

modern Distillery Age



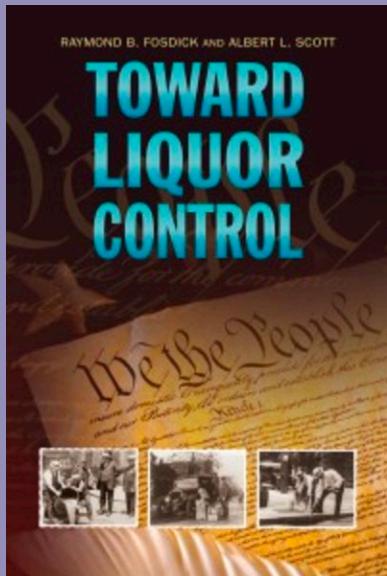
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Toward Liquor Control: The Beginning of U.S. Alcohol Regulation

Special to Modern Distillery Age by Pam S. Erickson, Public Action Management

Critics often attempt to marginalize our alcohol regulations as just Prohibition Era "nanny state" measures attempting to legislate morality. In a recent article in the *Washington Post*, Dr. Mark Schrad of Villanova University worked to correct the "common understanding of the Prohibition Era," which he says is based "more on folk lore than fact." As Professor Schrad notes: "Prohibitionists were the enemies of predatory business, not individual choice."



The book pictured above is the foundation of our alcohol regulatory system and bolsters the notion that alcohol control is about curbing business practices that create social problems, not legislating morality. *Toward Liquor Control* describes how regulation does that.

Before Prohibition, alcohol was sold by large companies that owned retail establishments, called saloons, in most local communities. Competition was fierce and aggressive sales were the order of the day. Social problems were rampant and included sales to children, family ruination, public nuisances, intoxication and addiction. This situation led to a Constitutional Amendment to prohibit all alcohol manufacture, transportation and sales.

As time wore on, Prohibition became increasingly unpopular and past supporters saw the problems of Prohibition. When repeal looked imminent, John D. Rockefeller, a wealthy entrepreneur of the day and non-drinker, commissioned a study of alcohol regulation. The authors, Raymond Fosdick and Albert Scott, began work in February 1933 and supervised extensive field investigations in several European countries, the Canadian provinces and in various American states. (*All listed in an appendix.*) By October of that year, the book was complete — just in time for states to begin working on the issues when Prohibition was repealed on December 5, 1933.

The repeal language gave states the primary responsibility for regulating alcohol. While some states elected to remain dry at the time,

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Whisky, Tequila & Gin to Drive Global Spirits Category Growth to 2021

by IWSR

Just released data from the IWSR 2017-2021 Forecast suggests global volumes of whisky, gin and tequila are expected to make gains of 55.2 million, 7.1 million and 5.8 million nine-liter cases, respectively, over the next five years, following their rapid growth in 2016. These categories together with baijiu (+48.2 million cases between 2016 and 2021), will contribute the most in the overall total global spirits category growth, which is expected to reach 3.19 billion cases by 2021.

Consumption of local whiskies in India continues to thrive; Scotch in India is also forecast to continue to be one of the largest growth segments. Globally, Scotch is forecast to contribute 10.5 million cases to whisky growth over the next five years, and U.S. whiskies a further 8.9 million cases. Other whiskies (predominantly Indian) will be the largest contributor, growing by 28.2 million cases. The U.S. is the second-largest growth market for whisky behind India, forecasting the strongest gains for U.S. and Irish whiskey.

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A Comparative Look at the On-Premise (Eating & Drinking) & Off-Premise

by Nielsen

According to Nielsen and Nielsen CGA data, the past 52 weeks (ending June 17, 2017) were characterized by:

- Continued trading up as premium segments continued to grow faster than the lower price tiers
- Spirits again in the "growth" lead, slightly faster than wine, with beer trailing. Those growth rates have pushed the overall 'value' of spirits in the on-premise to about the same dollar size as beer.
- Growth rates have decelerated in the most current quarter — both on-premise and off-premise — with new forms of shopping and purchasing in part shifting spending (e.g., e-commerce, tasting rooms, festivals/events, etc.)

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