

# KANE'S BEVERAGE WEEK

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

Volume 84, No. 32

Copyright 2023 Whitaker & Company, Publishers, Inc. All Rights Reserved.

November 5, 2023

## Who & What —

### **Michter's 1st American Brand to Be Named World's Most Admired**

For the first time ever, an American distillery has taken home the highest honor in whisky.

**Michter's**, a Louisville-based bourbon and rye producer, eclipsed the biggest names from Scotland, Japan, Ireland, and beyond to rank first overall in the newly-released 2023 World's Most Admired Whiskies top 50 list published by *Drinks International*. With this stunning recognition, Michter's joins a winner's circle of iconic brands including Yamazaki and Springbank.

"I could not be prouder of what this means not only for Michter's, but for the American whiskey community as a whole," said **Andrea Wilson**, Michter's Master of Maturation, former Chair of the Kentucky **Distillers' Association** and **Kentucky Bourbon Hall of Fame** member. "It is the ultimate recognition of the attention to detail, discipline, rigor and focus on excellence that has characterized high-end American whiskey production for many years now.

"At home, we've always had tremendous belief in our approach, but then you would travel abroad and see bourbon placed on the bottom shelf almost automatically in many parts of the world so it is really exciting to see it reach such high regard. This means so much to our team and we couldn't be more humbled to celebrate this moment in American whiskey with our friends throughout the industry," Wilson continued.

**Joseph J. Magliocco**, president, acquired the Michter's trademark, which had been abandoned, for \$245 in the 1990s.

### **Treasury Wine Estates Acquires Fastest-Growing Luxury Wine Brand in the U.S., DAOU Vineyards**

Treasury Wine Estates Ltd said it agreed to acquire **DAOU Vineyards**, the acclaimed luxury wine business founded by brothers and co-proprietors **Georges and Daniel Daou** for an upfront consideration of \$900 million, plus an additional earn-out of up to \$100 million. This transformative deal will accelerate TWE's focus on a portfolio that is increasingly luxury-led with a greater presence in key growth markets such as the U.S.

Founded in 2007 and based in the U.S. winemaking region of Paso Robles, California, DAOU is the fastest-growing luxury wine brand in the U.S. trade over the past year, according to Circana. It is recognized throughout the industry for its award-winning Cabernet Sauvignon-based **Patrimony** wines, unique consumer profile, and benchmark-setting luxury experiences. DAOU's fully integrated digital platform, DAOU+, combines e-commerce and membership with seamless and unique features that increase consumer loyalty.

DAOU is a strong complement to TWE's existing portfolio in upper-luxury price points and fills a key portfolio opportunity for Treasury Americas in the \$20-40 range, as well as strengthens its luxury portfolio in the \$40+ range. Utilizing TWE's global marketing and distribution expertise, the company's long-term vision is to bring the exceptional DAOU portfolio, winemaking philosophy and unique luxury consumer experiences to new international markets. TWE will also explore sourcing opportunities outside the U.S. for DAOU, as part of its global sourcing strategy.

#### **Leadership Commentary**

**Tim Ford**, CEO, Treasury Wine Estates, said the U.S. is the world's largest wine market. The acquisition cements "our position as a global luxury wine leader. This is a transformative acquisition that will accelerate the growth of our luxury portfolio globally and paves the way for new luxury consumer experiences. DAOU is an award-winning luxury wine business with an outstanding track record for growth and we have grand plans for DAOU to become the next brand with the international scale and luxury credentials of Penfolds. With DAOU, we will be well-positioned to connect with a new generation of wine lovers, combining tradition with innovation, culture-led experiences, and global distribution."

**Ben Dollard**, President, Treasury Americas said: "We're really excited about the opportunity for the wine category to engage new consumers, and particularly to bring consumers into our portfolio. DAOU has done an incredible job with regards to the experience at DAOU Mountain as well as engaging with younger wine consumers across the country, and we see very significant opportunity to take that experience globally."

**Georges and Daniel Daou**, Founders of DAOU said: "The last frontier has always been international, and as part of the Treasury Wine Estates portfolio, we have unlocked the potential to be amongst the highest-end wines for consumers to enjoy globally. In Treasury Wine Estates, we have found a partner that not only understands the value of our brand and the premium assets we have cultivated but also the importance of ensuring that we maintain a relentless focus on quality and craftsmanship as we step into our future. Both companies are change leaders and by joining forces, we will continue to boldly disrupt the industry and bring the very best in wine and luxury experiences to consumers around the world."

#### **Other Transaction Details**

#### **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

The acquisition is expected to be completed by the end of 2023 (subject to U.S. anti-trust approval), includes the DAOU brand, DAOU Mountain Estate and hospitality site, four boutique luxury wineries and around 400 acres of vineyards in the coveted Adelaida District of Paso Robles.

Georges and Daniel Daou will remain engaged and highly involved in the business: Georges as Founder and Daniel as Founder and DAOU Chief Winemaker.

