

KANE'S BEVERAGE WEEK

The Alcohol Beverage Executive's Newsletter

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SECTION B - ICYMI – Weekly Wrapup

Spirits Continues to Lead Total Alcohol Share

Despite challenging market conditions, the U.S. spirits sector maintained its market share lead for the total bev/al market, **Chris Swonger**, president/CEO, Distilled Spirits Council of the U.S., reported at DISCUS's "State of Spirits" summary Thursday (2/4). To be sure, supplier revenue declined 2.2%, but U.S. spirits volume grew 1.9%, he said.

Swonger noted the distilled spirits industry "is a significant contributor to the US economy. The US is the second largest spirits market in the world." The 2,300 U.S. distilleries generate over \$250 billion in the U.S. economic activity annually, tied closely to the hospitality sector in general, supports more than 1.7 million jobs in the United States, from production to distribution to the sale of distilled spirits.

Christine LoCascio, chief of policy, strategy and membership for DISCUS, noted that while growth has "softened" in recent years, "the past two decades, Spirit's revenue has more than doubled, again, reaching \$36.4 billion in 2025, up from \$16 in 2005.

In terms of Total Bev/Al market share, LoCascio said spirits gained seven percentage points, rising to 42.4%. In terms of volume, spirits gained six percentage points, reaching 39.5% in 2025.

Consumer Sentiment Reflects Economic Worries

As we've been warning for over a year, consumers are cutting back on affordable luxuries, including bev/al, been they are being squeezed economically. Whether it's a result of inflation or wages not keeping up with inflation, the simple fact is, as LoCascio noted, "consumers have less for discretionary spending on items like beverage alcohol."

Consumer sentiment has never been more depressed than it is currently LoCascio said, citing the University of Michigan's monthly consumer sentiment survey, which began in 1961,

Employment levels in the bev/al hospitality industry is "slightly above where they were prior to the pandemic. But it is nowhere near when it should be, based on historical patterns, LoCascio said. "Employment levels are up by 278,000 jobs compared to prior to the pandemic. (But) you would have expected, based on the previous increases, 2.4 million new jobs based on that pre-pandemic trajectory," she said.

Vodka Remains Top Spirits Category

Of the five major spirits segments, only spirits cocktails and RTDs have shown positive growth, with revenue soaring 16.4%, LoCascio said. But she also noted that "the gap between vodka and tequila on the revenue side

has been narrowing in recent years. So by way of background, when you go back to 2019, between 2019 and 2025, tequila and mezcals supplier revenues nearly doubled from \$3.4 billion to \$6.4 billion in 2025."

But the gap between vodka and mezcal in terms of revenue has been narrowing, she said.

In terms of volume, cocktails and spirits-based RTDs grew 17.1% to 85.6 million nine-liter cases, beating out vodka for the top spot. "Here, too, four of the five categories declined, but with modest declines, almost flat, really, for tequila and mezcal, and only a 1% decline for the American whiskey category."

Spirits-based RTDs continue to expand and now account for 19% of the total ready-to-drink market, LoCascio said, adding the volume of RTDs has quadrupled in the past.

Premiumization

LoCascio noted that despite a 2.2% decline in overall spirits revenue and a 1.9% increase in volume, the high-end and super-premium categories "are important as they still account for 58% of Total Spirits revenue. And that's only a 1% decline relative to 2024."

Super-premium and high-end categories showed a decrease in both revenue and volume. The premium category showed an increase in volume, and the value category saw increases in both revenue and volume.

What this tells us is that the old adage that when times get tough, people continue to drink – they just shift downward from a higher, more expensive category to a less expensive category. It also suggests that when times will improve – and they will improve because they always have – consumers will return to the higher priced categories.

LoCascio said slight downward shifts in price at the super-premium and high-end categories is what's growing the value and premium categories. "What's growing growth in the value category is spirits-based RTDs," she said.

economics

Consumer Confidence Falls Sharply: Conference Board

"Confidence collapsed in January, as consumer concerns about both the present situation and expectations for the future deepened," said Dana M Peterson, Chief Economist, The Conference Board.

Conference Board [Consumer Confidence Index](#) fell by 9.7 points in January to 84.5 (1985=100), from an upwardly revised 94.2 in December.

A 5.1-point upward revision to December's reading of the Index resulted in a slight increase last month, reversing the initially reported decline. However, January's preliminary results showed confidence resumed declining after a one-month uptick.

The Present Situation Index—based on consumers' assessment of current business and labor market conditions—dropped by 9.9 points to 113.7 in January. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—fell by 9.5 points to 65.1, well below the threshold of 80 that usually signals a recession ahead. The cutoff for preliminary results was January 16, 2026.

"All five components of the Index deteriorated, driving the overall Index to its lowest level since May 2014 (82.2)—surpassing its COVID-19 pandemic depths."

The Present Situation Index fell, as net views on current business conditions dwindled to just barely positive, at +0.1%. Perceptions of employment conditions also edged lower, with the labor market differential—the share of consumers saying jobs are "plentiful" minus the share saying jobs are "hard to get"—continuing to flag. All three Expectations Index components also weakened in January. Expectations for business and labor market conditions six months from now fell further into negative territory. The outlook for household incomes became less positive.

Among demographic groups, confidence on a six-month moving average basis dipped for all age groups in January, although consumers under 35 continued to be more confident than consumers age 35 and older. Confidence among all generations trended downward in the month, but Gen Z remained the most optimistic of all generations surveyed.

By income, confidence on a six-month moving average basis ticked downward for all brackets, and consumers earning less than \$15K remained the least optimistic among all income groups. Consumer confidence continued to fade in January among all political affiliations, with the sharpest decline among Independents.

Peterson added: "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. References to prices and inflation, oil and gas prices, and food and grocery prices remained elevated. Mentions of tariffs and trade, politics, and the labor market also rose in January, and references to health/insurance and war edged higher."

