

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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July 29, 2023

Who & What —

Aridus Wine Co. hires **Michael Hellman**, as winemaker, from Texas Custom Wine Works, Brownfield, Tex.

Boston Beer Co. names **Diego Reynoso** chief financial officer and treasurer, effective Sept. 5.

Reynoso has more than 25 years of experience in finance and operations in the alcoholic beverage and food industries. He most recently served as CFO of the Prepared Foods division of Tyson Foods, a multinational food manufacturer, based out of its Chicago office, from 2021 to 2023. He was previously the Senior Vice President and Chief Financial Officer of the \$5 billion beer division at **Constellation Brands** and held various senior financial and operational roles at spirits company **Beam Suntory Inc.**

Molson Coors Beverage Co. hired **Natalie Maciolek** chief legal and government affairs officer, effective Sept. 5. She has been senior vice president, general counsel and corporate secretary at **Kohler Co.** since 2018.

Southern Glazer's Wine & Spirits hires **Alan Wizemann** as chief digital officer, effective Aug. 15. At **Target Corp.**, he launched and led key digital initiatives across **Target.com**, **Target Mobile**, and **Cartwheel**, which became an industry leading mobile platform. **Wizemann** also held digital leadership roles driving transformation at **Lululemon Athletica Inc.**, **Goop**, **WebMD**, and others

Brown-Forman Corp. elects **Elizabeth M. Brown (Eliza)**, a fifth-generation descendent of **Brown-Forman** founder **George Garvin Brown**, was elected to **B-F's** board of directors.

For Beer, a Second Straight Month of Positive Results

National Beer Wholesalers Association's Beer Purchasers Index in July showed a second straight month of positive ordering trends for most segments, led by a 14 point jump for premium regular. The July BPI remained above the benchmark (50) at 54 while the At Risk Inventory (ARI) measure fell significantly to 44, the first reading below 50 since February, **NBWA** said.

Looking across the segments for July:

- The index for imports continues to point to expanding volumes with a July 2023 reading of 70, three points higher than the July 2022 reading of 67.
- The craft index at 39 continues to signal contraction but is seven points above the July 2022 reading of 32, suggesting the segment has bottomed out and may see higher levels of ordering in the future.
- The premium lights index posted another expansionary index reading of 54, nine points higher than the July 2022 reading of 45.
- The premium regular segment index at 50 is also significantly above the July 2022 reading of 36.
- A big downward shift in the below premium segment to 39 puts it well below the July 2022 reading of 52. This breaks a twelve-month streak of expanding (above 50) readings for below premiums.
- The FMB/seltzer reading of 30 in July is now slightly higher than the July 2022 reading of 28, suggesting the segment, similar to craft, has bottomed out and may see higher levels of ordering in the future.

Finally, the cider segment posted a July reading at 32 compared to 29 in July 2022.

Boston Beer Shipments, Depletions, Revenue Fell, But Profit Increased

Boston Beer Co. reports depletions eased 3% in the second quarter, shipments decreased 4.5% to 2.3 million barrels, and net revenue slipped 2.1% to \$6.03 million, but net income advanced 8.8% to \$58 million or \$4.72 a share.

"As we expected, our second quarter performance reflected strong growth in **Twisted Tea**, offset by continuing challenges in the hard seltzer category, and we are reiterating our 2023 depletion and shipment expectations as well as our earnings guidance," said President and CEO **Dave Burwick**.

Depletions in the second quarter decreased 3% from the prior year, reflecting decreases in the Company's **Truly Hard Seltzer**, **Angry Orchard**, **Hard Mountain Dew** and **Samuel Adams** brands, partially offset by increases in its **Twisted Tea** and **Dogfish Head** brands.

"Based on our second quarter financial performance, we plan to increase our balance of year spend behind both the **Truly** and **Twisted Tea** brands as we believe our messaging is effective and the business will respond over the short-and longer-term to these investments. We are focused on enhancing our productivity to continue to improve our gross margin and in turn incrementally invest to further strengthen our brands."

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Bud Light's Decline Means Layoffs for U.S. Staff

Anheuser-Busch said it will lay off corporate staffers in a move to "simplify and reduce layers within its organization. The move follows significant declines in the sales of Bud Light, the former No. 1 selling U.S. beer. A-B said the layoffs won't include frontline staff such as "brewery and warehouse staff, drivers, and field sales, among others."

"Less than 2%" of A-B's more than 19,000 U.S. employees will be affected, the company said. "We want to ensure that our organization continues to be set for future long-term success."

Bud Light had seen its sales slipping when the Dylan Mulvaney controversy erupted after the transgender influencer posted an Instagram photo of a custom Bud Light can the brewer had sent her. That set off a flurry of anti-trans protests, followed by criticism for LGBTQ+ advocates criticized A-B's response.