TWE's financial advisor for this transaction is PJT Partners and its legal advisor is Davis Wright Tremaine. DAOU's financial advisor is Centerview Partners LLC and its legal advisor is Sheppard Mullin.

## **Molson Coors Gains Share as 3Q Net Soars 99%, Sales Rise 12.4%**

**Molson Coors Beverage Co.** reports net sales rose 12.4% to \$3.3 billion in the third quarter. Net nearly doubled, to \$430.7 million, or \$1.98 a share, from \$216.4 million, or 99 cents a share.

Molson Coors said it grabbed more U.S. volume share than any brewer, with leading brands **Coors Light** and **Miller Lite** continuing their upward swings, while competitor AB InBev saw its prolonged declines continue.

Meanwhile, Circana data show that total share for Molson Coors' two biggest U.S. brands continues to stick.

Coors Light and Miller Lite are growing dollar sales by double digits in the latest four weeks, while Miller Lite's share of the industry is up nearly a full point compared to this time last year, even as the brand has begun lapping a period of strong share gains.

Conversely, AB InBev's total U.S. portfolio has consistently lost nearly 5 points of total beer dollar share over the last 26 weeks.

The trends for Bud Light paint an even bleaker picture of continued declines.

The brand consistently lost nearly 3 points of total beer dollar share in the last four, 13 and 26 weeks, according to Circana – including a 2.95-point drop in the last four weeks, more than any other four-week period this year.

The structural share change to the industry, we believe is going to stick," Hattersley said. "This isn't a poll or a possibility. This is the fact as laid out in Circana.... We are very confident in the strength of our core brands in the U.S. and Canada. We have a clear plan on how to keep these share gains."

In the third quarter, Coors Light's U.S. volumes were up double digits, while Miller Lite volumes rose high single digits and Coors Banquet volumes grew nearly 30%.

Together, Coors Light and Miller Lite are on track to grow net sales revenue for the third straight year, a benchmark not seen since Miller and Coors merged in 2008.

### **Share Gains in U.S.**

Additionally, Molson Coors was the top dollar-share gainer in the U.S. economy segment, growing volume share for its two biggest economy brands, **Miller High Life** and **Keystone Light**. Of major U.S. brewers, it gained the second-most share of flavored alcohol beverages.

In all, brand volume in the U.S. grew 4.5% in the third quarter.

Molson Coors reported growing net sales revenue vol-

ume, share or all three in the U.S., Canada and the U.K. – the company's three largest global markets.

The company grew share nationally in every region of Canada and every segment of the Canadian beer industry. In the quarter, Molson brands grew share, Miller Lite grew volume by 50% and Coors Light widened its position as the number one light beer in the country, a position it's held since March. Molson Coors also grew more share in flavored alcohol beverages than any other company in the industry.

In the U.K., Molson Coors was the best performing brewer in both volume and value share. Notably, the company became the No. 2 brewer in London, after ranking a distant No. 5 just a few years ago.

**Madri Excepcional** continued to perform, becoming the second-largest above-premium lager in the on-premise and the third largest world beer in the U.K.'s total trade.

### **Growing shelf space, increased 2023 guidance**

Among the more than 50 U.S. retail chains that moved their resets to the fall, Coors Light and Miller Lite benefited the most of any brands, growing between 6%-7% more shelf space.

"For brands of this size, that is a massive amount of space. In fact, it's tens of thousands of cubic feet of space," Hattersley said. "These retailers are smart businesspeople, and when consumer trends shift to the degree they are shifting, chain retailers have two options: change shelf space allocations to meet the trends or leave money on the table. And they're not going to leave money on the table. It's as simple as that."

Based on the strength of Molson Coors' business, the company is increasing its bottom-line guidance and reaffirming its 2023 top-line guidance, but at the high end of the range. And it expects global brand volume growth to accelerate in the fourth quarter.

"We believe we can lap these results in 2024," Hattersley said. "We delivered top- and bottom-line growth in 2022, we're on track to do so again this year. And we plan to do so next year, too."

## **A-B InBev Revenue Up 5%, Profit Gains 3%**

**Anheuser-Busch InBev** reports total revenue in the third quarter rose 5% with revenue per hectoliter growing 9%. But that growth was far outpaced by a 15.1% growth in ABI's global brands – Budweiser, Stella Artois, Corona and Michelob outside their home markets. ABI owns Corona everywhere but in the U.S.

ABI posted a \$1.47 billion, or 73 cents a share, profit in the third quarter, up about 3% from \$1.43 billion, or 71 cents a share, a year earlier.

About 66% – over \$125 million – of ABI's was generated through B2B digital platforms and digital ecosystem.

In what has become a recurring feature, higher dollar sales does not mean higher case volume. In fact, in the third quarter, total volumes declined 3.4%. ABI's own beer volumes were down 4% and non-beer volumes were up 1.4%.