Several weeks after the Federal Reserve cut monetary policy rates in December, the share of consumers expecting interest rates 12 months from now to be on net higher dipped in January. Consumers' average 12-month inflation expectations bounced up, but the median fell further. The balance of consumers' expectations for stock prices 12 months from now—higher minus lower—retreated after a pop.

On net, consumers' views of their Family's Current Financial Situation improved slightly in January, after a plunge into negative territory in December was revised upward to reveal a small net positive. However, expectations for their Family's Future Financial Situation were again less positive in January after an improvement in December.

Meanwhile, the share of consumers believing a US recession over the next 12 months is "somewhat likely"—edged downward, as did the share who said "not likely." The share who said recession is "very likely" ticked back up and the small percentage who said the US is "already in one" crept higher. (These measures are not included in calculating the Consumer Confidence Index).

Consumers appeared more cautious about plans for buying big-ticket items over the next six months. Consumers who said "yes" to buying big-ticket items ahead declined in January, those who said "maybe" rose, and those who responded "no" edged higher.

Overall buying plans for autos were flat in January: On a six-month moving average basis, expectations for purchasing new cars continued to falter, but plans to buy used cars climbed higher. Homebuying expectations continued to retreat. Plans to purchase refrigerators, dishwashers, furniture, and TVs decreased.

Plans to buy electronics dipped in all categories besides smartphones, which continued to trend upward on a six-month moving average basis. Used cars, furniture, TVs, and smartphones remained the most popular within their categories for future purchases.

Consumers' planned spending on services over the next six months was weaker in January. The share who said "yes" fell, those who said "maybe" increased, and those who responded "no" was roughly unchanged. Consumer spending trends in 2025 moved towards cheap thrills and necessary services, and away from expensive and highly discretionary activities. These behaviors spilled over into the new year.

In January, restaurants, bars, and take-out remained the top planned services spending category and continued to rise. Consumers also intended to spend more on hotels/motels for personal travel; motor vehicle services; household maintenance; and airfare/trains for personal travel.

The increased intentions to spend more on travel-related services in the first half of 2026 was surprising, given the plunge in vacation plans, especially for domestic travel, also recorded in the survey.

Top categories for services still included restaurants, bars, take-out; streaming, internet, mobile services; healthcare; and beauty and personal care. Hotel/motel displaced utilities, and healthcare moved up.

U.S. Manufacturing Expanded in January

Manufacturing activity expanded in January for the first time after 26 consecutive months of contraction, the **Institute for Supply Management** said.

There were improvements in all five subindexes that make up the Purchasing Managers Index. Susan Spence, Chair of the Institute for Supply Management Manufacturing Business Survey Committee, explained:

“Three demand indicators (the New Orders, Backlog of Orders and New Export Orders indexes) are in expansion, and the Customers’ Inventories Index remains in ‘too low’ territory, contracting at a faster rate. A ‘too low’ status for the Customers’ Inventories Index is usually considered positive for future production.

"Although these are positive signs for the start of the year, they are tempered by commentary citing that January is a reorder month after the holidays, and some buying appears to be to get ahead of expected price increases due to ongoing tariff issues.

“Regarding output, the Production Index is in expansion for the third month in a row, and the Employment Index, though still in contraction, saw a 3.3-percentage point improvement. However, 66% percent of panelists still indicate that managing head counts is the norm at their companies as opposed to hiring.

“Finally, inputs (defined as supplier deliveries, inventories, prices and imports) were mixed, with the Supplier Deliveries Index indicating slower deliveries, the Inventories Index remaining in contraction and the Prices Index continuing to rise."

Economy

Services Sector Sees Expansion in January

Economic activity in the services sector continued to expand in January, say the nation’s purchasing and supply executives in the latest ISM Services PMI Report. The Services PMI registered 53.8% to start 2026 as

it finished 2025, on a positive note, with its 19th month in a row in expansion territory after ISM's most recent seasonal adjustments.

All four subindexes were in expansion territory, said **Steve Miller**, chair of the Institute for Supply Management Services Business Survey Committee:

"January's Services PMI is the result of a second month in a row of all four subindexes being in expansion territory. December 2024 and January 2025 featured similar subindex performance, but in the last two months, the PMI is stronger year over year by an average of 0.7 percentage point.

"The Employment Index expanded for a second straight month for the first time since January and February 2025. These are positive signs for continued expansion; however, the closely watched Prices Index continues to creep up, now 0.2 percentage point above its 12-month seasonally adjusted average of 66.4%."

There was more respondent commentary in January on tariff impacts and uncertainty, potentially the result of annual contract renewals and geopolitical tensions. Gasoline and diesel fuel continued to be cited as commodities down in price. With the highest Business Activity and Supplier Deliveries index readings since October 2024, indicating higher business activity levels and slower supplier deliveries, whether pricing increases will stick or expand needs to be closely watched.

litigation

Hoopes Vineyard's Challenge to County Costly, Ordered to Pay Millions in Fines, Attorney Fees

A Napa County judge rejected **Hoopes Vineyard's** contention that Napa County's rules on wine tastings, public winery vague and unevenly applied.

Hoopes, a family owned vineyard was also ordered to pay Napa County \$3.96 million, including \$2.25 million in legal fees and \$1.71 million in civil penalties. The judge also ordered the winery to stop:

- all tasting of wines by anyone other than defendants or employees;
- all public tours
- all marketing activities
- selling any wines not produced on the property as well as merchandise such as books, ceramic bowls, soaps and tote bags.

Napa County had sued Hoopes for public nuisance and unfair business practices, alleging the winery didn't comply with the terms of its county permit. Among the alleged violations: unpermitted wine tastings, marketing events and an animal sanctuary.

The county maintained Hoopes knew about the limitations on the use of the property when it purchased the facility, but when it found that upgrading the property to obtain a permit would have cost \$500,000 to \$1 million, abandoned plans for upgrades because they were "cost prohibitive."

