

Beverage Journal

MAY 2024

THE NEW ECONOMICS OF CRAFT BREWING



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SELTZER STAND?



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**A SUMMARY OF THE 2024
MARYLAND GENERAL ASSEMBLY**

The 2024 General Assembly Session recently concluded, marking the end of a 90-day period filled with legislative deliberations. Throughout this time, the Maryland State Licensed Beverage Association (MSLBA) remained actively engaged in advocating for the interests of small businesses. By closely monitoring alcohol-related bills and leveraging relationships with legislators, the MSLBA successfully influenced several key legislative outcomes.

One significant issue addressed during this session was the debate surrounding the direct shipment and delivery of alcohol by Maryland manufacturers. Legislation aimed at making this privilege permanent sparked contention due to concerns about its impact on local retailers and wholesalers, as well as potential legal challenges from out-of-state manufacturers. Ultimately, after negotiations and amendments, the bill was modified to expire the direct shipment privilege, thereby circumventing the impending lawsuit and providing a resolution to a longstanding issue.

Another important legislative development involved the regulation of retail delivery services, often referred to as the "Door Dash" bill. Through collaborative efforts and proposed amendments, the MSLBA succeeded in

shaping the legislation to include provisions such as local option regulation, limitations on delivery jurisdiction, and ensuring the involvement of licensed retailers in sales transactions.

The 2024 version of the "Supermarket Bill" was killed without a vote in the House Economic Matters Committee and never emerged from the Senate Rules Committee. This outcome is attributed to the relationship that many MSLBA members have with their Delegates and Senators and their ability to reach out to them when needed.

The MSLBA remains committed to advocating for its members' interests and actively participating in the legislative process. The organization acknowledges the importance of strategic engagement with lawmakers and the continued cultivation of relationships to effectively influence policy outcomes. As the legislative landscape evolves, the MSLBA continues to adapt its advocacy efforts to address the challenges and opportunities facing the beverage alcohol industry in Maryland.

Thank you to Steve Wise, MSLBA Lobbyist, and Jane Springer, MSLBA Executive Director, for providing this update. For more detailed information on all the legislation the MSLBA was tracking and involved in, please visit mslba.org. ■

STEPHEN PATTEN PUBLISHER

Bill	MSLBA Position	Outcome
Direct Ship & Delivery by Manufacturers	Opposed	Passed with amendments to exclude direct shipment
Door Dash	Support with MSLBA Amendments	Passed with MSLBA amendments
Trone Bill	Opposed	Failed
Beer and Wine Sales in Supermarkets	Opposed	Failed
Alcohol Tax Increase	Opposed	Failed
Local Sales Tax	Opposed	Failed
Lottery Commission Reduction	Opposed	Passed with amendment for 5.75 Commission Rate (down from 6%)
iLottery	Opposed	Failed

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1. 9DIDANTE

The first project from Bacardi alum Alex Ouziel's Kaliro Spirits is *The Divine Comedy*-inspired 9diDante, a collection of Italian vermouths highlighting wines from the Piemonte DOC. Along with the Inferno Rosso and Purgatorio Extra Dry, there is now the bitter Paradiso Rosé, a blend of 88 percent Cortese and 12 percent Nebbiolo grapes from Torino. It can just as easily be woven into tequila and mezcal cocktails as it is savored on the rocks with grapefruit.

\$ SRP: \$35 per 750-ml bottle

🌐 9didante.com

2. BADGER BEVS

In 2023, David Vogel launched Badger Bevs with Jillian Vose, the bartender behind the forthcoming Hazel and Apple in Charleston, South Carolina. The premium cocktail mixers, which can also be enjoyed on their own, debuted with a versatile lineup of club soda, tonic water, and ginger beer starring Nigerian ginger, and has grown to include ginger ale and tart sparkling grapefruit options.

\$ SRP: \$8 per four-pack of 250-ml bottles

🌐 badgerbevs.com

3. RÉSONANCE

Résonance, Maison Louis Jadot's vineyard in Oregon's Willamette Valley, is dedicated to producing Burgundian-style wines like the Founder's Blocks Pinot Noir 2021. A true expression of the Yamhill-Carlton AVA, Founder's Blocks is composed of the finest grapes culled from the neighboring Résonance and Jolis Monts vineyards, both of which share a similar terroir, and exhibits complementary flavors of black fruit and black pepper.

\$ SRP: \$75 per 750-ml bottle

🌐 resonancewines.com

4. SAGAMORE SPIRIT

Back in 2020, Maryland distillery Sagamore unveiled its well-received Manhattan Finish rye whiskey in limited quantities. Now, it's back as part of the Sagamore Spirit Reserve Series. The full-bodied, 103-proof whiskey reinterprets the Manhattan cocktail by uniting four-year-old straight rye whiskey that was aged in separate vermouth, bitters, and cherry brandy casks for at least 20 months. It can be relished neat or with amaro in a Black Manhattan.

\$ SRP: \$79.99 per 750-ml bottle

🌐 sagamorespirit.com

5. MALIBU SPLASH

Mango is the newest addition to Malibu Splash, the line of ready-to-drink sparkling malt beverages from United States Beverage centered on Malibu coconut-flavored white rum. Coinciding with the arrival of the new 5% ABV variant is the Sunshine Variety Pack, bringing together single-serve cans of the tropical mango with pineapple, strawberry, and watermelon versions.

\$ SRP: \$17.99 per eight-pack of 12-oz. cans

🌐 malibudrinks.com

6. VARA WINERY & DISTILLERY

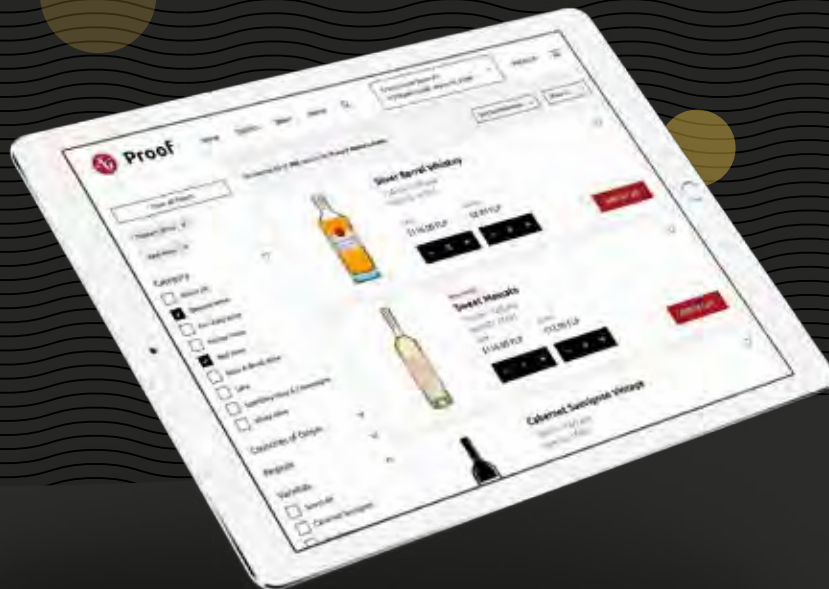
Albuquerque's Vara Winery & Distillery puts the spotlight on New Mexican-made spirits like High Desert Gin, Corona de Oro Rum, and the new-to-the-lineup floral Painted Sky Vodka and light Estrella Blanca Rum. The former's base consists of Vara's own grape brandy and high-proof, grape-based spirit and is filtered through activated carbon. The latter, ideal for cocktails, starts out as first-press light cane juice molasses and passes through 100-micron pad filters following distillation.

