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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Who & What —

Legier Elected NCSLA President

Ernest P. Legier, Jr., Commissioner, Louisiana Alcohol & Tobacco Control, was unanimously elected President by the **National Conference of State Liquor Administrators'** Executive Committee following **Travis Hill**'s resignation as NCSLA President due to the end of his appointment as Chief Executive Officer of the Virginia ABC Authority.

Other officers moved up for the remainder of this term (June 30, 2024): **Rebecca Smith** (Washington) as 1st Vice President, **Debbi Beavers** (Kansas) as 2nd Vice President and **Rodrigo Diaz** (Pennsylvania) as 3rd Vice President. **Thomas Akras**, Director, Legal and Legislative Division of the Maryland Alcohol, Tobacco, and Cannabis Commission , succeeds Diaz as Northern Region Chairperson.

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Prestige Wine Imports appoints **Andrew Meyer** to Chief Sales Officer and promotes **December Semexant** to Chief Financial Officer. Meyer most recently was with Don Sebastiani & Sons.

Vintage Wine Estates hires Farzana Shubarna as vp-operations. She joins from Unilever Ltd., where she was Global Director, Center of Excellence.

Opus One Winery appoints **Kimberlee Marinelli** as assistant winemaker and viticulturalist. She joined Opus One as an intern in 2021.

Cork Supply welcomes **Elizabeth Robertis** as senior sales executive for the Napa territory.

Benson Marketing Group, Greenville, S.C., hires **Ashley Kraynak** as director of public relations. Benson Marketing is a division of The Brand Leader.

Drizly: Prosecco Will Keep Sparkling Wine a Key Category

Sparkling wine continues to be a top category on **Drizly**. Though the overall premiumization trend slowed in 2023 in response to inflation, the subcategory's sales remain strong.

At least one analyst, Rogers, the research director at IWSR Drinks Market Analysis, says this "is a lasting impact of the pandemic, when sparkling wine drinkers grew used to consuming it on everyday occasions at home."

Champagne and sparkling wine comprised a nine percent share of Drizly's overall sales during the past 12 months, holding steady over the previous year. Within the wine category, Champagne and sparkling wine accounted for 23 percent of share, down slightly from 24 percent in the prior 12 months.

This reflects a natural leveling off following significant gains during the early pandemic years, notes **Liz Paquette**, head of consumer insights at Drizly. "Some of this can be attributed to a return to normalcy," she says. "Additionally, the growth of Prosecco in the past year points to consumers opting for more affordable sparkling wine options with inflation on the rise."

Consumers Prefer Champagne

Champagne producers shipped more than 33 million bottles to the U.S. in 2022, according to the Comité Champagne, which was the highest number exported to any country. Sales in the U.S. market far exceeded pre-pandemic shipments with 31% growth between 2019 and 2022.

On Drizly, Champagne accounts for 57% of overall sparkling wine share. While this reflects a decrease from 60% in the previous 12 months, Champagne's share remains far ahead of its closest sparkling wine competitor, Prosecco, which accounts for 24% share. These premium French offerings have an average unit price of $54 compared to just under $28 for the overall subcategory.

Michelle DeFeo, the president of Laurent-Perrier U.S., notes that while the majority of Champagne is still purchased during the holiday season, more consumers are embracing it at other times of year. "Our customers buy Laurent-Perrier not just for special occasions," she says, "but also for enjoying while on vacation or even just as a special treat for themselves at home."

Prosecco Is on the Rise

As inflation continues to impact consumer behavior, Prosecco is seeing a surge in popularity. During the last 12 months, its share of the Champagne and sparkling wine category reached 24 percent — up from 21 percent in the prior year.

"Many consumers are seeking more affordable options and Prosecco's average price per unit is nearly $40 below that of Champagne," says Paquette. "The 'spritz' cocktail trend — featuring Prosecco as a main ingredient — also continues to surge, which has been a factor in the growth of the category."

Rogers also predicts a bright future for Prosecco. "The challenging economic situation continues to reduce disposable income levels for consumers," he says, "making lower-priced Prosecco a more attractive price-to-quality ratio for many consumers."

Gary Heck, the owner and president of Korbel in California, notes that Prosecco has helped popularize and "casualize" the sparkling wine category. "Korbel Prosecco has found pockets of success within the United States," he says. "Consumers, both loyal and new to Korbel, have been enjoying our Prosecco because it is light, refreshing, and perfect for fun."

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Heck adds that although Korbel Brut is the company's best-selling sparkling wine by dollar sales, interest is increasing for the producer's other sparkling wine offerings. "We are seeing some of our more limited sparklers, like Korbel Blanc de Noirs, experience growth this year as consumers are interested in trying new varietals," he says.

Paquette agrees that variety is key for the sparkling wine category. "Different styles have significant variations in price points as well as use cases, from special occasions to mixing into cocktails," she says. "Having a variety across all categories will allow retailers to reach a wide range of consumers."