Advertising

Chris Stapleton's Traveller Whiskey Stars in Sazerac's 1st Super Bowl Ad

Sazerac Co. will air its first Super Bowl ad shortly before kickoff Sunday on NBC and Telemundo. It will star Chris Stapleton, recent Grammy winner, and Master Distiller Harlen Wheatley promoting Stapleton's Traveller whiskey, which is produced at Trace Distillery.

The ad focuses on the behind-the-scenes work that goes in whiskey as well as performing. It ends with Stapleton's 2024 National Anthem appearance.

Auctions

Kentucky Bourbon Country Auction Includes "United We Stand" Military Barrel

The inaugural [Kentucky Bourbon Country Auction & Celebration](#) (KBCA) will include "United We Stand," a special military barrel created through an unprecedented collaboration among four acclaimed American whiskey producers with deep ties to veteran and military philanthropy.

J. Mattingly 1845, Heritage Distilling, Four Branches Bourbon and Pursuit Spirits each donated a barrel for the project. From those individual contributions, Ryan Cecil, Master Blender for Pursuit Spirits, carefully selected and blended the finest elements to create a singular expression known as the United We Stand barrel.

The barrel will be auctioned during the inaugural KBCA event on Presidents' Day Weekend, Feb. 14, 2026, with proceeds benefiting the Bob Woodruff Foundation, supporting veterans and their families.

"Four respected producers, each with their own identity and legacy, have come together in service of something bigger than themselves. In America's 250th anniversary year, this collaboration honors our nation's origins, our military's shared sacrifice, and the idea that we are strongest when we stand together."

In addition to the auctioned barrel, each participating distiller will release 100 individual bottles featuring a commemorative label honoring the collaboration and America's milestone anniversary.

Collectively, J. Mattingly 1845, Heritage Distilling and Four Branches Bourbon have donated millions of dollars over many years to more than 50 military and veteran-focused organizations, including the Bob Woodruff Foundation, Folds of Honor, Disabled American Veterans, Navy SEAL Foundation and the Green Beret Foundation.

For the auction catalogue and ticket information, visit www.KYBCA.com

Corporate Social Responsibility

SGWS Details Social Responsibility Efforts

Southern Glazer's Wine & Spirits released its annual social responsibility report. Among other things, it highlights:

* In 2025, employees logged 10,358 volunteer hours across all markets, led 458 volunteer events, and supported 228 unique charitable organizations through the company's volunteering and giving program, VolunCheers. During the Holiday Giving Campaign, SGWS matched every single volunteer hour logged on VolunCheers Online from Nov. 1 to Dec. 31 with a \$25 donation to benefit all seven employee-owned

charities. To incentivize employees even more, SGWS pledged an additional \$50 for each employee (up to the first 500 employees) who registered as a new VolunCheers Online user during the Holiday Giving Campaign.

- * Employees logged 2,381 hours to support diverse causes and uplift their local communities, resulting in a \$59,525 donation with an additional \$6,250 for the 125 employees who registered as new VolunCheers Online users during the Holiday Giving Campaign, bringing the donation amount to \$65,775.
- * Funded the AlcoholEdu high school courses at no cost to all public and private high schools in Miami-Dade and Broward counties in Florida, as well as Dallas and Collin counties in Texas, and the Bronx, Kings, Nassau, New York, Queens, and Richmond counties in New York.
- * Partnered with Junior Achievement of Greater Miami's JA Job Fair.
- * Celebrated the fifth year of its "EmpowHER" program, founded by Southern Glazer's Jennifer Chaplin Tolkin, Executive Vice President, Managing Director, Campari. Designed for both women and men, EmpowHER develops leaders across the Company and empowers participants to lead authentically, build their brand, and inspire those around them

Economic Impact

Bourbon Still Supports Ky. Local, State Economies

As outside threats continue to jeopardize its future growth, Kentucky Bourbon remains a key and substantial contributor to the state's economy, as a \$10.6 billion signature industry supporting nearly 24,000 jobs, a new report shows.

Yet its long-term fortunes remain a roller coaster of uncertainty and unpredictability, threatened by a volatile global trade arena, shifting generational consumer tastes, soaring barrel taxes, and evolving market and geopolitical conditions that have slowed alcohol sales and slashed exports.

The eighth edition of the biennial study using the latest data also shows the distilling industry bought a record 84% of its corn from Kentucky farm families and now generates an all-time high of \$372 million in state and local tax revenue.

"This comprehensive analysis demonstrates the economic impact of Kentucky's homegrown and historic Bourbon industry, which remains significantly ahead in jobs, investment and stature from over a decade ago," said **Eric Gregory**, president of the **Kentucky Distillers' Association**.

"Bourbon is a long-term business, and the data shows that its Kentucky foundation remains strong," he said. "But we also must remember that its future isn't guaranteed and this data is a snapshot in time.

"We need the support of elected officials at every level of government to help create a stable, competitive environment so Bourbon can produce more American jobs, satisfy the global thirst for our signature spirit and continue to invest in our Kentucky home."

Marketing

Gold Bar Distillery Sets 3-Day Festival for Weekend

With Big Game Weekend Sunday (2/8), **Gold Bar Distillery**, Alameda, Calif., will transform into the ultimate playground for football fans, music lovers, and Bay Area culture seekers with the launch of the Gold Bar Distillery Celebration of Champions, taking place Thursday, February 5 through Saturday, Feb. 7 at 2505 Monarch Street, Alameda, Calif.

The three-day immersive takeover brings together the best of football, entertainment, food, and culture in one unforgettable fan-fest experience - all in support of the ALS Network.