\$ SRP: From \$25 per 750-ml bottle

🌐 varaspirits.com

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7. PROCERA GIN

Fresh *Juniperus procera* berries growing wild in the Kenyan highlands are the backbone of Procera Gin's extremely limited-edition Green Dot 2023 vintage. It features a sugar cane base and juniper berries, leaves, and wood hand-harvested from a single tree in Narok County that lend the earthy, cocktail-friendly spirit notes of herbs and stone fruit. Reinforcing the notion of African terroir is the hand-carved Kenyan coconut wood box that each hand-blown, recycled glass bottle is nestled in.

\$ SRP: \$179 per 700-ml bottle
proceragin.com

8. SPRINTER

Joining the booming ready-to-drink category is Sprinter, a canned vodka soda from media personality Kylie Jenner. Led by industry veteran Chandra Richter as head of product development and operations, the 100-calorie, 4.5% ABV Sprinter combines real fruit juice, premium vodka, and sparkling water in black cherry, peach, grapefruit, and lime varieties.

\$ SRP: \$19.99 per eight-pack of 355-ml cans
drinksprinter.com

9. JULIETTE

Charles Jacquin et Cie, known for Chambord and Domaine de Canton, has ramped up its cordials collection with Juliette, an ultra-premium peach liqueur sprung from small pêche de vigne grown in France's Rhône Valley. Made by hand in limited-quantity batches with only natural ingredients, it features touches of vanilla and honeysuckle that make it ripe for mixing with Champagne.

\$ SRP: \$49.99 per 1-litre bottle
julietteliqueur.com

10. THE FINNISH LONG DRINK

Refreshing and quick to serve, the long drink has been part of Finland's beverage culture since Helsinki hosted the 1952 Summer Olympics. The Finnish Long Drink illuminates the ritual with citrusy traditional, zero, and strong iterations as well as cranberry and the recently rolled out peach. Originally part of the brand's Midsummer variety pack, peach is made with real liquor and sparkling fruit flavors and canned at 5.5% ABV.

\$ SRP: From \$11.99 per six-pack of 12-oz. cans
thelongdrink.com

11. HIGH N' WICKED

High n' Wicked, the importer and bottler of whiskeys from Altamar Brands, has teamed up with Foursquare Rum Distillery in Barbados on a single grain Irish whiskey. The 100-proof limited release was distilled in County Cork, Ireland, from 95 percent corn and five percent malted barley and aged in former bourbon barrels. Then, it was finished in Foursquare casks that previously held Marx X 2007 rum for six months, culminating in notes of clove and caramel.

\$ SRP: \$79.99 per 750-ml bottle
highnwicked.com

12. VOSA SPIRITS

Vosa Spirits, co-owned by model and actress Kate Upton, has expanded its ready-to-drink offerings with the 7% ABV High Line Tropics collection. The six times-distilled vodka, natural fruit juice, and sparkling water cocktails—passion fruit, mango, lime, and watermelon—are slightly effervescent and follow High Line's peach, cherry, lemon, and pineapple flavors introduced in 2023.

\$ SRP: \$21.99 per eight-pack of 355-ml cans
vosaspirits.com

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RUDY'S MEDITERRANEAN GRILL

A TURKISH DELIGHT IN COLUMBIA, MARYLAND

WRITTEN BY TEDDY DURGIN | IMAGES BY ASHLI MIX PHOTOGRAPHY

Many people in this area would assume that to get fine Turkish cuisine, you would have to go into either Baltimore or the nation's capital itself. But in suburban Columbia, MD, Rudy's Mediterranean Grill has been serving up dishes like Grilled Lamb Adana and Turkish Doner Kebab since 2009.

Most people come for two things: one, the authentic food; and two, the chance to shake hands with co-owner Rustem "Rudy" Keskin. During a recent interview with the Beverage Journal, he proudly proclaimed, "This was the first Turkish cuisine in Howard County. We've been here 15 years now, and we have many wonderful customers."

Most articles I write, I refer to the main interviewee and others quoted throughout each feature by their last names. But somehow, it doesn't feel right with this article. Keskin is Rudy in the restaurant, Rudy out in the community, Rudy wherever he goes. So, that's



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Rustem "Rudy" Keskin
Co-Owner
Rudy's Mediterranean Grill

how I am going to refer to him.

Rudy moved to the United States in 1998, leaving his native Istanbul where he had worked in various restaurants and food-service. He became known to many when he worked at the Double T Diner across from the old Enchanted Forest in Ellicott City for 10 years. When it came time to open his own place, he wanted all of those people he had formed friendships and relationships with to be able to easily find him. So, he named his then-new restaurant after himself, which makes him and his eatery perfect for this ongoing column spotlighting bars, restaurants, and taverns in Maryland and D.C. named after their owners or families.

"You want everybody to know your name," Rudy says. "People come to me, and I want them to come to me. They come to see me and to have a great meal. It's a way to give people my trust. Even if I moved, even if I changed locations, I would take the name with me and the people would find me."

It's the people, the customers, that are the favorite part of his work: "What I love about my job is I get to meet so many different people. You can't even imagine how

many people I've met. And you have to be good with people to do this job, because you do welcome so many. It's like nursing or [medical care]. You have to deal with everybody the same way and give them the same service."

He continued, "You also need to be patient. You can't get angry. You have to know what you're doing. You have to know so many things. Safety, service. You can't run this business if you don't know every-

thing about it. Money cannot run the business. Your money cannot clean your place or make good food for the customers. Only experience can run a business."

And it really helps to have an outstanding bar menu. Rudy's beverage selections are a veritable showcase for Turkish concoctions that most folks won't get anywhere else. A quick browse of the choices features such standouts as the Turkish Peach Martini and The Turkish Mark. The



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former includes Turkish peach juice and peach schnapps and is regarded as Rudy's signature cocktail. The latter starts with Maker's Mark bourbon and includes Smyrna raki and house-made bitters.

Other drinks on the menu range from

Rudy's Ultimate Margarita to the Ottoman Cosmo to Madame Istanbul, along with a selection of Turkish beer. What is Rudy's favorite? Without hesitation, he replied, "After the meal, we make a cocktail called the Turkish Delight. It includes Godiva

chocolate liqueur, vanilla vodka, Kahlua, and fresh brewed Turkish coffee. You mix them up and put whipped cream on top with some chocolate syrup. It's very, very good!"

What is also very good is the way Rudy's Mediterranean Grill has rebounded since the COVID-19 crisis. Like so many other bars and restaurants, the business isn't back to where it used to be prior to March 2020. But it's getting there.