This is equally true for the higher-priced Champagne category. "Consumers like choices," confirms Elise Cordell, the manager of Champagne trade engagement and events at **Pernod Ricard USA**, which owns **Perrier-Jouët**. "There will always be cuvées that dominate the conversation because of visibility, but discovering something new or exploring a current trend is a form of treating yourself."

Here are the 10 best-selling Champagne and sparkling wine brands on Drizly:

1. Veuve Clicquot
2. La Marca
3. Möet & Chandon
4. Dom Perignon
5. Mionetto
6. Korbel
7. Perrier-Jouet
8. Domaine Chandon
9. Mumm Napa
10. Freixenet

Drizly's top-selling sparkling wine brands were unchanged this year, except for No.9 which saw **Mumm Napa** join the Top 10 list, replacing Nicolas Feuillatte.

Eastside Distilling 3Q Sales Flat, Says Net Loss Narrowed

Eastside Distilling Co. reports gross sales for both the three months ending September 30, 2023 and 2022 were flat at $3.1 million, as growth in digital can printing was offset by lower mobile canning and spirits sales. But the net loss in the 2023 third quarter decreased to $2.2 million from $2.7 million a year earlier.

"The Company made progress improving operations across both of its businesses," said **Geoffrey Gwin**, CEO. "With recent sequential increases in digital can sales, Craft has become the preeminent decorated digital can provider in the Pacific Northwest. At the same time, our spirits business has made more progress in reaching our goal of profitability than we expected at this point in the year."

Willamette Valley Narrows 3Q Loss; Sales Jumped 23%

Willamette Valley Vineyards reports third quarter sales rose 23% to $9.35 million. The company posted a net loss of $326,982. The loss was significantly less than the year-earlier loss of $949,821. The increase in sales was attributed to an increase through in 10% sales through distributors.

"I believe our new winery and retail locations are helping us reach thousands of new customers, while our successful preferred stock offerings have resulted in a significant number of wine enthusiast stockholders who previously had not made a recorded purchase in any of our tasting rooms or on-line."

Vintage Wine Estates Net Revenue Falls

Vintage Wine Estates reports net revenue fell $4.8 million. The decline wasn't unexpected, since the company has taken several actions to simplify the business. The company posted a loss from operations of $9.9 million, which included $4 million in restructuring costs.

The restructuring resulted in a 4% reduction of the workforce that is expected to provide total annualized savings of approximately $6 million. These expenses were partially offset by the $0.8 million gain from the $1.3 million sale of the Tamarack building in July.

Net loss attributable to VWE common stockholders was $15.1 million, compared with income of $1.5 million a year earlier.

The company reported its fiscal first quarter loss just one week after its new chief executive, Seth Kaufman took office. Kaufman said "the business is beginning to stabilize, (but) we still have much work to do." This includes improving cash generation, further simplifying the business, strengthening brand development and marketing, and increasing points of distribution."

He said the company was withdrawing its previous guidance for 2024 while he develops a long-term strategy. He said he has "three critical priorities over my first 100 days. First and foremost, I will provide the team the support and resources necessary to deliver our Five-Point Plan."

Splash Beverage Sales Rose, Loss Widened

Splash Beverage Group reports revenue rose 5% in the third quarter to $5.1 million. The company said its loss in the third quarter widened to $5.6 million from $5.1 million.

Was September the Low Point for Wine, Spirits Depletions? Danny Brager Thinks So

Depletion trends for 2023 are solidly in the negative, with combined spirits and wine depletion trends down 6.7% year to date and down 5.5% in the 12-month rolling period ending September, according to SipSource, the **Wine & Spirits Wholesalers of America**'s monitor of depletion data.

But **Danny Brager,** SipSource analyst, thinks "we may have hit a trendline low point with the September-ending data." Indeed, he says, forward-looking depletion comparable trends make that a "compelling case." For spirits, depletions were up only +0.7% in the fourth quarter of 2022 and were down -4.3% in this year's first quarter. For wine, -5.5% and -6.8%, respectively. In other words, depletions were down so much this year that next year should lap them.

"While Spirits continue to outperform Wine, the gap is narrowing," said SipSource Analyst **Dale Stratton**. "The trend gap is currently 390 basis points and narrowing each month. Unfortunately, the narrowing gap is being driven by the ever-declining trend in spirits while wine has been more stable, with declines in the mid-single-digit range over the long term."

Third-quarter depletions were especially soft for spirits, down -8.8%. The wine category also experienced a difficult third quarter, with depletions down -11.7%. Those declines have put wine down -7.4% with the latest 12-month numbers and down -8.4% year to date.