By day, Celebration of Champions will feature family-friendly fun, including an outdoor football field overlooking the San Francisco city skyline and Bay Bridge, packed with interactive games, spectator moments, and brand activations, highlighted by a Big Game ticket giveaway in partnership with sports prediction market, Novig. Fans can explore a full Bay Area culinary experience curated by Off The Grid, alongside premium food and beverage offerings from Gold Bar Whiskey, Pacific House Gin, Patrón Tequila and Ghost Energy, throughout the venue. Signature activations include a Kids Zone, robot bartender, immersive photo opportunities, and exclusive local souvenirs.

As the sun sets, Celebration of Champions evolves into a high-energy, 21+ concert venue, showcasing top talent across multiple genres including an opening night party with Shoe Palace and 2 Chainz, as well as appearances on the Main Stage by 50, Mustard, Ty Dolla \$ign and other top artists.

Heineken House Brings Back Brews and Beats to Coachella

Heineken is returning to the desert with Heineken house - a high energy hub built to reward social connection, where brews and beats bring fans together. This year's Heineken House brings a refreshed spirit and structure that makes it easier than ever to turn fellow fans into new friends.

As one of Coachella's longest standing partners, Heineken has made the Heineken House a must-visit destination both weekends, where festivalgoers come together to immerse themselves in music, culture, and collective vibes. For 2026, music legends such as Sean Paul and Big Boi will be accompanied by Wale and Motion City Soundtrack, along with a range of hip-hop, rap, EDM artists that are sure to bring the party to the desert.

"Heineken House emits a magnetic energy that fans seek out year after year. It has become an iconic destination where fans connect, socialize and enjoy a music experience unlike any other on the festival grounds. Beyond this stellar line-up, we'll be announcing even more surprises for the Heineken House in the coming months that will further cement it as the destination for social connection on festival grounds," said Guilherme de Marchi Retz, Marketing VP of Heineken at Heineken USA.

New Products, Blended Estates

Edmond's Honor Vanilla Madagascar Bourbon Wins 2026 WSWA Brand Battle

Wine & Spirits Wholesalers of America (WSWA) crowned Edmond's Honor Vanilla Madagascar Bourbon the winner of the 2026 Brand Battle Tournament at Access LIVE, WSWA's convention.

Presented on the Main Stage to a packed audience and a panel of top-tier judges, Brand Battle gives emerging brands the opportunity to pitch their stories, products and market strategies. The 2026 edition was the competition's tenth year, and the competition was fiercer (and more flavorful) than ever.

Tracie Franklin, Edmond's Honor's Liquid Curator, introduced the audience to Edmond Albius, the 12-year-old enslaved boy who discovered how to hand-pollinate vanilla orchids. Despite vanilla being the most popular flavor globally, Albius's name has largely been forgotten.

"What's incredible about this win is that it's in honor of Edmond Albius," Franklin said after the contest. "His name is forgotten to history, yet vanilla is the number one flavor in the world. This win (is) going to empower us to share this story and this legacy with the world."

Co-presenter **Steven Brown**, Senior Vice President of Commercial Sales & Finance at **Pronghorn**, praised the team effort supporting the presentation. "Tracie did an amazing job of putting this liquid in a bottle," he said. "This is not just for me and Tracie — we were just the ones on stage."

New Products

The Macallan Debuts New Scotch Celebrating James Bond

To mark the 55th anniversary of "Diamonds Are Forever," **The Macallan** has unveiled a new limited edition 18 Year Old single malt: The Macallan Diamonds Are Forever 55th Anniversary Release.

Building on the partnership that started with the [60th Anniversary Release back in 2022](#), this latest expression focuses on James Bond's famous "connoisseur" side. Whisky Maker **Russell Greig** married sherry-seasoned European and American oak with a novel inclusion of American oak casks that previously held red wine. It's a clever nod to Bond's wine expertise in the film – resulting in a whisky that starts with oak and vanilla, but finishes with cocoa-dusted champagne truffles and dark berries.

"Like Bond himself, this whisky holds its secrets," says Russell Greig, The Macallan Whisky Maker. "It may appear dark and mysterious, yet on the palate it surprises with elegance and lightness. Each cask adds a layer to the story – a reflection of the film's twists and turns, and a testament to the shared spirit of innovation that connects The Macallan and James Bond."

The packaging is just as detailed, using production art from the Bond archives that features everything from the film's opening titles to the laser-beam satellite.

Key Highlights:

- Rare marriage of Sherry-seasoned oak and Red Wine casks

- Distilled in 2-007 and matured for 18 years, the whisky mirrors the intrigue, duality, and narrative turns that define both modern innovators – where not everything is as it seems. Bespoke hybrid casks – crafted from sherry seasoned European and American oak – are complemented with the novel inclusion

- of casks made from American oak which previously held red wine.

- Bottled at 45.5% ABV, the whisky's natural color evokes the red and orange Aztec sandstone of the Nevada desert – a nod to the film's iconic Las Vegas setting.

- Available at [TheMacallan.com](https://www.themacallan.com) and The Macallan Estate, with a U.S. retail rollout in March. To purchase limited edition expressions like these, please contact Client Services at ClientServices@TheMacallan.com

- \$750 SRP

- Buzzard's Roost Distillery introduces Buzzard's Roost Four Grain Double Oak Bourbon

New: Buzzard's Roost Four Grain Double Oak Bourbon.

This new offering showcases the distillery's commitment to exploring complex flavor profiles through its proprietary double oak process-this time using bourbon distilled from four grains.

How It's Made: Sourced from a trusted distillery in Ohio, the mash bill features 73% corn, 16% wheat, 6% rye, and 5% malted barley. Buzzard's Roost leveraged its lightly charred, precision-toasted oak for secondary maturation, lending intriguing layers of flavor to the bourbon. The bourbon is 5 years old, and was bottled at 100 proof.

What They're Saying: "We've always been fascinated by how different grain combinations interact with new oak," said Judy Hollis Jones, Co-founder/CEO of Buzzard's Roost. "The Four Grain recipe offers a beautiful balance of sweetness and spice. Our double oak process enabled us to amplify the vanilla and baking spice notes, resulting in a bourbon that is both complex and incredibly smooth."