About 80% of its markets saw growth, ABI said, noting that the topline increased 5%. This was a "a result of pricing actions, ongoing premiumization and other revenue management initiatives," the company said. It noted that growth in Middle Americas, Africa and APAC regions was

primarily offset by performance in the US and a soft industry in Europe.

**Teamsters to A-B: No More Talks Until Health Care is Resolved**

Last week, the **Teamsters Anheuser-Busch** National Negotiating Committee presented a proposal last week for Anheuser-Busch to eliminate an unfair, costly two-tier health benefits system that punishes workers hired after March 1, 2019, and to restore retiree health care coverage.

As negotiations over health care were taking place, Anheuser-Busch InBev announced a \$1 billion stock buy-back program "to reward wealthy investors. This comes after the beer conglomerate paid out \$11.62 billion to shareholders in the form of dividends from 2019 to 2022," the union said.

The negotiating committee walked out of the negotiations and said it will return once A-B meets its members demands. The current five-year agreement expires Feb . 29, 2024. The Teamsters represent 5,000 A-B workers.

"The arrogance of this company to shower Wall Street with billions but pinch pennies over lowering health care costs for the blue-collar workers and retirees who created all that wealth in the first place is an appalling affront that we will not tolerate," said **Jeff Padellaro**, Director of the Teamsters Brewery, Bakery, and Soft Drink Conference. "Anheuser-Busch is wasting time while we're trying to improve the lives of our members. It's a bold and disrespectful approach from a company that likes to use its Teamster workforce as props in commercials to fix its image."

**DISCUS Report Asks USTR to Accelerate Effort to Resolve Trade Issues with EU**

Like Cinderella's and her carriage, which was to disappear at midnight, so to will the record exports the U.S distilled spirits industry has achieved this year. But just like Cinderella, there's a way to keep the export machine humming, according to the **Distilled Spirits Council of the U.S.**: Eliminate retaliatory tariffs imposed on distilled spirits by the European Union of U.S. distilled spirits. Cinderella faced a midnight deadline; if the U.S. and EU can't resolve a dispute about steel and aluminum for aircraft, those tariff will return with a vengeance.

"But it's not fair," you might say, the health of a major sector of the U.S. economy should hang upon the ability of diplomats in the U.S. Trade Representative's Office to strike a deal.

Just how critical is this? Since 2002, total American spirits exports have increased by nearly 293% to \$2.06 billion, and total American Whiskey exports increased by nearly 242% to \$1.3 billion. American Whiskey drives U.S spirits exports, accounting for 62% of total American spirits exports. Through July 2023, American spirits exports are up 27% and American Whiskey exports are up 54% as compared to the same period in 2022 (January-July).

In 2022, U.S. spirits exports to countries with free trade agreements or zero duties amounted to \$1.7 billion, making up 82% of the total exports of U.S. spirits. On the other hand, exports to countries with high tariffs, such as India (150% tariff), Vietnam (45% tariff), and Brazil (20%

tariff on all imported distilled spirits, except bulk whiskey, which is 12% tariff) amounted to only \$67 million, accounting for just 3% of the total U.S. spirits exports in 2022.

Unfortunately, disputes of steel and aluminum have led to retaliatory tariffs on some U.S. spirits in key export markets. The impact has been dramatic: From 2018 to 2021, there was a 12% decrease in total U.S. spirits exports and a decrease of 18% in total American Whiskey exports.

In 2022, U.S. spirits exports rebounded over pre-tariff levels in 2017 due in large part to the suspension of retaliatory tariffs on a range U.S. spirits exports by the EU and UK,. The chilling effects of the tariffs, supply chain issues, increased shipping costs, and inflation have made it difficult for many craft distillers to regain their footing in the market. If these retaliatory tariffs were to return, they would reverse the rebound in U.S.spirits exports in 2022 and accelerated through 2023.

In 2022, the top five markets for U.S. distilled spirits exports by value were Canada (\$262.5 million, up 8.4%), the Netherlands (\$167.2 million, up 28.4%), the U.K. (\$158.4 million, up 49.3%), Spain (\$145.7 million, up 57.8%), and Australia (\$141.2 million, up 39.1%).

The top five markets for American Whiskey exports by value were the Netherlands (\$151.2 million, up 95.7%), Australia (\$117.1 million, up 39.1%), the U.K. (\$112.1 million, up 28.3%), Germany (\$103.5 million, up 27.8%), and Japan (\$102.4 million, up 7.2%).

At this moment, the only retaliatory tariffs are issued by China and Turkey. But if an agreement reached with the EU by Dec. 31, those countries will once again impose retaliatory tariffs – this time at a rate of 50%, not 25% as was the case previously.

Removal of the retaliatory tariff is DISCUS's No. 1 trade priority.

**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**

## Oak Solutions Acquires Innerstave

**Oak Solutions Group**, Napal Calif., said it acquired **Innerstave**, which pioneered the oak alternative industry. Terms weren't disclosed.