The Recreation channel continues to drive growth for both wine and spirits, up +6.0% for the two categories combined. Spirits leads the way in Recreation, up +9.2%, with wine growing +1.1%. It would also appear spirits are stealing share from wine in the Dining channel. Spirits are growing +2.1% and wine is down -4.4%. While wine still has more than a 50% share of Dining volume, the gap is getting very narrow.

Changing Methodologies

"Existing industry forecasting solutions rely on partial data and black-box methodologies to arrive at less-than-optimal forecasts," said SipSource Director **Michael Bilello**. "For decades, this partial data has become the focus of business planning meetings, driving major decisions across the industry. With SipSource's new forecasting capabilities, subscribers will be able to make better decisions because they have better information."

Off-Premise Sales Down 3%; Volume Off 6%

Sales of domestic table and sparkling wines through NIQ off-premise outlets totaled $850 million in the four weeks ended Oct. 7 down 3% versus a year ago. Volume in the period fell 6% to just under 8 million cases.

Heading into the heart of the OND sales period, it's unclear how consumers will spend this year with premiumization showing signs of slowing.

Sales of table wines in glass through off-premise outlets tracked by NIQ in the 52 weeks ended Oct. 7 indicate spending focused in the $15-$19.99 price tier. The tier saw spending increase more than 1% in the period, making it the only category to report consistent — and even accelerating — growth since 2021. Similarly, case volumes were resilient, declining just 1% versus a year ago according to *Wine Analytics Report.*

Cooper Mountain Vineyards Acquires Oregon's Lia Vineyard

Cooper Mountain Vineyards, a pioneer in Willamette Valley winemaking since its establishment in 1978, said it acquired **Lia's Vineyard**, a 50-acre properety nestled in the Chehalem Mountains AVA. This strategic purchase reunites the original upper half of the historic Jacob Hart Estate after nearly two decades.

Lia's Vineyard, first planted in the early 1990s by **Paul Har**t of Rex Hill, was sold to **Todd Hansen** in 2005. The vineyard stands from 560 to 380 feet, offering a picturesque view with a primarily due south aspect. The soil, predominantly Jory--a dark reddish-brown silty clay loam--transforms into a sedimentary series around the 400' contour, adding to its unique terroir.

Hansen said he was "confident that under their stewardship, Lia's Vineyard will thrive and continue producing exceptional grapes while I can focus on making wine from said grapes at my winery project **Longplay Wine**."

Why Red Wine Causes Headaches

"Fruit of the vine and work of human hands" is the way one prayer in the Catholic Mass describes wine. Others have observed that Jesus didn't turn wine into water, but water into wine.

So, why oh why can wine – especially red wine – cause such fearsome headaches in some people?

Now, scientists led by Apramita Devi and Andrew L. Whitehouse of the Department of Viticulture & Enology at the University of California, Davis, think they have they answer: It's caused by a gene, the quercetin-e-glucurontide that inhibits an enzyme to metabolizes alcohol. Red Wine contains much higher levels of quercetin and is glycosides than white wine or other alcoholic beverages. The results is an intense headache.

About 16% of the world's population suffers from headaches every day. Headaches are a significant cause of disability: Migraine is second among the causes of disability worldwide and first among young women. Alcoholic beverages (beer, wine, spirits) are the most common dietary agents associated with headaches, with at least occasional triggering in 37% of patients.

It's known that when alcohol is consumed in too-large a quantity, a headache may result. Alcohol is metabolized by the liver in a two-step process. In a review of previous studies on alcohol use disorders, 28% attributed red wine as the trigger, followed by spirits (14%), white wine (10%) and sparkling wine/beer (10%).

Red wine headache (RWH) does not require excessive amounts of wine as a trigger. In most cases, the headache is induced in 30 min to 3 h after drinking only one or two glasses of wine[3]. Wine constituents such as biogenic amines, sulphites, phenolic flavonoids, or tannins have been reported as the possible cause of wine headaches. Nevertheless, no chemical constituent has been clearly implicated as the primary trigger of red wine headache (RWH) nor has a mechanism for eliciting the headache been proposed.

The Devi and Andrew L. Whitehouse study proposes that the headache caused by red wine is due to the presence of quercetin and its glycosides, which upon metabolizing to quercetin glucuronide, inhibits ALDH2 enzyme activity. If alcohol is introduced, a headache results.

Not only may the study potentially be "very helpful for people who drink red wine to be able to choose wines less likely to cause headaches," Levin said. "Also, winemakers may use our findings to reduce quercetin in their wines."

Naked Wines, Ex-Exec Settle Lawsuit

The litigation between Nakedwines.com, its umbrella company, UK-based Naked Wines plc and Mac Miller has been settled "amicably with no admission of liability or wrongdoing by anyone involved," according to court filings.

Miller was hired in 2020 as president of Naked Wines in 2020 and fired in March 2022 after the company's budget and business plan "faltured" under his direction, NakedWines said in its response..