Tasting Notes: Aromas of baking multigrain bread with brown sugar and a hint of baking spices. The palate delivers notes of rich vanilla crème brûlée dusted with cinnamon, chocolate-covered toffee, crushed almonds and poached pears. The finish is nutty and warm with a pop of multigrain cereal.

Availability: Online Thursday (2/5) and at Buzzard's Roost Distillery on Louisville's Whiskey Row, Saturday (2.7). Nationwide later this month.

King of Kentucky Small Batch Collection Honors USA250

King of Kentucky Small Batch, a limited-edition collection, celebrates a historic moment: the 250th anniversary of the United States and the creation of Kentucky County, Va., which became the State of Kentucky.

King of Kentucky, created in 1881, is named in honor of thoroughbred horse racing, known as "The Sport of Kings." Brown-Forman has owned the brand since 1936 and revived it in 2018. It has become one of the most sought-after bottles in whiskey.

"For years, I've held onto these rare, aged barrels, waiting for a moment significant enough to share them," said Chris Morris, Brown-Forman Master Distiller Emeritus. "To celebrate the founding of our country with a whiskey of this caliber feels like the perfect tribute."

How it's made: For the first time, King of Kentucky introduces a three-batch series, each bottled at a distinct proof to showcase the complexity of its aging process:

Batch 1: 105 proof

Batch 2: 107.5 proof

Batch 3: 110 proof

Each batch is a blend of barrels aged 12–18 years. Some barrels had exceptionally high angel's share, with just 16% liquid after years of evaporation.

Tasting Notes:

Batch 1 (105 proof): Sweet aromatics of chocolate, caramel, and toasted marshmallow balanced with dried apricot and clove; smooth oak and toasted coconut on the palate; a silky, shorter finish.

Batch 2 (107.5 proof): Dark fruit notes of dates and fig layered with caramel and charred oak; minty with hints of vanilla; a longer, crisp finish.

Batch 3 (110 proof): Rich chocolate and brown sugar brightened by citrus and pine; bold oak and spice on the palate; the longest, oak-forward finish.

Availability: Select bottles nationwide; SRP: \$290.

[Partnerships](#)

American Whiskey Partners to Mark America250

The **American Whiskey Association** announced a partnership with America250, the national, nonpartisan organization charged by Congress to lead the commemoration of the 250th anniversary of the signing of the Declaration of Independence.

From the founding era to the frontier and beyond, American whiskey has been part of the country's economic, agricultural and cultural story. George Washington, who later operated a distillery at Mount Vernon, understood whiskey's role in early America, and the Whiskey Rebellion underscored how central spirits and taxation were to the young republic's debates about governance.

"American whiskey is more than a spirit — it's a piece of American history you can hold in your hand," said **Michael Bilello**, president and CEO of the **American Whiskey Association**. "From Mount Vernon to the western frontier, whiskey reflects American ingenuity, hard work and the idea that ordinary citizens can build something lasting."

Washington himself recognized the enterprise. In approving the launch of distilling at Mount Vernon, he wrote, "I consent to your commencing a distillery, and approve of your purchasing the Still, and entering of it."

This multi-year effort through July 4, 2026, offers an opportunity for all Americans to reflect on the nation's past, honor the contributions of those who built it, and look ahead to the future we hope to create for the next generation and beyond. The American Whiskey Association will help elevate stories that connect American whiskey's heritage to the broader narrative of freedom, craftsmanship and civic responsibility, while amplifying how distillers and distilleries across the country plan to commemorate America250.

"America250 is about telling the full story of our nation's founding, going beyond the documents and dates, and including the people, industries and traditions that have shaped everyday life," said **Jen Condon**, Executive Vice President of America250. "Millions have enjoyed American whiskey for centuries, and whether through visiting a distillery, enjoying a glass or simply reflecting on how this industry has contributed to our country's history, this partnership is another great way we are engaging people for the 250th anniversary."

"As we celebrate Independence Day and begin the longer America250 journey, I encourage Americans of legal drinking age to responsibly raise a glass to our history, our heritage and the ideals that still unite us," Bilello added.

[Research](#)

OIV Announces 5 Research Programs to Address Major Challenges Facing Sector

The **International Organization of Wine & Vine** (OIV) awarded five grants for research on major challenges facing the viticultural sector. They deal with sustainable viticulture, adaptation to climate change, resilience of the vinivicultural value chain, and technological innovations.

In accordance with its [Strategic Plan](#), OIV awards each year short-term research grants and three-year research grants aimed at supporting high-level scientific projects in its priority areas. These grants are dedicated to postgraduate training and to the development of structured projects serving the global vitivicultural sector.

The funding of these research grants is made possible through a financial contribution from [Familia Torres](#) (Spain), [Masi Agricola](#) (Italy), [Moët & Hennessy](#) (France), [Sogrape](#) (Portugal), [Viña Concha y Toro](#) (Chile) and [Yalumba Family Winemakers](#) (Australia), in addition to the OIV's own budget. This complementary contribution allows to foster ambitious projects with a strong scientific, technical and societal impact, while fully guaranteeing the independence of the research.

[Sales](#)

Beer and Wine Growth Sparks Optimism—NIQ

In the four weeks ending January 24, total alcohol sales grew 1.6% from year earlier levels to \$7.8 billion, although case volume was down 0.1% from a year earlier, NIQ reports. Dollar sales accelerated to \$1.9 billion in the week (w/e Jan. 24). from \$1.8 billion a week earlier. Sales increased 9.1% WoW, revealing that industry momentum is slowly strengthening as January sales near conclusion.

What explains this? Prepared Cocktails growth accelerated into late January, with dollar sales up 8.9% and case sales up 2.6%. Beer was up 1.1% in dollar sales, versus down 0.9% in the prior four weeks ended Jan. 17, and down -0.3% in volume. Wine also contributed to growth, with value slightly increasing 0.3%, versus -2.9% in the prior period, with volume down by -1.6%.