He said that before the pandemic, Rudy's served about 1,000 people a week. "Now we are between 700 and 800. The 200 we're missing is probably the lunch people, the office crowd. Instead of working from home, we need these people to physically go back to the office. Other than that, our dinner [service] is really good. Everybody

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Barry G., Prince George’s County

“Your knowledge and ability to put out fires can't be measured in dollars and cents. With all the things that came up, I'm not sure this sale would have happened without your expertise...”

Ron S., Frederick County

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Maben K., Anne Arundel County

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- Kenilworth Liquors
- Phelps’s Liquors
- Harbor Spirits
- Arundel Liquors
- Market Place W&S
- Chesapeake Liquors
- Leeds Liquors
- All Saints Liquors
- I.M. Wine
- Dual Hwy. Liquors
- Decker’s Wine & Spirits
- Hideaway Lounge
- Franks Den
- Shop Rite Liquors
- Harpers Choice Liquors
- John’s General Store
- Star Liquors
- Cranberry Liquors
- Woodensburg Market
- Ye Old Packaged Goods
- Old Orchard Liquors
- The Liquor Store
- Camelot Liquors
- Centreville Liquors
- Federal Hill Wine & Spirits
- Staples Corner Liquors
- Short Stop Beverage Barn
- Milford Liquors
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- Walther Liquors
- Bernie’s Liquors
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is having this same problem. But we're getting closer and closer to bringing all of the people back in."

And Rudy intends to do that by continuing to offer yummy cuisine, distinctive drinks, and stellar customer service. He concluded with advice he has taken that he offers to anyone reading this thinking of opening their own place and naming it after themselves: "You can't have a business that is beautiful on the outside, but has cancer on the inside in the form of bad food, bad attitudes. You need to run your business. You need to have experienced people. And don't burn money, and don't go with frozen. Be good at shopping for food. Go with fresh meats, vegetables, whatever you serve. The same goes for your liquor and wine. And smile!" ■



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2 oz. Contraluz Cristalino Mezcal
½ oz. Alma Finca Orange Liqueur
½ oz. Nixta Licor de Elote
1 oz. lime cordial
½ oz. Hagave Spiced Nectar

Method: Add all of the ingredients to a shaker. Shake with ice. Strain and serve in a rocks glass with chiltepin salt rim.



KOKOMO RUM GOLD RUSH

2 oz. Club Kokomo Barrel Finished Rum
¾ oz. lemon
½ oz. honey
2 dashes Angostura Bitters

Method: Combine all the ingredients into a cocktail shaker and shake with ice. Strain into an Old Fashioned glass over fresh, large ice cubes. Garnish with a lemon wheel



AZUL TONIC

1 ½ oz. Flecha Azul Blanco
½ oz. lemon juice
⅛ tsp blue spirulina
Tonic water to top

Method: Add the tequila, lemon juice, and blue spirulina to a cocktail shaker with ice and shake. Strain into an ice-filled cocktail glass and top with tonic water.



BAILEYS S'MORES-TINI

2 oz. Baileys S'mores Irish Cream Liqueur
½ oz. vodka
¾ oz. crème de cacao
1 oz. half and half
1 oz. chocolate syrup for inside the glass

Method: Add the chocolate syrup into the bottom of the martini glass, then roll the chocolate halfway around. Put the glass into the fridge or freezer. Combine all the other ingredients in a shaker filled with ice. Shake for about six to eight seconds and strain into the glass. Garnish with a s'more.



INSPIRED BY BORDEAUX

Enamored with the estate Merlot, **Baldacci Family Vineyards** winemaker Michael Baldacci set out to craft a Napa Valley cuvée showcasing the five traditional Bordeaux varieties. The result is the Proprietary Red Blend 2021, a well-structured berry- and baking spice-laden wine fusing 30 percent Merlot, 27 percent Cabernet Sauvignon, 20 percent Cabernet Franc, 15 percent Malbec, and eight percent Petit Verdot.

SRP: \$70 per 750-ml bottle

BETTER TOGETHER

More than 2,000 laborers, winegrowers, winemakers, and oenologists comprise Union Champagne, the winemaking cooperative based in Avize, France. New to the group's Chardonnay-focused **Champagne De Saint-Gall** label is the Orpale Grand Cru Millesime 2012, a blanc de blancs rife with toasted almond and buttery notes that can be savored as an apéritif or alongside seafood dishes. To amplify its mineral character, a portion of the blend intentionally skipped malolactic fermentation.

SRP: \$139 per 750-ml bottle



A MODERN SPAIN

La Rioja Alta winery **Bodegas Áster** has debuted **Áster El Espino 2020**, a punchy, contemporary wine from Ribera del Duero. The food-friendly, finessed wine, harvested from 87 hectares of Tinta del País, opens with aromas of blueberry, blackberry, and red plum and is housed in a bottle adorned with a fittingly sleek label designed by Stranger & Stranger.

SRP: \$40 per 750-ml bottle

WARM-WEATHER REPRIEVE

Joey Tensley is known for his rich Syrah wines from Santa Barbara, but he's released a light-bodied, chillable version just in time for summer. **Tensley Wines' Syrah Lite** is born from organically farmed grapes that are macerated for six days and matured for six months. It has just a 13% ABV, but stays true to Syrah's robust character, melding spice with dark, juicy fruit.

SRP: \$20 per 750-ml bottle



COOL-CLIMATE COMPLEXITY

Calistoga's **Frank Family Vineyards** produces some of the most sought-after Chardonnay wines in the Napa Valley. Consider the 2022 vintage of the Carneros Chardonnay, flaunting notes of vanilla and Meyer lemon. Primarily made with grapes from the winery's own Lewis Vineyard and rounded out with fruit from Beckstoffer Vineyards in Napa-Carneros and Sangiacomo Vineyards in Sonoma-Carneros, the wine undergoes partial malolactic fermentation and embraces bâtonnage during the aging process.

SRP: \$40 per 750-ml bottle



THE NEW ECONOMICS OF CRAFT BREWING

WITH CRAFT BEER SALES DECLINING IN A MATURE INDUSTRY,
WHAT ARE BREWERIES DOING TO STAY AFLOAT?

BY JOSHUA M. BERNSTEIN

Last year, a landlord for Denver's metal-loving TRVE Brewing delivered some expensive bad news. Rent was increasing at TRVE's production facility, nicknamed the Acid Temple, where the brewery began making IPAs, lagers, and mixed-culture beers in 2014.

Stomaching a rent hike was unappealing. Over the last decade, operating a labor-intensive brewing system in an aging industrial building had grown tougher, sending TRVE on a fruitless search for suitable space. "Nothing suited our needs," says Nick Nunns, the founder and CEO.

TOP LEFT TO RIGHT: Taproom at Kings County Brewers Collective; Array Bottle Shop.

At a beer event last fall, Nunns discussed the predicament with Brandon Capps, the founder of New Image Brewing, which opened a larger production facility in Wheat Ridge, Colorado, in 2022. New Image's excess capacity could help TRVE produce beer at scale, no need for additional infrastructure. "Every brewery doesn't need to have its own system," says Erin Nunns, TRVE's co-owner and COO.

