Beverage Journal

APRIL 2019

CANNABIS
FRIEND OR FOE TO ALCOHOL?

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LAKE COUNTY: CALIFORNIA'S HIGHEST REGION
FEATURES

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With legalization starting to resemble dominoes, the suppliers and sellers consider the impact on drinking.

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Booming tequila sales are great—except for the stress on supply.
Top Dog Bartender Shake Off

Eight professional D.C. bartenders recently competed for the coveted title of "Top Dog" in a craft cocktail competition at Capo Deli and Speakeasy to benefit The Humane Rescue Alliance. The contestants (Ethan Fellers, Kyle Fuller, Marcus McPhail, Mai Templeton, Richard Torres, Keith Vinlaun, Jazmyne Wade and Sonya Znati) were judged by celeb judges, Chef Amy Brandwein, Chef Kwame Onwuachi, Himitsu co-owner Carlie Steiner and spirits writer M. Carrie Allan. The competition? Who can craft the best cocktail using Blue Henry syrups, cotton candy butters, dried fruit garnishes or Silencio mezcal in a tournament-style round of matchups. Service Bar’s Mai Templeton emerged the "Top Dog" winner, while Richard Torres (Silver New American Brasserie) took home the People’s Choice Award.
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The Distilled Spirits Council has reported at its annual economic briefing that 2018 marked the ninth straight year of record spirits sales and volumes, reflecting continued market share gains.

Supplier sales were up over 5.1%, rising $1.3 billion to a total of $27.5 billion, while volumes rose 2.2% to 231 million cases, up 5.0 million cases from the prior year.

In 2018, spirits gained market share versus beer and wine with sales rising seven-tenths of a point to 37.4% of the total beverage alcohol market. It is the ninth straight year of market share gains overall, where each point of market share is worth $740 million in supplier sales revenue.

“The spirits sector is benefiting from millennials who demand diverse and authentic experiences, and desire innovative and higher-end products,” said Distilled Spirits Council President and CEO Chris Swonger.

New Data: Tariffs Curtail Rapid Export Growth

On a down note, new data show the negative impact retaliatory tariffs are having on U.S. whiskey exports, which had been a bright spot for distillers, small and large alike.

“For the first time, data can demonstrate the negative impact of retaliatory tariffs on what had been a booming export growth story,” said Council Senior Vice President for International Affairs Christine LoCascio.

While it was another record year for total U.S. spirits exports, reaching almost $1.7 billion through November, the retaliatory tariffs had a measurable impact on American whiskey exports, particularly to the EU, the largest market at $675 million (Jan-Jun: $363 million; Jul-Nov: $312 million).

In fact, American whiskey exports to the EU for the first half of the year were growing at a brisk 33% but took a sharp downturn following the imposition of tariffs, declining -8.7% compared to the same period in 2017 (July-Nov.).

Globally during the first six months of 2018, U.S. exports of American whiskies were growing at 28% (Jan-Jun: $595 million). Following the imposition of the retaliatory tariffs, these exports decreased -8.2% (Jul-Nov: $526 million) compared to the same period in 2017 (July-Nov.).

U.S. Growth Drivers: High-End and Super Premium Spirits

Council Chief Economist David Ozgo pointed to the strongest growth in high-end premium and super premium products across most categories. The revenue for those price points increased 8.9% and 10.5%, respectively, and by 8% and 7.5% for volume.

Key category drivers of sales growth included American Whiskey, up 6.6% or $224 million to $3.6 billion; Tequila, up 10.2% or $279 million to $3.0 billion; Cognac, up 14.2% or $250 million to $1.8 billion; and Irish Whiskey, up 12% or $108 million to $1.0 billion.

Ozgo also noted the return to growth of Single Malt Scotch, up 9.4% or $72 million to $843 million and the sales strength of super premium Gin, up 15.6%; and super premium Rum, up 28.5%.

Vodka, the sector’s largest category and representing one-third of all volume, had another solid year with volumes up 1.6% and revenues up 2.9% to $6.4 billion, Ozgo said. Vodka sales were paced by high-end premium products with revenue growth of more than 11.4% to $2.6 billion.

Modernizations Improve Consumer Access

Other key drivers of growth include marketplace modernizations that improved consumer access to distilled spirits, including two more Sunday sales victories in Indiana and Tennessee in 2018. Since 2002, 20 states – representing 86 million adult consumers – have passed Sunday sales legislation for distilled spirits, bringing the total to 42 states across the country that have ended Blue laws.

Also, tax threats were defeated in 19 states in 2018, saving the sector over a half a billion dollars. Importantly, the first federal excise tax cut since the Civil War, which passed in 2017, has launched a wave of investment among distillers large and small enabling them to invest in new facilities and equipment, create jobs and boost local tourism.

For 2019, extending or making permanent the Craft Beverage Moderation and Tax Reform Act will be a top priority for the entire alcohol industry – beer, wine and spirits. The bipartisan bill, S. 362, was introduced in the Senate in February.
Starting a small business within the wine industry is no small feat—though when it comes to importing, remaining small could actually be key. These three New York Metro businesses have found the answer to their success in loyalty, belief in the product, and approaching work with a sense of family.

BRINGING ‘VINO’ TO AMERICA
Fabrizio Pedrolli, founder of Vias Wine, established his business in 1983, after ten years of working as a sommelier and educator in Italy. Inspired by his good friend Lou Iacucci, former owner of Goldstar Wines and Spirits in Queens, Pedrolli pursued the challenge bringing Italian wines to the States.

Presenting the wines in an appealing way was Pedrolli’s first challenge. “We needed sommeliers and customers to get out of their ‘palate-comfort-zone,’” he says, recalling his very first portfolio tasting in New Jersey. “We showed the wines in a church—customers were sitting on the benches while I was explaining the different varieties.”

At the end of their first year, Vias was already bringing 30 Italian wineries into America. “Within one year, we started selling our wines to two different distributors: Southern Wine [Florida] and M.S. Walker [Massachusetts]. Our partnership was so solid, that they are still our distributors now.”

For Pedrolli, scale has proven vital to success. “We didn’t want to over-grow our company, in order to keep the personal touch with our customers,” he says. “They know our portfolio delivers quality. Then education, customer service and trust are the key points that make a difference.” Today, the company currently employs 70 people, yet remains a family business, currently being passed down to Pedrolli’s
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nephew, Federico. “We hope to move forward, always with the same philosophy: bringing the authentic taste of Italy and other regions to the market.

SHIFTED GEARS, NEVER LOOKED BACK
João “John” Oliveira founded Tri-Vin Imports back in 1987, fresh off working as a sales rep with Joseph Victor Wines. After the company dropped their wholesale division, Oliveira took a chance and ventured out. “I rolled the dice, started my own company. There have been many challenges along the way, but I can honestly say it was the best decision I could have made for my family’s future.”

Licensing, warehouse set-up and office organization all proved to be initial challenges, as well as finding winemakers to work with. “It was hard to convince producers to take a chance with us, because we did not have credit or a large amount of financial backing,” Oliveira explains.

Tri-Vin started with $10,000 and one sales rep; today, the company employs 67 people across the tri-state area and is still growing. The company works with 140 distributors across all 50 states, yet still puts emphasis on keeping things personal. “Being a family-run company, we have the flexibility to execute our objectives quickly, without as much red tape,” says Oliveira. “We are a close knit team, which allows us to work well together. In a tough and competitive market, I believe that this really sets us apart.” Tri-Vin also collaborates with other distributors/importers to help minimize costs and fill containers, which mutually benefits all businesses involved.