"The Innerstave acquisition will give us the opportunity to sell additional stave formats and expand our market share in North America, South America, and globally," said Oak Solutions Group Global Managing Director Kyle Sullivan. "Existing customers will still have access to the excellent Innerstave products they currently purchase as we will be protecting the technology and production process that is the cornerstone of their unique flavor profiles."

Innerstave approached Oak Solutions Group, as a fellow industry leader, with the offer to purchase the assets and continue growing the brand. The Oak Solutions Group portfolio currently includes evOAK oak alternatives and tru/tan oak tannins. Innerstave will be incorporated into the portfolio as another premium oak alternatives option.

"I believe Innerstave recognized that we have the knowledge, R&D, and sales resources to continue growing the brand as major player in the oak alternatives industry," said VP of Business Development, **Jason Stout**. "Innerstave has supported the wine industry for years and we are proud to continue their vision for the brand into the future."

## Blake's Hard Cider Buys Austin Eastciders

**Blake's Hard Cider**, Armada, Mich., said it acquired Texas-based **Austin Eastciders**. Terms weren't disclosed. **Avid Cider Co.**, which Blake's acquired last year, will also be incorporated in Blake's. The resulting company will be called **Blake's Beverage Co.**

"We don't want to change what makes these brands great, we are coming together to become the largest independent cider company in the US," said **Andrew Blake, CEO and founder of Blake's Hard Cider**. "While our passions and mission align, each brand offers consumers unique flavors, personalities, and complementary perspectives filtered through the lenses of their regions."

With operations spanning across New York, Michigan, Oregon, and Texas, Blake's Beverage will have significant scale covering all primary apple-growing regions of the U.S. This presence ensures a steady apple supply for all brands with a portfolio estimated to be close to two million cases in 2023.

Blake's Beverage Co. can now deliver a more complete portfolio of products with a variety of flavors across several price tiers meeting a wider selection of consumers where they shop and drink.

"Our founders' vision 10 years ago was to be the #1 Cider in Texas and the #1 Craft Cider everywhere we choose to go," states **John Glick**, President and CEO of Austin Eastciders. "With this partnership, we believe we can fulfill our founders' mission to bring more cider to the masses." Glick will remain with the company in a leadership role through the transition.

## SGWS to Rep Flat Creek Estate

**Flat Creek Estate Winery & Vineyard**, Austin, Texas,

signed **Southern Glazer's Wines & Sprits of Texas** to represent Flat Creek in the Lone Star State.

Until now, Flat Creek's wines have been a well kept secret, known only to the privileged few who have visited the Estate. With the relationship with Southern Glazers, these vintages and blends will now be available across Texas.

Crafted by winemaker **Olivier De Certaines**, Flat Creek's wines are now available at select retail locations across the state, featuring six distinctive vintages and blends, including the Super Texan, the Montepulciano, the Four Horsemen and the Pinot Grigio.

## NBWA Purchasers' Index Steady in October

**National Beer Wholesalers Association** said its Beer Purchasers' Index remained just slightly below the benchmark of 50 for the third month in a row. The At-Risk inventory comes in at an even 50.

The October results show increased ordering trends for six out of seven segments, led by a 17 point jump for premium regular. The data suggests industry consistency heading into the final months of 2023.

Looking across the segments for October:

- The index for imports continues to point to expanding volumes with October 2023 reading at 67 higher than October 2022 reading of 59.
- The craft index at 31 for October 2023 continues to signal contraction in this segment yet it is higher relative to the October 2022 reading at 23.
- The premium light index rose to 53 for October 2023 above the October 2022 reading at 45.
- The premium regular index rose to 49 for October 2023 above the October 2022 reading at 32.
- The below premium segment for October 2023 fell to 45 and is slightly lower than October 2022 reading at 47.
- The FMB/seltzer reading for October 2023 at 28 is higher than the October 2022 reading at 18.
- Finally, the cider segment posted a October reading at 35 compared to 30 for October 2022.

## Boeschen Vineyards Field Workers Get Hazard Pay, Disaster Insurance

In what is a first for Napa Valley vineyards, harvesting crews at Boeschen Vineyards, Doug Boeschen, the owner, told them the winery was now offering them a combination of hazard pay and disaster insurance.

If a major wildfire occurs and the Air Quality Index climbs above 150, Boeschen Vineyards workers can choose to continue working at time-and-a-half or take paid time off. Boeschen will also pay its laborers if they are forced to leave a worksite under an evacuation order.

E&J Gallo, the largest U.S. winery by sales volume, and Eco Terreno, which grows and bottles grapes in the Alexander Valley, have made similar commitments. The benefits at Gallo were negotiated with the United Farm Workers.

## On-Premise Positive in Holiday Countdown

The outlook for the final quarter of 2023 is positive, with frequency of visits to On Premise venues remaining

consistent across the past six months, according to the latest [US On Premise Impact Report](#) from CGA by NIQ.