Miller alleged Naked Wines' former chief financial officer and director, Shawn Tabak, had engaged in "illegal discriminatory behavior" toward female executives and other women. When he refused to fire a female executive who had complained against Tabak, the company tried to drive him out of the company.

This Economy Appears to Turn Old Rules On Bev/Al Stability Upside Down

We warned you months ago that the economic squeeze being face by middle- and working-class American families would take a toll on the alcohol beverage industry as well as nearly every other consumer goods category. It's worse than we expected.

The old line that when times get tough, people keep drinking – and may drink even more. That's generally been true, even though it's also true that people trade down: The Knob Creek drinker, for instance, buys Jim Beam instead. They may spend less, but the quantity remains pretty steady.

Not in this economy, apparently. The latest data from **Wine & Spirits Wholesalers of America**'s SipSource survey finds current 12-month rolling volume trends (October 2022-September 2023) down -3.5% for Spirits and -7.4% for Wine. Year-to-date (January 2023-September 2023) data shows Spirits down -5.1% and Wine down -8.4%.

To be sure, Premixed Cocktails, up 8.6% and Tequila/Agave Spirits, up +2.8%, remain growth areas for Spirits in the latest 12-month ending data. But remove the fast-growing Premixed Cocktails segment and the picture for Spirits is noticeably worse with 12-month trends of -5.2% and year-to-date dropping to -6.7%.

Tequila/Agave

Interestingly, the growth profile for Tequila/Agave Spirits has reversed in the last year with products over $50.00 down -2.7% and those under $10 up +5.9%.

Why the gloomy trend? Understandably, SipSource analysts say, price inflation continues to take its toll on the consumers' spending power, impacting Premiumization across all Spirits categories. Currently, Spirits over $25 are outperforming those under $25 by only 90 basis-points in trend compared to last year at this time, when the gap was 500 basis points.

But we think it's more than simply price inflation. Middle- and working-class workers continue to fall behind, with wages failing to keep up with inflation. That's one huge reason Donald Trump was elected president in 1986, and a major reason why President Biden's poll numbers are so poor.

Indeed, the warning signs that tougher days are ahead are all around us. U.S. retail sales fell 0.1% in October from a month earlier, the Commerce Department reported Wednesday. Hiring has slowed, American downtowns are in distress as workers continued to work partially remotely.

Christina Hennington, chief growth officer at Target, said "Consumers are feeling the weight of multiple economic pressures and discretionary retail has borne the brunt of this weight." She noted consumers are facing newly emerging headwinds, including higher interest rates and the return of student-loan payments.

Bars and Restaurants

To be sure, the Commerce Department reported sales and bars and restaurants advanced. But the advance was slower than in recent months.

On-premise has remained a growth segment for Spirits; consumers consistently choose Spirits as their primary beverage when out at a restaurant or bar. Spirits continue to be resilient in the on-premise with a growth rate of +4.4% compared to Wine which is down -2.2%. While not quite back to their pre-COVID level, Spirits continue to perform well in the on-premise channel.

Most segments of Wine continue to struggle, however Prosecco remains the darling of the Wine category up +3.9% in the 12-month ending data. Analysts expect to see this trend continue as the industry heads into the important holiday season. Growth on Prosecco is very balanced by channel with on -premise up +3.0% and off-premise up +4.1%.

Low/No Alcohol

We don't think it's just the economy that is retarding bev/al growth currently. The growth of no/low alcohol products. the trend of young drinkers to avoid alcohol or to reduce consumption, and the constant drumbeat of negative health news linked to alcohol are also major factors, we think.

As SipSource analysts noted the three most recent holiday seasons were "challenging." This, they said, provides the industry with softer comparative numbers from last year. Comparable trends from the last three months of 2022 are more friendly with Spirits at +0.7% and -5.5% for Wine. This should provide some tailwinds for the categories, and while SipSource analysts do not expect either to get back to positive trends, we do expect to see improvement, they said.

Footnote: WSWA said SipSource will be updated and enhanced in 2024, including integration of NABCA data and addition of wholesaler data from Winebow, Horizon and Opici. SipSource will also provide new demographics, including age, gender (percent female), education levelof consumers, among other factors.

SipSource will also include six new wine regions.

bw166 Sees U.S. Spirits Market Stabilizing Over Next 12 Months

That stabilization in the next 12 months depends upon consumers maintaining somewhat consistent consumption trends, bw 166 said. Once the market stabilizes, bw166 expects it will likely return to volume trends more like 2016 to 2019.

From a value standpoint, we believe that pricing will continue to slowly move up per unit as it has for the past few decades. It will not move up as quickly as it did during the pandemic.