DeSantis Attacks ABI on 'Losses' Linked to Dylan Mulvaney Brewhaha, but is Silent on Florida's 'Losses' on Russian Investments

Florida Governor and Republican presidential hopeful Ron DeSantis has announced "I'm calling for an investigation into AB InBev's actions regarding their Bud Light marketing campaign and falling stock prices."

The state might sue the world's largest brewer because the state's pension funds saw the market value of their 682,000 shares of Anheuser-Busch InBev stock fell \$8, from \$66 a share to \$58 a share. That's a decline in market value of \$5,456,000, not exactly chicken feed.

Unless you compare it to the \$200 million loss Florida's retirement system sustained on its Russian investments. That's two-thirds of the \$300 million which its pension funds hold in Russian-based investments including Sherbank of Russia, the country's largest lender; Rosneft, Russia's energy giant and third largest company, and Magnit, one of Russia's top grocery chains, among others.

That \$200 million loss the pension funds sustained on its Russian investments isn't exactly chicken feed – especially when compared to the decline in AB-InBev stock. The Russian loss is 36 times larger than the loss DeSantis is talking about.

(Of course, in both cases, those are losses only when the investments are sold. Until that time, they are merely indications of market fluctuations.)

DeSantis announced his plan to investigate and maybe sue AB-InBev in a letter posted to his Twitter account. You won't find the letter on his official governor's website.

DeSantis attributes the 11.7% decline in AB-InBev stock price to AB-InBev's "decision to associate its **Bud Light** brand with radical social ideologies. That fateful decision has transformed America's formerly best-selling beer – and one of InBev's best-performing assets – into a commercial pariah. InBev's losses have been staggering," DeSantis wrote in a letter to the head of the State Board of Administration. The letter was posted on Twitter, but not on the Governor's page on Florida.gov.

A few days earlier, Florida's Chief Financial Officer

Jimmy Patronis had tweeted, "When companies act stupid, it's probably ESG. CC: @budweiserusa". In a *Forbes* column, Jon McGowan, an attorney who writes about ESG policy, laws and regulations, raised the question of whether Bud Light's "decision to feature Mulvaney driven by ESG or was it a marketing decision."

Soon after Russia invaded Ukraine a year ago, Democrats in the Florida legislature urged DeSantis to divest the state's Russian investments. He refused, saying he would wait for the Republican-controlled legislature to act.

DeSantis has built his presidential campaign on being against woke corporations. He took on the largest single-site employer in the state and also the state's biggest tourism draw. Florida pulled billions of state assets managed by BlackRock, the world's largest money manager, over its ESG investment policies. Now he's taking on the world's largest brewer.

"Woke corporations are on notice," DeSantis says. What does he mean by "woke?" It's a slang term for "progressive activism," his communications director said. His general counsel says it is "the belief there are systemic injustices in American society and the need to address them." Ryan Newman, the general counsel, added DeSantis doesn't believe there are systemic injustices in the U.S.

Marie Brizard 1st Half Sales Up 14.3%

Marie Brizard Wine & Spirits reports its revenue in the first half was 14.3% higher than a year earlier. This was driven by strong performance in France in the second quarter with fewer supply disruptions than in the first quarter. Also helping: a lower out-of-stock rate.

A 4% Drop in Revenue Leads LVMH Wines & Spirits Profit to Fall 9%

LVMH Moët Hennessy Louis Vuitton said first-half revenue for its Wines & Spirits units eased 4%. On an organic basis, Wines & Spirits revenue was down 3%. Profit from recurring Wines & Spirits operations was down 9%.

It was a good half-year for the **Champagne** business, which recorded an increase in revenue over the half year, driven by its value-based strategy. On the other hand, **Hennessy** cognac was impacted by the economic environment in the U.S. and by the continued high stock level of its retailers. Among Provence rosé wines, LVMH acquired the prestigious, world leading domain **Minuty**, and **Château d'Esclans** stepped up its international expansion. The **Joseph Phelps Vineyard**, one of the most renowned wine properties in Napa Valley, Calif., was included in the first half accounts for the first time. **Glenmorangie** whisky and **Belvedere** vodka continued to show strong momentum in innovation, the company said.

Wines and spirits was the only LVMH unit to record declines, and Seeking Alpha noted that Champagne, wine and spirits sales all declined in the U.S. That led shares of LVMH to tumble 3.6% after reporting weak organic revenue of 1% in the U.S. while Japan rose 29%, Asia ex-Japan soared 34% and Europe advanced 19%.

Except for Wines & Spirits, all business groups

[achieved](#) double-digit organic revenue growth over the half year.

The disappointing Wines & Spirits results "was largely impacted by the United States's economic environment and high inventory at the start of the year," the company said. LVMH's chief financial officer said "aspirational customers are not shopping as much as they used to." CFO Jean-Jacques Guiony said aspirational customers were no longer spending on entry-level products, and suggested fading stimulus payments after Covid may have contributed.