This includes four in five consumers visiting three or more times during the past three months. In the shorter term, three in five consumers have visited the On Premise during the past week, and likewise, a similar proportion intend to visit again in the week ahead.

Additionally, 3 in 10 are gearing up to eat, drink and be scary in venues for Halloween, with younger consumers particularly keen to carve out some fright night fun.

Looking ahead to remaining occasions in 2023, On Premise visitation levels look set to continue satisfactory overall. Over half of consumers are very likely or likely to visit the On Premise to celebrate Thanksgiving, while 56% plan to indulge in the holiday spirit both before and after Christmas Day, and 41% plan to see in the New Year in bars, clubs and restaurants. This is particularly popular with those aged under 35.

So, what are consumers drinking as fall transitions to winter?

While most spirit and cocktail drinkers are consuming specific categories as often or more often than they did six months ago, there are notable proportions (around 3 in 10) who have cut down on their consumption levels.

Typically, consumers are more receptive to cocktails than spirit and mixer drinks, although the motivations to pick one over the other are often similar. For example, wanting a treat and Happy Hour or other deals and offers are primary reasons for consumers to choose both drink types. In contrast, buying motivators sometimes vary between visitors to venues in city centers as opposed to suburban areas.

**Matthew Crompton**, Regional Director – Americas said: “With the raft of annual celebrations during the final quarter, it’s always a key trading period that can literally be make or break. So, it’s business critical for drinks brands and operators to know their customers and pre-empt changing preferences as the seasons shift.

“For these purposes, we’ll continue to track and monitor key dates as they approach and explore the specific occasions in greater detail. And with 2024 planning in full swing, there’s everything to play for, to not only deliver outstanding results this season, but to also carry a bit of seasonal sparkle into the new year too.”

## Original Pickle Shot Taps Brazen Imports To Take Brand Past 100,000 Cases

The Original Pickle Shot, launched in 2018 and now the top-selling pickle brine-infused vodka in the U.S., has selected **Brazen Imports & Consulting** to represent the brand as it builds to exceeding the 100,000-case milestone this year.

Founded earlier this year by longtime industry veterans **Laura Becraft** and **Lauren Ward** (both former executives at 375 Park Avenue Spirits, a division of Sazerac Co.), Brazen Imports draws on the team’s 30+ years of experience to support growing brands through distributor guidance, program development, marketing, compliance, and logistics in the U.S. domestic market, cruise channel, military, duty

free, and the Caribbean.

For The Original Pickle Shot, Brazen will work with the company’s co-founder **John King** to lead the brand’s sales, marketing, and operations as the fast-growing brand continues to expand distribution across the U.S. The Original Pickle Shot is currently in 23 U.S. markets, with five more states slated to open in 2024.

“In the short time since we launched this brand, The Original Pickle Shot has already reached a certain cult status. Bartenders love us, consumers love us. And according to recent Nielsen figures, the brand has shown growth of 287%. We’re now available in over 15,000 on- and off-premises accounts, with 20 million views across social media and pickle groups last year alone,” says King. “I’m very proud of our phenomenal growth, but to further drive and expand that strong momentum, on our way to breaking the 100,000-case mark, we need the experience and skill of people who are experts in building successful brands in this industry. I can’t think of anyone more talented and qualified than Laura and Lauren to help lead our growth strategy.”

The Original Pickle Shot was created from the recipe of the famous pickle shot at Pickles Pub in Ocean City, MD, which sells over 100,000 shots each year. The Original Pickle Shot is unique in that it uses a proprietary pickle brine and 30-proof five-times distilled Iowa corn vodka to create the brand’s signature recipe, and is available in original and spicy flavors (in both 750ml and 50ml bottles, and soon to be 375ml).

The Original Pickle Shot isn’t a pickle back or a chaser, it’s a carefully crafted ready-to-pour vodka with an opaque light green color and delicious dill pickle taste that has quickly become one of the most popular called shots at bars across the country.

The Original Pickle Shot is also a lead sponsor of the “The Big Dill,” the world’s largest pickle party (with over 10,000 attendees who converge annually on downtown Baltimore.) This year it will be Nov. 11-12 at Power Plant Live.

“When we started Brazen, our goal was to work with visionaries who we respect, and innovative brands that are different and disruptive. That’s what excites us about working with John and The Original Pickle Shot, there’s no other brand like this,” says Becraft. “John has worked extremely hard and has accomplished so much in such a short time, we’re honored to be partnering with him to conSnue to build this truly amazing brand.”

## September Champagne Sales Drop 21.2%; Working Conditions Scandal Cited

September sales in champagne have fallen 21.2% from a year earlier after the public learned that two people died while picking grapes and a prosecutor opened two cases of human trafficking over working conditions.

The Champagne Committee issued a press release addressing the harvest problems. In short, the CIVC reiterated its “commitment to work with government agencies and worker unions to improve working conditions of harvesters and avoid future picker abuse.”

The released repeatedly mentioned four areas requiring “concrete actions.” But the only concrete actions taken so

far is creation of the workgroup, as on all four points the CIVC is hamstrung by French law.