Spirits was the only category to experience sales losses, with dollar sales down -1.6%, though the trends were much improved versus the -3.5% drop in the prior L4W period, with case volume down -0.5%.

In terms of geography, NIQ said New Jersey and Texas drove steady alcohol sales growth. •Over the last four weeks, New Jersey led this momentum, as dollar sales increased by +4.0%. This was followed by Texas at +3.4% and Illinois at +2.8%, while California recorded the steepest decline at -1.7%.

Volume trends somewhat mirrored these results. NIQ said.. Texas led with volume up 3.2%, followed by New Jersey at 3.1%, while California held the largest decline at 3.4%.

Broader industry resilience is reflected across most key state markets, late-January results signal demand for alcohol stabilizing significantly in New Jersey and Texas. In contrast, while declines slowed, California is falling behind these positive trends, leading losses across both sales and volume.

Off premise results across major retail channels showed improving trends, though performance continued to vary by channel. Liquor saw modest growth, up +0.7%, as well as Food, up +1.9%. Similarly, Mass entered

positive territory at +1.5%, Convenience maintained stability, +0.3%. Finally, Club led growth, up by +2.4%. All Others was the sole decliner, down -0.3%.

Spirits Stabilizing? Wine Still Faces Hurdles in December

December was a bit more merry for distilled spirits, **Wine & Spirits Wholesalers of America** said, but wine got another lump of coal in its stocking.

And as for a Happy New Year, here's how WSWA phrased it: "As we move into 2026, stability—not rapid recovery—remains the most realistic near-term goal."

While December provided some relief, the back half of calendar 2025 proved difficult for the combined Wine & Spirits category. Volume declines accelerated as the year progressed, with January through June showing a six-month volume decline of -6.4%, worsening to -8.0% from July through December. This deceleration highlights how fragile demand remained despite pockets of stabilization in certain segments.

One of the more concerning structural trends continues to be the decline in PODs. In 2025, PODs fell -4.5%, following a -3.7% decline in 2024. Sustained erosion at this level raises questions about long-term distribution health and consumption occasions, particularly for Wine.

Overall, calendar year 2025 was a struggle. That said, we believe trends will begin to stabilize in 2026. Importantly, while we do not expect a sharp rebound, we also do not see macro conditions worsening meaningfully. Spirits trends appear to have largely stabilized, though the December revenue dip bears close monitoring. Wine remains the greater concern, with softness persisting across all price segments. Meaningful improvement in Wine will be critical to improving total category performance in 2026.

Looking ahead, WSWA said first-quarter 2026 comparisons will be an important benchmark. In Q1 2025, Spirits declined 4.9% in volume and 3.6% in revenue, while Wine posted steeper declines of 8.3% in both volume and revenue. These comps create an opportunity for stabilization, but execution and demand recovery will matter.

Looking further into 2026, several product classes warrant close attention. Within Whiskey, Bourbon remains steady, while Irish Whiskey continues to experience significant short-term volatility. In Tequila, the “Other” segment remains strong, though Tequila-Reposado may have peaked. Finally, Prosecco stands out as a key watch item—can it continue to defy broader Wine trends and deliver another year of growth?

[Sustainability](#)

Double Mountain Brewery Adds Cans to Packaging

Normally, a brewery adding cans to its packaging mix wouldn't be a big deal. But when **Double Mountain Brewery**, Hood River, Ore., announced it was adding aluminum cans, it was a big deal.

That's because founder **Matt Swihart** had opened the brewery with the intent to create an environmentally responsible business, he thought packaging his beer in refillable glass bottles was more responsible than using single-use bottles or cans.

He was right about the single-use bottles, but wrong about the cans. So it's good to see Swihart now, for the first time, offering his product in aluminum cans and not just reusable bottles.

In the real world, aluminum cans are actually more sustainable than refillable glass bottles. Here's why:

Aluminum cans or bottles can be recycled indefinitely. While new aluminum cans have high energy consumption, once the can enters the recycling stream that is reduced dramatically, making aluminum the most sustainable package.

Glass can be sustainable, but only if it is truly reused and recycled. But its weight and energy use make it worse than aluminum in many lifecycle studies, according to Earth.org, which cites a University of Southampton study that finds while plastic bottles generally cause more environmental impact at the end of their life cycle, glass bottles have a more damaging overall effect, largely because they are heavier and require more energy for their production.

Using a life-cycle analysis, reusable glass requires 2-6 uses to outperform single-use plastic bottles; reusable plastic or aluminum, 10-30 uses; and stainless steel, 30-90 uses.

A study in Plastic Education concluded that a reusable bottle — whether glass, aluminum, or plastic — almost always becomes more sustainable than a comparable single-use bottle after a modest number of reuses. In many practical day-to-day scenarios (e.g., using the same bottle daily), the break-even point is surpassed quickly (within weeks to months of regular use).

[tariffs](#)

EU Extends Suspension of Retaliatory Tariff Until Aug. 6

The European Union extended until Aug. 6 its retaliatory tariff, **Christine LoCascio**, chief, policy, strategy & membership, Distilled Spirits Council of the U.S., told DISCUS's "State of Spirits" briefing.

That's important because the EU is the U.S.'s largest spirits export market, and more than 85% of total spirits exports go to countries that have already eliminated tariffs. And nearly 100% of the spirits that we import are from those countries that have opened markets to our exports.

"So really, continued access to global markets creates jobs and supports rural and urban communities alike and across this nation," LoCascio said. Export markets have become increasingly important to the U.S. spirits industry, and DISCUS is continuing to advocate for a return to "zero for zero" tariffs. In 2004, she said, the U.S. exported more than \$2.4 billion of spirits from 43 different states.