The Bureau of Economic Analysis estimates the changes in compound annual growth rate from January 2013 to August 2023 as follows:

Beer Off-Premise: from 4.9% to 6.1%

Wine Off-Premise: from 4.9% to 6.5%

Spirits Off-Premise: from 5.1% to 7.2%

Total Beverage Alcohol On-Premise: from 6.7% to 6.2%

The implication of these changes is that for 12 Months ending September 2023, Consumers have spent $398 Billion on beverage alcohol. The US is a large and varied beverage alcohol market. While there is a short-term slowdown, as noted above, there are many opportunities if industry members focus on market share.

bw166 said it attributes the general decline in the spirits market to the following factors:

Disruptions

It is obvious that there was a pickup in shipments into the market through July 2021. This was due to the Pandemic as well as concerns about supply chain disruptions. The effect of this was a building of inventory at wholesalers, retailers, and even pantry loading by consumers.

Another factor during the pandemic was that consumers traded up in the Off-Premise as most of the On-Premise was shut down. This provided a signal to the market prices were moving up quickly. This was a false signal, and Off-Premise pricing has moderated. Unfortunately, more high-end products were brought into the market, which is causing an inventory overhang at high price points. A signal of this is the Census Bureau value of Beer/Wine/Spirits wholesale inventories growing from $18.7 Billion in September 2019 to $25.5 Billion in September 2023.

As the Pandemic moderated, the market has seen increases in inflation rates followed by higher interest rates.

Consumers have felt the impact and are likely drawing down pantry loading and moderating price points at which they purchase.

Retailers are watching consumer trends as well as looking at their balance sheets with higher carrying costs for inventories. They are carrying less inventory and refocusing their promotions at different price points.

Wholesalers typically carry a large amount of debt to carry their inventory. They are also reducing their inventory levels to reduce interest costs.

Historically, shipments into the market closely tracked apparent consumption. With the build-up of inventory during the pandemic, historical trends have not held. The implication is that as long as consumers maintain somewhat consistent consumption trends, the market will stabilize over the next twelve months and likely return to volume trends more like 2016 to 2019.

From a value standpoint, we believe that pricing will continue to slowly move up per unit as it has for the past few decades. It will not move up as quickly as it did during the pandemic.

Total Wine Asks Judge to Reject FTC Bid for Its Business Records

Calling a subpoena from the Federal Trade Commission "overbroad and unnecessary," **Total Wine & Spirits** asked a federal judge to deny its request for Total Wine's corporate records.

The large national retailer seeks the records as part of its antitrust investigation of **Southern Glazer's Wine & Spirits**.

Total Wine's filing said "no business expects to be excused from the responsibility to produce reasonably relevant documents," but they do not expect to be treated "like the enemy simply because they happen to be a successful business or the customer of a target."

Duckhorn Portfolio to Acquire Sonoma-Cutrer Vineyards

Duckhorn Portfolio agreed to acquire **Sonoma-Cutrer Vineyards** from **Brown-Forman Corp.** for about $400 million to be paid in a combination of Dockhorn stock and cash.

This acquisition will enhance Duckhorn Portfolio as a leading luxury ($15+ per bottle) wine company in the U.S., while rounding out its portfolio by significantly elevating the Duckhorn's position within Chardonnay, the No. 1`domestic white varietal, in which The Duckhorn Portfolio lacks a meaningful presence today.

For the 12 months ended July 31 (unaudited), Sonoma-Cutrer had net sales of about $84 million. Duckhorn estimates that Sonoma-Cutrer's adjusted EBITDA margin profile will be similar to the Company.

In addition, management estimates annual run-rate synergies of about $5 million will be realized in full starting fiscal year 2025 and expects that the transaction will be accretive to Adjusted Earnings per Share in the first full fiscal year following the closing of the deal.

Sonoma-Cutrer Vineyards was founded in 1973 and released its first wine in 1981. It has grown to be one of California's best-known luxury Chardonnay brands, famous for its refined style and commitment to merging traditional and innovative winemaking techniques. Its highly acclaimed Chardonnay primarily sells at retail price points ranging from $20 to $50 per bottle. Sonoma-Cutrer owns six estate vineyards spanning 1,121 acres in both the Russian River

Valley and Sonoma Coast appellations.

Brown-Forman acquired Sonoma-Cutrer in 1999 and grew Sonoma-Cutrer into one of the largest luxury Chardonnay brands in the U.S. by retail sales and among the fastest growing major brands in the category.

Under the terms of the agreement, Brown-Forman will receive 31.5 million shares of Sonoma-Cutrer's common stock, valued at about $350 million based on a 60-day volume-weighted average price as of Nov. 1, 2023, which represents an ownership percentage of about 21.5% of the Company post-closing. Brown-Forman will also receive cash consideration of approximately $50 million, subject to certain adjustments.

Duckhorn will finance the cash portion of the purchase price plus transaction related expenses under its existing revolving credit facility. Net leverage is expected to remain unchanged.

A-B Agrees to End Tiered Medical Care, Restore Benefits in Retirement

Anheuser-Busch has reached a tentative agreement with the Teamsters Union to restore retirement benefits for active and retired members and permanently end an tiered structure to health care for active employees, the union said.