July 4 Drives Double-Digit Velocity Increase On Premise

U.S. On Premise outlets, primarily bars and restaurants, saw a double-digit velocity increase on Independence Day (+47%) compared to the previous Tuesday, **Matthew Crompton**, regional director-North America for CGA by NIQ.

The days surrounding the celebration also experienced significant uplift, he said, with Monday achieving a 35% uplift followed by 38% on the Wednesday. Notably, California experienced the most significant Independence Day uplift, up by 73% compared to the previous Tuesday, but this positive trend extended across all key provinces.

"This highlights a promising view of consumers actively celebrating and gathering with family and friends during national holidays. As such, this presents an exciting opportunity for suppliers, brands, and operators to seize significant opportunities by optimizing their strategies, targeting key markets, and capitalizing on consumer trends," Crompton said.

For the week ended July 15, the total U.S. On Premise market grew 4%, and the US On Premise remains slightly above that of last year (1%). Trends in the most recent week are driven by an increase in both traffic (2%) and check value (2%). While check value remains ahead of last year (+3%), ticket count continues to be slightly behind the same week in 2022 (-2%). Florida (+4%) and New York (+3%) are the best performing states vs last year, while Illinois (-6%) remains slightly behind 2022 velocity.

Tanford Tries to Dismantle Rhode Island's DtC Retailer Ban

"If at first you don't succeed, try, try again."

Attorney James Tanford has been trying to take down state prohibitions on out-of-state retailers shipping to their residents. Tanford's attempts to do just that have been rejected by the Fourth, Sixth and Eighth Circuits in cases he's brought previously.

Wednesday, Tanford, an attorney with Epstein Cohen Seif & Porter in Indianapolis, tried again. This time he made his pitch to the U.S. First Circuit Court of Appeals in Boston in a case involving Rhode Island. If Tanford is successful, he will create a split between the circuits, making it more likely the U.S. Supreme Court will take up the matter and possibly overturn its position that the 21st Amendment clearly gives states the right to regulate the importation of alcoholic beverages into their states.

(It apparently hasn't occurred to Tanford that the Supreme Court today has an originalist majority. That means they look to what a statute meant when it was written. The 21st Amendment gives the states vast power to regulate the importation and sale of alcohol into their borders, a position that was reinforced with one exception in the Granholm case in which the Court allowed producers to ship wines into states.)

Tanford may have found a sympathetic ear in U.S. Circuit Judge Bruce Selya, who told the attorney representing Rhode Island, "You can't seriously dispute there's a discriminatory effect. It's clear that the law treats out-of-state retailers differently."

When the Rhode Island attorney argued the state's rules were necessary to prevent tainted products and keep minors from accessing them, Tanford responded:

"There's no evidence that any of these things has ever actually happened. The state said those problems might arise in the future, but speculations are not adequate. There must be evidence that there's an actual problem. And if it were, you'd see it in other states."

In addition to a general law prohibiting out-of-state direct sales, Rhode Island also has laws requiring out-of-state producers to sell to wholesalers and requiring all wine deliveries to be made by liquor company employees rather than by a common carrier such as FedEx or UPS.

Rhode Island's attorney said the general law is needed because "Rhode Island doesn't have the resources or the authority to inspect producers in 49 other states."

"We're not talking about rum-runners in the Caribbean," Tanford replied. "All these other states regulate and license the wineries."

An attorney representing Rhode Island wholesalers said requiring shipments to wholesalers important so whole-

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salers can make sure the products aren't tainted.

"Do they test the wines?" Selya asked.

"No, but they could get word from the manufacturer," said Skakel, who practices with Blank Rome in New York and represents the Rhode Island Responsible Beverage Alcohol Coalition.

"So why is the wholesaler essential in this?" the judge responded. "I don't mean to be rude ... but I don't see any concrete evidence that this causes any problems. There are some theoretical problems but no evidence in the other states that there was a problem."

Another circuit judge noted Rhode Island has an exception for people who order wine in person at an out-of-state winery. Rhode Island's attorney said because there's a face-to-face transaction at the winery. But it's not any different at point of delivery, the judge responded. "How do you distinguish that?"

"You're right," he responded and said eliminating the wholesale requirement might enable the retailer to avoid state taxes. The judge noted that other states collect taxes from out-of-state retailers, and said that proves it's not a problem.

Marchesi Frescobaldi to Acquire Domaine Roy & fils in U.S. Expansion

Marchesi Frescobaldi said it agreed to purchase **Domaine Roy & fils**, one of Oregon's most prestigious wine producers located in the heart of the Willamette Valley. The transaction is expected to close before the end of July 2023. Terms weren't disclosed.

Lamberto Frescobaldi, President Marchesi Frescobaldi commented "At this stage of our expansion we decided to seize the opportunity to acquire the beautiful Domaine Roy & fils winery in Oregon, one of the best regions in the world for Pinot Noir. To become part of such a community is a dream come true."