### Fox Run Opens New Winemaking Facility

**Fox Run Vineyards**, Penn Yan, NY, cut the ribbon on a new winemaking facility that is 9,000 square feet inside and 10,500 square feet in total. All together Fox Run invested \$1.5 million to make the project happen.

The new space offers 50% more space for the wine-making team and anticipates adding a full-time employee to the Fox Run roster in the near future. Through constant support from others within the community, this new facility has already and will continue to help the area grow and prosper.

### Diageo Unveils Special Releases Collection

Diageo unveils its Spirited Xchange Special Releases Scotch Whisky Collection celebrating the journey of Scotch, countries and cultures around the world.

The Special Releases collection is an annual collection of eight rare and collectible Single Malts carefully selected by Master Blender Dr. Stuart Morrison, to celebrate each distillery's unique characteristics and DIAGEO's robust portfolio united together in quality Scotch making.

The Special Releases collection is an annual collection of eight rare and collectible Single Malts carefully selected by Master Blender Dr. Stuart Morrison, to celebrate each distillery's unique characteristics and Diageo's robust portfolio united together in quality Scotch making.

### B-F to Buy Back \$400M of Stock

**Brown-Forman Corp.** said directors approved a \$400 million share repurchase plan through Oct. 1, 2023.

The plan permits the company to buy back Class A and Class B common shares for cash in open market purchases, block transactions, Rule10(b)5-1, and privately negotiated transactions.

**Lawson Whiting**, Brown-Forman's president/chief executive officer said, "Brown-Forman is appropriately attentive to today's uncertain market conditions while also confident in the long-term potential for our portfolio of brands. We always strive to deliver leading shareholder returns and believe this buyback authorization provides us the necessary flexibility to repurchase our shares when the market presents the right opportunity."

In a related development, Brown-Forman said it completed the sale of the **Finlandia** brand to Coca-Cola HBC AG Nov. 1. In June 2023, Brown-Forman disclosed it had reached an agreement to sell the brand for \$220 million subject to adjustments related to inventory and other working capital items.

### Martinis See Renaissance As No/Low Alc Advance

The Martini renaissance is far-reaching and has implications beyond standard ingredients like vodka, gin, and vermouth.

The rise of Martinis may seem counterintuitive considering the simultaneous acceleration of low- and non-

alcoholic products, plus overall wellness trends. But Drizly head of consumer insights **Liz Paquette** believes both movements coexist in a beneficial fashion: "We are still seeing strong growth for the non-alc and lower-ABV categories, particularly NA spirits which has consistently been the fastest-growing subcategory on Drizly over the past few months," she says. "I think it is rather an ABV preference at the consumer or occasion level, as many higher-ABV products continue to perform well in addition to those within the low-alcohol and NA categories."

Chicken Soup Martini and Espresso Martini might dominate social media feeds and cocktail programs, traditional spirits and garnishes remain the key drivers of Martini growth according to Drizly data.

Gin is the classic base for martinis, so it's no surprise that this category has seen growth in recent years. In 2023 to date, gin accounted for four percent of share within the total liquor category. The most popular gins on Drizly include offerings from well-established and broadly distributed brands, suggesting consumers reach for classic, well-known bottlings when mixing up these drinks at home.

#### Drizly's Best-Selling Gins, 2023 to Date

1. Hendrick's Gin
2. Bombay Sapphire Gin
3. Tanqueray London Dry Gin
4. The Botanist Islay Dry Gin
5. Beefeater London Dry Gin
6. Monkey 47 Schwarzwald Dry Gin
7. Empress 1908 Indigo Gin
8. New Amsterdam Gin
9. Roku Japanese Gin
10. Aviation Gin

Vodka-based Martinis are especially on-trend this year, likely because vodka forms an ideal base for flavored martinis like Lemon Drops and Espresso Martinis. In 2023 to date, vodka accounted for 23.2 percent share of the liquor category on Drizly, a slight uptick from the same time period in 2022.

#### Drizly's Top-Selling Vodkas, 2023 to Date

1. Tito's Handmade Vodka
2. Grey Goose Vodka
3. Ketel One Vodka
4. Smirnoff No. 21 80 Proof Vodka
5. SVEDKA Vodka
6. Absolut Original Vodka
7. New Amsterdam Vodka
8. SKYY Vodka
9. Belvedere Vodka
10. Platinum 7X Vodka

Similar to the growth of classic spirits, time-tested garnishes are seeing sustained popularity on Drizly in 2023 as this trend expands. Within the extras category, olives accounted for 0.6 percent of share of the extras category, where olive juice was 0.2 percent of share. The most popular olives on Drizly this year include classic and stuffed va-

rieties of olives from brands such as Filthy, Specks, and Santa Barbara Olive. This data suggests that while consumers are embracing Martinis at home, they remain interested in tried-and-tested Martini ingredients.