The significant gains are key issues for the Teamsters during negotiations for a new contract with the beer giant. The tentative agreement on health care and retirement follows the Teamsters National Negotiating Committee halting bargaining with Anheuser-Busch until the medical care issue was resolved.

The new language restores retiree health benefits lost under the two prior contracts and protects those benefits going forward by placing the benefits solely in the control of the Teamsters. The unfair tiered structure for active employee health care created under the expiring contract will come to an end. Anheuser-Busch will put $50.7 million over four years into a fund to secure benefits for Teamsters retiring under the new agreement and for contracts thereafter.

"As we proved at UPS, the Teamsters Union is not going to settle for two-tier systems that unfairly pit our members against one another or deprive workers of the wages and benefits they've earned," said Teamsters General President Sean M. O'Brien. "This tentative agreement is a resounding victory for our rank-and-file members fighting tooth-and-nail for a record contract at Anheuser-Busch. But there is more ground to cover to make sure workers are protected and respected at this company. The fight is not over."

The two-tier health care plan for active members cost new hires at Anheuser-Busch thousands of dollars more than longer tenured workers. Under the tentative agreement, all Anheuser-Busch Teamsters will enroll in the same Teamster-controlled high-quality health care plans.

Sean 'Diddy' Combs, Cassie Settle Suit

It took only a day for Sean "Diddy" Combs, and the singer Casandra "Cassie" Ventura to reach a settlement in a lawsuit in which she accused him of physical and mental abuse over a decade. Terms weren't disclosed.

The suit was filed in federal court by Cassie, an R&B singer, who accused Combs of rape and repeated physical abuse over about a decade.

Cassie had long been Combs romantic partner. She described a pattern of control and abuse that included plying her with drugs, beating her, and forcing her to have sex with a series of male prostitutes while he filmed them. Toward the end of their relationship, she says, Combs forced his way into her home and raped her.

A lawyer for Combs had said he "vehemently denies these offensive and outrageous allegations. For the past six months, Mr. Combs has been subjected to Ms. Ventura's persistent demand of $30 million, under the threat of writing a damaging book about their relationship, which was unequivocally rejected as blatant blackmail. Despite withdrawing her initial threat, Ms. Ventura has now resorted to filing a lawsuit riddled with baseless and outrageous lies, aiming to tarnish Mr. Combs's reputation and seeking a payday."

A lawyer for Ventura said she had rejected an eight-figure offer from Combs. The offer was "to silence her and prevent the filing of this lawsuit," he said. "She rejected his efforts."

Combs net worth has been estimated as high as $1 billion, and his annual income at $90 million. Forbes attributed Combs's earnings largely to his former partnership in a liquor brand, Ciroc, that is owned by the spirits giant Diageo. He later sued the liquor giant alleging it hadn't done adequate marketing of another of his brands, **DeLeon.**

Crimson Wine Announces 'Significant Weight Reductions' in Bottles

Crimson Wine Group targeted additional glass weight reductions to lower its carbon footprint and introduces a distinctive new logo for bottles that reach the benchmark weight of 420 grams and below.

Since 2018, Crimson has achieving a 17% reduction between 2018 and 2023, equivalent to removing 633,000 miles driven by gasoline powered cars every year. By reducing the weight of its bottles, Crimson aims to lower its environmental impact and contribute towards a more sustainable future. In addition, the company remains dedicated to sourcing a majority of its glass, including a high percentage of recycled cullets or glass fragments, from California as it works to further reduce its environmental impact.

"For too long, ultra-heavy bottles have been associated with luxury wines, creating a false perception that they are of higher quality. However, the truth is that the weight of a bottle has no bearing on the quality of wine," said **Jennifer Locke**, CEO. "By prioritizing sustainability and actively seeking to reduce our carbon footprint, we hope to set an example for others in the industry to follow."

Crimson's most significant glass reduction will be achieved at their Pine Ridge Vineyards estate, based in Napa, CA. The estate has been actively reducing the glass weight for its highest production Chenin Blanc + Viognier White Blend by 24% since 2018. The latest bottle change for the 2023 vintage will significantly decrease the weight of the bottle, from 469 grams to a mere 404 grams. This ultra-lightweight bottle will be used for the largest wine produced within their portfolio and is expected to remove approximately 100 metric tons of carbon dioxide equivalent annually.

Pine Ridge Vineyards also recently launched its new Traveler's Series Cabernet Sauvignon that features a light bottle weight of 396 grams for its inaugural vintage. This makes it the lightest glass available domestically on the market, and certainly the lightest weight luxury priced wine at $40+, further solidifying Crimson Wine Group's commitment to lighter weight bottles.