Domaine Roy & fils was founded in 2012 by **Marc-Andre' Roy** with **Jared Etzel**, continuing in the footsteps of their fathers who had partnered to establish **Beaux Freres** in 1991. To accompany the Roy family, in their vision of a second-generation vineyard, 26 friends from Quebec took part in the venture. Domaine Roy & fils has quickly joined the ranks of Oregon's celebrated Pinot Noir and Chardonnay producers. It has enjoyed uniformly high praise for many of the wines produced to date.

With the most recent plantings coming to maturity, the estate's 40 acres of vineyard in two locations now supply all of the grapes for the Domaine Roy & fils offerings. The plantings are exclusively Pinot Noir (35 acres) and Chardonnay (5 acres). The vineyards are farmed 100% organic and without irrigation.

The Domaine Roy & fils winery and Iron Filbert vineyard are located 45 minutes south-west of Portland near the town of Dundee in the Dundee Hills AVA, home to more elite wineries than any other part of the Willamette Valley. The second vineyard (**Quartz Acorn**) is located 25 minutes west of the winery in the prestigious **Yamhill-Carlton AVA**, adjacent to **Louis Jadot's Resonance Vineyard** and the **Jackson Family's Gran Moraine Vineyard**.

Other well-known producers near Domaine Roy & fils

include some of Oregon's best known wineries including Domaine Serene, Beaux Freres and Domaine Drouhin.

Domaine Roy & fils built their winery as a single, two-level building, including hospitality and offices on the upper floor with winery cellar and production on the ground floor. Construction of the winery was completed in 2015 and was designed by Waterleaf Architecture. The cellar uses the natural cooling effect of the ground and has been designed for optimal natural airflow.

Under the terms of the agreement with Frescobaldi, Marc-Andre Roy will continue joint leadership of the Domaine Roy & fils winery in collaboration with the Frescobaldi family as a member of the Board of Directors and as a minority owner.

Marc-André Roy, Co-founder and President of Domaine Roy & fils, said: "It has been important to continue the work started by my father, founder of Beaux-Freres, when we established Domaine Roy et fils in Oregon's Willamette Valley, recognized as one of the premier Pinot Noir producing areas in the world."

"We are humbled and thrilled to welcome the Frescobaldi Family as the new owners of Domaine Roy & fils," said Marc-André. "Their esteemed winemaking heritage and commitment to excellence align perfectly with our own values. We believe this partnership will preserve and elevate the legacy of Domaine Roy & fils".

Marchesi Frescobaldi was advised on the acquisition by **WithersWorldWide's** transatlantic practice with teams in Milan, New York, San Francisco and Los Angeles.

Domaine Roy & fils was advised on the transaction by lawyers **Davis, Wrights & Tremaine** in Portland, Oregon.

International Wine Associates (IWA) initiated this transaction with Frescobaldi on behalf of Domaine Roy & fils and served as their exclusive financial advisors.

Formula Brewing Partners Disagreed On Everything, Firm is Restructured, Sold

After nearly two years of resolving contentious disputes between the founding partners as well as other stakeholders in **Formula Brewing**, an Issaquah, Wash., brewpub, restructuring specialist [Revitalization Partners](#) (RP) has sold the company to a group of investors operating as **Formula Brewing LLC**. The motion for sale approval was granted July 20 in King County Superior Court.

Sold as a going concern, the proceeds effectively satisfy all major creditor obligations, with the buyer receiving all assets free and clear of any liabilities or liens. The specific purchase price was not disclosed.

Revitalization Partners has operated the popular 8,000 square-foot micro brewery since November 2021. The court named the well-established Pacific Northwest firm as receiver following a bitter dispute between the founding partners that eventually resulted in litigation.

RP Senior director **Kern Gillette**, whose professional background includes C-level experience in large foodservice and retail companies, stepped in as a custodial receiver to oversee day-to-day operations at the brewery, along with Revitalization Partners principals **Al Davis** and **Bill Lawrence**. Once conditions stabilized, the trio successfully petitioned

the court in April 2022 for an appointment as a general receiver, a strategic decision that allowed the competitive sale of the popular brewery.

Leveraging the opportunities of selling the cash-flow-positive company, RP designed a sales process that attracted some 15 bids from investors across the U.S. Formula Brewing LLC prevailed, subject to the approval of the landlord and appropriate regulatory agencies, all of which were ultimately granted.

"This case serves as a cautionary example of what happens when two equal partners in a business find themselves in a position where they disagree on virtually everything," said Davis. "Fortunately, with the objectivity and background of experienced receivers, we were able to keep those differences from destroying the company and, in the process, created value that substantially exceeded the auction value of its assets."

Opici Wines & Spirits to Acquire Pacific Highway Wines

Opici Wines & Spirits agreed to acquire [Pacific Highway Wines](#) from Robert Oatley Vineyards and Giesen Group, Pacific Highway's owners. With the addition of the Pacific Highway Wines portfolio, Opici's business will exceed 1 million 9-liter cases annually. Terms weren't disclosed.