While the EU has suspended tariffs on American spirits, the U.S. imposes a 15% tariff on imports from the EU.

Meanwhile, the U.S. is imposing a 10% tariff on imports from the UK.

LoCascio noted there has also been some progress in terms of reducing tariffs and other barriers to U.S. spirits exports. India, for example, the world largest whiskey market by volume, last year reduced their tariff on American whiskey to 100% from 150%.

In other positive developments, Turkey has lifted its 70% tariffs on American spirits, and "progress has been achieved in El Salvador in terms of removing discriminatory excise taxes, and Malaysia and Cambodia, all three that have pledged to impart these openings for U.S. spirits. These are recent and have not yet been implemented, but we're waiting for their details. But it would certainly be very welcome to see the Malaysia market open, have the tariffs eliminated, and as well as Cambodia," she said.

"This is a testament to the investments in promoting US exports and opening markets around the world. And to the growth of distilleries, small ones across the United States," LoCascio said.

But exports to Canada plunged 73% between March and October as Canadians reacted to threats by President Trump to incorporate Canada into the U.S., using military force, if necessary.

Distinctive Products

What makes the spirits industry unique is the role of distinctive products, LoCascio said. "Our key spirits, bourbon and Tennessee whiskey, are recognized as distinctive products by 45 major trading partners around the world, including Mexico, Canada, the EU, and UK.

And in return, the US recognizes tequila, mezcal, Canadian whiskey, cognac, and scotch whiskey as distinctive of Mexico, Canada, France, and the UK, respectively.

In other words, These products can only be produced in their designated countries in accordance with strict standards. This protects not only the producers of those products, but also consumers alike. And certainly U.S. consumers love their tequila, mezcal, Canadian whiskey, cognac, and scotch whiskey, just like consumers in Mexico, Canada, and the EU and UK. Love American whiskeys and all other American spirits as well.

"Our industry fully supports expanding U.S. Manufacturing and jobs from farmers all the way through the hospitality industry to bartenders, restaurant owners, retailers, and everyone in between," LoCascio said.

Wineries

Ernest Vineyards Closing

For 14 years, Ernest Vineyards focused on single vineyard wines from the West Sonoma Coast. Now it's closing.

"Like many small producers, it's a very challenging time with costs escalating and sales declining," owner **Erin Brooks** told the *San Francisco Chronicle*. "It's really quite that simple."

Brooks has been gradually winding down, selling its ownership in a Windsor winery, two estate vineyards, and she just closed its Healdsburg tasting room.

Brooks is a victim of the decline of the wine business. In 2022, she purchased two vineyards, and in 2023 and 2024 more than doubled production to 9,000 cases. Then the entire \$55 billion California wine industry began a historic decline.

Who & What -

Santos Spirits Names David Szydlik CEO

A former Chief Operating Officer for Two Sons Imports and former owner of Cantera Negra Tequila, Szydlik assumes his new role as former Santo President and CEO **Dan Butkus** moves to a partner position within the company.

“David’s growth record with Cantera Negra Tequila and his deep distributor and retailer relationships built over the past several decades were key drivers for us bringing him on board to pilot the next phase for Santo,” said Hagar, a 30+ year-veteran of the tequila business.

“The tequila category is undergoing a transitional shift as consumers gravitate towards brands that are authentic and transparent. Our credentials in this area, including championing our additive-free, time-honored production methods, are our calling card. David has the experience and insight to capitalize on these important attributes and take us to another level.”

House of Smith Expands Salesforce, Plans U.S. Expansion

House of Smith (HOS), Washington State's largest winemaker-owned winery, has assembled a nationwide sales force to spearhead aggressive US expansion plans. These leaders join National Sales Manager **Gaetan Ingrassia**, now also serving as Western Regional Sales Manager. The four new additions include:

Kate Woodward rejoins House of Smith to oversee the Great Lakes, bringing 10 years of prior experience with the brand.

Michael Lester oversees sales in the Great Plains region with over 15 years of experience from M Imports and Groth Vineyards & Winery.

Andrew Broden will focus on the Southeast market after spending more than 25 years in sales for companies like Pernod Ricard, Barefoot, and Michael David.

Gerard Catanzano will champion the Northeast region, drawing on two decades in wine sales for brands including Mendocino, Summerland, and Provenance.

"I see the current environment creating opportunities the American wine industry has seen only a few times in the past 30 years," said winemaker **Charles Smith**. "Now is the time for innovation, quality and growth. Our A+ sales team is ready once again to take the market by storm."

The House of Smith brand continues its global growth with recent releases like SEX Rosé and REAL WINE, expanded global distribution, and new releases such as Blossom Fury poised to reach 71 countries and six duty-free markets worldwide through a partnership with Pasqua Wines of Verona, Italy. (HOS), renowned wine brand and Washington State's largest winemaker owned winery, is charging full speed ahead on a major national and global growth strategy.

Defying industry uncertainty, HOS assembled a powerful, nationwide sales force to spearhead this aggressive US expansion. These leaders join National Sales Manager Gaetan Ingrassia, now also serving as Western Regional Sales Manager. The four new additions include:

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[Vineyards](#)

British University Develops Handheld, AI-Powered Grape Ripeness Detector

A portable optical sensor which uses machine learning to give winemakers instant, accurate ripeness data, removing the need for manual sampling and slow destructive testing, has been developed by a pair of researchers at **Queen Mary University of London**.

"Our technology uses optical sensors to detect how grapes absorb and reflect different wavelengths of light. As grapes ripen, their chemical composition changes, which alters their optical response," said Dr. Xuechun Wang, a post-doc researcher. "By analyzing these spectral patterns using AI algorithms, we can estimate grape ripeness directly on the vine, without damaging the grape."

Known as RipenAI, the sensor could be handheld, allowing grape pickers to instantly check ripeness before harvesting, or installed across a vineyard to monitor grapes continuously for ripeness and crop health. The team are even working on integrating the technology into a robotic grape picker in a related project with Extend Robotics, Saffron Grange Vineyard, and other scientists at Queen Mary University of London.