"While growth is small, many of these ingredients are major categories which are also impacted by other trends," says Paquette. "We do believe the Martini trend is a key driver of their sustained position and slight growth and therefore important for retailers to lean into to selling these products."

## Ready-To-Drink Martinis Capitalize on Trendy Flavors—Drizly

While Martinis make up a small share of the overall ready-to-drink category, Martini-inspired RTD cocktails have seen significant growth, suggesting that consumers are eager to enjoy pre-mixed martinis in single-serve formats. In 2023 to date, Martinis make up just 0.8 percent of total RTD cocktail share on Drizly, but have experienced 300 percent growth compared to the same period in 2022.

While trendy Espresso Martinis make up half of the top-selling Martini RTDs on Drizly, popular RTD Martinis come in a range of flavors and brands, indicating drinkers are willing to experiment with RTD Martinis across brands and flavors.

### Drizly's Top-Selling Martini RTD Cocktails, YTD

1. On The Rocks Effen Vodka Espresso Martini Ready To Drink
2. Two Chicks Sparkling Cranberry & Lime Tartini Vodka Cocktail
3. Batch & Bottle Hendrick's Gin Martini Ready To Drink Cocktail
4. Loverboy Espresso Martini
5. Heublein Dirty Martini with Wheatley Vodka
6. Bols Espresso Martini Cocktails
7. Absolut Pineapple Martini Cocktail
8. Blossom Espresso Martini
9. Tribini Double Espresso Martini
10. The Club Vodka Martini

## Wilson Daniels Intros Jonive, Underwood Family's 1st Winery

Wilson Daniels introduces **Jonive**, a new project by the Underwood Family in the Sebastopol Hills of the Russian River Valley.

The Underwoods are the owners of Young's Holdings, one of America's oldest continuously operated family-owned businesses (founded 1888) and the parent company of Wilson Daniels. Today, the fifth generation of the family take a bold step forward with the founding of Jonive. Inspired to create terroir-driven expressions of Burgundian varieties in northern California, the family has produced an elegant 2021 Estate Pinot Noir and Estate Chardonnay sourced from their Moon Dust Vineyard, planted to 19- to 27-year-old vines in the Sebastopol Hills.

"I've immensely enjoyed my career on the wholesale side of the wine business, but I've always had this untapped passion and drive to produce fine wine in my home state of California," said **Chris Underwood**, proprietor of Jonive and

CEO of Young's Holdings.

"When the opportunity presented itself to purchase the 18-acre Moon Dust Vineyard in 2021, my family and I sensed its potential to produce world-class pinot noir and chardonnay, and decided this would be our avenue into making wine. Partnering with acclaimed winemaker Vance Rose, both wines are deeply reflective of the terroir with its rare Goldridge soils. We couldn't be more thrilled to present the 2021 vintage to the market."

Jonive takes its name from the original 1845 California land grant titled *Rancho Cañada de Jonive*.

## La Fête Wine Debuts a New Red Wine

La Fête du Rouge's magnificent Provence red wine joins the luxury lifestyle wine company's award-winning La Fête du Rosé and La Fête du Blanc, making a trilogy of wines that appeal to all drinkers.

"We firmly believe that the Côtes de Provence region is a special place where great wines are made, and we are extremely excited to bring La Fête du Rouge to the world," said **Donae Burston**, Founder & CEO of La Fête Wine. "As more drinkers are looking for approachable red wines that are easy to drink year-round, La Fête du Rouge was a natural progression for our company."

**Donae Burston**, founder/ CEO of La Fête Wine has remained true to his commitment to showcase the most exceptional wines from St. Tropez, in the heart of the famed Côtes de Provence region, by bringing the South of France lifestyle to the glasses of wine drinkers everywhere. SRP: \$34.99.

## Influencer Krista Horton Launches Horton Ready-to-Drink Cocktails

**Horton Ready-to-Drink Cocktails**, a line of perfectly-crafted coconut rum-based canned cocktails from influential content creator **Krista Horton** and husband Bryce Horton, hits shelves across the country Nov. 1. Made with real distilled rum from **Florida Caribbean Distillers (FCD)** – the largest rum producer in the continental U.S. – and coconut, the bright line includes Diet Kola, Pineapple Soda and Lime Soda to amp up any party. It's available nationwide. SRP: \$43.99.

## J. Mattingly 1845 Distillery Opens in Frankfort

Created by **Jeff Mattingly**, a descendant of distilling pioneer **John Graves Mattingly**, the new 23,000-square-foot distillery in Frankfort, Ky., includes a gift shop, tasting bar, a small pot still, and a premier custom bourbon blending experience. The distillery will offer tours, tastings and the custom bourbon blending experience every day but Sundays.

The distillery had been in Georgetown, Ky. It's part of a \$6 million investment which will also add up to 50 new jobs. That investment is projected to grow as the distillery starts distilling on site, and eventually adds a second column still and barrel warehouses on property purchased in Shelby County, Ky. The addition of the column still carries on the 19<sup>th</sup> century Mattingly innovation of the coffee column still which greatly enhances continuous production of bourbon.