"This acquisition is a unique strategic opportunity to add a complementary portfolio and drive growth for our national business.", Don Opici, CEO, said in an internal announcement.

The merged business will be led by Don Opici, CEO with Mark Giordano, the current president of Pacific Highway taking on the role of President, Opici Wines & Spirits.

"Bringing the Pacific Highway Wines family into our Opici family business provides the opportunity to add resources to support national account and local sales efforts across the country. The multi-generational wine brands, luxury offerings, and innovative non-alcohol premium wines coming into our portfolio are spectacular. Together our portfolio sets us apart as one of the most coveted, family-centric importers in the US today."

The Pacific Highway portfolio showcases family-owned and independent brands from coveted wine regions across the globe, with offerings from premium brands spanning Argentina, Australia, California, Chile, France, Italy, New Zealand, Oregon, Spain and Uruguay. The portfolio offers category leadership in innovative Non-Alcohol wine offerings, Alternative Formats, and Certified Organic and Fair Trade offerings.

Single-Serve Dominates Most Popular New Bev/Al Products

A full 60% of the top 20 most popular new products released during April, May, and June come in a single-serve format, Drizly notes. From traditional beers like Newburyport's Plum Island Belgian White Ale, to novel seltzers like Vizzy Orange Cream Pop Hard Seltzer and Underwood's canned sparkling wine, these new releases

showcase the broad appeal of single-serve packaging and consumers' continued willingness to try new drinks in alternative formats.

In addition to single-serve beverages, Q2's most popular new releases display the expansion of larger consumption trends. "Many of the macro trends we have seen over the past few quarters are included with this products list, including continued innovation in the ready-to-drink (RTD) category as well as consumer interest in premium and limited-edition spirits releases," explains Liz Paquette, Drizly's head of consumer insights.

Also, a full 25 percent of the most popular new products on Drizly this quarter are limited-edition spirits, specifically whiskeys and tequila. While both categories have seen strong growth in the past several years, their staying power is remarkable given the overall cooling of premiumization trends.

"While we are seeing premium shopping slow overall, tequila is one of the key categories where it is holding strong," says Paquette, noting Patrón's El Cielo was the second-most popular new product this quarter. "Tequila has the highest average unit price within the top-selling spirits categories and is up nearly \$10 compared to 2019."

Among whiskeys, the season's most popular new releases were Jack Daniels 12-Year Batch #1, Midleton Dair Ghaelach Kylebeg Wood Tree No. 2 Irish Whisky, Jack Daniels 10-Year Batch #2, and 2XO Innkeepers Blend Kentucky Straight Bourbon Whiskey, demonstrating the strong year-round appeal of limited-edition whiskeys among consumers.

The Season of Spritz

Among Drizly's most popular new products of Q2, three were DeLola's new spritz flavors. The brand, which is owned by pop star Jennifer Lopez, launched its Paloma Rosa, Bella Berry, and L'Orange Spritz flavors this season and won instant popularity among consumers.

"While it is not a totally new trend, we have a significant spike this year," says Paquette of the red-hot spritz category. "Additionally, we have seen the spritz trend carry into the ready-to-drink category, with new brands and releases recreating spritz cocktails into pre-made formats."

Paquette also notes that sales of DIY spritz ingredients are increasing alongside ready-to-drink versions of the classic cocktail. Aperol in particular has become the highest-selling liqueur on Drizly, with its share expanding within the category by 23% in June 2023 over June 2022.

This season's new beer releases capitalize on timeless styles like IPAs, Belgian white ales, and fruit-infused brews. The blueberry-flavored The Brew Bus You're My Boy, Blue, Montauk Box variety pack, and Newburyport Plum Island Belgian White all gained fans upon their release this quarter.

Trinchero Family Estates Solar Output To Reach 11.5 Million kWh

Trinchero Family Estates, the second-largest family-owned winery and largest winery in Napa Valley, said it is making "significant" investments in solar across four properties. Together, annual solar production across the four

sites will reach 11.5 million kWh.

The wineries are Westside winery in Lodi, Main Street winery in St. Helena, Trinchero Central Coast winery in Paso Robles, and Green Island Road winery in American Canyon.

Green Island Road winery's solar installation is the first to be completed and receive permission to operate; the American Canyon winery is now running on solar. With a system size of 1,244 kWdc, it features a total of 3,168 solar panels and 18 50/60kW inverters that will generate more than 2 million kWh annually. REC Solar/Duke Energy Sustainable Solutions has meticulously designed the systems at Green Island Road and TFE's other properties to accommodate evolution and expansion; Main Street winery's future-minded systems will come online in December with battery storage and microgrid capabilities.

These solar installations across TFE properties are projected to achieve significant solar offset percentages, contributing to a greener energy mix. For example, the anticipated solar offset at the Green Island Road site is expected to reach 95%, resulting in a substantial reduction in the winery's reliance on traditional energy sources. When the outputs of all of its fuel cells and solar panels are added up, TFE will be self-generating 25.4 million kWh annually starting in 2024.