Additionally, Crimson Wine Group has made significant progress lowering the glass weight for their second largest brand by volume, Seghesio Family Vineyards, based in Healdsburg, CA. The winery's Sonoma Zinfandel, the #1 Zinfandel sold in the U.S. above $20, has reduced its weight by 17% since the 2018 vintage, the equivalent of removing 90 metric tons of carbon dioxide.

Crimson said it recognizes that reducing bottle weight is critically important in the effort to lower Greenhouse Gases. Lighter bottles require less raw materials, thus reducing the use of resources and energy in production. Lighter bottles also contribute to a lower transportation weight, resulting in reduced emissions from the bottling line all the way to the end consumer. With this commitment towards lowering their carbon footprint, Crimson aims to reach an average bottle weight of 400 grams by 2028, which is 27% below the current industry average of 550 grams.

Winebow Imports Adds Paxton Wines to Portfolio

Family-owned **Paxton Wines** in McLaren Vale, Australia, a leader in both organic and biodynamic viticulture and winemaking, has joined the **Winebow Imports**' Pioneer portfolio, effective immediately.

The 200-acre Paxton Estate is mainly on the Seaview Ridge. The vineyards are home to some of the region's oldest vines, including the legendary 125-year-old Thomas Block. McLaren Vale is one of Australia's most unique and important wine regions as one of the most geologically diverse in the world, producing some of the world's best super premium wines.

"Paxton's organic and biodynamic farming practices speak to their commitment to stewardship so relevant to the modern consumer. This, along with their enviable McLaren Vale location, one of the most significant growing regions for Australian shiraz and grenache, make them an ideal partner for our portfolio," said **Ian Downey,** Winebow EVP.

Teeling Whiskey Offers a 33-Year-Old

Teeling Whiskey released the fourth edition to its Very Rare Cask Series**, Teeling 33-Year-Old**, which is believed to be one of the oldest bottlings of Irish Single Malt recently released, making it one of the world's most exclusive Irish Whiskey.

To match its rarity, this bottling of Irish Whiskey produces a truly unique taste experience from its complex dried fruits and floral nose to its deep layered fruit flavors, as a result of its 33 year journey. The cask yielded only 316 bottles, of which even fewer are available to buy in the U.S

Rare Character Intros Fortuna Barrell Proof

Rare Character, Lexington, Ky., introduces **Fortuna Barrel Proof**, an addition to the Fortuna whiskey brand. This seven-year-plus barrel proof offering, blended into five batches, pays homage to the late 19th-century heritage of Fortuna, delivering a robust and unparalleled whiskey experience.

Fortuna takes inspiration from the golden era of whiskey craftsmanship. Originally established in the late 1800s, Fortuna has been meticulously resurrected by Rare Character, combining old-world charm with contemporary craftsmanship.

"I wanted this to be something that fans of the standard offering, fans of Rare Character, and just whiskey fans in general could enjoy," said **Chad Watson** of Rare Character, who was responsible for blending the initial run. "Each batch is different and blended to be its own unique profile - I spent many hours and days getting them right where I wanted them and I can assure that there is something for everyone."

The initial bottling of Fortuna Barrel Proof includes 5 unique batches with proofs between 118.82 and 122.14.

Franzia Wines Holiday Offering: A Box, a Sweater and More

The box, of course, is a Holiday Box of **Franzia** Cabernet Sauvignon and the sweater matches it. Franzia also released a complete line of new holiday merchandise, including Franzia Inflatable Snow Global Lawn Ornaments, available in both Chillable Red and Crisp White, as well as Franzia Cabernet Sauvignon and Chardonnay Tree Ornaments.

"The holidays are all about the more the merrier – and Franzia is your perfect party companion this holiday season. Our Franzia Cabernet Sauvignon Limited-Edition box is a gift made to share, with a built-in gift tag on front," said **Amy Navor**, Franzia Brand Manager. "We're thrilled to release our holiday merch collection that gets our Franz feeling festive, and also allows them to showcase their holiday spirit in a uniquely Franzia way."

The Limited-Edition Franzia Cabernet Sauvignon holiday box is available for purchase in retail stores nationwide while supplies last for a suggested retail price of $22. Items in the Franzia Holiday Collection range from $15-$90 and are available for purchase at shop.franzia.com.

Molson Coors Tells How It Turned Business Around, What's Next

Molson Coors Beverage Co.'s historic gains this year can be traced back to the progress it made and lessons it's learned as it turned the business around over the last four years, Chief Commercial Officer **Michelle St. Jacques** said. And Molson Coors' trends mark a structural shift in the U.S. beer industry, she said.

The company's commercial and supply teams adhered to a laser-focused strategy: staying agile to quickly respond to change, driving partnerships with U.S. distributors toward common goals, and being clear about what each brand stands for, she said.

St. Jacques said 2023's gains are, more than anything, the result of years of building a strong foundation.