The technology promises significant business benefits for winemakers.

Nick Edwards, a Director at Saffron Grange Vineyard, said:

"Harvesting grapes at the right time is one of the most important decisions a grower makes when producing the best quality wine. This requires careful monitoring of key parameters such as sugar and acidity from veraison through to harvest.

"It is essential that grapes are picked at their correct level of ripeness. The wine style ultimately defines the ideal harvest window, dictating the balance of sugar, acidity, and taste the winemaker is seeking. Ripening also varies across a vineyard depending on factors such as clonal variety, soil type, location, exposure, and highly changeable weather.

"At Saffron Grange, we focus exclusively on producing premium-quality sparkling wines, and data plays a critical role in our harvest decisions. Timely access to accurate ripeness information allows us to forward plan harvest labour and winery preparation with confidence.

"RipenAI will support this approach by providing non-destructive, real-time insight into grape ripeness across our vineyard. The ability to repeatedly assess the same bunches throughout the ripening period will deliver an even clearer picture of ripeness progression than traditional destructive sampling," he said.

"A handheld device will also deliver instant results significantly reducing the labor and time required for sampling, testing, and analysis. Harvesting grapes at precisely the right time also helps minimize the need for

interventions such as de-acidification and chaptalization, supporting the production of higher-quality sparkling wines. We are very excited to be part of this project.”

Armed with encouraging early data from field trials at Saffron Grange Vineyard, the scientists are now looking for more vineyards, agritech companies, and fruit orchards to help them test a new prototype during the next harvest season. Potential partners and early adopters can sign up at <https://ripenai.uk/>.

Prof **Lei Su**, Professor of Photonics at Queen Mary University of London, said: “RipenAI will shape the future of smart harvesting for a growing industry where timing and precision is the difference between success and failure.”

Sotol Romo Launches During Super Bowl Week in San Francisco

Sotol Romo, an ultra-premium Mexican spirit made from 100% Dasyliroon (sotol), will make its global launch during Super Bowl Week in San Francisco, introducing what experts describe as the third pillar of Mexican spirits: tequila, mezcal, and sotol.

The spirit is organic, sustainable, artisanal, kosher, and additive-free, crafted with just plant and water, resulting in a cleaner, leaner, and more precise profile.

"Sotol Romo is a treasure of the Sierra Madre," said **Claudia Romo Edelman**, Founder and CEO of Sotol Romo, a globally recognized marketer, mobilizer, and brand builder. "It comes from a plant that survives where little else does and grows slowly under the harshest conditions. Like great wine or diamonds, the more challenging nature is, the more exceptional the result. I'm proud to introduce a pure, elegant spirit from northern Mexico to a global consumer who wants the best — and what comes next."

What They're Saying: "Sotol Romo is entering a burgeoning category experiencing rapid growth with a number of unfair advantages," said Joe Marchese, co-founder of Casa Komos Brands Group. "Beyond an exceptional liquid and a beautiful bottle inspired by the Sierra Madre, Sotol Romo has the infrastructure to scale, capital raised, and a built-in global network and marketing expertise to accelerate growth and become the category-defining expression of sotol."

Accessibility: New York and Texas in Spring 2026. SRP: \$79 for Blanco and \$89 for Reposado. The brand will be unveiled in full on Friday, Feb. 6, with the first public presentation of the bottle, liquid tasting, and the launch of SotolRomo.com, featuring a comprehensive sotol educational library and the trailer for The Ascent, a new podcast by Sotol Romo spotlighting leaders in sports, fashion, music, and business as they reflect on their personal ascent.

Beware of Merchant Cash Advance Financing

If a wholesaler's customers uses merchant cash financing (MCA), beware.

Most state laws protect bev/al wholesalers against the dangers of merchant cash advance financing by requiring either cash on delivery or complete payment monthly. But still, if you're not aware of this financing racket, you should be. If one of your customers is

Restaurant Business reports a 43-location Subway franchisee has filed for Chapter 11 bankruptcy protection. The court documents themselves suggest to us that the franchisee was severely under capitalized: It reportedly had \$500,000 to \$1 million in assets and \$1 million to \$10 million in liabilities.

The liabilities included \$2.3 million in outstanding loans, including equipment leases, various other loans and \$761,000 in SBA loans. And it owes \$1.4 million to two merchant cash advance lenders. One carries an interest rate of 59.39%, the other 94.54%. These are loan-shark rates, but perfectly legal.

One of the lenders, Ocean Funding, put several liens on MTF's revenue collection from Square, Stripe and American Express late last year.

"The continued cash drain caused by the weekly and daily draws has been the primary cause of [MTF's] financial problems," Michael Fay, CEO of MTF, said in a court document.

MCAs are a growing business, partially because getting a traditional bank loan can be difficult with lengthy approval processes, stringent credit requirements and high interest rates – although we doubt any regular bank charges 60% to 90% a year. Repayments are tied directly to credit card transactions. Every day, the MCA lender takes part or all of a merchant's credit card transactions. The high cost of borrowing and daily repayment obligations can quickly become overwhelming.

Contrast this with how one of the nation's largest off-premise retailers built its business. From its beginning, Total Wine & Spirits adopted a practice of not opening a new store until the last store was profitable. This enabled it to avoid the sort of disaster that faced MTF Enterprises.

The old adage of "slow and steady wins the race" applies here. Assuming MTF's assets totaled \$1 million – the upper range of what it admitted on its bankruptcy filing – each individual location was backed by \$23,255. That's not enough to cover any one location's payroll.

To Your Continued Success,

KANE'S BEVERAGE WEEK

A handwritten signature in black ink, appearing to read "Joel", with a stylized flourish at the end.

JOEL WHITAKER, Editor

Thanks for reading!

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