Most of the installations are rooftop. Westside winery in Lodi will feature one large field of solar panels, ground mounted, which are in addition to the existing rooftop solar installation.

TFE has been investing in solar at least since 2008, with it installed rooftop solar arrays at Westside winery in Lodi, setting an industry precedent for installing solar on new construction. In 2010, TFE collaborated with Bloom Energy to install fuel cell systems at Main Street winery, making it the first in the wine industry to embrace this innovative technology. Each of TFE's Napa properties and vineyards have also been running on 100% MCE-supplied renewable electricity since 2017.

Tennessee Wildfire Leads To Winery-Distiller Collaboration

Maybe Californians are louder. Or maybe there's just a lot more media out there, but we've been very aware of the wildfires that ravaged the West Coast – and weren't even aware of the devastating wildfires that consumed parts of the East Tennessee Smoky Mountains in 2016.

Moved to help, the Zac Brown Band and team traveled to Gatlinburg, Tenn., home of **Ole Smoky Distillery**, to headline the “Mountain Tough Benefit” concert, sponsored by Ole Smoky and other local businesses, to raise funds for wildfire victims. Brown's support of the East Tennessee community extended to sending the band's 18-wheeler truck, fitted with a commercial kitchen, to Gatlinburg to provide food for those who lost their homes.

And that led to **Z. Alexander Brown Wines** and **Ole Smokey Distillery** to collaborate on a new Cabernet Sauvignon aged in Ole Smokey barrels. The **2021 Z. Alexander Brown 2021 “Uncaged” Whiskey Barrel-Aged Cabernet Sauvignon** launches this month.

The new \$22 wine offers consumers a compelling entrant in the fast-growing Ultra-Premium Spirits-barreled category, which is currently up 26% in dollar sales in the U.S. versus a year ago.

'Rocky' Wirtz, Breakthru Co-Chairman, Dies

W. Rockwell (Rocky) Wirtz, 70, who led Wirtz Beverage as it and **Charmer Sunbelt Group** joined to form **Breakthru Beverage Group**, has died after a brief illness.

Wirtz Beverage, which began in 1945, was part of Wirtz Corp., which began in 1926 as a real estate company, owning and managing more than 80 residential properties across the Chicago area. Wirtz Corp. is a privately held holding company.

Wirtz bank holdings, including Illinois-based First Security Trust & Savings Bank and First National Bank of South Miami, remain long-held assets for the company.

The family's most public businesses are the Chicago Blackhawks Hockey Team and co-ownership of the United Center, for which the team and the Chicago Bulls call home. The United Center plays host to hundreds of events and welcomes more than 3 million visitors annually. In 2010 and then again in 2013 and 2015, the Chicago Blackhawks achieved ultimate success by winning the National Hockey League's Stanley Cup championship.

In a statement, **Charles Merinoff**, co-chairman with Wirtz of the Breakthru Board of Managers, said:

“Rocky was much more than a colleague, he was a valued and cherished friend. He had the remarkable ability to light up a room with his smile, his laugh and his wit. Whether as competitors or partners, I always had the utmost respect for Rocky and admired the grace and integrity in which he conducted himself. His loss will be felt throughout our business and I will miss my friend dearly.”

Tom Bene, Breakthru's president/ceo, said: “Rocky was much more than a colleague, he was a valued and cherished friend. He had the remarkable ability to light up a room with his smile, his laugh and his wit. Whether as competitors or partners, I always had the utmost respect for Rocky and admired the grace and integrity in which he conducted himself. His loss will be felt throughout our business and I will miss my friend dearly.”

UPS Reaches Tentative Accord With 340,000 Teamsters

If the union did strike, it would disrupt package deliveries for millions of businesses and households nationwide, including direct-to-consumer shipments of wine, beer and distilled spirits.

Under the tentative agreement, which still needs union members' approval, full- and part-time union workers will get \$2.75 more per hour in 2023, and \$7.50 more by the end of the five-year contract. The agreement also includes a provision to increase starting pay for part-time workers — whom the union says are the most at risk of exploitation — to \$21 per hour from \$16.20 per hour. The average pay for part-timers had been \$20.

A lower-paid category of drivers who work shifts that include weekends will be eliminated, and the workers con-

verted into regular full-time drivers. Under the agreement, the company will create 7,500 full-time jobs and fill 22,500 open positions, allowing more part-timers to transition to full-time.

"Together we reached a win-win-win agreement on the issues that are important to Teamsters leadership, our employees and to UPS and our customers," **Carol Tomé**, UPS CEO, said in a written statement.

Voting on the new contract begins Aug. 3 and concludes Aug. 22.

NABCA Tells Importance Of Data in Bev/Al Success

With 6,400 operating breweries, more than 6,600 operating wineries, and more than 1,900 operating distilleries in the United States just what does it take to succeed in the beverage industry – especially if your product involves spirits?