This February, TRVE closed the Acid Temple and relocated production to New Image, a move meant to safeguard TRVE's business operations for the foreseeable future.

"Craft beer isn't growing like it once was, but it's growing up," says Capps.

After several decades of steady and sometimes stratospheric growth, the

"We've seen a shift back into a safety net. People want to know what they're going to get when they buy a beer."

- Matt Drummond, NIQ

craft beer industry has seen declining sales for the past few years, thanks to an overcrowded market, changing drinking behaviors, and competition from canned cocktails, spirits, and other new beverage categories.

“Double-digit growth papered over many business issues,” says Bart Watson, the chief economist for the Brewers Association. Last year, off-premise craft beer sales declined nearly 1 percent while volumes dropped 4.4 percent according to Circana, a Chicago-based market research firm. And the drumbeat of notable brewery closures sounds louder each week, with North Carolina’s New Anthem Beer Project and Necromancer Brewing in Pittsburgh, Pennsylvania, shuttering this winter.

To better navigate today’s choppy economic waters, breweries are reevaluating production and product mix to stay afloat and better serve a reduced, yet still thirsty consumer base. Creating targeted portfolios through SKU rationalization and recalibrating focus on core ranges, in addition to exploring hard tea and THC beverages, can rightsize operations for the craft brewing industry’s new economic reality.

BEER DRINKERS ARE BECOMING LESS PROMISCUOUS

Prior to the pandemic, craft breweries could package any hazy IPA and expect customers to purchase every four-pack. Novelty drove consumer demand.

“It was almost like a treasure hunt,” says Dan Scheie, a utility electrician and craft beer aficionado from Yonkers, New York. But an onslaught of weekly releases can cause customer fatigue. When the pandemic paused taproom visits, Scheie began buying the same trusted beers sold nearby.

“Funny enough, a world-class beer like Sip of Sunshine from Lawson’s [Finest Liquids] was readily available at the gas station down the hill from my house,” he says.

Reliability and availability are becoming important metrics, especially as customers grow more hesitant to spend \$20 on an unknown four-pack. “We’ve seen a shift back into a safety net,” says Matt Drummond, the client solutions manager for market research firm NIQ. “People want to know what they’re going to get when they buy a beer.”

At Array Bottle Shop, in Portland, Oregon, beer buyer and co-owner Stephen Braigen only offers eight taps (seven beer,

one cider) and a tightly curated selection of packaged beer and cider. “More drinkers seem to be going back to things that they enjoyed and want to have again.”

REINING IN RELEASES IS KEY FOR DISTRIBUTION

Cutting down on beer releases seemingly contradicts the creative, anything-goes ethos that fueled craft brewing’s 2000s boom. Dream it, brew it, sell a ton of it. But these days, just because a brewery can brew something doesn’t mean it should.

“The marketplace has pretty unanimously decided that it doesn’t need more variety,” says Zack Kinney, a founder of Kings County Brewers Collective (KCBC) in Brooklyn. KCBC cut around 20 percent of its SKUs last year and will eliminate a similar amount this year. “Not all ideas and experimentation are worthy of a long life,” Kinney says.

KCBC produces experimental beers for its taproom audience while prioritizing five core beers for distribution, including Infinite Machine pilsner and Superhero Sidekicks IPA. Bulk purchasing boosts the bottom line. “Economies of scale are much more available to us when we’re committing to core reci-

BELOW, FROM LEFT TO RIGHT: TRVE Brewing Company’s owners, Nick Nunns, Erin Nunns, and Zach Coleman; TRVE’s Glastonbury Grove lager.





ABOVE: Zack Kinney, the cofounder of Kings County Brewers Collective.

“The marketplace has pretty unanimously decided that it doesn’t need more variety. Not all ideas and experimentation are worthy of a long life.”

– Zack Kinney,
Kings County Brewers Collective

available SKUs that can be sold at chain accounts like grocery stores.

“We’re preaching back to basics,” says co-owner and vice president John Squadrito. Part of this is a reaction to slowing sales of one-off and collaboration beers. “People want those core SKUs to rely on, whether it’s on tap or on store shelves.”

Vacationland also works closely with breweries on retail pricing, starting first with a brand’s ideal market price and working backward to figure out margins. “I’d rather price the beer right to the consumer and have traction and longevity with a brand,” Squadrito says.

pes,” Kinney says, adding that KCBC is ready to package beers in different formats, such as 12-packs, should retailers request it.

Distributors are helping steer this less-is-more approach. During its annual business-planning meetings, Vacationland Distributors, which covers New Hampshire and Maine, counsels breweries on focusing on three to five stable, always

It’s also imperative for distributors to streamline and simplify decisions for beer buyers overwhelmed by all that choice. Sarene Craft Beer Distributors operates in five states, from Ohio to New York, and distributes more than 100 brands, including lager experts Schilling Beer. Instead of trying to sell dozens of beers from a brewery, Sarene highlights a handful of core beers that might be complemented by one or two rotating releases each month.

“You’re keeping people who want to have that shiny new toy happy while still being able to grow your brand through these main money movers,” says Kevin King, the brand development manager.

FOCUSED BREWERIES CAN STILL GROW

Ten years ago in craft beer, breweries could fling any sales dart at a dartboard—beer style, business model, branding—and “hit a bull’s-eye,” Watson says. “Now you’ve really got to aim.”

Breweries and brands with clear, consistent messages and a focus on quality

BELOW: New Belgium Brewing’s Voodoo Ranger family of IPAs, like the Juice Force and Tropic Force, is the craft beer industry’s biggest growth driver.



products are outperforming the industry at large. Fiddlehead Brewing in Shelburne, Vermont, grew 22 percent last year on the backs of its flagship IPA and other hop-forward beers that are delivered, stored, and sold cold. “It’s an important element to our success story,” president and owner Matt Cohen said in a press release.

The craft beer industry’s biggest growth driver is New Belgium Brewing’s Voodoo Ranger family of IPAs. Last year, they accounted for six of Circana’s top 30 craft beer brands, led by Voodoo Ranger Imperial IPA (No. 2) and fruity Voodoo Ranger Juice Force (No. 3).

In particular, the expanding Force line, including the punch-like Fruit Force and Tropic Force, is finding fans that “love high ABV paired with bold flavor,” says Michelle Robertson, New Belgium Brewing’s senior brand manager for Voodoo Ranger. “We’re not just trying to speak to the craft beer drinker.”

While New Belgium is finding traction in convenience stores with single-serving 19.2-ounce cans, there’s only so much shelf space for another IPA. “We have to keep a close eye on not over-innovating,” Robertson says. Last year, New Belgium released the Voodoo Ranger Hardcharged Tea, seek-

“Beer is such a community-driven and celebratory beverage it’s easy to forget that, when you strip it down, it is a business.”

– Nick Nunns,
TRVE Brewing Company

ing white space in its portfolio instead of crowding another beer SKU into a cooler.

Embracing a different buzz can help a brewery branch out. As laws evolve, breweries are finding greener pastures with mood-altering THC drinks. In February, Hopewell Brewing in Chicago released the sparkling Choom, a lemon-lime beverage infused with hemp-derived THC—legal, thanks to the federal government’s 2018 Farm Bill.

“Choom is currently our top seller in the taproom to go,” says cofounder Samantha Lee, adding that four-packs cost between \$15 and \$20 depending on potency. “It’s not eating into beer sales. The hope is that it’s another area of growth.”

There are no easy fixes, or magical hop blends, that will revert craft beer to its mid-aughts sales peaks. Making quality beer used to be a differentiator; now it’s table stakes. Surviving and thriving in today’s busy market requires breweries to excel at brewing and Excel spreadsheets, planning futures beyond another batch of beer.

By partnering with New Image, TRVE can adjust batch sizes to meet still-increasing wholesale demand for its beer, helping it focus on expansions. In March, TRVE opened a new location in Asheville, North Carolina, where it will brew for the local market, and plans to open a second Denver taproom this year. The goal is to build a sustainable business model, anchored in taproom experiences, that will sustain the brewery’s ownership until retirement.

As Nick Nunns says, “Beer is such a community-driven and celebratory beverage it’s easy to forget that, when you strip it down, it is a business.” ■

BELOW, LEFT TO RIGHT: Hopewell Brewing Company’s THC-infused sparkling beverage Choom; Samantha Lee, the cofounder of Hopewell Brewing Company.



A FRESH LOOK FOR J. LOHR'S EMBLEMATIC CHARDONNAY

J. LOHR'S RIVERSTONE HAS DEFINED MONTEREY CHARDONNAY FOR OVER 35 YEARS. NOW, IT'S DELIVERING THE SAME STRIKING FLAVOR COMBINATION BENEATH AN EYE-CATCHING NEW LABEL AND EASY-OPEN CLOSURE

Since planting their first Chardonnay vines in Monterey in 1972, J. Lohr has embraced a simple, quality-focused motto: From soil to shelf. Their commitment to owning and managing vineyards, hand-crafting their wines, and controlling their own bottling and warehousing has made the brand a benchmark in the United States, especially when it comes to Chardonnay. This year, their emblematic Riverstone Chardonnay is breaking new ground with a vibrant label update and easy-to-enjoy screw cap closures.

The new label combines J. Lohr's classic motif with a spray of flowers, hinting at the flavors within the bottle and recalling the winery's cool-climate Monterey



origins. The floral label stands out on crowded retail shelves, while drawing a connection to nature and J. Lohr's status as a Certified California Sustainable winery. Simultaneously, the brand's switch from corks to enjoy-anywhere screw caps appeals to contemporary drinkers eager to take wine on-the-go while also making Riverstone Chardonnay easier for service professionals to pour.

While the new label and closure represent a departure from J. Lohr's traditional packaging, the wine inside remains the same testament to Monterey that's captivated wine lovers for over 35 years. The 2022 Riverstone is a prime iteration of J. Lohr's estate vineyards. It showcases rich apple, pear, and tropical flavors, supported by a refreshing vein of acidity that compliments a lightly buttery finish tinged with French oak spice.

The wine attains its balance of ripe fruit and fresh acidity from J. Lohr's El-



der loam soils and range of Chardonnay clones. Combining sandy loam with cobblestones, these soils naturally limit grape yields, resulting in well-balanced, nuanced Chardonnay grapes. In addition to making the most of Monterey's penchant for retaining the acidity and intense varietal character of Chardonnay, the J. Lohr team cultivates 10 Chardonnay clones, including Hyde-Wente and Mt Eden, which are blended to yield Riverstone's symphony of flavors and aromas.

In the cellar, white winemaker Kristen Barnhisel focuses on fusing the grapes' natural flavors with texture and added aromatics from French oak. Both barrel-fermented and barrel-aged, Riverstone undergoes weekly hand-stirring of the lees to build flavor and texture into the wine.

By controlling quality at every step of the grape-growing and winemaking process, plus carefully detailing their results each vintage, J. Lohr brings a depth of knowledge to Riverstone that results in consistently refreshing, expressive Chardonnay. It's a combination that's proven to be captivating on restaurant menus and store shelves since its 1987 debut vintage—and shows no signs of slowing down. ■

This content was produced in collaboration with our partner, J. Lohr Vineyards & Wines.



Jerry Lohr, Kristen Barnhisel, and Steve Peck

Fifty Years of Family Winegrowing

*Celebrating Two Generations of Passion and Quality
in Monterey, Paso Robles, and Napa Valley*



Lawrence, Jerry, Steve, and Cynthia Lohr



J. LOHR
VINEYARDS & WINES

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BRINGING NATURE TO THE FOREFRONT OF WINE

WITH ITS NEW NATURE-FORWARD LOOK—AND A NEW PARTNERSHIP WITH 1% FOR THE PLANET—NATURA'S LINEUP OF ORGANIC, SINGLE-VARIETAL WINES IS DELIVERING ON QUALITY, SUSTAINABILITY, AND TRANSPARENCY

Chile boasts a vast range of premium terroirs ideal for an equally diverse set of grape varieties. From the snow-capped Andes to the dramatic Pacific coastline, Natura Wines takes advantage of the country's diversity of terroirs to craft dynamic, value-driven wines that are simultaneously good for people and the planet.

As its name suggests, Natura highlights wine's inherent connection to nature. This year, Natura, which is part of the Banfi Wines portfolio, unveiled new labels that heighten this connection. Featuring a larger, vivid blue-green leaf icon, the new labels signify each wine's central connection to the local flora and fauna, and Natura's commitment to organic wine production. Certified organic by Eco-cert and guaranteed gluten-free and vegan-friendly, Natura wines deliver on quality, sustainability, and transparency above all.

This year also marks the beginning of Natura's new partnership with 1% for the Planet, a network that helps companies give back to the environment. As a member, Banfi will commit one percent of total Natura revenue to environmental organi-

zations. Through this partnership, Natura pledges support to the Rodale Institute, a global leader in regenerative agriculture research, education, and training. The goal of this partnership is to help increase regenerative organic acreage throughout the U.S., which in turn helps to improve soil health, and the environment as a whole.



NATURA
MADE WITH
ORGANIC GRAPES



**1%
FOR THE
PLANET**
— MEMBER —

Produced by Emiliana Organic Vineyards, a certified B Corp and the first Chilean winery to receive its regenerative organic certification, Natura wines truly echo their earth-first ethos. Grown across Chile's foremost appellations, including Casablanca, Colchagua, and

the Rapel and Bio Bio Valleys, all of Natura's organically grown grapes are hand-harvested to ensure only pristine fruit enters the winery. After harvest, the focus shifts to maintaining the unadulterated flavors and aromas of each grape variety.

Natura's Cabernet Sauvignon, for example, undergoes fermentation in stainless steel tanks to maintain the grape's bold fruit flavors. After aging in a mix of French Oak barrels and inert vessels, the silken red wine shows juicy red and black berry flavors with accents

of vanilla and baking cocoa. The brand's Sauvignon Blanc is similarly expressive, capitalizing on Chile's natural penchant for this complex white grape. Grown on clay and alluvial soils, it blends herbal and citrus tones in a crisp, lively version of Sauvignon Blanc with a distinctive Chilean edge.

By combining exceptional Chilean terroirs with precise techniques in the winery, Natura captures the essence of its wines' origins while offering a price-to-quality ratio that's both rare and refreshing. Now, as a 1% for the Planet partner, Natura is doing all this while also giving back to its most important resource—the planet. ■

This content was produced in collaboration with our partner, Natura Wines.



EVERY BOTTLE PURCHASED — MAKES AN — IMPACT

INCREASING
REGENERATIVE ORGANIC ACREAGE
THROUGHOUT THE UNITED STATES



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DISCUS
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2024

Women
OF THE
VINE & SPIRITS®

Global CONNECT!



TWO INDUSTRY CONFERENCES UNDER ONE ROOF

DISCUS ANNUAL CONFERENCE JOINED FORCES WITH WOMEN OF THE VINE & SPIRITS GLOBAL CONNECT! FOR A SOLD-OUT THREE-DAY EVENT—AND *BEVERAGE MEDIA* HAS THE KEY HIGHLIGHTS

In early March, the Distilled Spirits Council of the United States (DISCUS) held its fifth annual conference bringing together industry leaders and partners to connect, share ideas, and drive innovation in the marketplace—but it was the first conference in partnership with Women of the Vine & Spirits (WOTVS), who hosted their previously virtual Global Connect! as an in-person event under the same roof.

Held at the Hilton San Diego Bayfront in San Diego, California, over 700 participants came together for three days of sessions, breakouts, workshops, and panels, with the goal of exchanging ideas, fostering collaboration, and building a sense of community. They explored the trade show floor, featuring 38 exhibitors from 13 sectors of the beverage industry; networked at the Trends Bar with its menu of on-trend cocktails; and sampled dozens of North American brands at the Tasting Pavilion.

Some of the highlights included: a keynote from Santos Spirits' Guy Fieri and Dan Butkus on supporting the spirit of hospitality; and a WOTVS powerhouse panel on why courageous leadership matters, including: J Lohr's Cynthia Lohr; Pronghorn cofounder Dia Simms; Melanie Batchlor, the managing director of Campari; Tracy Aldworth, the chief transformational officer at RNDC; and Edrington president and CEO Paul Ross.

It was also a time to celebrate achievements and new launches. DISCUS's Spirits United unveiled their new advocacy campaign, The Cocktail Party, a fictional nonpartisan political party to unify consumers around key issues facing the distilled spirits industry in the run-up to the presidential election. And WOTVS launched its new campaign, 86 Harassment, an industry-wide initiative to address sexual harassment, with sup-



LEFT: The Courageous Leadership Session with moderator Cynthia Lohr, Tracy Aldworth, Dia Simms, Melanie Batchlor, and Paul Ross.

OPPOSITE PAGE (TOP): Provi's chief corporate affairs officer, Andrew Levy (center), discussing the state of the industry alongside: Hasan Bakir, DISCUS; Janelle Christian, TTB; Marten Lodewijks, IWSR; Cheryl Murphy Durzy, LibDib; Juan Sánchez, Clase Azul; and Christine LoCascio, DISCUS.
BELOW: Responsibility.org booth.

port from partners including DISCUS and the Wine and Spirits Wholesalers of America (WSWA).

Held aboard the USS Midway, this year's awards dinner honored five extraordinary leaders: Arielle Pierre, the associate manager of inclusion, diversity, and equity at Moët Hennessy USA; Brooke Glover, the CEO and cofounder of Swilled Dog; Hillary Wirtz, the senior director of culture and inclusion at Breakthru Beverage; California State Senator Bill Dodd; and Jim Bareuther, the former COO at Brown-Forman. The evening rightly ended with spectacular fireworks.

During the event, David Wojnar, the SVP of industry affairs and social responsibility for Provi, *Beverage Media's* publisher, sat down with Chris Swonger, the president and CEO of both the DISCUS and Responsibility.org, and we bring you the highlights of their conversation.



Chris Swonger, the president and CEO of DISCUS and Responsibility.org.

DAVID WOJNAR (DW): Tell me about some of your achievements at DISCUS since you took a leadership role in 2018.

CHRIS SWONGER (CS): Since I arrived, we launched Spirits United, our grassroots platform, where we've got 73,000 people signed up and engaged; the DISCUS Academy; and we've expanded our membership. We have 65 partner members now, all invested in the betterment of the industry. All of that is to galvanize the industry to be united. There's power in numbers. If we can broaden our voice through platforms like Spirits United, it makes sure that our voices are heard by policy makers.

DW: How was your role at DISCUS impacted by the pandemic?

CS: When the pandemic hit, we initiated letters to all 50 governors about making sure that distilled spirits and beverage alcohol outlets were deemed essential. That had a critical role in supporting our consumers during a crazy time, but [also] supporting businesses all around the country. I'm proud to say that DISCUS was in the thick of [the hand sanitizer movement], working with the FDA and supporting many distilleries, when you couldn't find hand sanitizer anywhere.

Cocktails-to-go really complimented our modernization efforts. We recognized the impact for the on-premise, our bartender community, and the restaurants. Beverage alcohol plays a prominent role in their daily revenue, so cocktails-to-go was able to drive that. The distilled spirits sector performed really well during that era, and I'm proud to say DISCUS played a phenomenal role in that.

DW: Why is the dietary guidelines an important issue for DISCUS and its members?

CS: Every five years, the U.S. government publishes the U.S. Dietary Guidelines, and

beverage alcohol has been included for the last 40 years. We're seeing evidence from some in the anti-alcohol community that they may be trying to politicize the dietary guidelines. DISCUS and the beverage alcohol industry is committed to sound science and the dietary guidelines should be governed and guided by a preponderance of evidence. This is really important on behalf of our member companies. We just want to make sure that important issues related to alcohol are guided by science and not by a particular agenda from one interest group versus another—and that includes the beverage alcohol industry.

DW: It's really important to eradicate sexual harassment in the industry and to support DEI efforts. Why did you feel WOTVS was a good partner for DISCUS?

CS: DISCUS has long been a great advocacy organization, but I did think it was an opportunity. Advocacy is a team sport, and the more people that can get engaged, that can enable our advocacy efforts [the better]. Leaning into issues like social responsibility and the environment [and] partnering with an organization like WOTVS on eradicating sexual harassment is about industry sustainability. It's about [creating] an industry where everybody should feel safe and comfortable ... and our efforts with WOTVS and WSWA are key components of that.

DW: What do you want to say about your staff, your team, and your membership?

CS: Every day, those on the DISCUS team and the Responsibility.org team get up on behalf of our members and push for the betterment of the industry. We're lucky to have a great group of member companies that support our efforts. And it's a privilege and an honor for me to be in the role I'm in. ■

This interview has been edited and condensed.

INSIDE CATENA'S CAMPAIGN FOR LIGHTER-WEIGHT WINE BOTTLES



HEAVIER BOTTLES HAVE LONG BEEN ASSOCIATED WITH FINE WINE, BUT REDUCING BOTTLE WEIGHT IS AN EFFECTIVE WAY TO LOWER A WINERY'S CARBON FOOTPRINT—AND THE ICONIC ARGENTINE PRODUCER IS DETERMINED TO SPREAD THE WORD

For years, consumers and professionals alike associated heavier bottles with better wine. That perception led to the wine world's equivalent of an arms race to package high-end wine in the thickest, most substantial glass bottles possible. As a result, the weight of the empty bottles used for super premium wines climbed as high as 1200 grams in some cases.

This, it turns out, has been terrible for the environment: Simply put, producing heavier bottles requires more energy and resources, and shipping them around the world requires more fuel. “Up to 60 percent of a wine bottle’s carbon footprint is related to the weight of the glass bottle and its transport,” says Dr. Laura Catena of Bodega Catena Zapata in Mendoza, Argentina.

The winery has long demonstrated environmental leadership in the industry with its Catena Institute of Wine regularly publishing its research into new sustainable initiatives in scientific journals—and its latest target is bottle weight. As Catena says, “Lowering bottle weight is the single most effective action one can take to reduce a wine bottle’s carbon emissions.”

BOTTLE WEIGHT IS AN INDUSTRY-WIDE ISSUE

The glass bottle is widely accepted as the gold-standard package for fine wine. And while a number of producers are experimenting with alternative options—bag-in-box, Tetra Pak, and more—glass is unlikely to be de-throned as the vessel of choice across the industry. To keep in step with increasing efforts to offset carbon emissions, wine producers around the world have been forced to take a hard look at the impact of every aspect of grape growing, wine production, and shipping—including its packaging.

The greatest emitter of carbon in packaging comes from outsourced glass production, according to International Wineries for Climate Action. The heavier the bottle and the less recycled glass is used in the bottle’s production, the higher its environmental impact.

In addition, transportation—from production facilities to the winery, as well

as from the winery to its customers—comes with a major environmental cost. But glass, as a material, has the potential to be a sustainable packaging option if produced properly.

CREATING HIGH-ALTITUDE WINES WITH LOWER CARBON EMISSIONS

Laura Catena has never done anything partway. She’s a practicing physician, managing director of Bodega Catena Zapata, highly regarded author and speaker, and a leader in the wine industry, working to confront its role in climate change, by educating industry professionals and consumers about its environmental impact, and finding ways to improve it. The Catena Institute, for example, developed an in-house sustainability code for the winery which later became the foundation of the Bodegas de Argentina Sustainability Self Assessment Protocol adopted nationwide.

This year, Catena is spearheading the release of the 2022 Catena Appellation ‘Vista Flores’ Malbec in a bottle that is 45 percent lighter than previously—coming in at just 380 grams—as well as an educational campaign aimed at both staff and



CATENA

BY THE NUMBERS

➔ **40%** OVERALL GLASS WEIGHT
REDUCTION 2008-2023

➔ **21%** REDUCED CARBON
EMISSIONS

➔ **1200** YEARLY REDUCTION IN
METRIC TONS OF GLASS
2023-2024

TAKE THE QUIZ

@CatenaWines



consumers about the importance of lighter packaging. Given the success of the Vista Flores in by-the-glass programs across the U.S., this represents serious volume.

Catena is fully aware of the challenges that lie ahead in shifting the consumer association between weight and fine wine. “Wine lives within a bigger context of luxury products, such as perfumes, Champagne, and spirits that come in heavy bottles with lots of packaging,” she says. “To me, our campaign is about spreading the message that what matters is the juice inside the bottle and not the packaging. If enough people are talking about the benefits of reducing bottle weight, then consumers will start preferring lighter bottles. Producers always follow what the consumer wants, so the key person we need to convince is the wine lover.”

There is a relatively recent historical precedent for success when it comes to reducing heavy packaging. “Remember when suitcases were heavy?” Catena says. “Just like today most suitcases are light, I think in ten years, glass bottles for most alcohol products will be light.”

A YEARS-LONG EFFORT TO REDUCE BOTTLE WEIGHT

The rollout of the Catena ‘Vista Flores’ Malbec in its new bottle has been a long time coming. Lowering the weight of a



Dr. Laura Catena of Bodega Catena Zapata

wine bottle isn’t just a matter of producing bottles with thinner glass walls. A bottle still has to safely protect the wine inside, remain intact despite the rigors of being shipped, and, in the case of sparkling wine, withstand the high pressure of the liquid and carbon dioxide inside. It also has to look and feel good.

“Our main partner has been Verallia, a French glass manufacturer that has bottle-making facilities all over the world, including in Argentina,” says Catena. “Verallia’s research and development department has been able to create very attractive-looking, low-weight bottles. Every year, they develop the design technology to reduce bottle weight further.”

Bodega Catena Zapata started working with Verallia to reduce glass weight in 2009, as part of their sustainability goals, and today their bottles are overall 40 percent lighter than they were then. That reduction in weight since has lowered pre-boat transport carbon dioxide emissions by 21 percent and reduced the amount of glass they require by 1,200 metric tons.

The rollout is accompanied by an interactive education campaign. For example, there’s a training quiz available through a QR code on the bottle of Vista Flores for restaurant staff or consumers, the results of which will allow the winery

to gauge the success of its efforts, and then potentially modify them.

Next up, the winery intends to transition the Catena High Mountain Estate wines, its bestselling luxury offering, to a new 33 percent lighter bottle, which will be elegantly taller and thinner than the original. It will also be accompanied by a sales, trade, and consumer educational campaign to importers spanning the Americas, Europe, and Australasia.

This is just one part of Bodega Catena Zapata’s mission to have a positive impact on the environment. They are also investing in drip irrigation for all their vineyards, to offset water shortages in the Uco Valley, and the Catena Institute is studying how to capture carbon on vineyards by planting trees and preserving native forests. But reducing glass bottle weight is an actionable step with immediate positive results. As Catena says, “There are simple things we can do to support the planet, and one of these simple things is choosing lighter wine bottles and less packaging for our products. What matters is the wine inside the bottle. Great wine and lighter grocery bags—it’s a win-win proposition!” ■

This content was produced in collaboration with our partner, Bodega Catena Zapata.

WHERE DOES HARD SELTZER STAND TODAY?

DESPITE DECLINING SALES, RETAILERS SHOULDN'T COUNT HARD SELTZER OUT JUST YET. HERE'S WHAT TO EXPECT IN THE NEXT FEW YEARS FROM THIS STILL-POPULAR CATEGORY

BY PAMELA VACHON



The word “launch” rarely applied so well to a beverage category’s introduction as it did with hard seltzer, which went stratospheric in a matter of a few years. From its mainstream emergence in 2016, a 2020 report from NIQ cited hard seltzer as “the most resilient alcohol segment in the U.S.,” becoming a multibillion-dollar industry with over 300 brands having entered the category.

But in 2021, hard seltzer hit its peak, with slowing sales prompting some brands to destroy excess inventory and major media outlets to label the category as a fad headed towards extinction. However, brands and analysts alike believe it is premature to toll hard seltzer’s death knell.

“The ‘shakeout’ process of underperforming brands being discontinued is nearing the end,” says Adam Rogers, the research director of North America for IWSR Drinks Market Analysis, “with an eventual leveling off being the next stage

of the segment’s trend lifecycle.” Lessons learned from hard seltzer’s decline, as well as necessary pivots that place the category more in line with consumers’ changing values, are key to the stabilization of sales forecasted for hard seltzer in the coming years.

UNDERSTANDING HARD SELTZER’S DECLINE

Putting hard seltzer’s decline in context is key to understanding where it stands now, and where it is going. Quite simply, in helping to usher in the ready-to-drink

(RTD) movement at large, hard seltzer became an agent of its own undoing.

Spirit-based RTD cocktails such as vodka or tequila sodas, which Rogers identifies as a move toward “premiumization” for hard seltzer drinkers, may taste similar to malt-based hard seltzers, but they are classified by market analysts as a distinct category, given that the production process between them is markedly different. This effectively moves some of those drinkers away from the hard seltzer segment, numbers-wise, but nonetheless into adjacent—competitive—options,



Adam Rogers, IWSR Drinks Market Analysis

sometimes crafted by hard seltzer brands themselves.

Fuller-flavored and higher-ABV RTD cocktails, as well as hard teas, have also claimed a piece of hard seltzer's pie. According to a 2023 report by NIQ, while RTDs overall experienced sales growth of 7.2 percent from the previous year, "spirits RTDs and flavored malt beverages [are] gaining share at hard seltzer's expense."

The same report also shows, however, that hard seltzer still accounts for 35 percent of the RTD mix for consumers. There is belief that hard seltzer will continue to be a mainstay, having reached category maturity, and a 2022 report from IWSR Drinks Market Analysis projects that "a saturated malt-based hard seltzer segment will retain the largest share of the overall RTD category over the next five years."

Hard seltzer is still in the mix because not all hard seltzer consumers made the sidestep to spirit-based selections. "Some consumers still prefer specific malt-based options, even if the brand has brought a spirit-based option to market," says Rogers, which he cites as being the result of their smaller price tags compared to their more premium, vodka or tequila-based counterparts.

DRIVING VALUE THROUGH HIGHER ABVS AND LARGER FORMATS

In short: hard seltzer is here to stay, but has already begun its evolution to stay competitive. A 2023 IWSR Drinks Market Analysis report notes that "the emphasis of the U.S. RTD market is shifting from volume to value, as consumers gravitate to more premium products with fuller flavors and higher ABVs."

A report from Cognitive Market Research forecasts larger growth in the coming years for hard seltzers above 5% ABV over those with less than 5%—an interesting evolution for the beverage, given its initial association with a "better for you"



Matt Withington, Truly

framework. Category leaders White Claw and Truly both offer an 8% ABV option (Surge and Truly Unruly, respectively) to meet this growing interest.

"We found that drinkers wanted that bigger punch and are looking to make the most out of their dollar," says Matt Withington, the senior marketing director for Truly. Rogers confirms that this has financial signals, especially for those that have stayed with the less expensive hard seltzer category: "Consumers selecting higher-ABV malt-based options—which are still less expensive than spirit-based products with lower ABV—indicating that they are seeking out value-added type products."



In addition to higher-ABV selections, larger-format, single-serve tallboys also offer hard seltzer devotees a higher value option. Withington notes that sales of Truly's single-serve, 24-ounce cans are up 20 percent over the last year. This also speaks to an important point about where hard seltzers are today, in a post-pandemic landscape, versus where they started, when consumers were mostly drinking at home. NIQ's 2023 report states: "The convenience channel is where single units are seeing an uptick as people go back to making quick trips, travel more, and spend less time in big-box stores."

According to Taylor Proctor, the general manager of Atlanta's Hop City in the Krog District, these aspects are playing

BELOW: Lunar Hard Seltzer has won over consumers with Asian-inspired flavors like Yuzu and Korean Plum.





out in retail. “The consistent theme between the hard seltzer category and the new cocktail-flavored, seltzer-adjacent category is pack size, and alcohol content,” she says. “In general, people are gravitating towards 19.2-ounce or 24-ounce seltzer, and/or higher gravity. Some people will trade bigger cans for standard 5% alcohol, but our biggest demand is for higher-ABV options, and the bigger the can, the better.”

EMERGING BRANDS AND FLAVOR TRENDS IN THE HARD SELTZER LANDSCAPE

While AB InBev discontinued the once-popular Bon & Viv hard seltzer in 2023, retailers report that much of the category shakeout seems to be among craft breweries who got into the hard seltzer game to begin with to account for declin-

“Our biggest demand is for higher-ABV options, and the bigger the can, the better.”

– Taylor Proctor, Hop City



ing beer sales. “We try to support smaller, more niche brands, and we used to carry many local options for hard seltzer, such as Monday Night Brewing, Scofflaw, New Realm,” says Proctor. “At present, all local seltzer has been pulled from market distribution, and most breweries locally might have one seltzer option on draft for on-premise consumption. It has been increasingly difficult to find seltzer placements in the last year.”

Focused, independent brands are still emerging, and many of the most successful ones place an emphasis on smaller markets or niche flavors. Brands such as Lunar and Nectar have put forth Asian flavors with rapid growth, which has been compounded by “robust growth” in the Asia-Pacific market for hard seltzer, according to a 2023 report by iMarc Group.

Since launching at the end of 2020, Lunar cofounder Sean Ro reports that brand sales, with flavors such as Yuzu, Lychee, and Plum, “have doubled year over year. Nectar Hard Seltzer, also founded in 2020, “is growing exponentially, and we are one of the top performing FMBs [inclusive of hard seltzers and other flavored malt beverages] in all the territories that we sell in,” says cofounder Jeremy Kim. “This year, our sales will nearly double without expanding into a bunch of new markets.” In the next quarter, Kim reports that Nectar will be available at major grocery chains and retailers, “meaning that previously, we were hitting those numbers in smaller grocery stores.”



Danica Dias, Grown Folks

New brands are also still coming into the market with similar goals. Grown Folks was launched in 2024 as the first Black-owned hard seltzer. “It was clear that our perspective, tastes, and preferences were not reflected in the current offerings, and there was an opportunity within a large part of the population that were searching for products that speak to them,” says Danica Dias, Grown Folks’ founder, whose flavors include Ambrosia, Key Lime, and Peach Cobbler. The initial rollout of Grown Folks in local Whole Foods Markets “exceeded expectations,” says Dias, with a rapid expansion to over 80 retail locations in California.

The next several years will show how hard seltzer stacks up against what are still optimistic projections for the category, despite the doomsday headlines that its initial decline prompted. Meanwhile, consistent with its early reputation for resiliency, the category continues to have a place on the shelf. ■



Sean Ro, Lunar Hard Seltzer