### **Bourbon in His Blood**

Jeff Mattingly has bourbon in his blood. His ancestor

John Graves Mattingly started his first distillery in 1845. Although the distillery was Registered Distillery #2, it is widely reported his distillery may have been the first registered distillery in Kentucky. The Mattingly name is so ingrained with distilling there have been at least nine distilleries in Kentucky in which a Mattingly had a hand in developing.

The family also has connections to some of the most prolific bourbon barons in the industry, including George Garvin Brown of Brown Forman, the Willett family, and the Samuels family, with Margie Mattingly Samuels creating the iconic Maker's Mark packaging, label, bottle shape and famous red wax.

Today, current owner Jeff Mattingly, alongside his son Cameron, carry on the Mattingly family mantle and continue to innovate, much like their ancestors did. Each batch of their flagship J. Mattingly 1845 Bourbon is a custom, one-of-a-kind blend, using a proprietary double stave process to add texture, richness and depth before it is expertly blended by the J. Mattingly 1845 production team.

Visitors to the new location in Frankfort will have the opportunity to participate in a state-of-the-art custom blending experience, which allows them to blend their own bottle from a combination of hand-selected barrels of Kentucky bourbon, wheated bourbon or rye whiskey, then choose their bottle, customize their label, and choose their wax color, offering a premiere hands-on experience not found at any other distillery.

### **Ray Foley, Bartender Publisher, Dies at 80**

In 1967 when Ray Foley went to work as a bartender and manager at The Manor in West Orange, NJ, little did he know that cocktails would continue to shape and define the next 56 years of his life.

He left The Manor in 1983 to devote his full efforts to *Bartender* magazine. Today, *Bartender.com*, and *Mixologist.com* are still the only trade publications/websites of their kind targeted to bartenders and bartending, read and enjoyed by more than 250,000 people across the country. Ray was also the author of over a dozen cocktail books, including the popular "Bartending for Dummies," now in its 6 edition, and one of the all-time best sellers in the "For Dummies" series. Additionally, Ray has developed and named thousands of cocktail recipes, including the world-famous "Fuzzy Navel," which he created in 1985. Ray's collection of cocktail recipe books (some dating back to the 1800's) is one of the largest collections in the world and is now on display at the Galleria Campari Museum in Milan, Italy.

A longtime champion for bartenders and hospitality professionals, Ray was the founder of the BARTENDER "Hall of Fame" which recognizes and honors the best bartenders throughout the U.S. for their skill and service to their communities. He was also the founder of "The Bartenders' Foundation," a non-profit organization that raises and awards much-needed scholarship funds to bartenders to further their own or their children's education.

Raymond P. Foley, 80, died peacefully from complications of Parkinson's disease, which he sustained in the Marine Corps at Camp Lejeune in the 1960's. The Manor didn't only shape Ray's career, it's also the place where in 1977 he met the love of his life, Jaclyn Wilson, who he married in 1982 in Bernardsville, NJ.

He is survived by his wife and partner of 42 years Jaclyn, their son Ryan, daughter-in-law Cait Fallon, and granddaughter Nora. He also leaves behind Ray and his partner Kim, Billy and his wife Perry and their son Lachlan Foley, Amy and her husband Greg and children, Caitlin, Robert, and John.

A funeral mass was held Nov. 2. Donations in Ray's memory can be made to The Bartenders' Foundation .

### **Dick Shaw, Pioneering Washington Grape Grower, Dies at 84**

**Dick Shaw**, one of the largest grape growers in Washington State, died at age 84.

He had been growing grapes for more than 40 years, beginning with a 100-acre vineyard. When he died, he farmed more than 3,500 acres in seven appellations.

Before he was 30, he had been one of the founders of the Bank of Tacoma, where he was chairman of the board. Beginning in 1981, he planted 100 acres of winegrapes in Mattawa. Today that vineyard has grown to 1,250.

Shaw enjoyed working, and worked almost until he died.

He is survived by his wife Wendy, their son, two daughters, his brother, a nephew, two nieces, and three grandchildren.

## **Movers & Shakers --**

**Beatbox** collaborated with singer, songwriter, designer, and philanthropist Avril Lavigne which Beatbox plans to extend into 2024. This collaboration is part of their creator series. To note, just last week the brand activated in collaboration with Avril at the [We Are Young](#) festival in Las Vegas. Beatbox is currently available in more than 45,000 locations.

**Thea Schlendorf**, vp, **Benson Marketing Group**, was named the next executive director of **Free the Grapes**. She succeeds **Jeremy Benson**, the founder of Free the Grapes.

**Martinelli Vineyards & Winery** hires **Bill Smart** as general manager. He joins from Limerick Lane Winery where he was general manager.

To Your Continued Success,  
KAN E'S BEVERAGE WEEK



JOEL WHITAKER, Editor