National Alcoholic Beverage Control Association leadership and a supplier partner were guests answered that question on a media [podcast](#) addressing how important control state data is in informing sales and marketing decisions in the beverage alcohol marketplace.

President and CEO **Neal Insley**; Sr. VP Trade Relations, COO, **David Jackson**; and General Sales Manager- Control Region, **Campari America**, **Sean Noble** were interviewed by **Kyle Swartz** of *On & Off*. The podcast looked at the U.S. and global alcohol industries, with a focus on retail trends and best practices.

"Control systems represent approximately 25% of the nation's population and account for roughly 23% of distilled spirit sales and a significantly smaller percentage of beer and wine sales," said Insley. NABCA has been in the data business for a long time, he added. NABCA has an 86-year history of collecting data from control systems across the U.S. "Plus, because our data is verified and accurate, there is a level of confidence from those who use NABCA data to report about sales trends and volume, which influences a company's bottom line," said Insley.

"Fishing in a pond that is fully stocked proves to be more successful for catching fish than casting a line into an open body of water to chance what may show up," said Jackson, NABCA COO, during the podcast.

Right Coast Spirits Launches New Canned Cocktail Line

Right Coast Spirits launched a new canned cocktail line, **Margarita Whips**, made with real fruit and real tequila for a unique cocktail experience.

The new launch from Right Coast Spirits joins a rapidly expanding RTD category to offer a crisp and refreshingly fruity, one-of-a-kind beverage option with an unexpected, whipped finish, capitalizing on an emerging trend that started at bars on the shores of Maryland.

Building on the success of Right Coast Spirit's first canned cocktail line, **Vodka Whips**, the new Margarita Whips feature four delicious flavor varieties: Lime, Strawberry, Cranberry and Mango, at an ABV of 7.5%. Like its predecessor, the Margarita Whips are Gluten Free, Dairy Free, Kosher and are available in variety 8-Packs in 19 states, year-round.

"When we created Right Coast Spirits, we knew we were creating something special. The consumer response to the Vodka Whips has been overwhelming. It's clear people want an option where real vodka and real fruit are combined to make a truly unique cocktail experience," said **Fred Matt**, CEO & President, Saranac. "That's why Margarita Whips was a natural next step for us. It brings the same real fruit that consumers loved, but with tequila – at an ABV and price point people have been craving."

Dulce Vida Tequila Verified as Additive-Free by Tequila Matchmaker

Dulce Vida Tequila said it has been added to Tequila Matchmaker's industry-standard [list](#) of additive-free tequila brands. Tequila Matchmaker only adds tequilas to the list after a thorough on-site inspection of distillation processes. Dulce Vida was evaluated at its distillery in the village of San Ignacio Cerro Gordo at Campanario in Jalisco, Mexico (NOM 1443), and is proud to be certified additive-free.

Founded by Grover and Scarlet Sanschagrín, Tequila Matchmaker's Additive Free program has become the #1 trusted source for verifying which tequila brands do not use additives. The opt-in program is used by tequila brands that want to be transparent about their production processes.

From its founding in 2009, Dulce Vida Tequila's products are made with absolutely no additives. Dulce Vida is also an early pioneer in organic spirits, following the requirements of the National Organics Program (NOP) and earning USDA organic certification for all of its distilled products.

"Dulce Vida truly is tequila, pure and simple, and our addition to the Tequila Matchmaker Additive-Free List further affirms our commitment to quality and transparency," says **Eric Dopkins**, CEO/chairman of **Milestone Brands**. "We are dedicated to using organic and sustainable practices to craft our tequila, and thank Grover and Scarlet for taking the time to verify Dulce Vida as additive free."

Winery to Pay Over \$300,000 in Lost Wages

Several agricultural workers will share in a \$300,000 settlement of an unfair labor practice charge against Mauritsen Farms Inc., a Healdsburg, Calif.

The California Agricultural Labor Relations Board said farm workers weren't rehired after raising concerns about transportation, bathrooms, shade breaks work hours and their treatment by their foreman.

In a related development, California Gov. Gavin Newsom said the state will spend \$4.5 million to provide free legal services for undocumented workers in state investigations of wage theft or other labor violations. The lawyers can also help with their immigration cases, Newsom said.

Buffalo Trace Leads List of 'Most Popular Kentucky Distilleries'

The popularity was determined by the number of Google searches for each distillery.

Topping the list is Buffalo Trace Distillery in Frankfort, which claims the distinction of being the oldest continually operating distillery in the world, with its first bourbon entering

production nearly 250 years ago in 1775. The historic site produces 2.65 million gallons of whisky each year.

In No. 2 position is James B. Beam Distilling Company, Clermont, followed by Woodford Reserve. Maker's Mark is No. 4, followed by (in order) Old Forester, Evan Williams, Bulleit Distilling, Wild Turkey, and Michter's Distillery. Four Roses and Angel's Envy tied for 10th place.