Oliveira notes that with small businesses, the highs are incredible, but the lows can be killer. Among the highs, he mentions Giovello “Blue Bottle” Pinot Grigio, which took off like a rocket for Tri-Vin; he also remembers the economic crash of 2008 as a very trying time.

Tri-Vin is currently the largest importer of Portuguese wines in America, selling over half a million cases last year, with a projection to grow 25% in 2019. The company still remains family-owned, with Oliveira’s two sons on board as of 2011. “With their help, we have been able to make incredible strides. We have grown our business and sales 600% in that time frame to over 1.5 million cases.”

LEAVING RETAIL TO FILL A GAP
David Shiverick founded his business, Langdon Shiverick, in the early 1980s, after working wine retail in New York City. Noticing a lack of artisanal French and German producers within the market, Shiverick saw an opportunity: “I was overwhelmed by the numbers of small growers who had incredible wines and no representation; there was clearly a void which needed to be filled.”

As with most start-ups, access to capital was chief among Shiverick’s initial challenges. “I used credit cards and savings to get it going,” he recalls, describing the constant hustle to buy and sell. “What kept me going was my belief in what so many smaller growers were doing. I loved every minute I spent with these amazing people. Their stories empowered and motivated me to work through all the speedbumps I hit along the way.”

Today, Shiverick has offices in both NYC and Los Angeles, with distribution in over 30 states. For Shiverick, being a smaller importer is an advantage, as he finds that they can be more competitive. “We can identify new trends and react quickly,” he explains. “It also enables us to turn on a dime and change our strategies.” Shiverick also believes in collaborations, engaging regularly with his competition in charity work, sharing shipping container space and wine education.

Shiverick also owns a vineyard site in France, which helped him learn more deeply about the process of making wine and enabled him to speak with his producers in a different way. He adds that maintaining relationships in person, not just online, is also one of his priorities: “Face-to-face time can never be replaced.”

Emphasizing customer service as well as products and pricing has helped John Oliveira grow Tri-Vin Imports over three decades. One of his homespun traditions: every supplier who visits their office in New Rochelle, NY, has their picture taken with Oliveira’s grizzly “assistant,” Fred, a huge stuffed bear.

Not only did David Shiverick become a huge advocate of small French and German vintners, he became one. Owning a small vineyard in France has helped him better understand his producers.

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— JOHN OLIVEIRA
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NIAGARA’S SWEET NICHE

GRAPES FROZEN ON THE VINE PROVIDE NECTAR OF UNIQUE QUALITIES

BY ROGER MORRIS

Naturally sweet wines are made by concentrating the sugar in grapes while reducing the amount of water in the berries. To do this, winemakers use such methods as late-harvesting, allowing moisture-sucking botrytis to attack the berries, or by further drying the grapes once they’ve been picked.

Then there’s ice wine. Ice wine is made by allowing grapes to shrivel for weeks and eventually freeze on the vine. Because picking generally takes place only after temperatures dip to around 17°F (-8°C), ice wine grapes are often not harvested until January or even February of the year following the one in which the grapes were grown.

German vintners were the first to commercially produce ice wine, or eiswein, although their preference has been to use traditional late harvesting to create sweet wines. And in recent years, Germany has been surpassed by Canada, especially producers who grow grapes on the small Niagara Peninsula that lies north of the international border opposite the famous falls.

In 2017, ice wine represented 62% of total export value of all Canadian wines and 14% of total export volume. Depending on the size of the vintage, producers of Niagara ice wine—call it by their branded “Icewine,” using one word and a capital “I”—export to the U.S. as much as 800,000 liters, sold mostly in half bottles.

Much of this volume is consumed on-premise, although many American wine shops stock ice wine as well. “I’ve been working here for 20 years, and we’ve always sold ice wines, mostly from Inniskillin and Henry of Pelham,” says Lorena Ascencios, Wine Buyer for Astor Wines & Spirits in New York City. Other major producers include Inniskillin’s sister brand, Jackson-Triggs (both owned by Arterra Wines), Reif Estate, Stratus Vineyards, Peller Estates, Pillitteri Estates and Château de Charmes. Most, though not all, are produced within the Niagara-on-the-Lake appellation, which each January holds a large, tourist-attracting “IceWine festival.”
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**Young History**

Although there were earlier attempts at ice wine production, Karl Kaiser, who co-founded Inniskillin in 1975 and was its first winemaker, is generally credited with making the area’s first commercial ice wine from naturally frozen grapes in 1984. That was a year later than he had planned, but birds ate his first crop, prompting the now-universal practice of netting the vines each fall.

International recognition came quickly. With its 1989 vintage, Inniskillin Vidal Ice Wine was awarded the Grand Prix d’Honneur at the 1991 Vinexpo, while Reif Estate’s 1987 Vidal ice wines made Robert Parker’s 1989 top-wines-tasted list. Many American wine lovers first discovered Niagara ice wine via the duty-free shops at the Toronto and Montreal international airports, where it is sold in its signature clear, tall, skinny half-bottle (375ml).

*Originally, grapes were picked by hand in icy-cold pre-dawn hours, but machine-picking has proven to be better and less time-consuming.*

Pressing may be done multiple times to extract every drop, and cold fermentation is generally done in tanks. However, brief barrel aging is sometimes employed, yielding a more-complex, more-expensive nectar. Typical ice wine prices in the U.S. vary from about $40 per half-bottle to $150 for reserves.

**Shining On-Premise**

“For customers not familiar with ice wine, I generally speak to its rarity and the unusual way it is made,” Ascencios says. Adam Petronzio, Wine Director at Porter House Bar & Grill in New York City, says, “We like to do food pairings such as foie gras and ice wine. I find that it goes better than Sauternes does, especially if other courses and other wines are following.”

Elizabeth Booth, Wine and Beverage Director at Flagstaff House in Boulder, CO, says she offers a tasting of four Inniskillin ice wines on her dessert menu as well as one in a pairing on the chef’s tasting menu. “I find that these two spots on our menus work really well to get ice wine in front of people in a fun and interesting way,” she says. “In addition, our team of servers has been trained on ice wine and is able to really speak well about the beverage to our guests.”

At the producer end, Charles Baker, director of Stratus Vineyards, conducts sommelier tastings in key American cities and regularly hosts on- and off-premise buyers for food pairings at the winery. Peller Estates works with sommeliers to feature wine-by-the-glass offerings and food pairings.

Randy Dufour, Vice President International for Arterra, spends a lot of time in the U.S. doing distributor training and key account visits. “A big current push for us in getting past the October, November, December sales season by emphasizing ice wine as an ideal gift in its attractive box for Valentine’s Day, Mother’s Day and other special events,” he says.

To get around the high price point, Inniskillin and Jackson-Triggs also offer a 187ml or quarter-bottle size of ice wine at an entry-level retail price of about $25. “Ice wine is expensive to produce, so we are constantly looking for ways to work around the price to get people to give it a try,” he says.
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RYES UP AGAINST CYSTIC FIBROSIS
George Dickel and Bulleit recently participated in the 8th Annual “Ryes Up Against Cystic Fibrosis” Gala at Hotel Monaco. Guests enjoyed a variety of whisky samples, small bites from local restaurants and watching a cocktail competition … “Best Whiskey Cocktail.”

LOONEY’S PUB HOLDS TRADE EVENT
Bartenders and members of the trade recently attended an “All Star” event at Looney’s Pub in Bel Air. Friendly competition included basketball, giant Jenga, Connect 4 and ski ball. Featured cocktails included Smirnoff, Captain Morgan and Bulleit.