"This isn't an eight-month story: it's been four years in the making," she said. "When you think about it as part of our broader company strategy, keeping our core brands healthy is critical to being able then to drive premiumization and expand beyond beer."

The result of that consistency is reflected in the strength of core brands **Coors Light, Miller Lite** and **Coors Banquet**, each of which are growing revenue, volume and industry share, as evidenced by the company's third-quarter earnings.

And, she said, the numbers aren't budging.

Molson Coors is growing more share of displays than competitors, a trend that began over the summer and has continued with distributors securing important floor space during football season, St. Jacques said. And, she said, Molson Coors is benefiting from a large crop of retailers that shifted their product mix in the fall.

"We are seeing a disproportionate number of retailers who have changed their shelf resets based on the momentum we're seeing," she said. "From our data, Molson Coors is by far the biggest recipient of that increase."

On-premise, Molson Coors' brands continue to grab more share than any other brewer in the U.S., having secured more than 12,000 new tap handles through the third quarter.

"When you look across everything, off-premise, on-premise, distribution, we're seeing that consistency everywhere," she said.

Banquet's on fire

Beyond the success of Coors Light and Miller Lite, Coors Banquet has also been a winner in 2023, with sales volume up more than 27% for the 26 weeks that ended Nov. 5 and 20% year to date, according to Circana data.

"Banquet has been on an absolute tear and it has a ton of momentum ahead of it," she said.

It's also caught on with younger legal-age drinkers who are embracing 'cowboy cool,' St. Jacques added.

"If you go to any major music festival, people are rocking their cowboy hats and boots, and they're drinking Coors Banquet," she said. And the beer's been hard to miss on the hit TV show "Yellowstone," where it was the official beer of the program's fourth season.

St. Jacques said there's room for Banquet to grow, especially when it comes to distribution and retail displays. 2024 will entail "more media and more partnerships" for the brand, she said.

Premiumization and beyond beer

A key part of the company's Acceleration Plan includes earning a third of its global revenue from its above premium portfolio, with half of that revenue coming from beyond beer.

"It's not a one-size-fits-all (approach). We don't have the same playbook for each of them," St. Jacques said.

Flavor – which includes flavored-alcohol beverages and hard seltzers – has brought more legal-age drinkers into the Molson Coors portfolio, she said, and the company has responded with offerings like **Topo Chico Hard Seltzer, Simply Spiked** and new products like **Peace Hard Tea** and its spiked refresher **Happy Thursday**, coming next year.

Simply Spiked, for example, appeals to consumers who crave real juice flavors, while Happy Thursday was developed with input from legal-age Gen Z drinkers who wanted a bubble-free and sessionable option.

Another important partnership is with ZOA Energy, a brand with which Molson Coors recently increased its investment. St. Jacques said she's excited about a new marketing campaign kicking off next year that she thinks can elevate the brand.

Molson Coors' recent addition of Blue Run Spirits shows its flexible model allows for acquisitions.

"It's a great new product to have in our portfolio," she said. "Blue Run is such cool brand…we're giving it the right resources to become a bigger part of the portfolio."

Strong start in 2024

Molson Coors is set to start 2024 strong, St. Jacques said.

Coors Light is starring in its own Super Bowl ad, distributors have signaled historically strong support for its plans around Coors Light and Miller Lite, new products like Happy Thursday and a new offering from Simply Spiked are on deck, Blue Moon is set to introduce new packaging and an expanded marketing campaign, and Molson Coors' breweries are primed to continue to meet demand.

"St. Jacques spoke at the Beer Insights Seminar.

OJOY Intros Sparkling Blanc, a Non-Al Wine

OJOY Wine Co. introduces Sparkling Blanc, the flagship offering in its collection of fine dealcoholized wines. Unlike other non-alcoholic wines that lack flavor and depth, Sparkling Blanc is "bursting with character and complexity, suited perfectly for the discerning palates of people who love wine," Ojoy says.

"When I stopped drinking alcohol, I found myself yearning for a high quality NA wine that tasted as good as ordinary wine," says OJOY Founder/CEO **Marc Wendt**. "We launched the brand to offer an option to wine lovers that delivers on taste without the typical downsides ordinary wine can have–headaches, hangovers, and dehydration."

Besides the advantage of avoiding a hangover, OJOY offers another edge over ordinary wine: lower calorie intake. OJOY Sparkling Blanc contains less than 0.5% abv and only 15 calories per glass. With up to 90% fewer calories than ordinary wine, Sparkling Blanc offers people focusing on diet, health, and wellness a new option in social settings.

OJOY's **Sparkling Blanc 8 Pack**, 355 mL Cans is $99 at Amazon; **Sparkling Blanc 4 Pack Limited Edition Gift Set**, 355 mL Cans, Set of 2 Wine Tumblers ($59, drinkojoy.com)

To Your Continued Success,
KANE'S BEVERAGE WEEK

JOEL WHITAKER, Editor