Milam & Greene's Rattlesnake Sells Out Almost Instantly

Milam & Greene brought their latest release in the Wildlife Collection, **Rattlesnake Single Barrel Bourbon** to the tasting room and the website at 3 p.m. Wednesday (7/26). Only 126 bottles were available from the "extremely limited, high-proof release," named for the most venomous snake in Texas, the rattlesnake.

There are 10 different types of rattlesnakes living in Texas. The Western diamondback rattlesnake is the most common rattlesnake in Blanco, Texas, where Milam & Greene is based, and the surrounding Hill Country is. The diamondback has a black-and-white banded tail and can grow up to four or five feet. Rattlesnakes prefer warm weather, and they are active in the spring and summer in central Texas.

Milam & Greene whiskies age well in warm weather, and cask #704 is being called into action this summer.

"Our whiskey has a sense of place, and each release of the Wildlife Collection shows just how distinctly the Texas weather influences the flavors of whiskey aged here," says Milam & Greene Whiskey CEO and master blender **Heather Greene**.

"The Rattlesnake Single Barrel was aged for more than five years in Tennessee where it was distilled before being subjected to the extreme temperature swings in Texas. Aging Rattlesnake in both deep freezes and searing heat let the whiskey interact with the barrel more aggressively. It extracted richer oak and vanilla flavors, gave it a more lush texture, and increased the proof considerably."

Mala Mia Joins Mezcal Category

Mala Mia Mezcal has joined the spirits industry with the launch of its four expressions: Espadín, Ensemble, Cuishe, and Tepeztate; each expression named after the species of agave that is used to produce the mezcal. Mala Mia's decision to use different agave plants per expression allows for a well-rounded range, giving vastly different experiences from mouthfeel to finish.

Mala Mia is traditionally distilled by its maestro (master) mezcalero, **Saturnino Martínez Méndez** in the village of Santiago Matatlán, Oaxaca, Mexico. Made from the hearts of wild-harvested agave, these plants, which can take anywhere between 6-26 years to mature, are cut down whole, which is where Mala Mía got its name. Mala Mia, which roughly translates to "my bad", is Mala Mia Mezcal's way of paying respects to the mighty Maguey for so generously giving its life to be reborn as a beautiful spirit.

"Releasing the four expressions at launch was an intentional decision," says **Devin Adams**, Mala Mia's Founder. It allows us to quickly and efficiently introduce different varie-

ties of mezcal to consumers, which aligns with our greater mission to familiarize and educate mezcal and tequila drinkers.

"Mezcal is a widely misunderstood spirit. We want to eliminate the perception that mezcal is a 'smoky tequila.' That's neither accurate, nor does it pay respect to the ancient Aztec spirit. We want Mala Mia to be known globally as the brand that expanded and elevated the mainstream perception of mezcal - shifting the narrative to an intriguing, premium spirit category that encompasses a wide spectrum of agave types, flavor profiles, and price points," he added.

Bethenny Frankel Invests in Mingle Mocktails

The size and nature of **Bethenny Frankel's** investment in **Mingle Mocktails** was not disclosed, but her intention was.

"The spirits industry is a boys club - breaking into it requires a strong voice and innovative ideas," says Frankel. "**Skinnygirl** was groundbreaking, allowing me to disrupt the space in a unique way. With Mingle, we're addressing a different consumer need and bringing much-needed excitement and variety to the non-alcoholic market," she adds.

Established in 2017 by Laura Taylor, Mingle is an inclusive line of sparkling mocktails that can be enjoyed on their own or as mixers. Taylor, having given up alcohol, discovered the challenges of social gatherings without a non-alcoholic option beyond boring seltzer.

Jack Daniel's Intros Anejo Tequila Barrel-Finished Tenn. Whiskey

Jack Daniel Distillery introduces Distillery Series selection #11, a Tennessee Whiskey finished in añejo tequila barrels, which marry the flavors of agave and oak. The American White Oak barrels for this experimental whiskey first aged Jack Daniel's Tennessee Whiskey, then they matured añejo tequila in Mexico before returning to Lynchburg to finish this Tennessee Whiskey.

"As one of the most complete distilleries in the world, we're fortunate to have the ability to experiment with every part of the whiskey making process, and that's what our Distillery Series is all about," said Chris Fletcher, Jack Daniel's Master Distiller. "This añejo tequila barrel-finished whiskey pushes the bounds on what people may expect out of a Tennessee Whiskey, yet still has the familiar characteristics that are uniquely Jack Daniel's."

Finishing the whiskey in añejo tequila barrels brings together flavors of agave and oak, with aromas of sweet citrus and light oak on the nose and a taste of brown sugar and dried spices. It's crowned with notes of the matured añejo tequila with a sweet Tennessee Whiskey finish, achieved through the distinctive barrel aging process.

To Your Continued Success,
KANE'S BEVERAGE WEEK



JOEL WHITAKER, Editor