



Tenth Anniversary of George Washington's Distillery Reconstruction & Special Whiskey Collaboration

Distillers from across the country fired up the stills at George Washington's Distillery this week to collaborate on a special rye whiskey in honor of the tenth anniversary of the historic distillery's reconstruction.



George Washington's Distillery & Gristmill

"George Washington was not only the father of our nation, but also the father of craft distilling," said Distilled Spirits Council President and CEO Kraig R. Naasz. "Since the distillery re-opened to the public in 2007, more than 400,000 guests from around the world have visited the Distillery & Gristmill site. Preserving this special site has shed light on the important role of distilling in our nation's history and has contributed to the revival of American rye whiskey."

"Most people know Washington the general and Washington our first president," added Robert Shenk, Senior Vice President of Visitor Engagement at George Washington's Mount Vernon. "But many more are still learning about Washington the distiller. It is here, in this working distillery, that we can best share the surprising story of Washington the successful entrepreneur with all of our guests."

Since 2008, when Virginia legalized spirits sales at the distillery, Mount Vernon has sold more than 23,600 bottles of whiskey and brandy and 8,000 whiskey gift sets raising almost \$1.5 million in revenue, which benefits the ongoing preservation and restoration of Mount Vernon and its educational programs.

Producing the Tenth Anniversary American Rye Whiskey

The Tenth Anniversary American Rye Whiskey distilling project was a two-day event sponsored by the Distilled Spirits Council and George Washington's Mount Vernon.

The event featured top American whiskey distillers including: Fred Noe, Jim Beam (Ky.); Elizabeth McCall, Woodford Reserve (Ky.); Wes and Kyle

continued on page 2

Craft Spirits Producers Sold Nearly Six Million Cases Last Year

The American Craft Spirits Association (ACSA), Park Street and the IWSR presented highlights from the 2017 Craft Spirits Data Project at the Second Annual Craft Spirits Economic Briefing at Kings County Distillery in New York on October 24.

"The Craft Spirits Data Project, which was first introduced in 2016, is a first-of-its-kind research initiative that aims to provide a solid and reliable fact base for evaluating performance and trends in the U.S. craft spirits industry," according to an ACSA statement.

The ongoing Project, which seeks to quantify the number, size and impact of craft spirits producers in the U.S., is an effort led by ACSA, Park Street and the IWSR with collaboration from key government and industry organizations including the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB), the National Alcohol Beverage Control Association (NABCA), American Beverage Licensees (ABL) and the Wine & Spirits Wholesalers of America (WSWA).

Key Findings

The craft distilling industry sold nearly six million cases in 2016, up 18.5% in volume over 2015, with

continued on page 2

September Virginia Spirits Month Boosts Sales of Virginia Distilled Spirits

A partnership among the Virginia Governor's Office, Virginia Tourism Corporation (VTC), Virginia ABC and the Virginia Distillers Association (VDA),



Virginia Distillers Association members with Virginia Gov. Terry McAuliffe in the center

which proclaimed September as Virginia Spirits Month, has lifted sales of Virginia distilled spirits by 70% over the same period last year. According to Virginia ABC, September 2017 sales at distilleries increased by 70.2%, and in-store sales were up 53.5% over September last year.

continued on page 4

George Washington's Distillery

continued from page 1

Henderson, Angel's Envy (Ky.); Bruce Russell, Wild Turkey (Ky.); Ted Huber, Starlight Distillery (Ind.); Brett Carlile, Woodinville (Wash.); Becky Harris, Catoctin Creek (Va.); Matt Hofmann, Westland Distillery (Wash.); Gordon Working, MGP (Ind.); Ewan Morgan, Diageo; Dave Pickerell, Hillrock/WhistlePig (N.Y./Vt.); and Steve Bashore, George Washington's Distillery (Va).

"The reconstruction of George Washington's Whiskey Distillery was completed in 2007 by our team of skilled craftsmen," said Steven T. Bashore, Director of Historic Trades at George Washington's Mount Vernon. "Over the last decade, we have had the opportunity to work with many talented distillers to create a variety of spirits using 18th century methods. We are honored to once again collaborate with these masters on a special distillation. They have taught our team so much about producing fine whiskies and brandies."

Rye Whiskey Category Has Grown Rapidly Since Distillery Re-Opening

Since 2009, rye whiskey volumes have grown 778% from 88,000 cases to nearly 775,000 in 2016. In value terms, that translates into a 900% jump in revenue from slightly more than \$15 million in supplier revenues in 2009 to nearly \$160 million in 2016. The Council projects rye whiskey growth to continue in the double digits through 2017 fueled by large suppliers such as Bulleit, Jim Beam and Wild Turkey as well as many small producers that have sprung up since the reconstruction of George Washington's Distillery.

"American rye whiskey is retaking its rightful place among the world's great distilled spirits, a place that was lost to Prohibition," said Naasz. "The growth of rye whiskey has also benefitted American farmers and underscores what George Washington knew, that producing distilled spirits is the essence of value-added agriculture."

In addition, at the request of the Council, the United States International Trade Commission (USITC) recently established a new export code for U.S. exports of bottled rye whiskey, a recognition of the re-emergence of "American Rye Whiskey" as a notable spirit not only in the U.S. but also abroad. The new export code will allow the U.S. government to track exports

of "American Rye Whiskey" similar to how bourbon exports are treated.

The George Washington Distillery Reconstruction

In 1797, George Washington's farm manager, James Anderson, convinced his employer that producing whiskey made from corn and rye grown on the estate would be a natural complement to his milling business. Washington was initially skeptical but soon granted permission to build the 2,250-square-foot distillery, making it among the largest whiskey distilleries in early America. By 1799, Washington produced 11,000 gallons of whiskey, worth the then-substantial sum of \$7,500. The distillery ceased operating in 1814 when the building burned.

Beginning in 2000, with a \$2.1 million grant from the Distilled Spirits Council and the Wine & Spirits Wholesalers of America, Mount Vernon began the excavation and restoration of the distillery.

return to page 1

Craft Spirits Producers

continued from page 1

\$3 billion in sales and 25% growth by value. The U.S. craft spirits market volume (cases) reached 5.8 million cases in retail sales in 2016, growing at an annual growth rate of 18.5%. In value terms, the market reached \$3.0 billion in sales, growing at an annual growth rate of 25.0%. The market share of U.S. craft spirits reached 2.6% in volume and 3.8% in value in 2016, up from 1.0% (volume)/1.2% (value) in 2011 and 2.2% (volume)/3.0% (value) in 2015.

The number of active craft distilleries in the U.S. grew by 20.8%, with 1,589 distilleries. The number of active craft distillers in the U.S. grew by 20.8% over the past 12 months to 1,589 as of August 2017.

Employment in the craft spirits industry grew by 47.8% over the past 12 months, with nearly 6,000 new full-time jobs. As of August 2017, the industry employed almost 19,600 full-time employees, an average of 10.5 employees per distillery.

Industry investments are on pace to double in 2017. As of August 2017, industry investments reached \$600 million in just nine months, up from \$398 million for the entire 2016 calendar year. These investments primarily covered the build-out of tasting rooms and other visitor experiences, equipment to increase production capacity and associated labor costs.

Exports are up 8.2% since 2015, with more than half a million cases exported. Exports of U.S. craft spirits reached 566,000 cases in 2016, adding more than 8.8% of additional volume to U.S. craft distillers' total sales. 2016 exports grew by 8.2% versus 2015.

Distillery and tasting room sales make up 34% of all sales for small craft distilleries, while out-of-state sales make up 58% for larger craft distilleries. Direct sales at the distillery are important for all craft distillers but especially important for small craft producers (between 0 and 10,000 proof gallons removed from bond annually). Direct sales make up 34% of all total sales across all craft distilleries. Out-of-state business is particularly important for large producers (between 100,001 and 750,000 proof gallons removed from bond annually), accounting for more than 58% of the total business.

Some states are "craftier" than others with California, New York, Washington, Texas and Colorado leading the pack. Geographically, the market remains concentrated. The top five states by number of craft distilleries – California (148), New York (123), Washington (106), Texas (86) and Colorado (80) — make up 34.2% of U.S. craft distillers, and the next five states — Oregon, Pennsylvania, North Carolina, Ohio and Florida — comprise an additional 17.8% of the market. The remaining states represent 48% of the market.

Project Background & Methodology

The Craft Spirits Data Project 2017 is a proprietary research project whose goal is to provide a solid and reliable fact base for evaluating performance and trends in the U.S. craft spirits industry. The Project, which was first announced and presented in 2016, is the beverage industry's first-ever comprehensive craft distilling study. The Project quantifies the number, size, and impact of craft spirits producers in the U.S.

For purposes of this research, U.S. craft spirits are distilled spirits that are produced in the U.S. by licensed producers that have not removed more than 750,000 proof gallons (or 394,317 nine-liter cases) from bond, market themselves as craft, are not openly controlled by a large supplier and have no proven violation of the ACSA Code of Ethics.

Together, the ACSA, Park Street and the IWSR launched the Project in October 2015. 2017 data collection began in January, and remained ongoing through August

continued on page 4

GREAT INTERNATIONAL BEER, CIDER, MEAD & SAKE COMPETITION



YEAR #21 — NOVEMBER 11, 2017
BRIDGEPORT, CONN.

A PROFESSIONALLY-JUDGED PEER REVIEW COMPETITION

ALL INFORMATION — CATEGORIES, ENTRY FORM, ETC.
AVAILABLE AT WWW.GIBCC.COM

Craft Spirits Producers

continued from page 2

2017. The Project collected data primarily from spirits producers (DSPs), distributors and retailers.

The program aims to create a deeper understanding of the U.S. craft spirits landscape among three key groups: DSPs, distributors and retailers. The study collected comprehensive data on craft distiller production size and patterns, sources of revenue and the category's overall economic impact within the spirits industry. The Project also collected data on craft spirits business size, patterns and outlook on the distributor level and assess craft spirits business size and outlook by premise type at retail. The Project aims to provide findings on craft supplier best practices and success factors.

When estimating the number of producers behind the U.S. craft spirits production, the project team relies on a combination of official data released by regulatory authorities, survey data, other industry data sources both national (e.g., NABCA, ACSA) and regional (e.g., guilds) as well as interviews and team assessments using the craft distiller definition.

return to page 1

September Virginia Spirits Month

continued from page 2

"Virginia Spirits Month was a tremendous success, yielding tangible results for our distilling industry, consumers and the many partners in between from restaurants to state government," said Gareth H. Moore, VDA President and CEO of Virginia Distillery. "The results are proof positive that partnering with organizations like Virginia ABC and VTC can create economic benefits both now and for many years to come."

Highlights of the September Virginia Spirits Month campaign included:

- Meet Virginia Makers video series supported by workshops and tastings to drive traffic to distilleries.
- Promotions with more than 60 Virginia restaurants who highlighted Virginia spirits craft cocktails in their beverage programs.
- Complimentary "Virginia is for Lovers" trucker hats with any bottle purchase of Virginia spirits at 20 select ABC stores.

- Largescale consumer festivals such as the Virginia Craft Spirits Showcase.
- Governor Terry McAuliffe ended the month with a celebration at Virginia's Executive Mansion.

"The distilled spirits industry has played a role in Virginia's economy for hundreds of years, and today it continues to support our farmers and tourism industry, creating jobs in every corner of the Commonwealth," McAuliffe said, who officially proclaimed September as Virginia Spirits Month. "I am pleased to see our homegrown distilled spirits companies develop into national leaders, and I congratulate them on their contributions to our new Virginia economy. I hope my fellow Virginians join me in raising a glass to the proud history and bright future of the spirits industry in the Commonwealth."

return to page 1

WSWA Opposes HR 4024

The Wine & Spirits Wholesalers of America (WSWA) has announced its opposition to legislation that would allow, for the first time in its history, the U.S. Postal Service (USPS) to ship beverage alcohol via mail.

WSWA President and CEO Craig Wolf released the following statement regarding HR 4024, a bill authored by Rep. Jackie Speier (D-CA).

"This bill would undermine the consumer protections built into America's alcohol distribution system. The American beverage alcohol industry offers consumers the safest and widest array of beverage alcohol products available anywhere in the world. This is made possible by state-based regulation systems that ensure public safety and guarantee product integrity. The proposed USPS delivery of alcohol would undermine those systems and jeopardize the industry's record of success and responsibility.

"USPS shipment of alcohol would essentially create a 'black market' channel for counterfeit and potentially adulterated alcohol to reach American consumers, including minors. The problem of counterfeit and tainted alcohol is widespread internationally, as recently seen at Mexican resorts where it harmed American tourists.

"USPS shipment of alcohol would also undermine state law and the long-established, long-upheld concept of primary state authority for the regulation of alcohol as provided by the 21st Amendment

to the U.S. Constitution. It would also create compliance and reporting challenges the USPS is not equipped to address.

"The U.S. Postal Service runs billion dollar deficits each year. It should focus on addressing these systemic challenges and not pursue risky or ill-considered ventures that would provide minimal revenue while endangering the public."

WSWA Women's Leadership Council Conference

The Wine & Spirits Wholesalers of America (WSWA) Women's Leadership Council (WLC) Conference took place September 14-15 in Washington, D.C., with 45 senior executives from distributors of all sizes serving markets across the U.S.

"The WLC Conference was a member-conceived, member-led effort," said WSWA Vice President, Federal Affairs, Catherine McDaniel, staff liaison to the WLC group. "Our team originally planned for 30-35 attendees, and this year's participation was well above that. It speaks to the ongoing need for this type of event and its lasting value for WSWA member distributors."

The program began Thursday evening with a networking session where attendees

continued on page 5

203-971-8710

gregg@distilleryage.com

www.distilleryage.com

EDITORIAL STAFF

Publisher/Editor: Gregg Glaser

Contributing Editor: Peter V. K. Reid

Contributing Editor: Michael Anstendig

Copy Editor: Christine Barber

ADVERTISING

adsales@distilleryage.com

SUBSCRIPTIONS

\$195.00 a year for 48 issues

gregg@distilleryage.com

MAILING ADDRESS

228 Silvermine Avenue

Norwalk, CT 06850-2032

All content Copyright © Modern Distillery Age, 2017 – Copies may not be sent to others & issues may not be posted to websites.

WSWA Women's Leadership Council Conference

continued from page 4

and WSWA staff enjoyed a reception with Rep. Barbara Comstock (R-VA) who talked about skills she gained as a legislative staff member, private sector attorney and law firm partner and later in her career as a delegate in the Virginia statehouse. She also discussed The Young Women's Leadership Program, an organization she founded for high school girls, as well as issues and opportunities she sees as a member of her state's congressional delegation.

The day-long conference on Friday began with a policy briefing from WSWA Government Affairs team members Heather Calico, Director, State Affairs; Ali Prologo Gormley, Senior Director, Federal Affairs; Ashley Lantz, Senior Director, Federal Affairs; and Catherine McDaniel, Vice President, Federal Affairs, who outlined the association's state and federal agenda, creative advocacy efforts, and the importance of political action. The group discussed how rapidly changing issues such as health care, tax reform and regulatory policy can impact wholesalers, and how distributor executives and their teams can engage in the advocacy process.

WSWA staff next assembled a bipartisan, bicameral panel of top Capitol Hill staff members who talked about their own job successes and challenges, provided a look at issues facing Congress in the current political climate and shared tips and best practices learned over their own career paths. Participants included: Sarah Benzing, Chief of Staff, Sen. Sherrod Brown (D-OH); Shuwanza Goff, Floor Director, House Minority Whip Steny Hoyer (D-MD); Barrett Karr, Chief of Staff, House Majority Leader Kevin McCarthy (R-CA); and Monica Popp, Chief of Staff, Senate Majority Whip John Cornyn (R-TX).

Spirits educator and author Heather Greene, author of *Whiskey Distilled: A Populist Guide to the Water of Life*, led a whiskey tasting and discussion about the latest whiskey trends and market developments. Lee Dunn, Google Head of White House Outreach, presented a two-part education session outlining how her own "career pathing" approach fueled her growth within the company and an update on how distributors and the association

can maximize return on investment in new digital communications and marketing tools.

Women's leadership expert, television news reporter and *New York Times* best-selling author Claire Shipman offered an in-depth review of the new research from her latest book, *The Confidence Code*, which explores the science and art of self-assurance and what tools women need in order to enhance themselves professionally and personally.

WLC Conference attendees spent the afternoon prior to the conference assembling 275 personal care kits for women, children and families who utilize the services of House of Ruth, a Washington, D.C.-based community service organization. Baskets were delivered by the WSWA team in a specially-wrapped truck provided by Southern Glazer's Wine & Spirits that was used in the National Truck Driver Appreciation Week campaign the week prior. The truck wrap showcases facts about the economic impact and broad employee base of U.S. wine and spirits distributors.

Conference sponsors and supporters included long-time industry partners Beverage Media Group and Dimensional Insight, as well as first-time association event sponsor Bank of America.

"The WSWA WLC and its inaugural Conference demonstrate the benefits that accrue to the industry at large from active, engaged and inspiring association members," said WSWA President and CEO Craig Wolf. "This conference was conceived just over a year ago and will now become an ongoing part of WSWA's member-benefits program. More importantly, it will provide an expanding and sustainable career development and educational resource for tomorrow's industry leaders."

The WSWA WLC is led by Chair Dina Opici of Opici Family Distributing and Vice Chair Philana Bouvier of Young's Market Company. Advisory Board members include Heather Alper of Southern Glazer's Wine & Spirits, Megan Ross Laccino of Great Lakes Wine & Spirits, Stacy Gabel of Republic National Distributing Company, Lacey Sadoff of Badger Liquor Company, Monica Chaplin of Southern Glazer's Wine & Spirits, Hillary Wirtz of Breakthru Beverage, Jessica Cyr of Martignetti Companies and Jenn Zenker of Breakthru Beverage.

WSWA Educational Foundation Awards \$106,000 in Scholarships to Children of Distributor Employees

The WSWA Educational Foundation, the charitable arm of the Wine & Spirits Wholesalers of America, is awarding \$106,000 in scholarships to 53 recipients to help fund higher education expenses for the 2017-2018 school year.

This is the largest pool of recipients and largest total number of awards presented by the foundation, which has increased its size and scope in recent years to reflect student need and expanding support from WSWA member company donations.

Each student will receive a \$2,000 award toward their studies. Eligible applicants are required to be a dependent of a full-time distributor employee working for a WSWA member company. Beneficiaries were selected by an independent panel through a competitive application process.

"Distributors and their employees, in every area of the country, set a high bar for philanthropy and community engagement," said WSWA President and CEO Craig Wolf. "The WSWA Educational Foundation College Scholarship Program has grown since its inception and is a testament to the great value our member companies and their executives and employees place on donations which support these scholarships. These scholarships are an important way our industry supports employee families of wine and spirits distributors, and most importantly, provide an opportunity to spotlight hard working students focused on success. They are truly future leaders."

A brief sketch of each recipient including photos and parent employer information is available at www.wswa.org/2017_Scholarship_Recipients.pdf.

A promotional video featuring video interviews with previous year awardees is viewable at www.youtube.com/watch?v=iUrCQqoAJPM.



Puerto Rico, María & El Ron (Rum)

Bacardí Pledges \$3 Million to Disaster Relief Assistance

In the wake of the devastation caused by Hurricanes Irma and María, as well as the earthquakes in Mexico, Bacardí Limited and the Bacardí family have committed \$3,000,000 for disaster relief and recovery efforts in the impacted areas.

Bacardí has designated \$2,000,000 in cash and other assistance to Puerto Rico, and the remaining \$1,000,000 to local relief agencies supporting communities impacted in Florida, other islands in the Caribbean, The Bahamas and Mexico.

"The Bacardí family, company and our employees are deeply saddened by the devastation and horrific loss caused by the recent hurricanes and earthquakes," said Facundo L. Bacardí, Chairman of family-owned Bacardí Limited. "We hope these donations will help alleviate some of the stress and pain people are experiencing while addressing some of their most basic needs."

Bacardí will provide immediate relief and longer-term rebuilding efforts in collaboration with several non-profit partners and local governments, including the Government of Puerto Rico, in the affected communities.

"Puerto Rico has been home to the Bacardí rum distillery, the largest premium rum distillery in the world, since 1936, where the company produces its namesake brand, and the Casa Bacardí Visitor Center, the second most visited tourism venue in metro San Juan," according to a company statement. "Throughout its history in Puerto Rico, Bacardí has been deeply involved in the community and its commitment remains strong to the long-term success of Puerto Rico as it battles natural disasters and financial difficulties."

"Disaster relief aid is part of our Philanthropy & Community Investment mission to provide assistance to communities in need," added Facundo L. Bacardí. "We're working closely with government agencies and not-for-profit partners to identify the most pressing needs so we can provide meaningful support."

"The devastation of the recent natural disasters strikes particularly close to Bacardí, since many impacted communities are considered home to its operations, offices and employees," the company statement continued. "In addition to operations in Puerto Rico, Bacardí rum is bottled in Jacksonville, Fla., and South Florida is home to the Bacardí North America regional headquarters office. In Mexico since 1931, the company has offices and production facilities for its rum and tequila brands. While Bacardí no longer has facilities in The Bahamas, our donation serves as a testament to the people of The Bahamas, where the company produced its iconic rum for nearly 50 years.

"Corporate responsibility has always been a priority for Bacardí. Company founder and Bacardí rum creator Don Facundo Bacardí Massó began this tradition in 1852 when he volunteered as the chief organizer of disaster relief in his hometown of Santiago de Cuba after a devastating earthquake. Since then, the Bacardí family and company have continued to build upon his commitment to assist in times of catastrophic natural disasters."

In recent years, Bacardí has made donations to aid organizations supporting relief efforts in Southeast Asia, China, Australia, Italy, Haiti, Cuba, Brazil, Chile and the U.S.

This \$3 million pledge is in addition to the Bacardí USA contribution of up to \$100,000 to support its business partners and others affected by Hurricane Harvey in Houston, Texas.

Destilería Serrallés Jumpstarts Rum Production & Exports after Hurricane María

Destilería Serrallés, producer of Don Q Rum in Puerto Rico, has resumed its production and export operations after a brief disruption caused by Hurricane María's path through Puerto Rico.

"We recently began rum production, and our shipments are beginning to flow to our clients in the U.S. and rest of the

world," said Silvia Santiago, Senior Vice President of Manufacturing. "Serrallés has been producing exceptional rums in our homeland, Puerto Rico, for 152 years, and we will continue to do so for many more. Our team has worked tirelessly over the last few weeks to ensure the recovery of our operations despite the level of destruction, lack of power and other challenges resulting from the aftermath of the hurricane. Together, we have sustained many types of storms and recovered successfully, learning to become stronger and better prepared each time."

Immediately after the impact of both hurricanes, the company's USA operation proactively began organizing events as well as helping in fundraising activities in more than 100 on-premise establishments in over 30 states where funds resulting from these activities are matched by Serrallés.

In addition, company employees have reached out to their communities to collect basic necessity items that have been sent to Puerto Rico to provide relief to hundreds of families in dire need. Puerto Rico's infrastructure was totally devastated, and the island continues to recover slowly facing many obstacles in restoring power, water services and telecommunications.

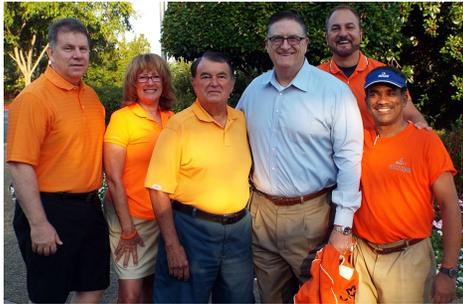
Locally, the company has been working with celebrity chef Ventura Vivoni and the Ponce Hilton, where an average of 800 hot meals are distributed daily throughout local communities and elderly homes by company employees and volunteers.

"Serrallés has always been committed to helping Puerto Rico," added Roberto J. Serrallés, Business Development Vice President. "Resuming our rum production and exports has a positive impact in our local economy, adding much needed tax revenues to our local government that will in turn assist in our country's recovery. We appreciate the solidarity and understanding of our distributors and clients who are loyal supporters and advocates of Don Q rum and Puerto Rico."



Sky Ranch Foundation Awards Grantees in Georgia & Hawaii

Sky Ranch Foundation and Sky Ranch for Boys (governed by a board of directors comprised mainly of active and retired members of the beverage alcohol industry) have given grants to two new programs this year: The Orange Duffel Bag Initiative (www.theodbi.org) in Atlanta, Georgia, and West Hawai'i Mediation Center (www.whmediation.org) in Kamuela, Hawaii.



L-R: Dwayne Kasper, ODBI Board Member; Diana Black, ODBI VP; Ralph Aguera, Sky Ranch Foundation President; Sam Bracken, ODBI Co-Founder; Michael Daly, ODBI President and Reggie Pope ODBI Board Chair

The Orange Duffel Bag Initiative received funding for its trauma-informed, education-focused, 12-week coaching program to students who are homeless or in foster care.

"In a time when more and more at-risk children find themselves growing up without the support that leads them to become productive and healthy members of our community," said Ralph Aguera, President of Sky Ranch Foundation, "it's comforting to know that The Orange Duffel Bag Initiative has been proactively involved in changing the courses of these children's lives."



Amanda Blount, West Hawai'i Mediation Center Interim Executive Director (holding paper), and entire staff

"Sky Ranch Foundation's support is an inspiring example of organizations with shared missions partnering for excellence and equity in education and investing in the success of our state's students in need," said Michael Daly, ODBI president.

Sky Ranch Foundation supports the West Hawai'i Mediation Center's (WHMC) Conflict Resolution Education and Peer Mediation program, which began in late 2012 with one pilot school and now engages six middle schools and seven elementary schools, collectively serving more than 5,000 students in West Hawaii schools.

"WHMC focuses on two strategic and elemental missions — prevention and conflict resolution — both crucial steps toward successfully integrating these troubled youth," said George McCarthy, Foundation Chairman.

"We thank all of those who have been supporting the Foundation and look forward to your continued support," added Aguera and McCarthy. "All donations are welcome. For over 50 years, the Sky Ranch Foundation's Sky Ranch for Boys has been assisting young people rehabilitate their lives for the better. If you would like to join us in assisting in the rehabilitation of young people, please click on the contact page of our website — www.skyranchfoundation.org — for details. This month, we welcome and thank our newest supporter, BevX.com. The full list of supporting beverage alcohol industry and associated companies can be accessed via www.SkyRanchFoundation.org/support, which also offers a link for donations. If you made a donation and do not see your company listed here, please contact doribryant@aol.com."

George McCarthy, Chairman
Ralph Aguera, President

NABCA September Control State Results

During September, nine-liter spirits case sales in the Control States grew, in concert with its weak comp, at an anemic 0.4% rate over same period sales last year. Alabama (3.1%), Montgomery County Maryland (-0.1%), Michigan (2.8%), North Carolina (6.8%), Ohio (3.9%), Oregon (3.9%), Virginia (4.1%) and West Virginia (1.0%) reported monthly growth rates for September that exceeded their 12-month trends. The growth rates for Iowa (-4.5%), Idaho (2.6%), Maine (1.2%), Mississippi (-7.9%), Montana (-4.2%), New Hampshire (-3.2%), Pennsylvania (-4.4%), Utah (-20.7%), Vermont (0.4%) and Wyoming (-8.5%) fell short of matching their 12-month trends. Control State rolling 12-month volume growth, 2.4%, is down from August's reported 2.6%. Spirits volumes

have grown 2.7% year-to-date compared to 3.2% a year ago.

Control State spirits shelf dollars were up 2.3% during September while trending at 4.5% during the past 12 months. Alabama (4.4%), Montgomery County Maryland (6.5%), Michigan (4.6%), North Carolina (9.2%), Virginia (5.6%) and West Virginia (5.9%) reported growth rates exceeding their 12-month trends. Idaho (4.2%), Iowa (-3.3%), Maine (2.5%), Mississippi (-7.0%), Montana (-5.6%), New Hampshire (-4.1%), Ohio (0.8%), Oregon (4.4%), Pennsylvania (0.5%), Utah (-17.1%), Vermont (6.2%) and Wyoming (-6.2%) grew shelf dollars at a rate below their 12-month trends. Shelf dollars in the Control States are up 4.7% year-to-date compared to 5.4% last year.

Price/Mix for September is 1.9%, a slight increase over August's 1.7%.

September's Control State spirits growth rate was effected by the Control States' reporting calendars:

Utah, with 2.5% of Control States' spirits nine-liter case volumes and dollars, reported four weeks of sales this year versus five weeks of sales during September 2016, artificially deflating sales and skewing Control States results. Utah had six fewer selling days during this year's September than during last year's.

Overall, September 2017 had four fewer selling days, 0.8% than last year's September.

After equalizing nine-liter spirits case sales with respect to selling-day variations, September's volumetric growth is 0.2%, and rolling 12-month volume is up 2.2%. Likewise, after equalizing shelf dollars, September's Control States shelf dollar growth rate is 2.0% with a 12-month trend of 4.2%.

September's equalized Price/Mix is 2.0%. Irish Whiskey, with 1% share of the Control States spirits market, was September's fastest growing category with 14.6% reported and a 12-month trend of 14.6%. Vodka, with 35% share, grew during the same periods at 0.3% and 1.7%, respectively. All categories grew at rates at or below their 12-month trends: Brandy/Cognac (-0.2%), Canadian Whiskey (0.8%), Cocktails (-1.7%), Cordials (-2.7%), Domestic Whiskey (3.3%), Gin (-3.3%), Irish Whiskey (14.6%), Rum (-3.4%), Scotch (-1.4%), Tequila (7.5%) and Vodka (0.3%).



Hiro Gold Junmai Daiginjo Sake

Hiro Sake from Japan is celebrating its fifth anniversary and has released Hiro Gold Junmai Daiginjo Sake (15% ABV), made from 100% Koshi-Tanrei sake rice grown exclusively in Niigata Prefecture, considered the premier sake producing region in Japan. All Hiro Sake is brewed by Brewery Taiyo Shuzo, established in 1635.



Hiro Gold is produced in limited quantities only once a year by Hiro's *toji* (master brewer) and is initially available in California, Florida, New York and Texas. A 720-ml bottle sells for about \$100.

Importer Hiro Sake USA has recently expanded sales in South Carolina with Breakthru Beverage, has changed its distributor in Texas to Mexcor Importers and has plans to develop the on-premise market in California. Hiro Sake is currently available in almost all 50 states, Mexico and Canada.

Other Hiro Sake expressions include Hiro Blue Junmai Ginjo and Hiro Red Ginjo (both 15% ABV). Blue sells for about \$40 for a 720-bottle, and Red for about \$30 (300-ml bottles are also available).



Scorpion Mezcal®

100% Agave Mezcal



Worms
are for
Wimps!



www.scorpionmezcal.com

Drink Responsibly

Imported by Caballeros Inc., Oakton, VA alc/vol 40%

Kilchoman Gift Sets

ImpEx Beverages has released two Kilchoman gift sets for the holidays: Kilchoman Machir Bay Gift Set and Kilchoman Machir Bay & Sanaig Combo Set.



The Kilchoman Machir Bay Gift Set (about \$60) comes with two Glencairn glasses and a 750-ml bottle of Machir Bay. Named after an Islay beach, Machir Bay (46% ABV) is a vatting of approximately 80% bourbon barrels and 20% Oloroso sherry casks.

The Kilchoman Machir Bay & Sanaig Combo Set (about \$55) contains two 200-ml bottles of Machir Bay and Sanaig (46% ABV). Sanaig is rocky inlet just north of the distillery and is the name given to the predominantly sherry cask-influenced core expression, a vatting of 70% Oloroso sherry casks and 30% bourbon barrels.

Papa's Pilar Sherry Finish

In November, Hemingway Rum Co. in Florida will release a special-edition Papa's Pilar Sherry Finish (43% ABV) featuring seven different rums up to 25 years old, which were both pot and column distilled. After solera-aging in bourbon barrels and port wine casks, the rum was aged in Spanish Oloroso sherry casks for an extended period of time. A 750-ml bottle will sell for about \$46, and only 1,400 six-pack cases will be available in 13 U.S. markets.



Papa's Pilar was developed in conjunction with Ernest Hemingway's estate. The Hemingway family donates 100% of their royalty profits to organizations that embody the likes of adventure, literacy and conservation.

Basil Hayden's Dark Rye

Beam Suntory's Basil Hayden's in Kentucky has released Basil Hayden's Dark Rye (40% ABV), the first permanent addition to the Basil Hayden's line.



Dark Rye is distilled from Kentucky straight rye whiskey and Canadian rye with some California port. A 750-ml bottle sells for about \$40.

Drinkmate Spritzer

Drinkmate Spritzer is a device for portable beverage carbonation that the makers said is good for juices, sodas, water, sports drinks, cocktails, wines and even flat beer. It has a refillable CO2 canister, a removable fizz infuser, stands 12" tall, is lightweight, no batteries or electricity are needed and it comes in matte black, metallic red and pewter.



The Drinkmate Spritzer sells for about \$90-\$95. It's available online from www.idrinkproducts.com and is also available in some B8ta stores in Austin, Santa Monica and Seattle.

The best handcrafted **Spirits** start with the finest handcrafted **ingredients.**

- Distillers Malt
- Handcrafted Specialty Malts
- Malt Extracts
- Pregelatinized flakes
- High Yield Flours
- Raw Grains

BRIESS
MALT & INGREDIENTS Co.
All Natural Since 1876

For more information visit BrewingWithBriess.com/distilling
©2016 Briess Industries, Inc.

'A' & 'P' Brandies

Boardroom Spirits in Pennsylvania has released 'A', an apple eau de vie-style brandy, and 'P' (both 40% ABV), a pair of pear eau de vie style-brandies made from D'Anjou and Bartlett varieties.

Both spirits were distilled only from their respective fruits in the style of Boardroom's earlier releases, 'B', a 100% beet spirit, and 'C', a 100% carrot spirit.



'A' and 'P' pay homage to *pálinka*, a traditional fruit brandy invented in the Middle Ages. Pálinka is geographically protected and still only distilled in Hungary and parts of Austria.

'A' is distilled from local Red Delicious apples. It takes seven to eight pounds of apples to distill one 375-ml bottle. The pears for 'P' are distilled separately.

A 375-ml bottle of each sells for about \$30.



Prizefight Irish Whiskey

Pugilist Spirits in collaboration with Tamworth Distilling in New Hampshire have released Prizefight Irish Whiskey (43% ABV), a blend of ten-year-old malt and four-year-old grain whiskies distilled and aged for six months in West Cork, Ireland, with rye barrels sourced by Tamworth Distilling.



The bottle label commemorates Irish boxing legends John Morrissey and Yankee Sullivan, and their fight that took place at Boston Corners, N.Y., on October 12, 1853.

A 750-ml bottle sells for about \$45, and Prizefight Irish Whiskey is available in New York and Boston.

Modern Distillery Age Tasting Panel

In this week's tasting panel we tasted two gins, three mezcals, three U.S. whiskies and a vanilla bean liqueur/Kentucky straight bourbon whiskey blend. *All spirits are tasted blind. The panelists know only the style and ABV.* The notes are a distillation of the panelists' comments. The panelists vary with each panel but often include: Tom Jensen (Millstone Spirits), Dave Schmier (Producer of the Independent Spirits Expo), David Talbot (Ultimate Beverage Challenge), John Henry (El Buho Mezcal), John Heffernan (Senior Master of Whisky), Renzo Kian-Kubota (Harry's Wine & Liquor Market), Olie Berlic (spirits & wine sales), Frank Whitman (food and drinks writer), Linda Kavanagh (MaxEx PR), Paul Zocco (Zok's Homebrewing & Winemaking Supplies), Ernie Adamo (spirits lover), Steve DeFrank (spirits lover), Dave Sokoloff (spirits lover), Phil Simpson (Asbury Park Distilling), Thomas Henry Strenk (drinks writer), Melissa Dowling (Editor of *Cheers*), Kyle Swartz (Managing Editor of *Beverage Dynamics*, *Cheers* & *StateWays*), Pete Reid (Publisher/Editor of *Modern Brewery Age*), Michael Anstendig (*Modern Distillery Age*) and Gregg Glaser (Publisher/Editor of *Modern Distillery Age*).

Drumshanbo Gunpowder Irish Gin, 43%

The Shed Distillery, Drumshanbo, Ireland, ~\$35

Imported by Palm Bay Imports; distilled in medieval copper pots with eight botanicals (juniper berries, angelica root, orris root, caraway seed, coriander seed, meadow sweet, cardamom and star anise) and then passed through a vapor basket in which it's infused with an additional four botanicals (oriental lemon, oriental lime, fresh grapefruit and gunpowder tea)

Clear with an aroma of juniper, citrus peel, spices, pine and grapefruit. In the taste are juniper, tangerine, grapefruit rind, tea and pine. A medium body. Finishes with citrus, spices and alcohol warmth.



City Bright Gin, 42%

Greenbar Distillery, Los Angeles, Calif., ~\$30

botanicals include "the flavors of Los Angeles's vibrant immigrant food scene," which include Sichuan peppercorn, cardamom, coriander, black cumin, fennel, lemongrass, kaffir lime, lemon balm, ancho chiles, limes, lemon, peppermint, spearmint, basil, star anise, juniper, California bay laurel, angelica, cubeb, grapefruit and pink peppercorn

Clear with a big aroma of pine, mint, lemon, rose petals, rosemary, citrus, juniper, lemon balm and honey. A lovely, interesting potpourri of flavors: menthol, licorice, cloves, dustiness, sweetness, mace and tanginess (not peppery hot). A medium to full body. Finishes with menthol coolness and spices.



Jim Beam Vanilla, 35%

James B. Beam Distilling, Clermont, Ky., ~\$16

a blend of Madagascar vanilla bean liqueur with Kentucky straight bourbon whiskey

Amber with an aroma of sweet cake icing and vanilla. Cupcake sweet in the taste with vanilla beans and some bourbon vanilla flavors. A full, viscous body. Finishes with sweetness and vanilla.



The *Modern Distillery Age Tasting Panel* meets once or twice a month. Samples are sent by distillers and importers and are tasted blind. Samples can be sent to:
Modern Distillery Age
 228 Silvermine Avenue
 Norwalk, CT 06850

Modern Distillery Age Tasting Panel

Miel de Tierra Mezcal Joven, 40%

Jalpa, Zacatecas, Real de Jalpa, ~\$50

Imported by HPS Epicurean

Clear with a sweet, fresh agave aroma plus faint smoke. Smooth in the taste with floral agave flavors, spices, fruitiness, faint smoke and sweet agave nectar. A medium body. Finishes spicy with alcohol warmth.



Miel de Tierra Mezcal Agave Salmiana, 40%

Mexquitic de Carmona, San Luis Potosi, La Perla, ~\$75

Imported by HPS Epicurean; distilled from wild Salmiana agave that only grows in San Luis Potosi in Central Mexico

Clear with an aroma of smoke, jalapeños and tomatoes — all fresh. Flavors of cooked cactus, pepper, lots of smoke, sweetness, earthiness and funkiness. A medium body. Finishes with a long, full flavor of smoke, spices and jalapeños.



Miel De Tierra Mezcal Reposado, 40%

Jalpa, Zacatecas, Real de Jalpa, ~\$58

Imported by HPS Epicurean

Light amber with an aroma of sweet, floral agave, vanilla and bubblegum. In the taste are agave sweetness, honey, fruitiness, oak, bubblegum, graininess, citrus and breadiness. A medium body. Finishes with oak, spices and alcohol warmth.



Modern Distillery Age Tasting Panel

Port Barrel Finish Bourbon, 43% **Traverse City Whiskey Co., Traverse City, Mich., ~\$40** straight bourbon whiskey aged three years and finished in port barrels for three months

Medium amber with an aroma of caramel sweetness, vanilla, sherry, fruits and marzipan. In the taste are vanilla, spices, sweetness, dry tannins and earthiness. A light to medium body. Finishes dry with spices and alcohol warmth.



Straight Bourbon XXX Whiskey, 43% **Traverse City Whiskey Co., Traverse City, Mich., ~\$33** mash bill of 71% corn, 25% rye and 4% malted barley; aged four years

Amber with an aroma of corn sweetness, char, oak, vanilla and cinnamon. Flavors of leather, cinnamon, vanilla, caramel and oak — smooth. A medium body. Finishes sweet with some spiciness.



American Cherry Edition, 35% **Traverse City Whiskey Co., Traverse City, Mich., ~\$30** mash bill of 71% corn, 25% rye and 4% malted barley with local cherries; no added sugar

Red with a powerful aroma of cherries: Luxardo. Lots of cherries in the taste with vanilla and bourbon in the background. A medium body. Finishes sweet with cherries.



Total Spirits Categories — Current 52 Weeks Ending October 8, 2017

Total U.S. Multi-Outlet with C-Store (Supermarkets, Drugstores, Gas/C-Stores, Mass Market Retailers, Military Commissaries and Select Club & Dollar Retail Chains. Stats from SymphonyIRI Group, a Chicago-based market research firm.

	Case Share of Spirits		Price Per Case		Price per 750 ml Volume	
	Current	Change vs YA	Current	Change vs YA	Current	Change vs YA
Spirits	100.00	0.00	\$124.44	-\$3.47	\$10.37	-\$0.29
WHISKEY	21.75	-1.04	\$188.25	\$4.92	\$15.69	\$0.41
VODKA	29.35	-1.57	\$118.44	\$0.13	\$9.87	\$0.01
RUM	8.85	-0.54	\$127.60	-\$3.31	\$10.63	-\$0.28
CORDIALS	4.45	-0.50	\$190.35	\$3.11	\$15.86	\$0.26
TEQUILA	3.69	0.00	\$218.16	\$1.55	\$18.18	\$0.13
PREMIXED COCKTAILS	14.32	5.28	\$48.48	-\$8.90	\$4.04	-\$0.74
BRANDY/COGNAC	2.89	-0.30	\$199.00	\$8.14	\$16.58	\$0.68
NON-ALCOHOLIC MIXERS	12.31	-1.13	\$38.44	\$1.15	\$3.20	\$0.10
GIN	2.39	-0.22	\$146.16	\$3.22	\$12.18	\$0.27
	Dollar Sales		Dollar Share of Spirits		Case Sales	
	Current	%Change vs YA	Current	Change vs YA	Current	%Change vs YA
Spirits	\$7,001,755,150	4.1%	100.00	0.00	56,265,762	7.0%
WHISKEY	\$2,303,846,913	4.9%	32.90	0.24	12,238,296	2.2%
VODKA	\$1,955,957,948	1.7%	27.94	-0.66	16,514,153	1.6%
RUM	\$635,269,902	-1.6%	9.07	-0.53	4,978,547	0.9%
CORDIALS	\$476,380,807	-2.2%	6.80	-0.44	2,502,607	-3.8%
TEQUILA	\$453,246,759	7.9%	6.47	0.23	2,077,603	7.2%
PREMIXED COCKTAILS	\$390,714,478	43.3%	5.58	1.52	8,058,945	69.6%
BRANDY/COGNAC	\$323,357,839	1.1%	4.62	-0.14	1,624,945	-3.0%
NON-ALCOHOLIC MIXERS	\$266,195,356	1.1%	3.80	-0.12	6,924,343	-2.0%
GIN	\$196,785,150	0.3%	2.81	-0.11	1,346,324	-1.9%

Marc André Tousignant – CFO, Beam Suntory

Beam Suntory has promoted Marc André Tousignant as Chief Financial Officer, effective January 1, 2018. Tousignant is currently CFO of Beam Suntory's Americas region, which is responsible for more than half of the company's profits.

Tousignant will succeed John Owen, who, as previously announced, plans to leave the company at year-end to pursue opportunities closer to his family in New York. As CFO, Tousignant will report to CEO Matt Shattock, join the executive leadership team and serve as a member of the Beam Suntory Board of Directors.

Tousignant joined Beam Suntory in 2014 as CFO, Global Supply Chain, before assuming his current role in 2016. He previously had a 23-year career at Avon where he held finance leadership roles for multi-billion-dollar business units including North America, WEMEA/APAC/China and Japan. He ultimately served as Group Vice President, responsible for transforming and contemporizing Avon's service model.

Tousignant has an M.B.A. from the Université de Sherbrooke in Québec and a B.A. in Finance from the Université de Québec à Montréal.

Succeeding Tousignant as CFO of the Americas region will be Karim Sadik-Khan, currently Vice President, Global Finance Planning & Analysis. Justine O'Toole, currently Finance Director, Global Travel Retail, has been promoted to Vice President, Global Finance Planning & Analysis.



Marc André Tousignant

Tasting Events & Competitions



INDEPENDENT Spirits Expo

INDIESPIRITSEXPO.COM
Chicago — September 21, 2017
New York City — May 2018



ULTIMATE SPIRITS CHALLENGE 2017

[FULL RESULTS HERE](#)

- THE - WHISKY EXTRAVAGANZA

DALLAS CHICAGO WASHINGTON, DC SEATTLE
HOUSTON BOSTON FT. LAUDERDALE LOS ANGELES

14 Cities — March-November
www.singlemaltextravaganza.com

MicroLiquor SPIRIT AWARDS



Sponsored by: **flow** } distillery focused brand design
www.flow-design.com

SIP AWARDS
INTERNATIONAL SPIRITS COMPETITION

The consumer tastes.  The consumer decides.



www.sipawards.com

MODERN Brewery Age

www.breweryage.com
Covering the beer business since 1933
The sister publication to *Modern Distillery Age*

WHERE THE TRADE DECIDES

 AISC ASIA INTERNATIONAL SPIRITS COMPETITION SEPTEMBER 10TH 2017	 BISC BERLIN INTERNATIONAL SPIRITS COMPETITION MARCH 4TH 2018	 NYISC NEW YORK INTERNATIONAL SPIRITS COMPETITION APRIL 22ND 2018	 MISC MELBOURNE INTERNATIONAL SPIRITS COMPETITION JUNE 24TH 2018
---	--	--	---

internationalbeveragecompetitions.com

Calendar of Events

November 10, 2017: The Whisky Extravaganza, Seattle, WA, www.thewhiskyextravaganza.com

November 11, 2017: Whiskey and Bubbles, Washington, D.C., www.whiskeyandbubbles.com

November 16, 2017: The Whisky Extravaganza, Los Angeles, CA, www.thewhiskyextravaganza.com

November 26, 2017: The Whisky Extravaganza, Boston, MA, www.thewhiskyextravaganza.com

December 7, 2017: The Whisky Extravaganza, Fort. Lauderdale, FL, www.thewhiskyextravaganza.com

The full *Modern Distillery Age* calendar is available at www.distilleryage.com