POINTS SOUTH
LATIN KITCHEN HOSTS
GALENTINE’S DAY EVENT
Points South Latin Kitchen and Brown-Forman recently hosted a Galentine’s Day trivia event to benefit the House of Ruth Maryland. Guests enjoyed a fun evening with girlfriends and signature cocktails made with Chambord and Korbel. A total of $785 was raised for the House of Ruth Maryland, which leads the fight to end violence against women and their children.

NATIONAL MARGARITA DAY
Don Julio recently celebrated National Margarita Day throughout Maryland. Guests enjoyed Don Julio margaritas and Don Julio giveaways.

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SGWS AT WINE CELLARS OF ANNAPOLIS
Southern Glazers Wine and Spirits was recently at Wine Cellars of Annapolis where featured wines included wines from Marchesi de’ Frescobaldi and Wente wineries.

Pictured are Stephanie, Leslie and Brittany, all with Hunt Valley Wine and Spirits.

Pictured at right is Bryan Coats, SGWS; at the Wine Cellars of Annapolis event.

Pictured below are Josh Sandusky, Lapham Imports; and Jason Hung, SGWS; at Wine Cellars of Annapolis.
“Our Cabernet Sauvignon comes from our Trinidad vineyard, which is located on the coastal side of the Maipo Valley and provides a Mediterranean climate. The combination of the soft breezes from the Pacific and ancient granite soils creates a unique terroir for Cabernet Sauvignon - resulting in a wine that has pure and intense aromas of cassis, black pepper and red berries with great balance.”

Sergio Hormazábal, Head Winemaker.
CANNABIS
FRIEND OR FOE TO ALCOHOL?

BY JEFF SIEGEL
now this much to start: the United States is embarking on its greatest decriminalization effort since the end of Prohibition. Until the federal government gives its legal green light to cannabis, a confusing and difficult transition will remain difficult and confusing. But the states-rights pattern has been established, and while no one can (yet) say for certain what will happen in regards to beer, wine, and spirits consumption, cannabis is entering the Conversation faster than you can say “don’t bogart that joint.”

“My friends in Colorado, Washington and Oregon are quite candid about potential lost sales, but most are sanguine about the future,” says Kansas City’s Doug Frost, MW, MS. “It’s tremendously challenging because no one knows how the next steps unfold, other than that every state will want a piece of the cannabis tax pie. Regardless, the genie ain’t going back in the bottle.”

Knowing that, what’s the best way to prepare for what’s going to happen? First, understand the parts that make up the legal cannabis market, from a joint to weed-infused consumer products.

Second, accept that the legal and regulatory hurdles will remain hurdles even after cannabis goes mainstream—becoming, perhaps, even more complicated than alcohol’s three-tier system.

Finally, recognize that the alcohol industry is at the biggest crossroads since the end of Prohibition. Younger consumers, who seem less interested in beer, wine, and spirits than their parents and grandparents, will have another option for their time and money.

Moving forward, usage patterns, product development and legislative action are all areas that promise to impact the beverage alcohol industries.

**POT’S SHARE OF THE PIE**

From an overall industry viewpoint, it makes sense to position cannabis as an addition to the adult arena of recreational options. As Chris Stenzel, President of Constellation Brands’ Wine & Spirits Division, noted in a recent interview with Beverage Media, the firm’s $4 billion investment in Canadian company Canopy Growth reflects a belief that cannabis can complement alcohol. “At Constellation, we talk about the three stool legs of the business: Spirits, wine and beer, and we believe cannabis will become the fourth leg to the stool,” said Stenzel.

The operative golden question—“Will people drink less alcohol?”—is beginning to be asked and answered. There is some data on the issue, but several studies contradict each other about whether legal marijuana will cannibalize beer, wine and/or spirits.

A 2017 Georgia State study found legal cannabis reduced alcohol consumption over the long term, and alcohol purchases decreased by 15% in counties in states with medical marijuana laws.” On the other hand, a 2018 study from the Distilled Spirits Council which analyzed data from 3 states with longest track record (CO, WA, OR) found no such change after recreational legalization. Utilizing state-level tax receipts and actual alcohol shipment data in Colorado, Washington state and Oregon for the two years prior to recreational marijuana legalization and post-legalization, they concluded: “overall alcohol sales mirror national trends and there is no pattern of declining spirits sales in any of the markets analyzed.”

The ink is barely dry on a detailed report by IWSR Drinks Market Analysis and BDS Analytics, released in February 2019. “Though not yet mainstream, cannabis adoption is certainly growing in states where it is legal and does pose a risk to the beverage alcohol industry in the future,” said Brandy Rand, IWSR’s U.S. President. Among the nuggets in their report:

- Up to 40% of adults 21 and over consume cannabis in states where it is legal.
- Millennials represent 45% of “dualists” (those who consume both cannabis and alcohol).
- Two-thirds of cannabis users in fully legal states also consume alcohol; however, only about one-third of alcohol consumers in these markets also consume cannabis.
- On average, cannabis and alcohol dualists are more likely to drink beer (especially craft beer) and spirits; fewer drink wine.

There may be evidence that legal weed slows beer sales in general, on the theory that younger consumers will smoke a couple of joints or pop edibles instead of drinking a six-pack if the price is about the same. But, analysts caution, that decline has been traced to slowing consumption among aging beer drinkers and not competition from cannabis.

There also seems to be a sense, says Bonny Doon’s Randall Grahm, that any change in alcohol consumption will happen at the lower-priced end, in mass-
market wine, beer and spirits. Producers like Grahm aren’t worried about “weed as one of the existential threats to the wine business.”

And legal cannabis may boost alcohol tourism. Anecdotal evidence from Colorado suggests the possibility of increased tasting room sales, thanks to the influx of legal weed tourists. “It’s almost as if we’re getting a new audience,” says Karen Hoskins, owner of craft rum producer Montanya Distillers in Crested Butte, CO, describing been her experience in the aftermath of Colorado’s legalization. “They’ll come into the tasting room, and when they’re done, ask us to recommend a dispensary.”

Ultimately, presuming recreational cannabis becomes the norm, availability is going to be a critical factor in whether smoking will hit alcohol more at higher or lower price points. Another wild card is “vaping”—and how the youth-driven popularity of this intake method impacts smoking and drinking.

Not to be discounted in any discussion of cannabis: follow the money. Legalization in Canada has opened the faucet on investment—and it is big fish entering the pond. Constellation Brands, most notably, now owns 38% of Canada’s Canopy Growth. “Constellation has been pretty good at identifying long-term consumer shifts and reacting—buying and exiting assets,” notes Rob McMillan, Executive Vice President and founder of Silicon Valley Bank’s Wine Division in Napa. “They are shedding some wine assets and some point to that being an end to wine and a nod to cannabis and beer, but I think it’s more to do with shedding lines that aren’t in line with premiumization strategies.”

More signs of marijuana mainstreaming: Southern Glazer’s Great North Distributors subsidiary has agreed to distribute marijuana producer Aphria’s products in Canada to both provincial and private retailers. AB InBev formed a $100 million research partnership with Tilray Inc.’s Ca-
Silk & Spice (Portuguese Table Wine)

This blend across different regions of Portugal celebrates the voyages of Portuguese explorers in the 15th and 16th centuries. It is a juicy, ripe wine, well structured and rich. With warm fruits and balanced acidity, this smooth wine can be enjoyed now.

– Roger Voss, 2016 vintage
NEW BREED OF BEVERAGES

Appearance-wise, these look like wine, beer, and spirits. Behind the glass and metal, however, they are something brand new. In the case of the wine-like and beer-like products, they are alcohol-free. California’s Rebel Coast is made from Sauvignon Blanc, but infused THC instead of alcohol. The canna-brews include Blue Moon Beer founder Keith Villa’s THC-infused Ceria brand; San Diego-based Cannabinier’s Two Roots; and Hi-Fi Hops, a craft beer made by Heineken-owned Lagunitas.

