship>

The Dom Pérignon Golden Vines MW Scholarship Winner will undertake an intensive, paid training program for 4 weeks at Dom Pérignon, in which time they will work closely with the winemaking team, attaining skills and knowledge which will aid them both with the MW studies and with their future career progression. The Scholarship will fund the winner to undertake the MW Certification.

Candidates need to have intermediate French conversational capability, and therefore French language lessons may be required before joining (the costs of which will be included as part of the funding scheme).

## Santo Spirits Announces 1st Loyalty Program

Spirits innovator Sammy Hagar and Grammy/Emmy Award winning musician Guy Fieri announced [Santo Spirits](#) first consumer loyalty program.

The Santo Spirits Club leverages Web3 technology powered by Trident3's NEAR Protocol which provides a seamless, secure, and digitally-native experience for loyalists to earn exclusive rewards for their continued relationship with Santo Spirits. Fans who sign up to be founding members of the Santo Spirits Club loyalty program at [NFT.SantoSpirits.com](https://NFT.SantoSpirits.com) will receive a "mystery" NFT and other benefits.

The NFT's utility will be revealed upon the launch of the new Añejo. The number of rewards received is not limited -- those who continue to engage with the brand can earn more collectibles and utility opportunities, which are connected directly to Santo's unique brand.

**Dan Butkus**, Santo Spirits president/ceo, said, "Santo is a leader in the spirits category, continuously embracing new and innovative ways to connect with consumers to build long-lasting & authentic relationships. "The launch of the loyalty

program is just the beginning of the partnership between Santo Spirits and Trident3. Both companies are committed to exploring new ways to enhance how fans engage with their favorite spirit and provide new pathways to direct engagement.”

### Angels Ink Will Fly 1 Fan to Music Festival

[Angels Ink](#), the Central Coast Pinot Noir wine label from [Wente Family Estates](#) launches the ‘Fly On’ music festival sweepstakes. One lucky winner and a friend will be flown to a music festival of their choice in 2024, including flights and accommodations.

“Celebrating music is central to Angels Ink’s philosophy. Our Pinot Noir pairs so perfectly with good music, food, and art,” said **Karl Wente**, head winemaker and Fifth Generation Winegrower for Wente Family Estates.

To enter, Angels Ink fans can either scan in-store QR codes on promotional signage or visit the Angels Ink Music Festival website at <https://flyon.angelsinkwines.com/>. The total prize package includes two tickets to a 2024 music festival, airfare, and hotel accommodations. The music festival sweepstakes will run from June 15 through Dec. 15 and will be supported by in-store signage, paid and organic social media, influencers, advertising, and marketing.

### Heaven Hill Intros Square 6 Wheated Bourbon

**Heaven Hill Distillery** said it launched **Square 6 Wheated Bourbon**, which is comprised of two distinct Wheated Bourbon mashbills which were carefully blended post-aging. The first mashbill consists of 74% Corn, 16% Wheat, and 10% Malted Barley, and the second mashbill consists of 68% Corn, 20% Wheat, and 12% Malted Barley. Unlike its predecessors in the Square 6 line which were bottled at 95 proof, the Square 6 Wheated Bourbon has been bottled at 105 proof, which further highlights the wheated taste profile.

“Blending two Wheated Bourbon mashbills gives Square 6 Wheated Bourbon a completely unique taste which differentiates it from others in the market,” says Filiatreau. “We are excited for fans of the Square 6 line to try this latest release and we hope Wheated Bourbon lovers will want to add this to their collections as well.”

The limited release of Square 6 Wheated Bourbon will be available at the **Evan Williams Bourbon Experience** in Louisville and at select Kentucky retailers.

### Yuengling Opens Draft Haus in Tampa

Yuengling said "guests can now enjoy a first-class dining experience with fresh, local cuisine paired accordingly with Yuengling beers, private dining and meeting room space, an outdoor recreation area and beer garden, as well as a gift shop and a soon-to-be opened coffee bar – all of which are inspired by the traditions of America’s Oldest Brewery.”

The hospitality facility is on the campus of Yuengling’s Tampa brewery and within miles of popular destinations including Busch Gardens, the University of South Florida, Moffitt Cancer Center, James A. Haley Veterans’ Hospital and the Tampa waterfront, all of which attract millions of visitors annually.

### Bar Dog Wine Picks Next Top U.S. Bar Dog

[Bar Dog](#), a range of easy-drinking California wines, is excited to announce Bentley, a 7 lb. rescue Griffonshire from Chicago has been named **America's Next Top Bar Dog**. Following a search of nearly 13,000 entries from across the U.S. and Canada, Bentley will become the newest face of Bar Dog Wine, adorning the Red Wine label set to release in 2024.

Bentley was rescued 5 years ago from [Protectors of Animals](#) in Hartford, CT by his Pet Mom Vanessa Szymanski. After spotting him on Petfinder.com, Vanessa fell in love with Bentley and they have been inseparable since. As a fan of Bar Dog Wine, Vanessa had bottles personalized last year with Bentley's photo, which she also serves at her Chicago Brussels Griffon meetups.

"Bar Dog wine would like to congratulate Bentley and Vanessa on winning the title of America's Next Top Bar Dog," explained **Jenna Duran**, Bar Dog vp-marketing. "Created to bring wine and dog lovers together, we were thrilled by the response and engagement from our loyal customers. We look forward to featuring Bentley on next year's Bar Dog label."

### Old Forester Marks Return To Whiskey Row in Downtown Louisville

**Old Forester** (Brown-Forman) is celebrating the fifth anniversary of its return to Whiskey Row in downtown Louisville with special surprise bottle drops during June and a charitable donation to a Louisville non-profit.

In the five years since the distillery's opening on June 14, 2018 (National Bourbon Day), Old Forester has doubled its business nationwide as bourbon aficionados discover and rediscover the brand – the only bourbon to exist before, during, and after Prohibition.

The distillery has served as a top tourist attraction in Louisville, attracting more than 126,000 visitors last year to explore fermentation, distillation, maturation, and bottling process experiences as well as its one-of-a-kind barrel making facility – the only major distiller to own and operate an onsite cooperage.

Surprise bottle drops on random days, at random times will give consumers the opportunity to purchase rare bourbons, such as President's Choice, the 117 Series and the highly-coveted Birthday Bourbon.

To celebrate the anniversary, Old Forester donated \$12,000 to the Center for Women and Families, a Louisville non-profit that helps women and families in crisis by providing housing, support and safety from domestic violence. The proceeds are a result of the inaugural Old Forester Sleeps immersive experience on Main Street.

To Your Continued Success,  
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor