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THE BEVERAGE JOURNAL

AUGUST 2017

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IN CALIFORNIA
WINE AND HOW TO
SELL MORE



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ONE YEAR POST-MERGER

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The largest compilation of beverage alcohol price and brand information.

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MARKETPOINT

Ahhh, August. Time to wring the most out of the last month of summer, while also keeping an eye on the impending Q4 selling season. What's hot now and what's to come?

- For wine-producing giant **California**, selling points have evolved. Get reacquainted with this region, producing more than two-thirds of U.S. wine sold annually.
- Mergers are a big **deal**: Southern Glazer's combined operations make an industry impact. We feature a closer look.
- Monterey County's iconic **brand J. Lohr** gets a close-up, with a new look to market.
- A look across the pond. **Spanish** wine recognition has spread well beyond Rioja. Ribera, Rueda, Cava, Priorat and Rias-Baixas are growing into their own.



- It's a great time of year to review the versatility and vibrancy of **fruit liqueurs**, particularly Limoncello. Plus herbal, floral and bitter delights too.
- On-Premise Advice offers a season-switching preview for your **venue**. Get ready for the fall transition.
- Notice anything new? We launched a fresh-faced, responsive version of **thebeveragejournal.com**. It offers quicker, easier access to Search & Order tools and your local news to share. Check it out.
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ON THE COVER

Napa Valley Vintners.

DIAGEO BEER COMPANY USA APPOINTS BREWMASTER FOR U.S. GUINNESS FACILITY

Diageo Beer Company appointed Peter Wiens to serve as Brewmaster at the Guinness brewery in Relay, Maryland. Wiens will lead the brewing team and brewing operations



at the Guinness Open Gate Brewery & Barrel House, which represents a \$50 million investment to bring a Guinness brewery back to the U.S., after a six-decade absence. Wiens will lead a team across two brewing systems, including a 100-hectoliter system, to brew Guinness Blonde for national supply and other new brews as they develop, as well as a 10-hectoliter system to brew small-batch beer for on-site sales in the tap room. The Guinness Open Gate Brewery & Barrel House is expected to open in Maryland in spring of 2018.

HEINEKEN, MOLSON COORS SIGN IMPORT AGREEMENT FOR SOL BEER

Heineken and Molson Coors Brewing Company signed a 10-year import agreement in which Molson



Coors will import, market and distribute the Sol brand in the United States through its U.S. division, MillerCoors. For MillerCoors, the agreement balances its portfolio with offering an authentic Mexican beer; and for Heineken USA, it allows for greater focus and additional investments within its current Mexican portfolio, led by Tecate and Dos Equis. Sol will continue to be brewed in Mexico. After the 10-year term, Heineken will have the opportunity to reacquire the import rights and responsibilities for Sol.

DIAGEO RESERVE APPOINTS FIRST GLOBAL "COCKTAILIAN"

Diageo Reserve, the luxury portfolio of Diageo, has appointed award-winning Canadian mixologist, educator and industry advocate Lauren Mote as its first Global Cocktailian. In this new role, Mote will "forge more meaningful relationships between the



Reserve business and the wider luxury industry," serving as brand advocate in support of commercial development and working with industry influencers. The Reserve portfolio includes Johnnie Walker Blue Label, Cîroc, Don Julio, Bulleit, Tanqueray No. Ten, Ketel One and Zacapa, along with a collection of fine single malts.

ASTRAL TEQUILA PARTNERS WITH "MOST INTERESTING" ACTOR GOLDSMITH

Astral Tequila has entered into a partnership with Jonathan Goldsmith, otherwise known as "The Most Interesting Man in the World" for Dos Equis. In a video message directed by David Lipman, Goldsmith said,



"I told you I don't always drink beer. I prefer tequila ... Astral Tequila." The tequila brand was founded by Master Sommelier Richard Betts and is "reminiscent of the way tequila was made 150 years ago with elegant, complex flavors with a subtle and smooth balance." Astral Tequila is part of the Davos Brands portfolio and was awarded a Double Gold Medal at the San Francisco World Spirits Competition.

USBG, DIAGEO WORLD CLASS NAMES 2017 U.S. BARTENDER OF THE YEAR

In its sixth year, the United States Bartenders' Guild (USBG) World Class sponsored by Diageo named Chris Cardone as the 2017 U.S. Bartender of the Year. Cardone will represent the U.S. at the global competition in Mexico City in August. After a series of regional competitions, Cardone was one of 15 finalists who advanced to the national competition in San Diego in June where he took the first place title.



375 PARK AVENUE SPIRITS NAMES COHEN TO NATIONAL SALES ROLE

375 Park Avenue Spirits named Evan Cohen to the position of National Sales Manager. Cohen is responsible for managing business operations across the U.S., including overseeing the field sales team and all commercial activities in market, while ensuring consumer focus



across on- and off-premise segments. Cohen joins the company with experience in beverage sales and marketing, having spent the last 17 years working for MillerCoors in various senior roles. 375 Park Avenue brands include Van Gogh Vodka and Gin; Tap Whisky; Saint-Vivant Armagnac; Antica Sambuca; Limoncello Rossi D'Asiago; Dolce Nero Espresso Liqueur; and Saint James Rhum among others.

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Our Straight Bourbon is distilled from Connecticut grains and traditionally aged in #4 charred barrels. It presents a beautiful amber color and releases wonderful vanilla and butterscotch notes, which have earned it bronze and silver medals at the prestigious San Francisco World Spirits Competition.

NEW

- BATCHERS! -

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DEWAN NAMED WINEBOW GROUP'S EXECUTIVE VP WHOLESALE EAST

The Winebow Group promoted Arjun Dewan to Executive Vice President Wholesale East, overseeing the Northeast, New England, Mid-Atlantic and Southeast markets. Dewan previously served as the Senior Vice President and General Manager of the Northeast and will remain in the New York office, reporting to David Townsend, President and CEO of The Winebow Group. Prior to joining the company in July 2016, Dewan held many senior management roles at distributors in New York and New Jersey, as well as the Director of Sales for Terlato Wines International and Vice President of Wines for the Allied Beverage Group. "Over the past year, he has created a highly successful team in the Tri-State area with a can-do attitude and an extraordinary ability to collaborate across all units," said Townsend.



LUC BELAIRE SPARKLING WINE GOLD NAMES NEW BRAND AMBASSADOR

Luc Belaire, a premium French sparkling wine brand, recently launched Luc Belaire Gold and named Grammy-nominated DJ Steve Aoki to serve as its first official brand ambassador. Aoki joins more than 200 global ambassadors for Belaire, including music industry rapper Rick Ross and producer DJ Khaled. Luc Belaire Gold is made in Burgundy from a blend of Chardonnay and Pinot Noir grapes. "We are pleased to welcome Steve, whose awe-inspiring creativity and celebratory spirit make him the perfect ambassador ... We will be integrating the Aoki experience with Luc Belaire, both online and in Steve's performances, to create fun, engaging content for our friends and followers," said Brett Berish, CEO, Sovereign Brands, owners of Luc Belaire.



J. LOHR VINEYARDS & WINES NAMES DOYLE VICE PRESIDENT OF SALES

J. Lohr Vineyards & Wines hired Steve Doyle as Vice President of U.S. Sales. Most recently, he served as the Vice President and National Sales Manager for C. Mondavi & Family. Doyle will lead J. Lohr's in-house sales team, leveraging his knowledge of the



U.S. market in premium and luxury wines. "Throughout my career, I have had the opportunity to work with some of the wine industry's most successful larger companies," says Doyle. "I have also been fortunate to work with family-run wineries and entrepreneurial organizations. J. Lohr embodies the best of all of these dynamics, in scale and scope. At the same time, there is an unwavering commitment to craft and quality that reflects the values that drive the Lohr family."

A\$AP ROCKY NAMED BRAND AMBASSADOR FOR COURVOISIER COGNAC

Courvoisier Cognac named American rapper Rakim Mayer, known as A\$AP Rocky, as brand ambassador for its newest marketing campaign: "Honor Your Code." A\$AP Rocky will star in print and digital



advertisements, as well as partner on collaborations and host exclusive experiences as part of the campaign. "I think your code is equivalent to your standards and your morals. It's whatever you believe in. And you should always stand by and honor what you believe in," said A\$AP Rocky. "Courvoisier's commitment to quality, old-school production methods, design and art speaks to me."

CONSTELLATION BRANDS PURCHASES SCHRADER CELLARS

Constellation Brands adds to its fine wine portfolio with the purchase of Schrader Cellars Wines, a renowned Cabernet Sauvignon portfolio sourced from Napa Valley including the Beckstoffer To Kalon Vineyard in Oakville. Schrader Cellars portfolio has a total of 19 100-point ratings from *Wine Advocate*, *Wine Spectator* and James Suckling. The purchase includes vineyard sourcing, current inventories and eight Schrader Cabernet Sauvignons. "The journey for Schrader Cellars and Constellation Brands is just beginning," said Schrader's Winemaker Thomas Brown, who will work with the Constellation team and continue to lead all aspects of winemaking from vineyard to bottle. Schrader Cellars Founder Fred Schrader said, "There was no question in my mind that they are the perfect steward of Schrader wines moving forward."



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THE COAST GUARD HOUSE HOSTS GREEK WINE DINNER

The Coast Guard House in Narragansett hosted a Greek wine dinner featuring Winemaker Angelos Iatridis of Alpha Estate on June 9. Featured wines included Alpha Estate Sauvignon Blanc, Alpha Estate 'Turtle Vineyard' Malagouzia, Alpha Estate Rose, Alpha Estate 'Hedgehog Vineyard' Xinomavro, Alpha Estates S.M.X. and Alpha Estate Omega. The wines were paired with grilled halloumi, octopus, eggplant ragu, lamb and other dishes.

1. Alpha Estate wines featured on June 9.
2. Elisa Wybraniec, Sommelier and Beverage Manager, Coast Guard House and Angelos Iatridis, Winemaker, Alpha Estate.
3. Alpha Estate 'Hedgehog Vineyard' Xinomavro and Alpha Estate S.M.X. wines on display.



BEST BEVERAGE ADDS NEW CIDERS TO OFFERINGS

Best Beverage of Rhode Island added new ciders to its portfolio, including those from Bembel-With-Care and Eden Ciders lines. Germany's Bembel-With-Care offers the two beer-style ciders Pur and Kirsh, each handcrafted with apples from the Odenwald, Forest of Odes. Pur Cider is made with 100% apples produced in a hard cider style with low residual sugar. Kirsch is a 70% to 30% blend of apples and sour cherry nectar. Both ciders are available in cans. Also now available are products from Eden Ciders of Vermont. Eden Sparkling Dry Cider, produced in traditional champagne method; Eden Heirloom Rose Cider made with locally grown apples and fermented with red currant juice; Eden Heirloom Ice Cider made with heirloom apples; and the flagship Eden Cider. Eden Ciders come packaged in 375 ml bottles. Eden Cider also produces the Orleans Herbal and Orleans Bitter Apertifs collection, cider-based apertifs made with locally grown herbs, available in 750 ml bottles.

Best Beverage recently launched Bembel-With-Care, Pur and Kirsch style ciders; and Eden Ciders of Vermont, which includes its Orleans Herbal Apertif and Orleans Bitter Apertif.



LITCHFIELD DISTILLERY SMALL-BATCH SPIRITS AVAILABLE IN RHODE ISLAND

Johnson Bros. of Rhode Island added Connecticut-made Litchfield Distillery small-batch spirits to its portfolio. The Litchfield Distillery line, which includes Batcher's Bourbon, Batcher's Double Barrel Bourbon and Batcher's Bourbon Port Cask Finished, are made with locally-sourced ingredients. The company was founded by brothers Jack and David Baker in northwest Connecticut, where their production facility offers tours and tastes for visitors.

CATENA ZAPATA HIGHLIGHTED AT BRAND SESSION IN PROVIDENCE

Los Andes of Providence welcomed trade guests from MundoVino, a member of The Winebow Group and area professionals for an educational brand session on Bodega Catena Zapata of Argentina. Founded in 1902, the Catena family has a long history of winemaking and innovation in the Mendoza region and in the country, known for its pioneering role in resurrecting Malbec. Featured wines included Historic Rows Cabernet Sauvignon 2013, Malbec Argentino 2011, Nicolás Catena Zapata 2011, Catena Chardonnay 2014, Adrianna Vineyard White Stones Chardonnay 2013 and Adrianna Vineyard White Bones Chardonnay 2013. The wines are available via MS Walker.

1. Gabriel Rodriguez, Catena Zapata Portfolio Sales Manager, MundoVino; Andrea Nuñez, Sommelier, Bodega Catena Zapata; Jorge Liloy, CSW and Director of Portfolio Sales Management, MundoVino; Augusto Gabriel, Territory Manager MA/RI/CT, MundoVino.
2. Bodega Catena Zapata Cabernet Sauvignon and Malbec on display.
3. Alli Quero, Partner, Los Andes, welcoming guests.
4. Andrea Nuñez, Sommelier, Bodega Catena Zapata spoke about pairings, using the Los Andes restaurant menu offerings and Catena Zapata Chardonnay wines.
5. Augusto Gabriel, Territory Manager, MundoVino speaking about the different soil types in Catena Zapata Family Vineyards.
6. Catena Zapata wines at Los Andes.
7. Bodega Catena Zapata Chardonnay, White Stones, White Bones.
8. A Catena Zapata Chardonnay wine pour.
9. Bodega Catena Zapata display art.





ALPHA ESTATE'S IATRIDIS HOSTS MASTERCLASS IN PROVIDENCE

Kleos in downtown Providence welcomed the MS Walker sales team, trade professionals and industry guests for an Alpha Estate masterclass hosted by Winemaker Angelos Iatridis on June 12. Alpha Estate is located in the Florina region, the Amyndeon, in the northwest part of Greece and was founded in 1997. Iatridis spoke about the terroir of the region and the indigenous Greek grape varieties, specifically Xinomavro, a dry red wine grape. Kleos provided light Greek fare to accompany the wines. The wines are available via MS Walker.

1. The featured wines during the event included Alpha Estate Malagouzia, Alpha Estate Sauvignon Blanc, Alpha Estate Rose, Alpha Estate Xinomavro; Alpha Estate Axia and Alpha Estate Syrah Xinomavro Merlot.
2. Ian Magiros, On-Premise Key Account Specialist, MS Walker welcoming trade guests to the Alpha Estate masterclass.
3. Angelos Iatridis presented on Xinomavro, a red wine grape native to Greece.
4. Angelos Iatridis, Winemaker, Alpha Estate and Ian Magiros, On-Premise Key Account Specialist, MS Walker, presenting during the masterclass.
5. Wine pours next to Angelos Iatridis, Winemaker, Alpha Estate.

THE WINEBOW GROUP BEGINS DISTRIBUTION IN RHODE ISLAND

The Winebow Group began distributing in the state in July. With the addition of Rhode Island, the company increases its distribution reach to 21 states throughout the country. "We look forward to being the leading fine wine distributor in Rhode Island," said David Townsend, President and CEO of The Winebow Group. "With our investments in infrastructure and operations, and our long-standing dedication to quality, education and customer service, we are excited to offer top-notch service to the market." The Rhode Island operation is overseen by Mary Masters, Vice President and General Manager of Winebow, New England and Arjun Dewan, Executive Vice President, Wholesale East. Winebow's Rhode Island portfolio can now be found in the brand and price listings in *The Rhode Island Beverage Journal* in print and online.





Photos by Laura Widness.

SLANE IRISH WHISKEY LAUNCHES IN RHODE ISLAND

The Black Sheep in Providence welcomed Alex Conyngham, Owner of Slane Irish Whiskey, along with United States Bartenders' Guild Rhode Island (USBG RI) chapter members and trade professionals to a USBG RI Slane Irish Whiskey launch on June 14. Conyngham led an in-depth tasting of his family's Irish whiskey brand and presented on the distillery and production process. Slane Irish Whiskey is aged in three varieties of casks including virgin, seasoned and sherry casks, and blended after aging. Slane Irish Whiskey is distributed in Rhode Island via Horizon Beverage.

1. Slane Irish Whiskey Triple Casked next to the featured cocktails during the tasting event.
2. Slane Irish Whiskey is named after the Conyngham family's village, The Slane Village in Ireland's County Meath, which was designed by the family in the early 18th century. The Slane Village features period houses, shops and landscapes.
3. Kristen Cubicciotti, Market Manager MA/RI, Brown-Forman; Alex Conyngham, Owner, Slane Irish Whiskey; Jessica Kelly, Team Whiskey Boston, Brown-Forman Brand Champion.
4. Alex Conyngham, Owner, Slane Irish Whiskey during the educational tasting.
5. Frank Martucci, Director of Beverage Operations, Twin River Casino; Alex Conyngham, Owner, Slane Irish Whiskey; Jen Davis, President, USBG RI; Ben Terry, Treasurer, USBG RI.
6. Featured cocktails during the event included Slane Rocks, served over ice; Pretty in Red, mixed with Slane, muddled raspberry, lemon juice, honey syrup and Aperol; Slane Slang, mixed with Slane, lemon juice, simple syrup, Giffard Pamplemousse and muddled cucumber; and The Dublin, mixed with Slane, Vermouth and Angostura Bitters.
7. Conyngham, in the middle, with guests during the Slane launch event at The Black Sheep.
8. Marco Meza, Bartender, The Black Sheep mixing up cocktails during the event.
9. Slane Irish Whiskey is golden in color with complex fruit, caramel, brown spice and toasted oak on the nose. The taste is "spicy at first, then sweetened with vanilla and butterscotch with lingering hints of dry fruit and caramelized sugar on the finish."
10. Kristine Dunphy, USBG RI Chapter Member; Ben Terry, Treasurer, USBG RI; Kristen Cubicciotti, Market Manager MA/RI, Brown-Forman; Thomas Dellanno, Twin River Casino; Alex Conyngham, Owner, Slane Irish Whiskey; Jessica Kelly, Team Whiskey Boston, Brown-Forman Brand Champion; Phil Stafford, USBG RI, Chapter Member; Jen Davis, President, USBG RI; Marco Meza, USBG RI Chapter Member and Bartender, The Black Sheep; Thomas Dellanno, Twin River Casino; Frank Martucci, Director of Beverage Operations, Twin River Casino.



NEWPORT STORM BREWERY HOSTS TASTING EVENTS FOR NEW BEER RELEASE

Newport Storm Brewery took to the road in June hosting off-premise tasting events for its latest beer release, Rhode Trip, a New England IPA. The “hazy, unfiltered brew” features aromas of pineapple and tropical fruit with a soft mouth-feel on the finish.” Rhode Trip is made with Canada Pale, Canada Wheat and Rolled Oat malts and Galaxy hops. The beer is available in 4-pack, 16 ounce cans at 6.3% ABV.

1. Luke Gerweck, Public Relations Intern, Newport Storm at Wines & More in Cranston on June 23.
2. Ben Wygant, Sales Representative, Newport Storm at Wakefield Liquors in Wakefield on June 23.
3. Pete Lanouette of Newport Storm Brewery at Bristol Liquors in Bristol on June 23.
4. Jeff Gaudreau, Sales, Liquid Assets Fine Wine & Spirits (center) surrounded by fans of Newport Storm while promoting the latest release Rhode Trip on June 23.
5. Derek Luke, Owner and Brewmaster, Newport Storm Brewery with Beer Enthusiast Matt Langlois at Crestwood Liquors in Coventry on June 23.
6. Theresa Malafonte, Public Relations and Events Coordinator, Newport Storm Brewery at Bellevue Wine & Spirits in Newport on June 23.



RI HOSPITALITY ASSOCIATION ADDS DIOMANDES AND LAJOIE TO STAFF

Rhode Island Hospitality Association (RIHA) announced new June hires, adding Matthew Diomandes as its Food Safety Consultant and Career & Technical Education Coordinator and Janette Lajoie as Financial and Administrative Assistant. Diomandes will market and deliver ServSafe® Food Safety classes and provide support for RIHA’s statewide career and technical education high school programs. Prior to joining RIHA, Diomandes worked as a General Manager and Head of Marketing for Cilantro Mex and previously worked with Ruby Tuesday and Atlanta Bread Company, as well as his family’s restaurant, Tommy’s Diner in Middletown. Lajoie joins the team responsible for managing office accounting, technology and vendors, as well as providing administrative support for membership services and educational training programs. She previously served as the Office Manager and Accounts Payable Coordinator at Lettuce Entertain You Enterprises and has held various office management roles.

1. Matthew Diomandes, Food Safety Consultant and Career & Technical Education Coordinator, RI Hospitality Association.
2. Janette Lajoie, Financial and Administrative Assistant, RI Hospitality Association.



WHISKEY DINNER AT HOTEL VIKING HIGHLIGHTS GLENLIVET

Hotel Viking hosted representatives from Rhode Island Distributing Co. and Pernod Ricard, as well as trade professionals and guests for a sunset Scotch whiskey and cigar dinner featuring Glenlivet brands on June 28. Glenlivet Founder's Reserve Single Malt Scotch Whiskey, Glenlivet Nadurra and Glenlivet 12-Year-Old Single Malt were paired with a special menu of Hotel Viking's culinary creations as guests learned about each whiskey at the hotel's Top of Newport Bar + Kitchen.

1. The Glenlivet Scotch whiskey dinner was held at the Top of Newport Bar + Kitchen at Hotel Viking on June 28. Photo courtesy Kevin Thiele, Director of Food and Beverage, Hotel Viking.
2. The Glenlivet Founder's Reserve Single Malt Scotch Whiskey.
3. From back row, clockwise: Ashley McCarthy, Pernod Ricard; Alex Thibault, Pernod Ricard; Lauren Sullivan, Pernod Ricard; Joe Morenzi, General Manager, Rhode Island Distributing Co.; Ilesh Patel, Owner, Jamestown Wine & Spirits; Varsha Patel, Owner, Jamestown Wine & Spirits; Beau Hodges, Pernod Ricard.
4. Ashley McCarthy, Pernod Ricard; Alex Thibault, Pernod Ricard; Lauren Sullivan, Pernod Ricard.
5. Pours of The Glenlivet Single Malt Scotch Whiskey. Photo courtesy Zach Schavone.



KEEL VODKA EXPANDS MANAGEMENT TEAM AND OPERATIONS

KEEL Partners LLC, makers of KEEL Vodka, announced successful completion of multimillion dollar Series A Funding and the expansion of its management team. Rhode Island entrepreneurs Bill Dessel, Tom McGowan and former New England Patriot Matt Light launched the nation's first light vodka several years ago. They are now moving forward with plans to expand distribution across the nation. KEEL recently added industry veterans John Potts and Brendon Walsh, both formerly of Deep Eddy Vodka, to its board. Potts will actively consult on the brand's expansion. Walsh, newly appointed as KEEL's National Sales Manager, is tasked with bringing the brand from regional to national distribution. KEEL is currently sold in restaurants and liquor stores throughout Rhode Island, Massachusetts and Connecticut. The company expects to add an additional 10 to 12 positions in the coming months as the brand expands distribution into Colorado, Georgia, and Florida with several more states slated for the fall.

1. Owners Bill Dessel, Matt Light and Tom McGowan at a summer event at Chatham Bars Inn.
2. KEEL Vodka is zero carb, zero fat, 58 calories per 1.5-ounce pour, and has a reduced ABV of 23.8%.



RHODE ISLAND DISTRIBUTING LAUNCHES SOUTHERN COMFORT 80

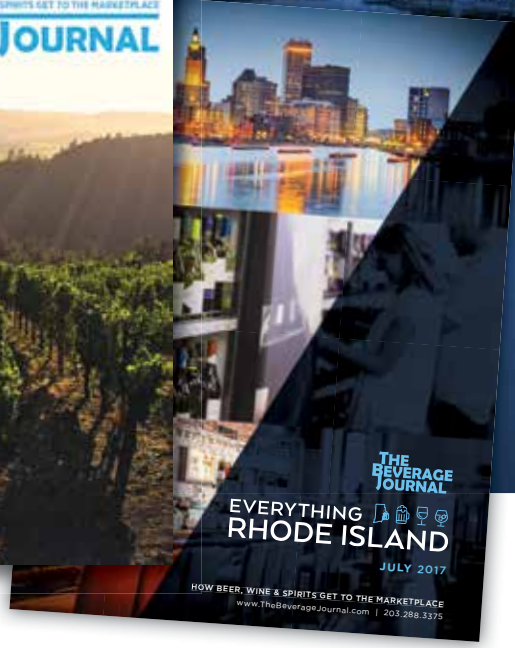
Rhode Island Distributing Company celebrated the launch of Southern Comfort 80, the latest addition to the Southern Comfort portfolio of 70 proof and 100 proof bottle offerings, on July 7. Sazerac's Al Rand and Jobie Smith presented the new 80 proof expression to the Rhode Island Distributing sales team and introduced Southern Comfort's new packaging: taller, narrower bottles that include the signature of M.W. Heron, Southern Comfort creator. After the sales meeting, the launch was celebrated with a New Orleans BBQ lunch.



1. Rhode Island Distributing Company celebrated the launch of Southern Comfort 80, as well as the new packaging on Southern Comfort's 100 and 70 proof offerings.
2. Jobie Smith, Division Manager Northeast, Sazerac; Joe Morenzi, General Manager, Rhode Island Distributing Co.; Chris Woods, Vice President of Sales, Rhode Island Distributing Co.; Al Rand, State Manager RI/MA, Sazerac.
3. The Southern Comfort 80 launch featured a New Orleans BBQ style lunch for employees.
4. Tim Boynton and Jody Vento, both Sales, Rhode Island Distributing Company, during the lunch.
5. Rhode Island Distributing Company's Matt Browne, Amanda Nichols, Steve Toufanian and Bill Nutini.
6. Rhode Island Distributing Company's Kyle Grudzien, Michael Pauchspies and Brittany Amaral.



EVERYTHING RHODE ISLAND



Summer's Here Get Ready for the Holidays!

Market your Rhode Island-based brand just in time for a three-month October, November and December run.

Save your spot in the buying guide for the trade that showcases locally-made products from Rhode Island breweries, wineries and distilleries.

Whether you have distribution, are self-distributed, or getting ready to launch, this local feature section serves as a buying guide for Rhode Island's on- and off-premise decision makers. Each section is broken into producer type: Breweries, Wineries and Distilleries.

Deadline: September 5, 2017

Grapes & Grains

BY SAVANNAH MUL

Reserve vintages, exotic natural wine and spirit finds and an ever-changing craft beer selection greet shoppers at Grapes & Grains in Barrington. Novelty glassware, home bar accessories, gourmet cheeses and cured meats are available to pair with a purchase and are always accompanied by a friendly staffer offering assistance.

The store is owned by proprietor Matthew Amaral, who made local history in 2012 as the first person to be awarded a Class A liquor license for the town of Barrington.

“This store is really cool and unique,” said Marc Berry, Wine Sales Manager. He explains most, if not all, of the products in the store require handselling and the staff is ready to answer any questions and guide consumers to finding their next bottle of wine, beer or spirit.

The store keeps about 2,000 product SKUs



Grapes & Grains' Marc Berry, Wine Sales Manager and Justin Garrison, Craft Spirit Manager.



LOCATION

24 BOSWORTH STREET
BARRINGTON, RI

FACTS

SQUARE FOOTAGE: 2,500

YEARS IN OPERATION: 5

in stock, of which 750 define the wine offerings. “We focus on boutique brands we think are good,” said Berry, as well as stock from customer recommendations and feedback from sales representatives. Berry and Craft Spirits Manager Justin Garrison said they seek to give shelf space to the products they “truly believe in,” with tasting a critical component to each brand they bring in.

“If we don’t carry the item and it’s available in Rhode Island, we’ll get it for you,” said Berry. Grapes & Grains offers special orders in-store as well as delivery via the third party alcohol delivery service Drizly, providing another way to connect with and reach the local customer base. “It’s been growing [delivery service],” he said, “and each year seems to grow a bit more.”

Grapes & Grains offers a “loyalty” shoppers reward program. Email newsletters offer news on promotions, new products, targeted offers, cocktail recipes and other information about products and the industry. Social media helps promote in-store tastings and brand education with distributors and local suppliers.

Shopping becomes an experience for Grapes & Grains customers. “People will come here and put together gifts; it is one-stop shopping,” said Garrison. Grapes & Grains gives back to the community by partnering with local organizations and donating a percentage of sales from events to the charities.

“It’s a lot of fun. We get to taste wonderful wines and it’s fun to learn and see the new trends,” said Garrison. ■

FEATURE YOUR STORE



If you own a small, medium or megastore and would like to be featured, email: dana@thebeveragejournal.com

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MOVIN' ON UP, NOT JUST OUT

**CLOSEOUTS HAPPEN; THE KEY IS TO CONTROL LOSSES
AND RETAIN THOSE CUSTOMERS DEVOTED TO BRANDS**

BY ROGER MORRIS

Shelf space and display areas are like valuable commercial real estate for wine and spirits stores, so owners can ill afford to let it be wasted on slow-moving products. Yet, that is what too often happens, especially when a closeout of a product is looming in the not-too-distant future.

How can retailers move out sluggish inventory without tossing it in the deep-discount bin alongside damaged labels and bulging corks? At the same time, how can you retain those customers who may have become devoted to it?

Handling closeouts and discontinuations, then, is a key part of handling inventory management.

To begin, it is important not to give up too quickly on a product that is relatively new to the store. Ask first whether it just needs a second chance. "If the wine has not sold well or just is not working, we will often look to move it at tastings," says Larry Kaplan, owner of The Wine Cellar in Palatine, IL. "The distributor can help out with sample bottles for the tastings, and we can try and find an audience for the wine. And we do everything in our power to not ruin a brand by advertising a below-wholesale price."

Sometimes it may need just a promotional nudge.

"I will discount bottles of a slow brand like, by a dollar," says Dean Cesario, owner of Deerfield Fine Wines in Newark, DE, "But I offer a contest with those brands, such as, 'Buy this wine and be eligible for a private tasting or a basket of different items.'"

Tasting of different bottles comparable to a closeout bottle can get them hooked on something new.

Sudden Shift, Calm Response

Of course, there are discontinuations beyond the retailer's control, such as when a foreign winery loses its importer or a domestic producer parts with its distributor. Here, resupply is limited to what remains in the distributor's warehouse. "If we know in advance that a wine is going away for good, we try and inform our customers as soon as possible," Kaplan says. An electronic system that links regular customer with purchases helps in these cases. Once informed of the situation, customers have the opportunity to buy any remaining stock of a favorite wine, hopefully without the retailer having to discount the wine.

It is also important that the store keeps the customer coming back by finding an alternative to what is being discontinued, hopefully before a favorite brand disappears. "I will have a special tasting of different bottles comparable to that closeout bottle to get them hooked on something new with the same taste and same price point," Cesario says. Distributors, of course, can help with offering substitute selections.



However, if a customer has started moving up the value chain—being more selective and developing more-expensive tastes—a closeout can provide a good opportunity to go up the selection ladder a rung or two to something more expensive and with better margins—but still a value to the buyer.

In cases where the brand is not being discontinued, but has so few customers that the shop can't justify continuing to give it shelf space, an option is to offer to special-order it once in-store stock disappears for those brand-loyal customers who don't want to substitute. This way, the customer is not tempted to look elsewhere and buy the wine at a competitor's store.

Of course, it is also prudent to try not to get into an overstocked situation to begin with. Test new brands or new categories early by buying limited amounts, featuring them at in-store tastings and then ordering more if the response is good. Don't be tempted by volume discount offers from distributors if sales figures tell you that a category or a brand seems to have peaked.

In the end, creative promotions that don't involve deep discounting are the best options for discontinued and closeout stock. Just because a brand is leaving your store doesn't mean that it should go with a fat severance package. ■



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LAYERS ADD UP

WHILE DIRECT SOURCING ENSURES QUALITY, A NEW CAMPAIGN IS SET TO POWER THE FAST-GROWING BRAND

BY W. R. TISH



Layer Cake's memorable label and overdelivering quality in the red-hot \$12-\$15 price range ensured that fans quickly embraced the range beyond the original Shiraz.

Wine is no stranger to fanciful names, but one in particular may take the cake. Layer Cake, after a humble start as a single Australian Shiraz, has expanded and extended, both varietally and regionally. Coming off ten straight years of double-digit growth, it was tagged in 2016 by Nielsen as the #7 wine brand overall and #2 import in the U.S.

Like many fast-rising brands, the original concept was simple: Jayson Woodbridge, who had already taken a place among Napa Valley Cabernet elite via his Hundred Acre label, took aim at everyday drinking with a Shiraz from McLaren Vale and Barossa Valley. The name Layer Cake was a double-entendre, communicating the promise of rich, flavorful textures and the concept of layered vineyard soil—richness and complexity either way.

Jayson Woodbridge



But Layer Cake caught on and grew thanks to its intriguing label, generous texture, and fruit-driven profile overdelivering in the \$12-\$15 category, the fastest-growing in the industry right now. And the brand has proven especially appealing to Millennials.

Expansion was done purposefully, sourcing each wine in the country of origin, where the grape varieties grow best (including 80+ year-old vines in Australia, Argentina and Italy). Layer Cake added Primitivo from Puglia; Chardonnay and Cabernet from California; Malbec and a Red Blend from Mendoza. Each wine is handmade by Jayson Woodbridge, working with the same vineyards and farmers every vintage. (Layer Cake is fully-owned by Jayson Woodbridge; Hundred Acre Wine Group had worked with Vintage Point, based in Sonoma, for sales and marketing but as of March 2016 took full control of the portfolio.)

Eye on Imports, High on POS

With a decade of solid growth and a portfolio that hits on multiple popular wine types, Layer Cake is gearing up for even greater success. Of special note: the Sea of Stones Red Blend, from a single Mendoza vineyard of Malbec, Cabernet, Syrah and Petit Verdot now complementing the otherwise 100%-varietal line.

“Sea of Stones fits right into the heart of the ‘red blend’ category,” notes Lori Green, Director of Marketing. “It checks off a couple of boxes for anyone interested in the category—easy-to-drink red blend and an import from Argentina—making it a great transition into the category for anyone who is a fan of Malbec or just wants something different than your typical California, bulk wine blend.”

Green adds that Layer Cake is now rolling out the brand's most ambitious POS programming yet, the “Drink Different” campaign, focused on the imported reds. Elements include case cards, shelf talkers, table tents and neckers with coupons or DropStops.

Plus, in states where legal, customers that buy a bottle of Layer Cake wine can receive a stemless, use-anywhere GoVino glass. “The brand pairing matches the spirit of adventure and don't-follow-the-typical-rules attitude of Layer Cake with the free-yourself empowerment of GoVino,” explains, Green. “We're getting incredible feedback from our distributors about this program and we're excited to get it into market.” The program will be supported with advertising and social media, further keeping the Layer Cake brand front of mind for adventurous wine lovers eager to “think different and drink different.” ■



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NUEVO

MUNDO

BOASTING QUALITY, NOVELTY & VALUE,
LESSER-KNOWN WINES OF 'NEW SPAIN' EARN ATTENTION

BY JACK ROBERTIELLO



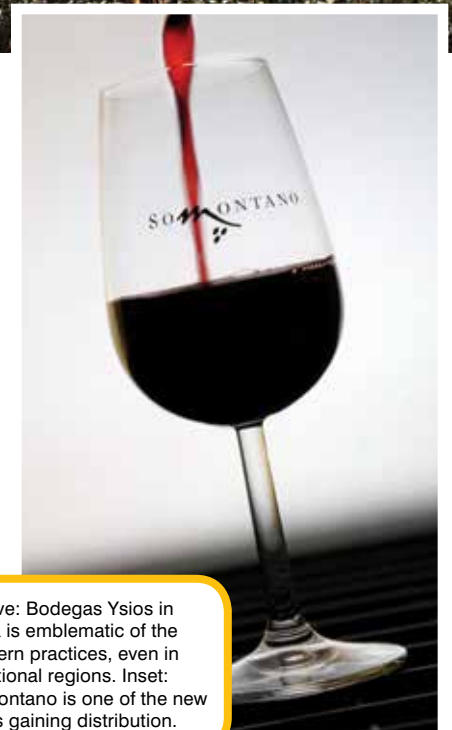
It

was quite a surprise in 2008 and 2010 when a Spanish wine took home the gold at the prestigious Mondial du Pinot Noir, not the least to the winemaker, Bibi Garcia of Cortijo los Aguilares. Even those with solid knowledge of the European wine world needed a map to locate the the Denominación de Origen of Sierras de Málaga, in Andalucía.

Recent vintages—lauded by critic Jancis Robinson, MW, among others—are now sold out, but the point to be taken is not just about Pinot Noir in Spain, but that quality from unheralded DOs and/or unexpected grapes in Spain is coming to be no surprise at all. Cortijo los Aguilares, founded in 1999, is hardly alone in

their ability to impress. And American importers, distributors and merchants are realizing the reach of customers' curiosity when it comes to Spanish wines can extend fruitfully—and not only for rarified small-batch bottlings.

Consider two wines being promoted by two retailers in Westchester



Above: Bodegas Ysios in Rioja is emblematic of the modern practices, even in traditional regions. Inset: Somontano is one of the new DO's gaining distribution.

Left: Marqués de Riscal, one of Rioja's top producers. Right: Gretchen Thomas of Barcelona wine bars is excited about Basque and Galician wines.



County, NY this summer. At Suburban Wines & Spirits in Yorktown Heights, a late June email blast trumpeted a 1L Azul y Garanza: “This one liter of Tempranillo is no Rioja Gran Reserva, but it is organically farmed, high quality, effortlessly delicious juice. Now, which way to the beach?!” SRP for that liter: \$15. And a staple at the in-store eight-wine tasting bar at Best Wine Purveyors in Pleasantville is a \$15 white blend from Penedès: Can Feixes Blanco Seleccio (Parellada, Macabeo, Chardonnay and a touch of Malvasia de Sitges).

With classic regions of Spain having earned Americans’ trust—and Rioja, Ribera del Duero and Priorat arguably better than ever—the stage is set for Spain’s diversity to shine.

Discovery-Driven

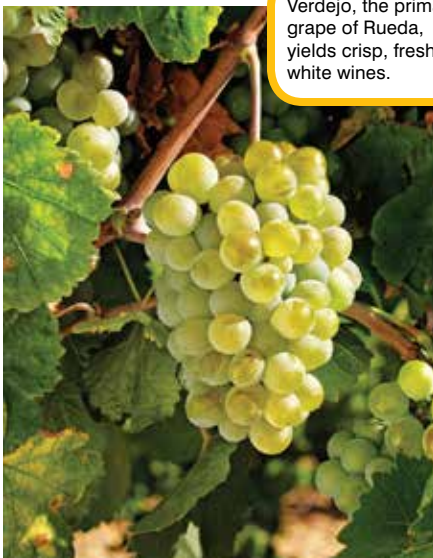
In retrospect, one factor working against awareness of wines from Spain in the U.S. was the culinary shadow cast by

more famous wine regions. Even humble red-and-white-checked tablecloth joints worked as ambassadors for Italian wines; and California wines benefited from born-in-the-’80s “California cuisine” just as surely as Burgundy, Bordeaux and Champagne enjoyed a halo from French cuisine, both nouvelle and traditional.

Over the course of two decades of rising consumption, however, Americans have clearly embraced wine’s global prosperity—and many have experienced Spain as travelers. Americans’ taste for Spain has branched out well beyond the iconic table wines and is open to more novelty.

What American retailers are used to receiving is just the tip of the iceberg, says Andrew Sinclair, Export Manager for Gonzalez-Byass, the Sherry company which owns wineries in Rioja and Penedès as well as areas including the mountainous northern Somontano DO. “There’s been a sea change where the idea that something has been undiscovered is seen as a positive whereas 20 years ago it would be the opposite,” says Sinclair. In particular, he points out the growing acceptance of the white wine Rueda, based on Verdejo: “We produce a 100% Verdejo, and we’re seeing extremely positive response to Rueda. Consumers see it as a fantastic value for money.” Rueda DO exports have doubled over the past five years or so.

Verdejo, the primary grape of Rueda, yields crisp, fresh white wines.



MODERN SENSIBILITIES

Emblematic of the diversity of Spain today, one forward-thinking company has set sights on aggregating distinct wine types into an even more potent whole. Hammeken Cellars employs a team of five winemakers for 24 wine brands from 15 Spanish DOs and two Vino de Tierras. Wines from Alicante, Bierzo, Calatayud, Campo de Borja, Cariñena, Jumilla, Utiel-Requena and other, better known regions, are making wine from old vine varietals including Monastrell, Tinta del Toro and Carignan, focusing on low yields.

Hammeken, lead by David Tofferup, Director of Winemaking, enjoins winery clients to be active participants in the process; Capa from Cariñena, Gotas del Mar from Rias Baixas and Tosalet from Priorat are among the brands sold. While not yet well-known in the U.S., the company currently exports about two million cases worldwide. And the balanced portfolio reflects the ascent of quality across the nation.

Tofferup sees the future for Spanish wines in America as continuing to trend toward discovery: “The American market is more sophisticated and experimental. It is open to new and smaller appellations and new varietals like Godello from Ribeiro and Mencia from Bierzo. The European and Asian markets are much more conservative and traditional. They prefer to buy wines from well-established regions such as Rioja and Ribera del Duero and grape varieties like Tempranillo.”

David Tofferup, Hammeken Cellars



GRETCHEN THOMAS PHOTOGRAPH BY MARIEL OLIVO



Left: The Ebro river runs Cantabria to Valencia, including the the DOs of Rioja, Navarra and Zaragoza. Right: Old-vine Garnacha vines destined for Viñas del Vero's Secastilla label.



The stage is set for on-premise gatekeepers to surprise guests. Gretchen Thomas, Wine & Spirits Director for Barteca Restaurant Group's 13-unit Barcelona Wine Bar, believes that the time is right for the Basque region's slightly fizzy, low alcohol white, Txakoli. She also notes a surge in Txakoli rosé: "Very tasty, bone-dry and fun to drink wines." From only four brands a few years ago, she says about a dozen rosés are now available.

And Galicia in general gets the nod from Thomas: "Galicia offers so many cool mineral-driven whites, and ageworthy reds, especially from the Mencia grape. And some of the best red wines from Spain are from Ribeira Sacra. I think the American drinker is ready for the very floral spiced, high-acid but not high-alcohol style of wine."



Spanish wine sales are growing at a rate of about 5% annually in the U.S.

Katrin Naelapaa, Director of Wines from Spain, who notes an average annual increase in sales of Spanish wine here of about 5%, agrees. "The interest in Galicia brought on by Rías Baixas and Albariño, its signature grape, has certainly opened the eyes of consumers for that region, she says. "In fact, I'd say American somms know more about those wines than Spanish somms do."

Garnacha & Beyond

Sinclair points out that Garnacha in a variety of guises is likely to hit the U.S. consumer's sweet spot—great fruit expression, especially when paired with well-managed alcohol and extraction. He credits the generic "Wines of Garnacha" campaign for helping create a challenge to Tempranillo as the Spanish red grape. And Barcelona's Thomas concurs: "Garnacha is becoming a popular grape because it yields such fruity and lush, even strong wines but with modest tannins, pretty soft even if full-bodied."

Naelapaa says while export reporting can be sketchy for many of the regions, she believes the Aragón areas of Somontano, Cariñena and Calatayud are showing significant growth. Among the other DOs Naelapaa says to watch: Valdeorras, where Garnacha Tintorera (aka Alicante Bouschet) and Palomino reign; and Ribeira Sacra, where local producers are "defending what

they do and not selling their vineyards to outsiders and wanting to create the next great Spanish region."

She also sees increased interest in the Terra Alta DO in Tarragona near Barcelona as well as the prospects for Bobal, the third most-planted grape in Spain, which thrives in areas like Utiel-Requena in Valencia and can be made pink and sparkling as well as red. ■

GROWING AT THE TOP

Thirty wineries now comprise an association called Grandes Pagos de España (GPE), dedicated to promoting terroir-driven single-estate wines.



Including well-known producers like Valdespino in Jerez as well as smaller wineries like the above-mentioned Cortijo los Aguilares, this organization grew from a Castille-only group to a country-wide one in 2003. Rioja and Ribeiro del Duero are well represented; also in the mix: Palacio Quemado from the Ribera del Guadiana DO and Secastilla from Somontano. Member wineries must have already achieved at least five years of recognized success, including in national and international competitions.

TOP RIGHT PHOTOGRAPH BY JUAN MANUEL SANZ / ICEX



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AFTER

LABEL TECHNOLOGY REACHES CHILLING NEW HEIGHTS

We know New Zealand Sauvignon Blanc is hot. Now we can also see how cool it is. Matua is releasing their 2016 Marlborough Sauvignon Blanc (and Rosé) with thermographic label technology. The Chill Check label features a snowflake symbol that appears when the bottle is optimally chilled, along with a Ta Moko symbol which darkens. Once chilled, the label retains its color for about 45 minutes; and if re-chilled, it will change color again. SRP \$11.99. matua.co.nz | tweglobal.com

AROMATICS LEAD THE PROFILE & IMAGE OF NEW ADORADA

Does the nose know? Fetzer Vineyards has introduced Adorada—a California 2016 Rosé and a 2016 Pinot Gris. “We wanted to change things up a bit,” said Adorada winemaker Margaret Leonardi. “To balance the kiss-stained hue of our Rosé with an unexpected nose of spice and botanicals, and to bring the aromatics front and center in a typically understated varietal like Pinot Gris—crafted in an aromatic style reminiscent of a floral fragrance.” And in that vein, Adorada’s sleek, wax-draped package is designed to emulate a luxury perfume bottle. SRP \$19.99. fetzer.com



ADORADA IS SPANISH, MEANING “ADORED”

IS ROSÉ-POCALYPSE 2017 UPON US?

The pink parade continues to snake its way through the wine world, seeming to diverge and double back without losing momentum....



In Chicago, Rebar in the Trump International Hotel tempted guests with a rosé wine cart featuring a rotating selection of pink wines from France, Italy, California and beyond.



Pink Power has extended into rosé alternatives—witness the newest extension to the malt-based Verdi line of Italian bubbly; **Verdi Rosa** checks in at 5% alcohol and \$5.99.



Sparkling wines are getting in on the action: **Gloria Ferrer’s Brut Rosé**, made from estate-grown Carneros Pinot Noir and Chardonnay grapes (SRP \$29) gets its rosy tint from skin contact.

Seven Daughters Rosé joins the brand’s two other can-do wines (Moscato and Pinot Noir).



Fresh from France: **Fat Bastard** will gracefully descend upon American shores and shelves with “Blushing Bastard,” a blend of Grenache and Shiraz.



Who says you need actual rosé wine to catch the pink tiger by the tail? NYC’s Le Coq Rico serves a \$16 **Firefly Rosé** cocktail—made with house-spiced vodka, strawberry shrub, rhubarb and basil.

Stella Rosa, known for a semi-sweet, semi-sparkling style, added a wine they call Stella Pink, in 8.5oz single-serve aluminum bottles (\$4.99).



Sterling Vineyards, a bellwether for Napa Valley Cabernet, hosted the inaugural Napa Valley RoséFest featuring 30 wineries.

From Argentina, **Zolo Signature Rosé** is a stylish \$10 rosé blend of 60% Syrah, 35% Bonarda, and 5% Cabernet Franc.



F**the find**

The Empress Spritz: Two parts gin, three parts sparkling mineral water, plus lime.

NEW & BLUE: COLOR-MORPHING EMPRESS 1908 GIN

Victoria Distillers of British Columbia has released Empress 1908 Gin, an all-natural, indigo blue spirit. During distillation, an infusion of butterfly pea blossom creates a distinctive hue. With the addition of citrus or tonic, Empress 1908 is transformed from indigo blue to monarch purple and then rose petal pink. Victoria Distillers is well-known in British Columbia as the producer of the second best-selling premium gin behind Hendricks. The eight organic botanicals in Empress 1908 are: juniper, rose, coriander seed, grapefruit peel, ginger root, cinnamon bark and the Fairmont Empress tea blend. 85 proof; SRP \$39.99. empress1908gin.com

OUTDOOR DRINKING ADDS SPIRITS/COCKTAILS

Shatterproof drinkware has a new vessel: **GoVino** has expanded their current line of wine, beer, flute and decanter products to include 14oz dishwasher-safe whiskey glasses. Designed for spirits and cocktail enthusiasts alike, the GoVino Whiskey Glass is made of durable, lightweight, flexible, food-safe polymer, with patented ergonomic thumb notch and contoured base. Available packaged for resale (SRP \$17.95/fourpack); also sold as bulk singles, and can be imprinted. govinowine.com



BOURBON HITS THE BIG SCREEN & SHELF

Does bourbon go with popcorn? This September, a new straight bourbon whiskey—**Old Forester Statesman**—will debut in the “Kingsman” movie sequel, directed by Matthew Vaughn, starring original cast members (Colin Firth, Taron Egerton) and adding Jeff Bridges, Halle Berry and Julianne Moore, among others. In “Kingsman: The Golden Circle,” agents of a spy organization in the U.S. called Statesman act as Master Distillers as their cover. The film opens on September 22nd, but Old Forester Statesman will be available in August. SRP \$54.99; 95 proof. oldforester.com



POS POSTERS AVAILABLE

TEQUILA REVOLUCIÓN ENTERS U.S. WITH A SPLASH

With the category still ramping up, Tequila Revolución is debuting in America with four authentic tequilas, each with compelling quality/price value. Revolución uses only fully mature (7-10 years old) Weber blue agave and traditional artisanal techniques in El Arenal, Jalisco; the quality has already been demonstrated in multiple gold medals and high critic's ratings for the entire line. Top-shelf packaging makes the price points—\$44.99-\$79.99—even more appealing. Of special note, the Extra Añejo American Cask, aged 36 months in American oak, has a deep agave character, pleasant smokiness and sweet citrus notes. tequilarevolucion.com



THE FATE OF RHODE ISLAND'S BUDGET AND PAID SICK LEAVE

BY DALE J. VENTURINI, PRESIDENT & CEO, RI HOSPITALITY ASSOCIATION



After an amazing showing of concern from our industry on several key pieces of potentially damaging legislation, The RI Hospitality Association and the RI Business Coalition worked tirelessly to find ways to make what is perhaps the most potentially damaging of the proposed legislation – the paid sick leave bill – more equitable for both employers and employees.

However, as the legislative session was coming to an end for the summer and before an agreement was struck, negotiations between the House and Senate broke down surrounding the FY18 budget. The House adjourned for the season and is not expected to return until the fall. This means that, while both the Senate and the House passed a version of the sick leave bill, the versions are different and therefore the legislation cannot move forward until the House and Senate reconvene to hammer out the differences in the legislation.

Not only does this mean that Rhode Island effectively has no paid sick leave legislation, it also puts the brakes on an increase to minimum wage and a host of other pieces of key legislation. What does this mean for Rhode Islanders? Well, that remains to be seen. While this is largely uncharted territory, the FY17 budget funding will remain intact and the state will operate according to last year's funding levels.

While certainly not a win for either side of the paid sick leave legislation, the issue effectively hibernates for the summer and will reawaken in the next legislative session. However, in this dormant period, I can finally take a breath and reflect on how grueling this bout of legislation has been for our industry. Each year, it seems we are hit harder and more frequently from out-of-state interest groups with very deep pockets who are trying very hard to fundamentally change the hospitality business model. From the Fight for 15 movement, to Working Families, and all the other organized groups that purport to know and understand our industry, having a great moniker certainly is not indicative of the interests that these organizations actually represent.

Their agendas are so much bigger than they portray and quite frankly, I feel like a broken record each year, going to my core group of hospitality business owners with the same storyline. When will it end? I'm not sure. As we look around the country, we can see how these organized groups have broken through local legislatures and have been able to push through legislation that has the potential to severely harm a critical source of state revenue.

Only time will tell how many hospitality businesses are able to persevere and how many will close their doors because there is just no overflow account to make up the tens of thousands – if not hundreds of thousands – of dollars that these new mandates cost small business.

And, while this bout ended in a stalemate, some very good things came from this session. I am infinitely proud of the work that the RI Hospitality Association, in conjunction with the Rhode Island Business Coalition, put forth this legislative session.

In Rhode Island, we will continue to fight against out-of-state interest groups each and every time we see an egregious and potentially harmful bill submitted. Our membership has and will continue to testify strongly against all pieces of legislation that unfairly target us. We have a duty and obligation to protect the thousands of small business owners in our industry as well as our 70,000 employees.



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To learn how you can help keep our industry strong, please visit www.restaurant.org



ABOUT DALE J. VENTURINI PRESIDENT & CEO, RI HOSPITALITY ASSOCIATION

A veteran of more than 25 years in the hospitality industry, Venturini is considered by many to be the voice of the industry in the state of Rhode Island. She has been instrumental in improving the industry's educational and training programs in the state, as well as enhancing the bottom line of the business she represents. Venturini splits her time between the office and the State House, a constant presence for her membership.

THE CRAFT BEER SEAL CONTROVERSY

BY JACK KENNY



In late June, the Brewers Association (BA) acted on an idea that has been talked about since the 1990s. The group created a logo, a craft beer seal, for some brewers to include on their labels and packaging. The seal designates a brewery as “small and independent.” The word independent, says the BA, means that the brewers are not owned, wholly or in part, by large commercial beer companies.

Creation of the seal had two results: Many small brewers adopted it immediately, and big beer blasted it.

“In an effort to educate beer lovers about which beers are independently produced, the Brewers Association – the not-for-profit trade group dedicated to promoting and protecting America’s small and independent craft brewers – launched a new seal touting independent craft brewers,” said BA Director Paul Gatza. “Featuring an iconic beer bottle shape flipped upside down, the seal captures the spirit with which craft brewers have upended beer, while informing beer lovers they are choosing a beer from a brewery that is independently owned. These breweries run their businesses free of influence from other alcohol beverage companies which are not themselves craft brewers.”

Any brewer, even a non-BA member, that meets the BA’s craft beer definition may display the logo. The BA’s definition says that annual production must be 6 million barrels of beer or fewer; that less than 25 percent of the craft brewery is owned or controlled (or equivalent economic interest) by an alcohol industry member that is not itself a craft brewer; and that the brewer that has a majority of its total beverage alcohol volume in beers whose flavors derive from traditional or innovative brewing ingredients and their fermentation (i.e., no flavored malt beverages). Brewers also must have a valid TTB Brewer’s Notice and sign a license agreement.

An estimated 5,300 brewers fit the BA’s craft beer definition.

Delaware’s Dogfish Head and Colorado’s Left Hand were among the first brewers to sign up. Hundreds more followed in days. Using up old packaging and printing new ones with the logo will take several weeks or months, but some crafty brewers have posted the image on their Facebook pages or in their front windows.

The founder of Allagash Brewing in Maine, Rob Tod, praised the independence of most small brewers. “When beer lovers buy independent craft beer, they are supporting American

entrepreneurs and the risk takers who have long strived not just to be innovative and make truly great beer, but to also build culture and community in the process” he said in a statement.

It’s no secret that the seal is a statement aimed at the growing practice by global commercial brewers, specifically at Anheuser-Busch, which has been acquiring U.S. craft brewers over the past several years. Through its division The High End, A-B responded in a video (<https://vimeo.com/223773287>) that pans the seal and questions its purpose and meaning to consumers. The speakers in the video are all from breweries belonging to The High End.

“To be independent would mean you don’t put the logo on because you’re indie,” said David Buhler, cofounder of Elysian, a Seattle brewer acquired in 2015. “To be truly punk you don’t use the logo – you do your own thing, and you follow your own rules,” he said in the response.

“You guys are literally infighting – this is just a civil war,” said Walt Dickinson, a Co-founder of Wicked Weed, purchased in May. “Meanwhile this armada of boats is coming across the Atlantic to crush us and we are shooting each other with, you know, muskets and slingshots. I was just hoping we could get back to just talking about beer, but I guess we’re not there yet – but hopefully soon.”

Jim Vorel of Pastemagazine.com posted a mixed reaction to the craft beer seal in a recent article: “The idea of an independent beer seal is nice in theory, but likely a bit muddier in practice. The BA’s definitions of a craft brewery are getting more and more difficult on a yearly basis to concisely and cleanly apply toward the breweries in the market as they sell and consolidate.”

Brewers who sell partial or entire stakes in their companies to private equity firms, however, can still meet the BA’s craft beer definition and display the seal. “You can imagine how some breweries would look at this and be miffed,” Vorel said.



ABOUT JACK KENNY

Jack Kenny has been writing the Beer Column for *The Beverage Journal* since 1995.



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The August Bridge to Food & Beverage Programming Change

BY LEN PANAGGIO

Here we are at the beginning of August! It seems like the nice weather just happened and for the resort communities, three solid months have passed with three more to go. The cities are awakening from their summer vacation to await the return of corporate business events and for colleges to start a new school year. August is also a wonderful month to bridge the old with the new in your food and beverage programs. Change is literally on the horizon!

Often, I reminisce with my peers about the “good old days.” You know, when the restaurant business was sort of static and nothing much changed from year to year, let alone season to season. Well, those days are clearly gone, and I must say in hindsight, it’s good riddance. A stagnant industry will not continue to grow and flourish and will certainly not attract the next generation of consumer.

Today’s eating establishments are immersed in constant change. Much like Uber and Air bnb disrupted the old-school models of transportation and lodging, we have our own disrupters in our industry. Clearly, microbreweries lead the way for those in the beverage industry to challenge the old guard, to awaken the creative juices and provide an entrepreneurial spirit not typically seen in our business. We also have micro-distilleries popping up all over the country, challenging those who sat back and thought nothing would displace their solid business.

There has always been a parade of new products coming to the market, but nothing like we are witnessing now. Of course, in the world of wine, many innovative wines are being created, in large part as a response to craft cocktails which are cutting into their depletions; I am awaiting the next wine that really shakes up the marketplace by doing something completely out of the box and gaining public acceptance. It is just a matter of time. I am always amazed when I see the number of new products coming to market; it simply defies logic,

but they are all trying to find something that sticks. Whether it is liquor, beer or wine, they all are looking to be the next Tito’s or IPA! In our own backyard, the weather is changing, the days are growing shorter, and the bountiful harvests of our farms are forthcoming. As operators, we need to be prepared for the inevitable changes that the seasons bring. We can no longer sit back and assume guests will flock to a stagnant bar (and dining) program. We have to be ready and willing to execute change. Remember my repeated end-of-summer warning ... summer beer is waning and Oktoberfest beers will be out before you can believe it.

Make the transition sooner rather than later so that you’re not caught with summer product in November! I use the summer beer scenario as a call to action for your entire program – we have to continuously change, our business is in constant evolution and changes that might have been made last year are now old and stale. If you don’t change seasonally, your smart competitors will literally eat your lunch.

Consider August as a transitional bridge to fall and winter; our guests’ expectations are changing and they expect us to provide them with a new experience for a new season. It is also a great time to examine all aspects of your beverage and dining program. If you have products that don’t move, now is the time to get creative and move them along. Whether it is a new cocktail or discount pricing, don’t just let these dogs languish, they aren’t doing you any good, and they take up valuable back-bar shelves and even more valuable cooler space.

While all of us were born last century, too many of us are stuck there in our thinking. It is time to wake up and reinvigorate your programming! Don’t think that the way you used to do business will suffice any more. Our guests’ expectations have never been higher and as operators, we have to make sure we change to reflect that.



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ABOUT LEN PANAGGIO

BEVERAGE CONSULTANT

Len Panaggio’s career in food and wine spans more than three decades as an owner and as a beverage director at some of the top restaurants in Rhode Island. Currently a hospitality consultant, Len is a graduate of the University of Rhode Island and has attended the Culinary Institute of America Master Sommelier program and the Sterling School of Service and Hospitality.

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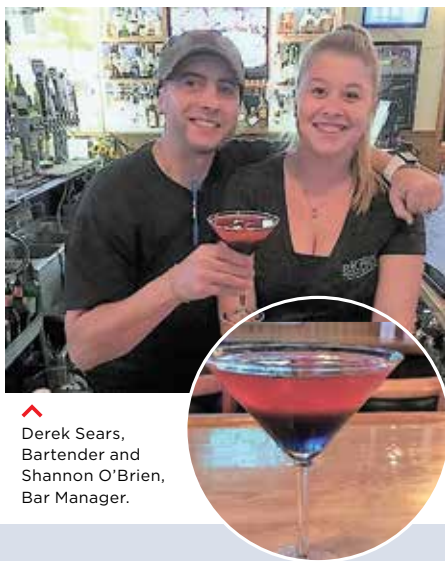


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SKEFF'S NEIGHBORHOOD PUB

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The family-owned, neighborhood pub offers an “at home” atmosphere and features 22 tap lines, of which 12 are dedicated to an ever-rotating craft beer selection, curated by Bar Manager Shannon O’Brien. Specialty cocktails include variations on mules, mojitos and martinis, giving guests spirited options to accompany the fresh fare.



▲
Derek Sears,
Bartender and
Shannon O'Brien,
Bar Manager.

BAR TEAM

Derek Sears, Bartender and Shannon O'Brien, Bar Manager.

COCKTAIL

The Grapeful Red

RECIPE

- » 2.5 oz. Absolut Ruby Red
- » Splash of grapefruit juice
- » Splash of Grand Marnier
- » Splash of cranberry juice
- » 1/2 oz. (roughly) Blue Curacao

Chill a martini glass. Mix the first four ingredients in a pint glass over ice. Shake and strain into chilled martini glass. Float roughly 1/2 oz. of Blue Curacao by slowly and carefully pouring down the inside of the glass until the tie-dye effect is achieved. Garnish with lemon twist and serve.

“This summery citrus drink has a surprising flavor mix that is really refreshing, and has a fun appearance,” said Shannon O’Brien, Bar Manager.

EMERGING MARKETS

ALONGSIDE WINE-SEARCHER & SUCH, WHITE LABEL SERVICES ARISE

BY JAMES LAURENTI

Leveraging online marketplaces to increase overall sales is not a new strategy for wine and spirits retailers. Wine-Searcher has been connecting consumers and retailers for 19 years and has 1,000+ partnered stores in just the U.S. However, in the last five years, retailers—especially those in large cities—have received overtures from a number of newcomers including Drizly, Banquet, Thirstie, Minibar, Delivery.com and eBay, who look to shake up how consumers buy wine.

The influx is both exciting and worrisome. On one hand, new channels for business mean more ways to get sales. On the other, these services more tightly control the relationship and typically provide the checkout and sale. Only after the purchase does the transaction funnel to the retailer for order fulfillment. In contrast, the older marketplaces simply refer traffic to the retailer website. For this reason, participation in these newer marketplaces means more sales, but it also means yielding a chance to build loyalty with the customer.

To work strategically with these marketplaces, retailers should make a conscious effort to still use the majority of their available resources to focus on growing their own brand and business. Exclusively relying on marketplaces for sales has already proven to be a dangerous and vulnerable position, as a shift in policies can pull the rug out from underneath partners—like when Amazon booted wine retailers from their site in 2013. Still, getting in front of the marketplaces to sell to the customer directly requires sophisticated technology, which, if stores had to develop completely in-house would be simply prohibitive.

New Options

That said, alongside the emergence of many new competing marketplaces have surfaced new, white-labeled, services that aim to assist wine retailers in growing their overall business (and help compete with well-funded startup marketplaces).

Deliv, a Bay Area-based company, which includes UPS among its investors, is the most recent addition. Recognizing the logistical and staffing challenges in offering professional delivery, Deliv supplies the trucks and drivers and offers local delivery on behalf of the retailer. What’s more, the service provides a dashboard for the store to manage their delivery policy (when, where, and how quickly they offer delivery), and integrate those settings with their own eCommerce website and mobile application’s checkout process. Not surprisingly, two other companies that provide white-labeled versions of mobile apps and eCommerce websites, respectively, Drync and BevSites (yours truly) have integrated Deliv with their own products.

Using marketplaces to drive sales can be effective, and stores should explore any avenue that will yield more business. However, retailers should not rely on the extra sales as consistent, long-term revenue. The best policy for the wine retailer is to think of themselves, their business, first: dedicate themselves on growing their own profile through their own resources and available white-labeled services. And, then, finally, augmenting that business by participating in profitable marketplaces. ■

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Clockwise from left:
Scott Oppenheimer, Regional
President, Control States &
Canada; Patrick Daul, President,
West Region; Mike McLaughlin,
President, Central Region; John
Wittig, President, East Region;
and Brad Vassar, Executive Vice
President, Chief Operating Officer

The completion of the merger between Miami-based Southern Wine & Spirits and Dallas-based Glazer's Inc. last summer created the largest wholesaler in North America. One year later, the Southern Glazer's National Leadership Team describes why bigger means better for both suppliers and customers.

With operations in 44 states, Canada and the Virgin Islands, the 21,000-person Southern Glazer's Wine & Spirits (SGWS) distributes more than 150 million cases of wine and spirits each year to approximately 370,000 customers for a revenue stream of about \$18 billion. Which translates to over one-third of the wine and spirits market, by value.

These are numbers that make a lot of people in the beverage alcohol industry uncomfortable. Being extremely large is not considered a wholesaler virtue by many suppliers and retailers, who fear the erosion of leverage and service. Brad Vassar, Executive Vice President and Chief Operating Officer, SGWS, wants the industry to know that the opposite is true: "Execution is the number one job of a distributor, and every investment we make—whether it is in training or technology—is focused around making us better at it."

Vassar, who has been with Southern for 26 years, serving as the COO for the last six, has seen the organization grow dramatically, yet insists "the heart of this company has stayed the same. Even though we're as big as we are—and are now a different company with a different name—there is a very strong feeling that we are still a family-run company and the people here are part of that family."

TIMING IS EVERYTHING

The idea to combine these two businesses was not a new one: A merger was first attempted in 2008, but was abandoned. What changed? "The Glazer's we are in business with today is a different Glazer's that we saw in 2008," says Vassar. "But more importantly, the business in general wasn't ready for it. The supplier community wasn't behind it in the way that it is today."

Vassar believes supplier consolidation and an increasing focus on the U.S. as the most emerging, profitable and important wine and spirits market on the planet, served as critical factors. "In many other countries, these suppliers work with a single distributor platform, and wondered why they couldn't do that in the U.S.," he says.

Bacardi's decision to align nationally with the newly combined company—announced within days of the merger—was a groundbreaking first, and has since been followed by similar nationwide partnerships with other major suppliers.

THE CULTURE CONNECTION

On paper, Southern and Glazer's were ideally suited to team up. For one, they had complementary footprints and little market overlap, with Southern strong on both coasts and Glazer's core in Texas and the Midwest. Each company also brought unique supplier relationships.

But it turns out they had more in common than even they had realized. "Our cultures are surprisingly aligned," adds Steve Slater, EVP, General Manager, Wine. "We both have a strong customer-first culture which adds value to our supplier base. And we both want to win." The executive leadership coming from each company helped make the transition seamless. "There was no crisis of leadership, which can be typical in mergers of this size," says John Wittig, President, Eastern Region. "Southern and Glazer's have a legacy of family-driven direction with visionary patriarchs. Between Harvey Chaplin, Bennett Glazer, Mel Dick and Wayne Chaplin, we share a similar high integrity and a willingness to compete."

/// TEXT BY

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The families' unanimous refusal to cut financial corners has been a huge factor in SGWS's early success, believes Scott Oppenheimer, President, Control States & Canada: "The owners of these companies over-planned and invested massive resources to ensure a smooth transition. Quite quickly, we were all marching in the same direction and embracing the same culture."

BECOMING ONE

Which is not to say there weren't challenges. Merging both entities while at the same time integrating the Bacardi business across the company's national footprint made for a myriad of logistical hurdles: "It was an extraordinary time; there was a lot going on in a very short period," Vassar admits.

"The most critical thing was making sure our people understood who they needed to communicate with, that they were getting paid, that our bills were getting paid; it was a massive IT job. It was a huge HR job as well; my biggest concern was our employees who were thinking: 'How is this going to impact me?' I would hope that one year later they see the reasons why we did this."

Every territory was impacted differently. The Control States Region was relatively easy to combine, as there were only four markets where both companies overlapped, Oppenheimer explains: "In Iowa and Ohio, Glazer's was a distributor and a broker and Southern was a broker. In Alabama and Mississippi, Southern and Glazer's each had a brokerage business. We would not be able to invest the way we have and maintain the best talent if we were not leveraging across all Control States and Canada. Today the selling teams in Wyoming receive the same support and have the same tools as our teams do in Pennsylvania."

There was no overlap in Western Region President Patrick Daul's territory. "Our region is home to some of Southern's oldest markets like California, Arizona and Nevada," he says. "Places that have

tremendous resources and generate a lot of capital. Over the last decade we've applied best practices from these established markets to newer regions like Hawaii, New Mexico and the Pacific Northwest, and with the Glazer's integration we're sharing our expertise with markets outside our region as well."

By contrast, the Central Region was trickier, with the highest level of assimilation required. "Indiana was the only state where we had to completely integrate two separate businesses," says Mike McLaughlin, President Central Region. "Neither warehouse could accommodate us, so we had to outfit an entirely new facility in less than nine months. Our team was methodical and exceeded expectations; they did a fantastic job of not allowing disruptions to customers."

While data integration has been the biggest challenge across all regions, according to Slater—"merging two different systems with different product codes takes time and dedication"—the transition has been easier than anyone thought. "People ask me how the merger is going," says Slater. "I tell them we don't even talk about the merger anymore; it's already in the rearview mirror."

STRONGER THAN THE SUM OF THEIR PARTS

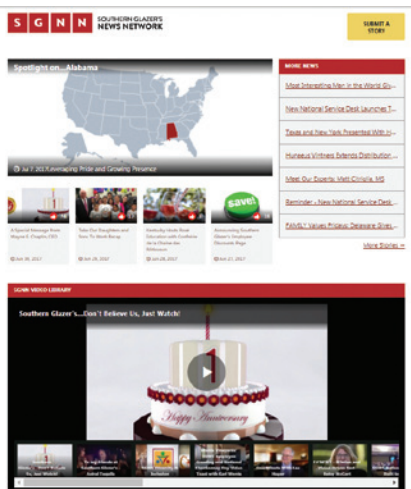
Leadership made a critical decision from the beginning—to adopt the best practice regardless of which organization it came from. Although Glazer's was in 11 states, compared to Southern's 35, the company operated with a regional structure, an

<p>SELLING DIVISIONS The structure of divisions within Southern Glazer's helps the company handle specific partners and categories more efficiently.</p>	<p>SGWS This core division connects with the retail off- and on-premise trade at the street level, expanding a store's wine or spirits selection, reducing operating costs, and growing the business.</p>
<p>American Liberty Dedicated to optimizing value and sell-through of brands of the Pernod Ricard USA portfolio in 33 of current Southern Glazer's states. John Trainer, Executive Vice President & Managing Director</p>	<p>Emerging Spirits Brands From shochu to mezcal to good old bourbon, this division gives the portfolio's spirits selection the attention and market insight it deserves. Rodolfo Ruiz, Executive Vice President</p>
<p>Atlantic Applying Southern Glazer's preeminent selling, logistics and data insights to the dynamic Constellation Brands portfolio. Steven Taylor, Executive Vice President & Managing Director</p>	<p>Coastal Pacific Overseeing the market success of Diageo across 12 states; Moët Hennessy USA across 15 states; and both portfolios in 17 Control States. Gerald Rivero, Executive Vice President & Managing Director</p>
<p>Fine Wines Seamless management of market logistics for everyone from the smallest family owned wine label to the largest commercial producer. Steve Slater, Executive Vice President & General Manager</p>	<p>Transatlantic Spanning 44 U.S. states and into Canada, this division is dedicated to selling Bacardi, Patron and Heaven Hill as well as tracking trends on both a local and continental level. Steve Cohen, Executive Vice President & Managing Director</p>

approach that Southern decided to apply to all their markets.

“We had been a very flat organization,” says Vassar. “In spite of our growth, we didn’t have another layer of management; the general managers of each state were reporting to me. Adopting Glazer’s regional approach—breaking up the business into three geographic regions, plus Control States, with management making decisions closer to the field—was really significant. The most exciting part about this merger was creating something totally new, hand-picking the four people to run the regions and letting them hand-pick their teams.”

Employee engagement was another one of Glazer’s strength, believes Wittig, who has a unique perspective, having worked for both companies. “Glazer’s philosophy on internal communication was really impressive,” he shares. “They created the Glazer’s News Network [now Southern Glazer’s News Network – SGNN] to provide timely news, videos and information to all employees. We’ve replicated that and it’s been extremely helpful, particularly during the merger. It pops up as every employee’s home page and can be customized for local markets.”



From a tactical standpoint, Southern was a leader. “We’ve built proprietary data collection systems that are second to none, and the Glazer’s legacy markets are really benefitting from this,” shares Vassar. The company is also on the vanguard of mea-

suring performance with their Execution Tracking Tool, a phone app currently used by almost 10,000 employees. Sales reps take photos of brand displays and wine-by-the-glass placements, which are geo-stamped by location; results are instantly updated, and scorecards are produced. “The more we check on things the better we become,” Vassar says. “The way we executed and measured activation leading up to Yellowtail’s Super Bowl advertising last year was a perfect case of how this technology drove a behavior that gave real results.”

A NEW SUPPLIER WORLD

Large and small suppliers are starting to realize that SGWS has indeed built a better mousetrap. “Because we have a consistent approach in every market, suppliers are hearing the same thing across the country,” says Wittig. “Suppliers prefer having fewer points of contact, and my peers and I have terrific chemistry—there are no egos or politics, which provides seamless execution of standard business practices across all our regions.”

“The reaction of the supplier community has proven we are doing what the market wants and needs,” argues McLaughlin. “Companies like Bacardi, Campari and Beam Suntory signing on with us nationally really validates our decision to merge.”

It isn’t simply having a bigger footprint that matters to suppliers, believes Vassar: “It’s about transparency, it’s about synergy, and it’s about maximizing opportunity. At the end of the day, they expect us to execute more effectively and efficiently.” Having access to a broader range of more accurate data has changed the wholesaler-supplier dialogue, says Slater: “When we are collaborating on an effort, we can show current sales data, active accounts, growth rates and make realistic goals and predictions.”

With unique supplier perspective, having spent ten years at Moët Hennessy building their Control State Division, Oppenheimer recalls the game-changing experience when Diageo and Moët Hennessy chose to align with Southern in



“EXECUTION IS THE NUMBER ONE JOB OF A DISTRIBUTOR, AND EVERY INVESTMENT WE MAKE IS FOCUSED AROUND MAKING US BETTER AT IT.”

— BRAD VASSAR,
EXECUTIVE VICE PRESIDENT,
CHIEF OPERATING OFFICER

all markets. “We went from dealing with six different brokers with different routes to market and technology capabilities, to being able to set up one call and speak to every Control State manager and run national programs. Today, SGWS is the only broker with a national footprint in all Control States. Our suppliers love that that they can receive the same report and monthly recap from 17 states.”

THE ENHANCED CUSTOMER EXPERIENCE

The first customers to feel the difference were national accounts, says McLaughlin, whose Central Region is heavily chain-dominated. “Being a one-stop shop for

some of these large restaurants and retailers, who see us execute at a high level, solve problems and provide the most accurate and complete data, makes us very valuable to them. Our new National Accounts Division, led by Shawn Thurman, can now approach national account buyers and tell them: 'Over 95% of your stores or restaurants are in regions where we operate, we can track programs with real-time feedback'."

Independent restaurants and retailers won't see much change, assures Vassar. The only difference he hopes they will notice is a more highly-educated, knowledgeable sales representative. "You can never overinvest in training," Vassar believes. "We've really raised the bar on what a fine wine sales representative should be [see next page]." With 15 Master Sommeliers and 17 Master Mixologists on staff leading classes, and online courses available through Southern Glazer's University, the company has also implemented an intensive manager's course, with 90 days of coaching and in-market training.

THE MYTH ABOUT BIG

Still, being "too big" is something that Slater still hears a lot: "When someone refers to our size, I would ask instead that we be judged on our service, not our size. We are the best in logistics, have the best portfolio and the best-trained people on the street."

Slater gives the example of the Fine Wine Summit, now in its seventh year. The three-day event, held in a different

wine region every year, brings general managers of all fine wine divisions for immersive education. "Last year we went to Oregon's Willamette Valley—and we heard a lot of references to our size," he remembers. "When they saw that I brought the country's most powerful fine wine divisions and 15 Master Sommeliers to learn about Oregon's terroir and emerging AVAs, they were incredibly thankful. Only 'big' can do that."

"What our size gives us—and what separates us from the competition—is the investment in our people and technology. It's about having the resources and commitment to constantly improve," says Daul. Just a few years ago, forecasting supply wasn't Southern's strength, but that has changed dramatically, which is a huge benefit to suppliers managing costs. A deeper understanding of finance and reporting metrics is another area where the company has improved leaps and bounds in recent years, he adds.

FINDING OPPORTUNITY IN CHALLENGING TIMES

Having a competitive advantage is especially critical when the market softens—as it has over the last six months. "There has been a slow-down overall," reports McLaughlin. "The wine business is no longer growing; on-premise is soft. With the exception of Deep Eddy and Tito's, even vodka has become a tough category. We are looking at these challenges trying to get a better understanding of what's causing it."

All SGWS regions report the necessity of maximizing opportunities; tapping into the growth of ultra-premium tequila, American and Irish whiskey, Prosecco and red blends. Understanding what ignites a trend makes it possible to drive it, says Daul, such as the resurgence in gin led by the popularity of the Negroni. "Craft mixology in general can create trial in a category that consumers are less comfortable with, like gin."

Fortunately, trade-up continues despite the dip in total volume. "We are fortunate in Control States and Canada that each market has a long history of volume and value growth," notes Oppenheimer. "The liquor boards are focused on value growth and implementing new innovations to move consumers up the value chain."

"I remain extremely bullish on the wine and spirits business—the demographics in America are in our favor for the foreseeable future; these products are part of our lifestyle," Vassar states. But the need to evolve remains, he cautions: "Online purchasing, which has seriously impacted many other retail businesses, will be a reality for the wine and spirits industry, too. We are urging retailers to have some sort of web presence—whether doing it themselves, or having a rapid delivery service like Drizly do it for them. Independent retailers—and to me they remain the heart and soul of our business because they carry a broad range of SKUs—need to think about their businesses in new ways because the challenges aren't going away."

As for their own business, the merger is just one step further in adapting to the ever changing market: "We want to respect the past and path that people have walked, but to also embrace the future and where this company is going," says Daul.

"The merger is only a year old, but we are in a much greater place than we thought we would be," says Wittig. "But we must constantly improve and find new efficiencies. That is our business. Particularly as the largest wholesaler, we have more responsibility to enhance our abilities to serve our customers. And that work will never end." ■

/// TECHNOLOGY & TRENDS ///



Technology investment and a larger footprint have given SGWS insight that puts the company ahead of many trends. "One of the great benefits of our size is the ability to identify something that's boiling up before others might notice it," Slater says. The way rosé was exploding in the Hamptons a few years ago, for example. Keeping an open mind is mandatory: "You never know what the next hot brand or segment will be."



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RAISING THE FINE WINE BAR

Prior to the merger with Glazer's, Southern Wine & Spirits had long been recognized as an industry leader in wine and wine education: Today the company has 15 Master Sommeliers on staff. Glazer's legacy markets are benefiting from this focus, and the entire company is doubling down on its commitment to fine wine. "Both companies share a commitment to growing wine," says Mel Dick, Senior Vice President and President, Wine Division. "Glazer's had a great wine business, but they want to make it bigger and we think we can help them do that."

Few people in the industry have the perspective of Dick: "I joined Southern in March of 1969, a number of months after it was founded. That year we sold \$890,000 of wine. This year we'll do close to \$6.6 billion. Wine represents 50% of our case volume."

It didn't happen overnight. "When Steve Slater joined Southern in 1989 in California, it was a much smaller wine company," he recalls. "When Mel and the other leadership wanted to strengthen the wine business in the early 1990s, it was a turning point in California. Ownership and leadership had tremendous vision with what we could do in wine."

The secret to their wine business success, Slater firmly believes, has been their unique, multi-pronged approach to the marketplace through the creation of fine wine companies or divisions to

WHEN FINE WINE DIVISIONS BECOME TOO LARGE, SMALLER DIVISIONS ARE CREATED UNDERNEATH THEM.

handle high-end, small producers. "In the early 1990s, Southern created American, a fine wine distributor in California," he recalls. "And I watched their team build a portfolio of coveted boutique brands." Vassar tapped Slater to head the division several years later. "Moving Schieffelin & Somerset's business to American was really the beginning of what became a \$300 million company," Slater says.

SGWS has employed this model across the country, and when fine wine divisions become too large, smaller divisions are created underneath them.

In Seattle, Southern acquired Cavatappi, a small fine wine wholesaler and has launched a new fine wine division for the Pacific Northwest, called American Wine & Spirits. "We have learned a lot in new markets, and today we allow these small companies' cultures to remain intact," notes Slater. "We occasionally use separate delivery trucks; there has to be a different look and feel for a portfolio that reaches a different customer."

INVESTMENT IN PEOPLE & EDUCATION

The merger has resulted in manpower ramp-ups across the country, Slater describes: "There were different needs in each market: Florida needed Italian wine and craft spirits specialists, California wanted more sales reps as well as a smaller fine wine division." National Accounts teams were given portfolio managers to focus on chain opportunities for larger-scale brands; and on the fine wine side, there are three new directors of strategy, each looking after about 20 suppliers.

"Young consumers are so much more curious," observes Dick. "The American consumer is probably the most knowledgeable wine consumer in the world today. And they are trading up: The \$15 to \$25 range, that's where the action is."

That sophistication—as well as the savvy of today's beverage buyer—demands a different approach. "The buyer has changed; to speak with highly-educated sommeliers we need highly-polished sales representatives," Slater says. SGWS has installed a rigorous education program, led by Eric Hemer, a dual Master of Wine and a Master Sommelier (one of four in the world), and today 3,800 of their sales reps have WSET Level 2 Certification, with the goal of reaching 10,000. ■

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[REFRAMING CALIFORNIA]

IT'S TIME TO
RECONSIDER THE WAYS
TO SELL WINE FROM
THE GOLDEN STATE

BY W. BLAKE GRAY



When talking about exciting wine regions, it's easy to forget California. The Golden State is responsible for about two-thirds of all wines sold in the U.S., yet sometimes we take it for granted.

But California is one of the world's most exciting wine regions. It's not just the perfect weather: it's the constant reinvention. Often we make that a weakness, reflexively favoring Nth-generation Europeans making wine just like their ancestors (though it's actually rarely true), as opposed to California, where they produce whatever's fashionable. The truth is, California's fine wine culture is now about 50 years old, and the learning curve over those 50 years has been steep. A state that once followed world wine fashion now sets it. Moreover, most clichés people believe about

California are simply not true. It makes some big-bodied high-alcohol wines, but it also makes world-class elegant Pinot Noir. It has some enormous brands, but it also is full of ambitious, small-scale entrepreneurs. Napa Valley alone has 500 wineries, all of them believing they make something special.

California wine sometimes sells itself: the marketing and label designs can be just that good. You can sell even more with just a little effort. Here are some strategies to keep in mind. >>



Is the sun setting on Napa Valley? That would be an exaggeration, but competition has ramped up, and savvy retailers and consumers are embracing other California regions, as well as wines beyond Cabernet and Chardonnay.



KNOW YOUR REGIONS (AND ALTERNATIVES)

Everybody knows Napa Valley Cabernet, and you probably carry some. But even entry-level wines have gotten expensive, and for most stores, there are only so many \$50+ Cabs you can stock. Alexander Valley in neighboring Sonoma County is a great alternative. The wines fit the Napa Valley taste profile—generously fruity—at a fraction of the cost. Jordan is a famous name from here; Scherrer is a cheaper alternative. An emerging area to know is Lake County, which borders Napa Valley. Obsidian Ridge is one of the best vineyards in Lake County and the wines can retail under \$25. Mention that geography on a shelf talker.

Russian River Valley has earned fame for Pinot Noir in the ripe style, but it will never appeal to your Burgundy customers,

The Sonoma Coast AVA is deceptively large, and stretches well inland.



VALUE CABERNET SAUVIGNON:

It's more difficult to make good cheap Cabernet than other varieties, but that doesn't mean there aren't some reliable names from up and down the state.

NORTH COAST

Geysler Peak
Benziger ▶



CENTRAL COAST

Hahn Estates
Hayman & Hill Reserve Selection

PASO ROBLES

J. Lohr Seven Oaks ▶
Robert Hall
Sextant
Viña Robles



who, given the prices of Burgundy these days, are looking for alternatives. Sonoma Coast wines are the most Burgundian Pinots from California, though it's important to taste them as the enormous appellation stretches far from the coast. Members of West Sonoma Coast Vintners are a good starting point; try Hirsch, Peay, Chamboulé or Red Car. Anderson Valley and Sta. Rita Hills are also good regions to look for Pinot Noirs that prize elegance instead of power.

The Central Coast is still the place for Quality/Price Ratio for just about every variety. If you're looking for good California reds under \$20, this is the place to be. And for power on a budget, it's hard to beat Paso Robles.

LEFT: Solar panels, seen here in Napa Valley, are just one of many ways the California wine industry has embraced "green" practices.

RIGHT: Napa Sauvignon Blanc has gained critical acclaim and is helping to chip away at Chardonnay's long reign as top varietal white wine.

DO YOU NEED THE FAMOUS BRANDS?

Some smaller retailers say they can't compete on price for big brands like Kendall-Jackson Vintner's Reserve Chardonnay with the big-box stores, so they don't bother to stock them.

This may be a mistake. You might not move a lot of K-J or BV, but if you don't carry any of these brands at all, you might not get a second visit from a busy shopper who drops by looking for something familiar.

Retailers often tell me they want to talk with their customers and learn their preferences, and that's admirable. It's what I want in a retailer. But I like to talk. Many of today's younger wine customers do most of their communication on social media. You can't start a conversation until they're ready to have one. Maybe that bottle of K-J can be the starter: "How would you like to try a wine that's just as good from a smaller producer?"

WINE STYLES ARE CHANGING ALL THE TIME

So you think you know California Chardonnay? If you haven't tasted a lot of it recently, you might have missed the move away from buttery, slightly sweet versions toward more freshness. This is a trend all over the state. It's particularly



noticeable in Carneros, where Rombauer-style Chardonnays ruled as recently as five years ago. Full-bodied wines are still in, but now they have tangible acid.

Zinfandel, too, is changing; it's still ripe and fruity, but super-alcoholic versions aren't as popular. Check out Ridge (of course), Bedrock or Turley. Even Napa Cabernet, the state's tentpole, is noticeably

different than a decade ago: acidity is more popular, especially in the top wines.

RED BLENDS ARE KING

Millennial men especially like red blends because they're new and exciting; and because they are fruity, low in tannin, and often slightly sweet. With the exception of The Prisoner, however, Millennials don't want to spend a lot of money.

Don't be afraid to literally use the words "new and exciting!" on a shelf talker. Millennials think having lots of grape varieties in a wine is a feature, not a bug, and they like the auteur concept. (But they don't like tannins; smoother is safer.)

Fortunately there is no shortage of red blends seeping from California, making them a good area to source "new and exciting" wines your nearby competitors don't have.

UNSUNG HEROES

Petite Sirah is perfect for today's wine market. It's rich, smooth and teeth-staining. Bogle has made a perch for itself in the bargain range; always fruity and perfect for Millennial consumers. Michael David does this wine affordably from Lodi, and the Eos bottling from the Central Coast is in the same range. J. Lohr does a fine Petite Sirah from Paso Robles. August Sebastiani's 3 Badge Beverage Corp. just added a Lodi Petite Sirah to their Plungerhead line; expect more varietal bottlings, not fewer.

Chenin Blanc was America's favorite wine in the 1970s. After a

LEFT: Ocean breezes and fog make the Sonoma Coast a hotspot for Pinot Noir in particular. RIGHT: Dry Creek Vineyard, in Sonoma's Dry Creek Valley, excels in Sauvignon Blanc and Zinfandel from their estate vineyards, but their secret weapon wine is Chenin Blanc, from Clarksburg.

long fall from grace, it's fashionable in New York restaurants again. Yet in some places in California it never went away. Dry Creek Vineyard has been making a delicious and affordable version of this wine for decades. For something with a story behind it, Chappellet continues to make Chenin Blanc even though prices for Cabernet on Pritchard Hill in Napa Valley have gone through the roof. It would make sense for them to uproot the vines, but they like the Chenin so it's still there. Sounds like a shelf talker waiting to happen. ■



Paso Robles, home to plenty of Cabernet Sauvignon and Zinfandel, is a good source of power wines that won't break a budget.



RECOMMENDED CHARDS BY STYLE:

Cheaper Chardonnays are often leaner than mid-priced wines because they simply get less ripe grapes. If customers are looking for leaner Chardonnays, you might steer them to spend less and make them extra happy.

LEANER

ForestVille (Bronco Wine Co.) ▶
A by Acacia-Unoaked
Foxglove



BUTTERY

Rodney Strong
Cambria
Stags' Leap Winery ▶



FULL-BODIED BUT FIRM ACID

La Follett
Hanzell
Dutton-Goldfield



OVERALL COMPLEXITY AND BALANCE

Ravenswood ▶
Avalon
Four Vines
Alma Rosa
Clos du Val Carneros
Landmark "Overlook"



CORDIALITY COUNTS

THE REVOLVING LIQUEUR RENAISSANCE COURTS A NEW GENERATION

BY DAVID LINCOLN ROSS

Luscious fruits, savory herbs and earthy nuts served as ingredients in some of man's earliest attempts to ferment beverages. A few thousand years has not changed that, but what has changed is the complexity and intensity captured in modern versions.

Indeed, the secret power of liqueurs of all ilks is their pure power—their ability to focus and amplify attributes of their core ingredient(s). It is this power that mixologists have honored and tapped as long as they have wielded swizzle sticks.

While it's true that overall sales of cordials (as liqueurs are also known) in the United States have been in gentle decline from about 21 million case sales in 2012 to about 18 million cases in 2016, standout growth in recent years by brands such as Aperol from Campari USA or St. Germain Elderflower from Bacardi USA, among others, illustrate there is still plenty of opportunity for the right flavor or cocktail to capture consumer trial and repeat business.



At today's trendsetting watering holes and at retailers across the country, patrons can see back bars—and shop shelves—chock full of tempting cordials and liqueurs. “We’re in a renaissance right now where we have so many wonderful fruit cordials and liqueurs to work with,” says Matais Tasley, Beverage Director, at San Francisco’s Sir Francis Drake Hotel. Consider the eponymous \$14 house cocktail served at the Bar Drake; Darnley’s View Gin and Rittenhouse Rye meet Cointreau and Green Chartreuse, with the powerful liqueurs—one bittersweet orange, the other a kitchen sink of exotic botanicals—more than up to the flavor-intensity challenge.

Left: a colorful cordial display at Wainscott Main Wine & Spirits, Wainscott, NY.
Top: Galliano L'Autentico, the herbal golden liqueur, was recently joined by a red expression, L'Aperitivo. Pallini Limoncello is made from prized Sfusato lemons, exclusive to the Amalfi coast.



The Bols range comprises over 40 unique flavors, divided into different groups: citrus; orchard; berries; tropical; herbs & botanicals.

The fact that the Sir Francis Drake cocktail leans on two iconic brands speaks to the category's deep history. In turn, historic concoctions are ripe for tweaking. At The Cannibal Liquor House, New York, Bill Brooks, Beverage Director, "riffs" on the 1970s classic Galliano-based Harvey Wallbanger, incorporating a frozen creamsicle, housemade orange marmalade and a dash of vanilla.

While it is certainly true that some liqueurs have earned their place on the backbar as star ingredients (think Midori in the Melon Ball; Kahlúa in White/Black Russians), liqueurs remain vital in the bartender's proverbial toolbox even when not a cocktail's main driver. The Cannibal's Berry Gibson, for instance, includes blackberries pickled in a blend of the classic blackcurrant liqueur crème de cassis, watermelon juice and apple vinegar; and their Thyme Gibson gains citrusy complexity via limoncello and vermouth infused with fresh lemon thyme leaves.

And when it comes to creating brand new cocktails, mixolo-

Pallini has distilled since 1875. Recent "cello" extensions include peaches and raspberries.



gists can turn to liqueurs as integral ingredients. "High-quality cordials can provide a bedrock for creativity," says Kevin Denton, National Mixologist for Pernod Ricard USA. "Utilizing a great triple sec with a variety of different base spirits can give you a myriad of cocktail options."

Indeed, almost as mysterious as the exotic recipes that go into liqueurs is the way in which a singular flavor expression suddenly emerge from the pack. Recent breakout hits have included pomegranate, with PAMA, and elderflower, with St-Germain, St. Elder and others. What will be next?

FLAVOR BOOM

Liqueurs have always been about flavor, so it is no surprise that the most enduring suppliers—firms such as Hiram Walker, DeKuyper, Leroux, Bols and M. Brizard—have a history of expansive portfolios and a knack for innovation. Brett Dunne, Managing Director, Lucas Bols USA, notes: "We have a liquid think tank in Holland, and we're always in the process of creating new flavors. This fall, we'll be launching Pineapple Chipotle and a new Pear flavor."

At the same time, merchants on the frontlines of flavor can never be too sure of what will catch on. "We carry around 48 different fruit liqueurs in the store at the moment," notes Sasha Staskiewicz of Union Square Wine & Spirits in New

BRAND FOCUS: JÄGERMEISTER

'KÜHL' COMPLEXITY

While most fruit liqueurs express singular flavors, herbal liqueurs draw their identity from a heady mix of herbs, roots, spices and flowers. Curt Mast, son of a vinegar manufacturer, perfected Jägermeister back in 1934. What made it the world's leading liqueur?



- 56 globally sourced botanicals extracted via four macerates
- Secret recipe meticulously crafted and carefully guarded for 80+ years
- Profile that balances sweet, bitter, fruity, spicy and herbal notes

UNIQUENESS BEYOND INGREDIENTS

Going from the hunter's drink to the toast of the underground, Jägermeister's popularity has been fueled by usage:

- as a shot, served "Kühl" at -18°C (also, conveniently, the average temperature of a home freezer)
- and as a cocktail ingredient—with everything from OJ to soda to rye

WHAT'S NEXT

Staying front and center in 21st century, Jägermeister has taken several bold marketing steps:

- A package makeover in 2016, featuring a more defined shape, more realistic stag, stronger logo and new copy
- A new global positioning, identity and campaign in 2017, marking the first major rebrand in its history
- Active social media campaigns with Foursquare, Spotify and, coming this October, Shazam
- For Halloween, a multi-million dollar campaign—ranging from TV to POS—encouraging consumers to celebrate the "darke" side of the holiday

JÄGERYE

1 part Jägermeister
1 part Rittenhouse Rye
Orange Oil & Peel (garnish)

Stir whiskey and Jägermeister with a large (2x2) ice cube of ice in a frozen 11-12oz Old Fashioned glass. Garnish with oil and peel of an orange.



LIQUID RAINBOW

On top of deep-mining flavor, cordial makers have been known to play up color as well—from the vivid greens of Midori and Chartreuse to the radiant oranges of Grand Marnier and Mandarine Napoléon; from dark red Chambord to bright red Cherry Heering; from amber Disaranno to jet-brown Kahlúa.

What's hot now? Blue is back, exemplified in the renaissance of Hpnotiq, the 34-proof turquoise-hued blend of vodka, fruit juices and Cognac. The brand went back to its roots, tapping the hip-hop nostalgia of the 2000s; thanks to celebrity partnerships (Two Chainz; Naturel), innovative digital programs and strategic events, Hpnotiq is taking root with a new generation of multi-cultural consumers.



York City, “65 if you include fruit infused/ flavored liqueurs.” He adds that along with the rise in spirits sales and the renewed interest in making drinks at home, “The demand for specific liqueurs has increased with Millennials. Our top three best-selling fruit liqueurs are Giffard Pamplemousse, [grapefruit], Luxardo Maraschino Liqueur and Capri Natura Limoncello.”

For amateur home bartenders and clients looking for something new to try, Staskiewicz shares a trusty selling tip: “I often find myself suggesting customers to get a neutral flavored vodka and add a splash of one of the Giffard products to flavor it themselves. The Pamplemousse is particularly lovely when a splash is added to rosé Champagne or to sparkling wine.”

FROM ‘SPRITZ’ TO ZEST?

The Aperol Spritz cocktail phenomenon has turbocharged sales of all kinds of fizzy cocktails amplified by fruit-flavored cordials and liqueurs—especially lemon-infused Italian brands, reports David Singh, Senior



Brand Manager, Palm Bay International, which imports a Sicilian lemon liqueur, Bottega Limoncino.

“Italian spirits are very trendy right now,” observes Corey Gallota, Brand Manager, Pallini Limoncello, Castle Brands. “I am seeing lots of restaurants using our Italian Spritz, which is three parts Prosecco, two parts Pallini Limoncello, and one part San Pellegrino sparkling water.”

Jason Schladenhauffen, President and COO of 375 Park Avenue Spirits, notes: “I believe the explosion of other Italian categories, such as Prosecco, has given Limoncello Rossi D’Asiago a springboard to use as we look to drive more non-conventional usage of Limoncello in cocktails.”

At Merchants Fine Wine in Detroit, MI, Manager Todd Roberts, says he usually carries about seven limoncellos, and they are all steady sellers. To promote the store’s selection, Roberts has hosted periodic tasting events; a recent for limoncellos drew 300. He recommends to customers to keep their limoncello in the freezer just like a favorite brand of vodka.

Piero Selvaggio, the owner of Valentino in Santa Monica, CA, concurs about the rise in popularity of Italian cocktails, especially those made with an Italian limoncello. A native of Italy, he counsels that any drink made with the Italian lemon-infused liqueur is like drinking “the freshness of the sun on the Amalfi Coast.” Selvaggio adds that limoncello makes a zesty granita and can be included in a wide range of desserts.

Back in New York, I Trulli Ristorante owner Nicola Marzovilla reminds that chilled limoncello can stand on its own, too: “The last couple of years, we’ve been offering a glass of limoncello, Moscato d’Asti or an amaro, and our guests love them.”

Notably, the zesty liquid has been produced with delicious results outside of Italy. Fabrizia Spirits, based in New England, for instance not only makes a limoncello, they also produce a blood orange version using California fruit as well as a “crema” using Wisconsin cream.



Bottega makes “Limoncino” using Sicilian lemons and grappa. The Bottega Spritz calls for Limoncino, Prosecco, a splash of soda, lemon and mint.

Looking ahead, it’s likely the cordial world will continue to expand rather than contract—partly because excellent liqueurs can be made just about anywhere these days. Under their SweetShine label, West Virginia’s Bloomery Plantation Distillery is making delicious liqueurs from Cranberry-Clementine to Black Walnut and Ginger. And flavors will continue to push limits; consider the exotic liqueurs now produced by The Bitter Truth—e.g., Apricot, Violet and Pimento Dram (allspice). Clearly, variations on the cordial theme remain plentiful and provocative. ■

SELLING TIPS

- Promote authentic brands; customers love a good story, and many liqueurs’ essences can be captured in a shelf talker.
- For anyone looking to give a gift, if the recipient has a favorite fruit or nut, there’s likely a cordial for that.
- Seasons count, especially in summer, when fruit-driven liqueurs bring bright flavors to cocktails.
- Sample, sample, sample; sampling equals sales.
- Remind customers you can special-order any line extension.

INTRODUCING

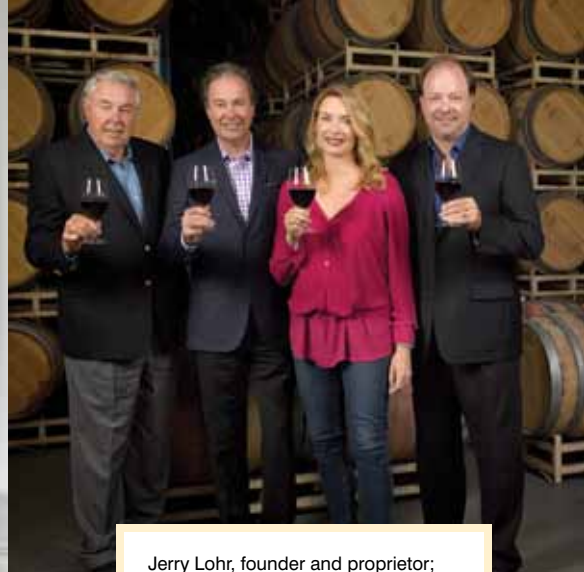
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Jerry Lohr, founder and proprietor; Steve Lohr, CEO; Cynthia Lohr, trade and brand advocate; and Lawrence Lohr, director of wine education.

AN ICON, UPDATED

J. LOHR'S NEW LOOK HITS THE MARKET

BY KRISTEN BIELER

In human years, 22 isn't all that old. But for wine labels, it's a different story. J. Lohr's Estates Series—the winery's best-selling line of wines—first debuted with the 1995 vintage and time was ripe for a makeover, says Steve Lohr, CEO: “We wanted the packaging to reflect where the quality has gone in recent years.”

The Estates Series includes eight wines, led by the well-known Riverstone Chardonnay from Monterey and Seven Oaks Cabernet from Paso Robles, and represents 80% of J. Lohr's considerable production (1.6 million cases annually).

Every year, volume grows as new consumers discover the brand. “We had huge double-digit growth for years, and now we are looking for more moderate growth with this series,” explains Jerry Lohr, who founded the winery in 1974. “Today, we're more interested in sustainability.”

Going Contemporary

The Lohr family wanted to update the look and feel of the bottle, without losing the power of brand equity. “Our goal was to have people recognize the wine, but sense that something was different and better about it,” explains

Jeff Meier, President/COO and Director of Winemaking.

Using new technology, they were able to create a two-piece label, which now sits higher on the bottle. There is a new pen-and-ink vineyard scene with less sepia, which gives a clearer, sharper look. Font sizes were increased and the colors brightened; contemporary touches like removing the gold trim on label border and using a matte finish give the bottles a more modern feel. Yet the rich heritage of the brand is also reinforced, with the addition of “family-owned since 1974” on the bottom.

While the changes are subtle, the end result is an impressive upgrade, one that was 18 months in the making. The long and laborious process is typical of the company's refusal to cut corners or pinch pennies in pursuit of quality. Unlike many large volume brands, J. Lohr uses expensive French and American oak barrels—no chips or extracts. In difficult, lower-yielding vintages, the family refuses to plug gaps in supply by releasing wines too soon; they insist on appropriate oak and bottle aging, and work hard to balance supply with demand.

The wine in the bottle reflects the same quest for quality. “We've done a lot of work internally to broaden the blending range for our Cabernet,” shares Meier. “We planted Petit Verdot in the mid-'90s and we're getting better at working with Cabernet Franc. This is what gives the Seven Oaks Cabernet so much complexity.”

Having the range of vineyards and terroirs—across Paso Robles, Napa and Monterey—that the family has amassed over nearly four decades makes this uniquely possible for the company. Adds Steve Lohr, “With over 3,700 acres of vineyards and three significant wineries, we have the assets and family commitment to grow our brand for decades to come.” ■



Arroyo Seco Appellation, Monterey County

**EXCEPTIONAL WINES,
FOUR DECADES IN THE MAKING.**



J. LOHR ESTATES
MONTEREY | PASO ROBLES

SANGRIA WITH HERITAGE

GLUNZ FAMILY WINERY USES CENTURY-OLD SKILLS TO CRAFT FINE BOTTLED SANGRIA

BY KRISTEN BIELER

The key to creating an exceptional sangria is as obvious as it is rare: Start with high-quality wine and all-natural citrus extract—and don't water it down. "Most sangrias have artificial flavorings and tons of water added, whether listed as ingredients or not," says Matt Glunz, who runs the Paso Robles-based Glunz Family Winery, where he crafts De La Costa Sangria with his brother, Steve.

It should not be surprising that the Glunz brothers craft their own extract—"we use real lemon, lime and grapefruit peels and high-proof brandy; it's so intense aromatically that a little goes a long way," Steve explains. They learned the trade from their grandfather who made perfumes and flavors during Prohibition.

But the family's legacy of pioneering in the beverage alcohol industry dates back even farther, when Louis Glunz emigrated from Germany in 1871 at age 17 (with his friend Oscar Mayer), and opened a wine, spirit and beer shop in Chicago. The first to bottle Schlitz beer in 1893, essentially creating the beer wholesale business, Glunz began bottling his own cordials, spirits and wine. Subsequent generations expanded into almost every facet of the industry; in the 1950s,

Bold, dark red flavors and bright acidity keep it balanced and refreshing, even on ice.

third generation Louis Glunz—Matt and Steve's father—started a wine wholesale business to service the Midwest.

It was Louis' love of Port that lured him to California, where he opened a bonded winery in Paso Robles with 20 acres in 1992, focusing on small-batch fortified wines.

Although Louis had been tinkering with sangria mostly as a hobby since the 1970s, it was Steve and Matt—who between them worked for Gallo, Penner-Ash and Murphy-Goode among others before joining the family business—who saw the potential for a high-quality sangria in the market. They decided to make De La Costa a national focus for their winery (which also produces Pinot Noir, Grenache and Cabernet).

De La Costa's White Sangria is made from Sauvignon Blanc



De La Costa is packaged in reusable swing-top 1L bottles, replicas of the ones Louis Glunz cleaned as a bottle washer in WWII. Currently, Glunz is also testing their sangria in cans, which come in 250ml four-packs.

picked early to retain high acidity. "We ferment it dry then add a bit of sweetener and our citrus-infused brandy. Most sangrias are low-alcohol because they have so much water added; ours is pure wine with 11% ABV compared to most which are closer to 6% ABV" describes Steve. "This is what separates us from most other sangrias on the market."

A blend of Zinfandel and Merlot, De La Costa's Red Sangria starts off as "a dynamite bottle of wine," states Matt. A hint of tannin and dark red fruit flavors make it a bolder, more substantial red sangria than what many are used to, with bright acidity that keeps it balanced and refreshing, even on ice.

With early successes in Costco and Whole Foods, De La Costa is branching out into new markets. "Once people taste it, they understand why we are more expensive—around \$11.99 for a one liter bottle; the quality is there," says Steve Glunz. "Often sangria is made with the dreges of whatever wine is leftover. For us, sangria is the priority." ■



de la costa SANGRIA



**TOP 5 SANGRIA
IN NEILSEN RATINGS
FOR RED AND WHITE.**
Nielsen 52 weeks ending 5/20

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PREMIUM WINE THAT IS 100% CALIFORNIA

Our White Sangria stems from a Sauvignon Blanc and balances out the crisp and refreshing citrus flavors of lemon, lime and grapefruit.

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WE ONLY USE CITRUS FRUITS SUCH AS LEMONS, LIMES
AND GRAPEFRUIT TO BALANCE THE SWEETNESS.

We never add water, like many Spanish sangria, which is why ours is very rich in flavor and is higher in alcohol.

Our unique, premium packaging with an air-tight reclosable opening makes De La Costa Red and White Sangrias an all-time festive favorite.



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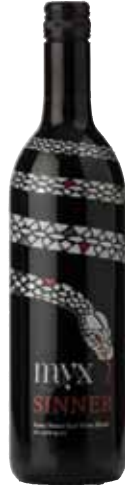
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new
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6

1. 'J BLACK' PINOT NOIR

The first new wine from J Vineyards & Winery under ownership by E. & J. Gallo is a multi-appellated Pinot Noir. Based on fruit from Monterey, Sonoma and Santa Barbara counties, "J Black" is made in a riper, rounder, plusher style, and at a more accessible price point (\$25) than many Russian River Valley AVA peers. Excellent prospect for high-end glass pours.

\$ SRP: \$25
globe jwine.com

4. TEMPUS TWO AUSTRALIAN WINES

Palm Bay International and the McGuigan family have teamed up to bring Tempus Two to America, marking Palm Bay's re-entry into the Australian wine category. Tempus Two comprises two ranges, sourcing fruit from Australia's premium terroirs. The Varietal Series includes a Sauvignon Blanc and Shiraz; the Copper Series includes a "Wilde Chardonnay," a portion of which undergoes a natural fermentation; a Shiraz co-fermented with Viognier; and a vibrant, flavorful Copper GSM blend.

\$ SRP: \$14.99/Varietal Series;
 \$19.99 /Copper Series
globe palmabay.com

2. REDEMPTION WHEATED BOURBON

Redemption Whiskey—known for producing premium rye whiskey and high-rye bourbon—has released a limited-edition "Wheater." While most wheat-forward bourbons have between 20% and 30% of the grain in the mash bill, Redemption Wheated Bourbon contains 45% winter wheat, 51% corn, and 4% malted barley. Four years in new oak, along with the high wheat content, yields a mellow and nutty whiskey with a long smooth finish, even at 96 proof.

\$ SRP: \$45.99
globe redemptionwhiskey.com | deutschfamily.com

5. FABRIQUERO SOTOL

Fabriquero is bringing to the U.S. a new sotol, distilled from wild *Dasyliirion wheeleri*, aka Desert Spoon, not unlike tequila and mezcal are made from agave. The traditional Mexican spirit displays strong minerality and notes of wild grass that stem directly from the base plant. An underlying richness comes from the acacia wood used to cook the piñas. Highly mixable, this sotol also exhibits herbaceous notes, great acidity and a long finish. 90 proof.

\$ SRP: \$64.99
globe fabriquero.mx

3. MYX FUSIONS 'SINNER'

The latest addition to the Nicki Minaj's Myx Fusions wine line, Myx Sinner is a semi-sweet red blend designed to be served chilled. Made from 100% California grapes (Ruby Cabernet, Montepulciano, Rubired, Cabernet Sauvignon), the wine displays hints of raspberries and a smooth texture. The bottle features a snake coiled around its length. Currently in 11 states; national by end of year.

\$ SRP: \$10.99
globe myxfusions.com

6. PENFOLDS MAX'S

Iconic Australian winery Penfolds has launched a major new line, inspired by Max Schubert, Penfolds' legendary original winemaker, who created the iconic Grange. For the Penfolds 2015 Max's Cabernet Sauvignon and 2015 Max's Shiraz-Cabernet, winemaker Peter Gagos applied Schubert's visionary approach of multi-regional and multi-varietal blending. The bright red, shrink-wrapped exterior can be "unzipped" after purchase to reveal a classic Penfolds bottle within.

\$ SRP: \$25
globe tweglobal.com | penfolds.com

EVEN A
bastard
CAN BLUSH

FAT *bastard*™



NEW
TO THE
MARKET

FAT *bastard*™ BLUSHING BASTARD

- Appellation: Vin de Pays d'Oc, France
- Blend of Shiraz & Grenache
- Round and full on the palate with ripe red fruits and a long, fresh finish.

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7. SLANE IRISH WHISKEY

Slane Irish Whiskey was created by Brown-Forman and the Conyngham family of Slane, whose roots in the Irish village date back over three centuries. Slane's "Triple Casked" maturation process uses virgin oak, seasoned oak and Sherry casks to produce a bold yet smooth spirit with a more robust flavor than traditional Irish whiskey. Slane's name is familiar to rock 'n roll fans, thanks to the Slane Castle Concert series, founded 1981.

\$ SRP: \$29.99
slaneirishwhiskey.com

10. SINFIRE APPLE CINNAMON WHISKY

Hood River Distillers has unveiled an Apple Cinnamon extension of Sinfire Cinnamon Whisky. Available in 50ml and 750ml, Sinfire Apple combines smooth rich premium whisky with the warm kick of cinnamon spice and tart fresh Golden Delicious and Granny Smith apples. Finished with glacier-fed spring water from Mount Hood. Recommended as a shot, or mixed with apple cider or cranberry juice over ice. 70 proof. Limited markets; national in fall.

\$ SRP: \$15.99
hrdspirits.com

8. KELVIN SLUSH ORGANIC FROSÉ

Pink wine has legs. Contributing to the momentum: "frosé," the frozen rosé cocktail. While lots of restaurants and bars have added a frosé, it is difficult to keep batches tasty and consistent. Enter Kelvin Slush—experts in the craft of frozen cocktails—with a proprietary organic Frosé mix. Combines easily in a slushie machine with water and spirits or a mix of wine and spirits. Other flavors: Citrus, Ginger, Margarita, Piña Colada, Tea. One 64oz jug makes about 37 drinks.

kelvinlush.com

11. FRÍSCO BRANDY

San Francisco-based North Channel Distillery has launched Frisco, the company's inaugural spirit, inspired by Pisco, the grape-based spirit native to Chile and Peru. Crafted in San Francisco from California grapes, Frisco brandy is double-distilled via a copper pot still in small batches, followed by a unique charcoal mellowing; the result is a clean, full-bodied, yet delicately smooth spirit with floral overtones and suggestions of tropical fruit. 90 proof.

\$ SRP: \$35
friscoliquor.com

9. CLINE FAMILY CELLARS

Sonoma-based Cline Family Cellars unveiled a new label design for their Lodi Old Vine Zinfandel in celebration of the winery's 35th anniversary. The new package reflects the rich character of the wine, and highlights the Lodi appellation and family ownership. For Cline's Lodi Zinfandel, 50-plus year old vines deliver juicy, ripe berry, jam and spice notes to the 2015 vintage. Cline also makes an "Ancient Vines" Zin, from century-old vines in Contra Costa.

\$ SRP: \$10.99
clinecellars.com

12. RAVAGE CABERNET SAUVIGNON & RED BLEND





Constellation's latest wine fits neatly in with "decadent" reds that have proven so popular lately. Ravage 2015 Cabernet Sauvignon and 2014 Dark Red Blend are both smooth, generously ripe and rounded out with vanilla/mocha notes. The Cabernet includes Merlot, Zinfandel and Syrah; the Dark Red Blend is 44% Cabernet Sauvignon, 24% Petite Sirah, 16% Syrah, plus Merlot, Zinfandel and other red grapes. Both have California appellations.

\$ SRP: 12.99
ravagewines.com | cbrands.com

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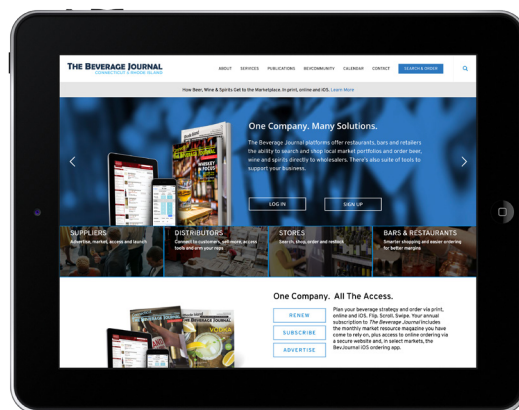
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