The spirits shown here are made traditionally but each incorporate hemp into their production: Nirvana hemp-seed vodka and gin made by Fat Dog Spirits of Tampa, FL; Colorado High Vodka, by Colorado Gold Distillery in Colorado Springs, CO; and Humboldt Distillery’s Humboldt’s Finest Vodka. The hemp adds an herbal element, but is not additionally psychoactive.

BRAND NEW PIPELINE

Of course, as the Canadian example is rapidly proving, the free market system is raring to go with new product development. Here, it becomes critical to distinguish types of products we are likely to see—some THC-based, some CBD-based. Looking at beverages specifically, one 2019 estimate found that U.S. sales of cannabis-based drinks was worth $86 million in 2018 but were likely to grow to more than $1 billion by 2023 and $1.4 billion by 2024. Another, by Canaccord Genuity Group, similarly, forecast a $600 million market for cannabis-infused beverages by 2022.

Sounds big. Now for the catch. For one thing, as of now, beverages represent less than 1% of the overall legal cannabis market. Moreover, there doesn’t seem to be a cost-effective infusion process for THC drinks, which analysts see as crucial to the category’s growth. Essentially, alcohol is water-soluble and cannabis is not. That means alcohol is absorbed into the bloodstream quickly, but the THC in cannabis takes far longer when ingested—people feel the effects of beer, wine or spirits within a drink or two; it can take an hour or longer for a marijuana brownie to kick in. So the trick with cannabis-infused drinks will be to find a way for them to mimic alcohol’s effect on the drinker, which has met with mixed results so far.

One person in position to assess the direction of new product development is Smoke Wallin, who started in his family’s traditional distribution business, and is now CEO of Vertical Wellness, a company specializing in CBD products. As Wallin sees it, CBD products are the hotspot to watch, especially since 2018’s Farm Bill gave hemp legal status since hemp is a good source for CBD, but not THC. Even more important: “The number one characteristic of CBD is that it is anti-inflammatory,” notes Wallin, which means new CBD products are going to compete with over-the-counter medicines like Advil. He estimates that Health & Wellness products will comprise about 60% of the CBD market, and food and beverage about 40%.

THC & CBD: ALPHABET SOUP

The legal weed industry is about more than selling joints. It will be more or less divided into two parts—the tightly-controlled market for THC products that produce a high, and a less regulated CBD market that revolves around consumer goods, from over-the-counter painkillers to make-up and lotions to beverages and snacks to pet products. Here are some key terms to know:

- THC is the abbreviation for tetrahydrocannabinol, the compound that produces the high when marijuana is smoked, inhaled or eaten. THC is found in the flower or bud of the plant and is smoked, baked into brownies, or made into gummies.

- CBD is the abbreviation for cannabidiol, a cannabis compound that may have medical benefits but doesn’t produce a high. These products are sold as ointments and oils that are applied topically, as well as tinctures—concentrated liquid extracts delivered through a dropper and either ingested or dissolved in something like tea. Depending on the expert being cited, CBD may relieve pain, depression, and anxiety.
On behalf of Giovanni and Alberto Pecora and the entire Enovation Brands family we want to thank you for helping us achieve this Gemma Moment.

Grazie
Vertical Wellness currently has 12 beverages in active development. However, as a veteran of the industry, Wallin knows the products will have to taste good: “If it doesn’t stand alone as a beverage, it won’t work. People will just switch.” The one thing that is absolutely not in doubt: CBD-laced beverages are apt to enjoy a quick route to market. Wallin reports, “We are seeing huge demand from major retailers and distributors. They are all looking for a way to play in the space.”

**THREE TIERS OR NOT?**

It should surprise no one that distributors are positioning themselves to seize opportunity. Case in point: Southern Glazer’s officially partnering with a marijuana producer in Canada. The interest in cannabis may be seen as a defensive move, at least in part, to protect splintering market share. “Cannabis concerns me because it’s the shiny new thing that consumers are attracted to,” Steve Slater, EVP, General Manager Wine Division, Southern Glazer’s, said on a “Trends” panel at Vinexpo New York in March. 

**DEMOGRAPHICS: MORE QUESTIONS THAN STATS**

Who is the legal cannabis customer? How big is the potential market? “It’s not a very data driven demographic right now,” says Kirk Barry, the founder and CRO of Verdantis Advisors, a legal cannabis consultancy in California. “There isn’t enough data, and there isn’t enough of it over time. The demographics are in a nascent stage, no matter where you look.”

Nevertheless, there have been several attempts to identify the legal cannabis demographic:

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The members of Darby, a social media app for marijuana enthusiasts, seem to be 65% men average age around 28. Almost 70% graduated college or attended a university, with an average annual income of $50,000-$75,000.

A 2017 report from the Cannabis Consumers Coalition found users to be almost 60% women, with about half between 21 and 35. About one-third have an average annual income of $26,000-$55,000.

**Panelists at the Unified Wine & Grape Symposium in January offered a third set of numbers—the average cannabis consumer is 42 years old, slightly more likely to be male than female, and is more likely to have a higher income than that of the general population.**

“The next pressing question: Will alcohol’s three-tier system be used to regulate legal cannabis? Analysts expect the Treasury department’s Tax and Trade Bureau, which oversees alcohol, to handle marijuana regulation. But that’s all anyone agrees on. Most legal states use the opposite of three-tier—a vertically integrated system that doesn’t separate the producer and retailer. It’s OK for a company to grow marijuana and sell THC products in its own state-licensed retail outlets, something that three-tier was designed to stop. But the situations are different, confirms attorney Rebecca Stamey-White, a partner with Hinman & Carmichael LLP in San Francisco: the goal with vertical integration was to emphasize local control, and to avoid the complications of three-tier.

On the other hand, notes Ron Kammerzell, a consultant for the legal weed industry and former senior director of enforcement for Colorado’s department of revenue, three-tier is almost inevitable once the federal government gets involved. How else will it be possible to collect federal taxes? And if cannabis commerce becomes national, businesses will naturally want to trade across state lines and states will want to collect taxes from out-of-state cannabis producers. Three-tier, with its reliance on wholesalers who have almost 100 years of experience in dealing with these concerns in alcohol, can do all of that, Kammerzell says. Plus, the second-tier has the confidence and trust of state regulators.

It’s no surprise, then, that the Wine & Spirits Wholesalers Association, the trade group that represents alcohol distributors, showcased a plan to Congress in December 2018 that would set up a national three-tier cannabis distribution system based on the alcohol model. “We think long-term this is really better for the industry, for society, for our businesses to provide the model of the beverage alcohol industry as an example of what effective safety and regulation looks like,” Michelle Korsmo, WSWA’s new President, told Beverage Media in a recent interview.

**BRIDGES AND TUNNELS TO THE FUTURE**

As pot history gets written (and rewritten and rewritten), much will ultimately hinge on how the states fall, domino-like. New Jersey and New York are of special interest. Both Governors have already expressed their support for legalization. And the proximity and ease of transverse from NJ to NY means that if one state legalizes, it will put instant pressure on the other.

A behind-doors committee in New York has already begun work on suggested guidelines for legislation. Meanwhile, in New Jersey, many believe their state provides the best evidence that a distribution system for cannabis can and should be modeled on the state’s alcohol control. Fred Leighton, second-generation retailer of Bayway World of Liquor in Elizabeth, NJ, contends: “As a system that both controls a substance in terms of public safety, and has made a wide range of products available, no state does it better than New Jersey.”
Our rocky, wind-swept vineyards in the Arroyo Seco provide the complex, multi-layered fruit. My team and I supply the classic Burgundian techniques. The resulting Arroyo Vista release is our stylistic trademark for Monterey: a balance of tropical, citrus, and spice characters honed by cool-climate acidity and a long, textured finish.

- KRISTEN BARNHISEL
  Winemaker, White Wines
In sheer numeric terms, the answer is simple: it runneth over. Tequila sales in the US grew 7.7% last year, second only to Irish whiskey, and the agave spirit is now the fifth largest selling category, according to figures released by the Distilled Spirits Council. Tequila added 1.3 million new cases, with high-end (up 18.2%) and super premium (up 9.7%) the biggest beneficiaries.

Meanwhile, mezcal jumped to approximately 445,000 cases and $90 million in revenue, small compared to tequila’s $3 billion but significant in terms of annual growth.

But while the cash registers are ringing, it’s not all smiles south of the border, or in the U.S. for that matter. Prices for agave have skyrocketed, and while the swings of agricultural supply and demand are the norm for tequila, the combination of robust growth on an already significant base has added complexity to the issue.

Then there’s the issue of monoculture, with field after field of blue Weber agave essentially clones, with little concerted effort to allay doomsday scenarios of plagues or pests devastating fields. Likewise, concerns that bedevil mezcal include fears of over-harvesting, environmental impact and shady dealings.

“This is the most severe agave shortage we have ever had,” says respected tequilero and El Tesoro distiller Carlos Camarena. “In the past the shortages only
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lasted a couple of years and then we’d have another surplus. Right now we are in about the third year of shortages and I expect this to last at least another couple years before things balance out.”

Bobby Heugel, bartender and owner of Anvil Bar & Refuge, among other operations, sounded the alarm a few years ago in a widely read story for Eater about the threat monoculture poses for tequila. He’s still concerned: “But I do think that major companies are starting to take issues like the lack of biodiversity more seriously than they were five years ago and that’s positive. Are they addressing all of the issues? Absolutely not, but at least we’re seeing more dialogue and research around it.”

RISKY BUSINESS

“We have been seeing plants getting weaker and more susceptible to pests and diseases,” says Camarena. “It is a big risk just like an earthquake in San Francisco—with agaves, everybody knows that someday we will have a major disease attacking the plants, we just don’t know when.”

Warmer winters have accelerated maturity, as have the use of pesticides and fertilizers, says Camarena. Compounding matters, he is concerned about the increasing practice of collecting mature agaves at five years instead of waiting until they are seven or eight: “To most of the industry this isn’t a bad thing but we know in the long run this isn’t good.”

To most, what’s in the glass is most important, but that, too, is an area of concern. “Because of globalization, the cyclical nature of growing and maturing agave, the industry no longer seems interested in producing tequila that taste like and showcase the unique flavor and characteristics of agave Tequilana [blue agave],” says Julio Bermejo, owner of Tommy’s in San Francisco.

That includes the growing trend in big brands using diffusers, capable of highly efficient extraction of sugar from agave fibers through high-pressure water and acid instead of a tahona or roller mill.

The use of underage plants hasn’t been good for the end result, says Camarena. “Try to make a banana pie with a green banana and it won’t be very good. It will affect the quality of the tequila the same way when the agaves aren’t mature.”

As Bermejo says, this is a downward spiral, potentially. “So though it may be a blessing that global warming is maturing agave faster, many have lost patience to wait even even years and will harvest younger agave deficient in residual sugar but cheaper. The problem with this is people are wiping out younger agave needed in the future. The industry is just shooting itself in the foot.”

“For some time the entire tequila industry was focused on selling things that were smooth, and meant for the American consumer,” says Heugel but that is changing with numerous small companies using traditional methods of production. Even large brands see the value—Patrón’s Roca Patrón employs a stone tahona to crush piñas, for example.

AWARENESS AT THE BAR

Some operators have started taking a stand about what they will sell, based on these and other concerns. At Las Perlas Mezcaleria in Austin, one of two agave-centric bars operated by 213 Hospitality, brands that are made using diffusers are avoided. “And we do what we can to find agave producers who are either attempting to alleviate the problems with monoculture or make it less impactful,” says Bar Manager Drew Jerdan. He’s still able to stock about 175 iterations deemed well made and ethically produced.
Stunning New Look. Same Award Winning Wine
But now that mezcal producers can use those modern methods including diffusers, he'll have to pick and choose there as well. “People at the forefront of mezcal production know they need to have creative solutions in terms of enhancing efficiency of production without resorting to chemical or mechanical changes that word hurt the quality or sustainability.”

Steve Olson has long worked with mezcal Del Maguey and continues to now that it is part of Pernod Ricard. He sees an agave “Gold Rush mentality” taking hold in Oaxaca and other states where mezcal is produced. Take early harvesting: “Just because we reach sugar ripeness doesn’t mean that the flavors, complexities, structures and layers you need are in there.” He recounts watching as a field adjacent to one owned by one of Del Maguey’s growers was clear-harvested of five-year-old agaves. “That method of harvesting in Oaxaca rarely existed before,” says Olson. “Traditionally fields were passed through and piñas harvested one by one, just as they are with wine grapes—only when the plants are ripe not only in sugar but in phenolics.”

Since most producers buy agaves rather than growing their own, there’s pressure on farmers to sell when the prices are high—Espadin agave prices recently reached 11 pesos, extraordinary compared to the recent past. “Many producers there are working hard at sustainability, replanting and reforestation. But the demand for agave is such that you can’t expect a poor dirt farmer to hold onto their agaves and wait when somebody who doesn’t care about quality will step in and pay top dollar, right now,” he says. And now, mezcal lovers are wrangling over what constitutes “wild” agave and whether anything harvested in the wild is sustainable. And forget about certifying how much if any tobala or tobaziche was used in the production of that new brand.

But if pop culture has anything to say about it, mezcal’s growth is only beginning. Heugel tells of recently hearing musician Anderson Paak referencing mezcal in one of his songs. “Everytime I think that mezcal has reached its peak, it grows again. I’m blown away how this smoky spirit from Mexico with flavors that clearly aren’t for everyone continues to surge in popularity.”

Looking at the overall agave spirits market, it is becoming clearer every year that mezcal, while still accounting for a fraction of the agave consumption, is growing rapidly and broadly. Also corporately. Pernod Ricard’s acquisition of Del Maguey is only the most recent example of big players making sure they have a slice of the small but dynamic mezcal pie. William Grant & Sons was early into the field with Montelobos Joven—offering both a relatively accessible palate and price point (around $50). Diageo’s stake in mezcal is now twofold: Casamigos Mezcal complements Pierre Almas. Bacardi imports Ilegal; Palm Bay International now has Los Amantes; M.S. Walker has Leyenda.

With national importers aiming to spread the mezcal enthusiasm to new accounts in new markets, the pressure on maintaining a steady supply from Mexico may put even more pressure on suppliers.
Blending whiskey, of course, is not new, but the premiumization evident in the U.S. over the past decade is remarkable. The March 2019 launch of Beam Suntory’s Legent can trace its blended roots to High West’s Bourye, first introduced in 2009.

If you want to start an argument among whiskey fans, begin by taking about rules. There’s a great confusion among consumers about what can be called bourbon for example—many still stick to the notion that it must be made only in Kentucky. But few argue over the rules of the big basket called “American Whiskey,” mostly because so much attention has been focused on bourbon and rye.

But ever since 2009, when High West Distillery in Utah made a splash with its Bourye, a blend of bourbon and rye whiskies, many new whiskey fans responded, “Rules? Screw the rules, I want something new!”

Other suppliers followed, with blends of different American whiskies, finishing protocols and other tweaks that moved the result out of the straight bourbon realm and closer to a blended bourbon, a sub-category few people discuss. Clearly it’s time to start. Some of the most creative whiskey being crafted in America today is not happening in one type or another, but rather by combining types. With demand strong and aged supplies finite, this new route to market is bound to become even more traveled.

In the blended bourbon arena, distillers are exploring opportunities for innovation. Eight & Sand Blended Bourbon Whiskey is the newest member of MGP’s Rack House Series, a mix of bourbon, corn, rye and light whiskey meant to appeal to category newcomers. “The overarching business idea here is that with premiumization of beverages, the blended bourbon category is an opportunity for that premiumization,” says Andy Manusin, MGP’s Vice President of Brands. He cites the evolution of boxed wine from shameful habit to holding Napa appellations as evidence of a disregarded category’s potential.

BIG NAMES, BOLD IDEAS

Mega-distiller MGP first created a blended bourbon with Tanner’s Creek, available only in Indiana and the first product bottled with the distiller’s brand. From that flowed the Rack House Series as an outlet for brainstorming.

William Grant & Sons jumped in not long ago with Fistful of Bourbon, a blend of five bourbons from five sources. “The goal was to tap into the dynamic American whiskey tradition to create a perfectly balanced bourbon with sweet and buttery flavors from the corn, spicy flavors from the rye, and an incredibly smooth mouthfeel and finish,” says Kelsey McKechnie, Grant whiskey blender who worked with Grant’s Master Blender Brian Kinsman.

“While Scotch whisky and American whiskey are similar in many ways, they’re also quite different when it comes to the set of rules within each category and the flavor profiles you find in each. We want-
ed to introduce a new take on an already well-known and well-established category here,” she says.

Blackened, a collaboration between heavy metal band Metallica and the fertile mind of the late distiller Dave Pickerell, not only gets a special sonic treatment, but Pickerell blended bourbon, rye and “whiskey” and then finished it in black brandy barrels.

Many others have played around the edges, and as Roy Danis, CEO of Clyde May’s Alabama Style Whiskey’s Conecuh Brands, says, “The consumer today is much more about discovery and experimentation. They don’t seem to demonstrate the same kind of brand loyalty as previous generations when it comes to spirits.”

Clyde May’s is an homage to the late moonshiner who dropped baked apples into his barrels to enrich its flavor, and now offers cask strength and reserve iterations. It’s something Danis prefers to call whiskey with flavor—apple, cinnamon and vanilla are added at less than 1%, he says.

Styles that disappeared with Prohibition are emerging elsewhere—Oloroso Sherry was once a once-common coloring agent, and Rieger’s Kansas City Whiskey includes some 15-year-old from Bodegas Williams & Humbert along with sourced corn, malt and rye whiskies aged a minimum of seven years.

Beam Suntory has long explored this sub-category, notably a few years ago when a limited time offering topped off bourbon with Spanish brandy. Lately they have launched Little Book, an annual expression that recently included Canadian and Kentucky ryes of various ages. Now they are about to release Legent, a collaboration between master distiller Fred Noe and Suntory’s Shinji Fukuyo, Suntory’s chief blender—it starts as a Jim Beam recipe bourbon and is aged in wine and Sherry casks before being blended with more bourbon.

**GOLDEN BROWN AGE?**

“We are in an exciting golden age of whiskey in which we’re continuing to experience high demand, with consumers actively exploring the category and seeking out new, unique whiskey styles and taste profiles,” says Rob Mason, VP Whiskey North America, Beam Suntory. “The introduction of high quality, blended whiskies is one exciting trend addressing this consumer demand. We consider the product to be an extremely unique American Whiskey—or, more technically, a Kentucky Straight Bourbon partially finished in Sherry and wine casks.”

Whiskey makers, unlike the nerdish connoisseur, have always made clear whiskey of any type is best judged by drinking it however you choose and rarely reverentially. In the case of these many new avenues producers are taking, new flavors and not old rules are key. As McKechnie says, “Our audience is pretty savvy and can make those connections without taking the whole thing too seriously – at the end of the day, good whiskey is good whiskey.”
KRISTEN BIELER: You are the first female to occupy this position at Pernod Ricard. Were you surprised when PRUSA selected you to run the company’s most important Single Malt?

SONA BAJARIA: Yes and no. I had been with the company for over five years and was the first woman to lead the Jameson brand. When we went through a restructuring, the leadership here felt I was a better fit for The Glenlivet and our premium Irish whiskey portfolio. It was such a pleasant surprise.

Being a first-generation American from an immigrant family—my parents moved here from India in the 1960s—I do bring a very different perspective which I believe helps open a lot of new doors for our brands. Pernod Ricard is a company committed to bringing people together and making progressive, positive changes. The more points of view in the room, the better our brands will perform.

KB: Has it been a challenge to be the first woman in this role?

SB: Not as much as people might assume. I learned early on from my mentor, Anna Malmhake, CEO of The Absolut Company, who is based in Sweden, that it’s never a female conversation; it’s a leader conversation, which really moves the discussion to a different place. When we project leadership qualities, people perceive us differently. My counterpart in London who leads The Glenlivet globally also happens to be a woman and, interestingly, when we collaborate or debate, gender never seems to come up; it’s all about how we are going to grow this brand together.

KB: Your goal is ambitious: to change historical perceptions of the Single Malt category and bring in a much wider, more diverse audience. How does this translate in your actual go-to-market approach?

SB: It requires a fundamental shift in mind-set. For example, when my team and I stepped into this brand two years ago, we questioned why we only activate The Glenlivet around Father's Day. Maybe Mom doesn’t want flowers again for Mother's Day this year?

As the single malt category leader by volume, we really wanted to be the leader in changing the way this category is viewed—cigars, dark leather sofas, white men—and speak to a much more diverse audience. It’s been gradual, but it’s working.

KB: The Glenlivet’s Founder’s Reserve, launched two years ago, has been an important recruitment tool for women. Why had it resonated so powerfully?

Among the innovations Bajaria brought to The Glenlivet: a “Garnish Wall” at Founder’s Reserve events let guests customize their drink with fresh herbs like elderflower, basil and mint, picked straight off the wall.
“Pernod Ricard is committed to bringing people together and making progressive, positive changes.”

SB: We created Founder’s Reserve as a gateway to Single Malt. It’s a non-age statement Single Malt with a slightly rounder, more approachable taste profile and a lower price—$35 compared to $45 for The Glenlivet 12-Year Old. It’s packaged in an inviting color and we are seeing consumers coming in from outside the category to try it. It’s been amazing—distributors are reporting 40%-60% growth every month in some markets. Women account for 27% of Single Malt consumption, but for Founder’s Reserve, they make up 55% so it’s really opened up the brand to a new demographic.

KB: Activation for Founder’s Reserve is also quite non-traditional; you are really reimagining where, how and by whom Single Malt is consumed and challenging old stereotypes.

SB: Absolutely. We want to make The Glenlivet fresher and bolder; we want to showcase versatility and make it fun. While Founder’s Reserve is a great sipping whisky, its smooth style lends itself perfectly to consuming it in different and unexpected ways.” For example, we’ve created The Glenlivet Piña Colada for many events. We partnered with Fat Ice, an icemaker in Texas, which made customized, creative ice shapes for The Glenlivet Scotch & Soda promotion, and worked with Humphry Slocombe Ice Cream to create The Glenlivet Ice Cream.

At our Founder’s Reserve events, we bring in a large “Garnish Wall” full of all different herbs like elderflower, basil and mint, and people can choose whichever they like to customize their own drink. It’s visually stunning and Instagramable, and a fun, fresh contrast to the stuffy image people have in their minds about Single Malt whisky.

KB: Is Pernod Ricard concerned about the risk of alienating the traditional Glenlivet drinkers?

SB: We’ve been extremely careful to retain the history and the heritage for The Glenlivet, but of course, with any brand evolution, you will have people that ask questions and resist change. It’s a bold move yet we think we can bring along our core consumers on this journey and remain the category leader. It’s not the whisky in your grandfather’s cellar anymore—it’s the bottle that should be brought to the Thanksgiving table for everyone to enjoy. We are hopeful that our core consumers will agree with that.

KB: Ironically, last year your team launched Beefeater Pink, a strawberry-flavored gin which appears geared to a traditional female audience.

SB: It’s been very interesting because right now pink is on-trend across gender lines, so we have seen Beefeater Pink resonating with a lot of men. We partnered with Victoria’s Secret Fashion Show After-Party and Serena Williams’s clothing line. It’s no longer the days of blue-is-for-boys and pink-is-for-girls. There is so much more fluidity which makes it a great time to be in the spirits industry.

SPARKING FRESH CONVERSATIONS & NEW PERSPECTIVES

The Glenlivet brand has been especially active in gender-minded social responsibility activations. The Glenlivet “Conversations for Change” program in November 2018 honored Lisa Borders, CEO of Time’s Up. “Her message was about the importance of dialogue and bringing everyone to the table, which is exactly what we are trying to do with this brand,” says Bajaria. The Glenlivet also sponsored The United State of Women Summit in L.A., launched by Valerie Jarrett, of the Obama Administration and partner in the Forbes Women’s Summit. “We know we are just a whisky, but we want to do our part to put the spotlight on the people and organizations creating positive conversations and change. It’s less about a product conversation than it is about who are we associating ourselves with by sharing a sip together. That is the power of a brand.”

Pernod Ricard is committed to bringing people together and making progressive, positive changes.
Altitude is rarely a part of the conversation in California’s wine industry, but Lake County’s 9,454 acres of vines lie between 1,500’ and 3,000’; that makes them the highest-elevation vineyards in the state. Long an anonymous component in North Coast wines, the county is coming into its own, offering great value wines from several varieties, Cabernet Sauvignon in particular.

“Only 3% of California’s vineyards sit above 1,000 feet,” says Peter Molnar, General Manager of Obsidian Ridge Vineyard, “and this is a region where almost everything is a good 2,000 feet or above.” He explains the benefits as twofold. At higher altitudes you get more ultraviolet light, which results in thicker grape skins and more phenolic intensity. And they have quite cool shoulder seasons in the spring and fall, which lead to a nice ripening window without excessive heat, and good acidity.” At higher elevations, winters are colder, and the air is drier; both factors lessen disease pressure and lower viticultural costs.

Lake County lies north of Napa and east of Mendocino, separated from the latter by the Mayacamas Mountain Range. The only one of the North Coast’s major wine-producing counties to be landlocked, it nonetheless enjoys moderating effects from the state’s largest freshwater body of water, its namesake, Clear Lake. Mount Konocti, a volcano, stands on the southern edge of the lake. While Swiss-German families had planted vineyards there in the 19th century, those all but disappeared during Prohibition, eventually replaced by fruit and nut orchards.

Beckstoffer Vineyards has had plantings in Lake County since 1999. “At the time, Lake County was known for Sauvignon Blanc and other white varietals,” says David Beckstoffer, President and COO. “But we were told by our friends at Beringer that there was high-quality red grape ground in the hills near Clear Lake.” Today they have 1,600 acres planted and expect to reach 2,000 in a few years. Among other factors, Beckstoffer attributes that quality to the volcanic soils of the Red Hills AVA, which he says are “very well-drained and quite homogenous.”
Volcanic soils have encouraged quality winegrowing in other ways, too. “We can’t grow a lot of volume in our region,” says Molnar, “especially those red soils don’t produce eight or ten tons per acre.” Obsidian Ridge’s name tips a hat to those volcanic rocks; their top-end bottling, Half-Mile, to the elevation. On the far side of Clear Lake, the High Valley AVA also has volcanic soils; in other areas around the county, alluvial, sandstone, and shale soils predominate. In terms of reputation, Red Hills is leading the way, according to Matt Smith, Wine Buyer at Sunshine Foods in St. Helena, CA.

**Double Good Sauvignon**
Cabernet Sauvignon rules the roost in Red Hills, but plantings in the valley are fairly diverse. “For us, Cabernet Sauvignon and Sauvignon Blanc have been the rock stars,” says Smith, “but Zinfandel comes in a fairly close third.” Some wineries are exploring varieties less common in California; Six Sigma’s Tempranillo is highly regarded, as is the Gregory Graham Grenache, for example.

Its location, away from major highways and urban centers, means Lake County hasn’t had as much tourism as Napa or Sonoma; social issues related to rural poverty also detracted from the area’s image. That’s changing. “Being close to Napa has some tremendous advantages,” says Kaj Ahlmann, owner of Six Sigma, an estate in the southern part of the county. “They bring a lot of people out here. People are starting to look for a more rustic experience rather than just go into a tasting room where you pay $40 for a flight. We can provide a more honest and authentic experience up here; it becomes a little more like a wine bar.”

If there’s been challenge for Lake County lately, it’s been wildfires. Six Sigma had to evacuate the ranch twice in 2015, the year of the Valley Fire, and Obsidian Ridge, while not threatened by last year’s fires directly, decided not to bottle any wine from the 2018 vintage due to smoke taint.

Today, Lake County “has the kind of vibe of Napa Valley 40-plus years ago, before it was famous or just starting to get famous,” says Stuart Schmidt of St. Helena Wine Center. “There are still wide-open spaces and rolling hills. It’s beautiful.” About the wines themselves, Schmidt says, “The general theme I saw was very high quality for very reasonable prices.” Given the prices being seen in their neighboring counties to the south, that should have people ready to check out Lake County, in the bottle or in person.

**North of Napa and east of Mendocino, Lake County is the only one of the California North Coast’s major wine-producing counties to be landlocked; it nonetheless enjoys moderating effects from Clear Lake, the state’s largest freshwater body of water.**
1. **CROWN ROYAL PEACH**

Getting a jump on warmer temperatures, Crown Royal introduces Crown Royal Peach Flavored Whisky, a limited-edition melding the brand’s signature smooth Canadian whisky with the sweet and flavorful taste of juicy Georgia peaches. The new expression is dressed in a glass-cut bottle as well as the brand’s signature box and bag. Timed for warmer weather, Crown Royal Peach excels on the rocks or mixed with iced tea. 70 proof.

SRP: $24.99  
crownroyal.com

2. **BUMBU XO RUM**

Bumbu XO is a small-batch ultra-premium Panamanian rum aged up to 18 years in bourbon barrels and finished in white oak Sherry barrels. It is made using only local sugarcane and pure spring water. Aromas of toffee, toasted oak and vanilla give way to orange zest, peppery spice and a hint of coffee on the palate. Recommended in traditional rum cocktails, neat or over a single ice cube. The paperless heavy-glass bottle features a tarnished silver “X” medallion. 80 proof.

SRP: $44.99  
sovereignbrands.com

3. **DeLEÓN AÑEJO TEQUILA**

Coming on the heels of a year of double-digit growth, and first introduced in Los Angeles at Sean “Diddy” Combs’ birthday celebration, DeLeón Añejo joins DeLeón Platinum, Reposado, Diamante, Extra Añejo and Leona, expanding their brand’s upscale tequila lines. The full-bodied yet smooth Añejo starts with 100% Highland Blue Weber agave and is finished first in American oak and later in French wine casks. The bottle is made from fragrance-grade glass; its metal closure is hand-carved by a jeweler. 80 proof.

SRP: $49.99  
deleontequila.com

4. **CRISPIN ‘PEARSECCO’ CIDER**

Crispin Cider Co. is debuting a Variety Pack of 12oz slim cans, including a new pear-based expression: Pearsecco. The name may rile Italians, but Crispin’s Pearsecco is now their second wine-inspired iteration, joining Crispin Rosé, and is based on solid market data (Nielsen said pear-flavored ciders were up 120% and Prosecco wines were up about 10% in 2018 over 2017). Packed with 3 Crispin Brut and 6 Rosé; in late spring Pearsecco will also be offered on its own.

SRP: $16.99/12-pack  
crispincider.com

5. **THREE FINGER JACK 2016 CABERNET SAUVIGNON**

The inaugural 2016 Delicato Family Vineyards’ Three Finger Jack East Side Ridge Cabernet Sauvignon is inspired by Lodi, where founder Gaspare Indelicato planted his first vines nearly 100 years ago. Lodi’s rugged East side soils and conditions are ideal for Cabernet. Three Finger Jack himself was a legendary outlaw who roamed the Sierra Foothills during the Gold Rush. The wine boasts structure and hardy flavors of cherry, blackberry, cassis, charred oak and hints of pepper.

SRP: $22  
3fingerjack.com

6. **FRAPIN 1270 COGNAC**

Frapin 1270, a new blended Cognac, is a snapshot of 21 generations of wine growers and distillers—exclusively harvested, distilled and aged on the 600-acre single-family estate established in 1270 in the heart of Cognac’s Grande Champagne region. Unlike a typical VS, Frapin 1270 is aged for about five years in both humid and dry cellars, resulting in great roundness and fruitiness; its length is enhanced via a special distillation over the lees.

SRP: $54.99  
cognac-frapin.com
7. **90+ CELLARS RESERVE WINES**
90+ Cellars is expanding their Reserve portfolio, sourcing wine from around the world, beginning in Sonoma County. **Lot 163 Merlot** (SRP $16.99) comes from a respected, family-owned winery that has been farming in Alexander Valley since the 1800s. **Lot 164 Pinot Noir** ($24.99) is a single-vineyard from a sought-after vineyard site in Sonoma County’s Sebastopol Hills. **Lot 165 Zinfandel** ($27.99) from one of the most sought-after Zin AVAs in the world: Rockpile.

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8. **JOSE CUERVO ORANGE PINEAPPLE MARGARITA**
Embracing tequila’s fun side, Jose Cuervo Orange Pineapple Margarita brings the refreshing flavors of orange and pineapple together with a hint of lime in a 9.95% ABV, ready-to-drink Margarita. Available in 1.75L bottles, this new RTD expression is built for crowds. Perfect for brunches, viewing parties and backyard BBQs; enjoy chilled, poured over ice or blended with ice for a frozen treat.

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9. **STILLHOUSE CLASSIC VODKA**
Stillhouse Spirits Co., known for retro-styled stainless steel packaging, is debuting Stillhouse Classic Vodka. It joins Stillhouse Original (clear corn whiskey) and Black Bourbon (rested in coffee beans). Encased in a bone white version of the brand’s unbreakable, 100% stainless steel can, the vodka is all-natural, gluten-free and filtered through sugar maple charcoal. Available nationwide; 80 proof. A 375ml “roadie” will follow later this year.

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10. **PETER ZEMMER ‘GIATL’ PINOT GRIGIO RISERVA**
Peter Zemmer has introduced a Pinot Grigio Riserva “Giatl” (pronounced Ghee-AF-ul) 2016, Alto Adige’s first and only DOC Riserva Pinot Grigio. Its unique handling includes fermentation in French barriques and 24 months’ aging before release (neighboring Trentino requires just 12). “Giatl” (“little property” in the local dialect) is sourced from four parcels whose vines range from 15 to 30 years in age; it is piercingly fresh, yet dense with flavor and apt to evolve over time. Available in 19 states.

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11. **FOUR ROSES ‘SMALL BATCH SELECT’ BOURBON**
The fourth rose is being added to Four Roses’ permanent lineup of bourbons. The introduction of Four Roses Small Batch Select represents the distillery’s first permanent product-line extension in more than 12 years, joining Four Roses Single Barrel, Four Roses Small Batch and Four Roses Bourbon. Non-chill filtered and bottled at a 104 proof, Small Batch Select offers clove and nutmeg on the nose; followed by apricots and berries, with vanilla and light oak. Limited release in spring, then expanding.

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12. **TIPPY COW RUM CREAM NEW PACKAGING**
Tippy Cow Rum Cream has introduced a colorful all-new look for its line of nostalgic flavors of Orange Cream, Chocolate Shake, Vanilla Soft Serve and Shamrock Mint. The release of the new packaging aims to continue the momentum from a sales jump of more than 25% in 2018. Blended with the finest Caribbean rum and the freshest real dairy cream from Wisconsin, Tippy Cow evokes memories of iconic sweet flavors like Dreamsicle and Dairy Queen Soft Serve. 28 proof.

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DEEP & DIVERSE

MELISSA ROMANOS, HEAD BARTENDER, THE PUBLICAN, CHICAGO

BY ALIA AKKAM

Melissa Romanos is head bartender at One Off Hospitality Group’s beer hall-inspired The Publican in Chicago.

BEVERAGE MEDIA GROUP: A native of El Salvador, you earned a restaurant management degree from Johnson & Wales University in Miami before landing in Boston. While working at Barbara Lynch’s No. 9 Park you were seduced by the bar. How so?

MELISSA ROMANOS: I began to see spirits and cocktails in a new light. You don’t have to necessarily start your meal with a cocktail; there is a way to beautifully pair cocktails and food.

BMG: Now at The Publican, where House Old Fashioneds with Buffalo Trace are savoried, you’re working on a spring menu with cocktails like the Armagnac-forward Beauregard. Which kinds of drinks do your customers seek out?

MR: Whiskey is king in Chicago and whiskey cocktails tend to be popular, however mezcal and gin are a close second, followed by vodka and brandy. I find that guests are becoming increasingly adventurous and are willing to dive into the deep end and give different spirits and cocktails a chance.

BMG: How important is staff collaboration in developing your menus?

MR: When creating a new cocktail list, I let our bartenders have creative freedom. I simply give them a general direction or theme and they are welcome to contribute. Our upcoming one will be more of a collective effort. A diverse approach to cocktails translates to a more diverse list, and the team is more inclined to take ownership of it when their ideas and voices are reflected.

How Long She’s Been Bartending: 5 years
Favorite Spirit: Agave or rum
Favorite Cocktail: To drink, a Daiquiri, but it depends on my mood. To make, all of them, even a Ramos Gin Fizz.
If She Wasn’t a Bartender She Would Be: A chef. I love cooking.

• Beauregard

This cocktail is Armagnac-driven but gets some strong balancing power from crème de violette liqueur and vermouth. The Lustau Vermut is such a house favorite that is a featured aperitif on the drinks menu.

Ingredients:
1¾ oz Delord Blanche Armagnac
½ oz Lustau Vermut Blanco
¼ oz Rothman & Winter Crème de Violette Liqueur
½ oz Simple Syrup
¼ oz Lemon Juice
1 oz Egg White (from 1 egg)

Method: Combine all ingredients and shake. Add ice, shake, and double-strain into coupe. Garnish with dried lavender flowers.