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NABCA NEWS

NABCA Administrator's Conference Session Summaries -- Day Two

October 24, 2018

With day one complete, more than 260 attendees gathered once again to choose from the 12 remaining sessions of the day. Summaries of some of them are below.

Store Display Strategies

Tuesday morning's concurrent sessions started with an expert panel discussing Store Display Strategies. Sally Ray, deputy director for retail operations of the Idaho State Liquor Division, gave the analogy that strategies and innovation in retail are like a house whose foundation is the core sales and products. The floor is the customer voice. The four pillars of the house are culture, engagement, experience and innovation. Lastly, the roof is the end game.

Ray Homen, deputy director of procurement and distribution of the Idaho State Liquor Division, discussed Idaho's iMOD Project that began in 2012. It focused on the modernization of its alcohol retail stores' design and look, simplifying display solutions, and improving the overall shopping experience. Mr. Homen spoke about store redesigns, innovation PODs, bridging branding with their mixblendenjoy.com website, and concluded with discussing future objectives of mini PODs, POD toppers, and consumer product education.

John Shiffer, director of marketing and merchandising of the Virginia Alcoholic Beverage Control Authority, discussed the authority's promotional display strategies. He explained where the stores were with their displays and where they needed to change, which included increasing sales by better consumer focus and better in-store presentation. He showed before and after photos of products on display and gave an end analysis of the sales numbers.

Direct Shipment

In this session, Jake Hegeman, WSWA, and Don McGehee, Michigan Attorney General's Office, highlighted the various state frameworks currently governing the direct shipment of alcohol—ranging from outright prohibition to permissive licensure systems. In contrasting the different approaches, the panelists noted the complexities inherent to regulating direct shipments in the wake of Granholm, and against the backdrop of Byrd.

The panelists also highlighted the practical difficulties of enforcing state statutes in circumstances where out-of-state shippers are not subject to the jurisdiction of state law enforcement. In doing so, Mr. McGehee noted that collaboration with common carriers and partnerships with federal authorities are often their only remaining options.

Moderator for this session was Larry Buckner, alcohol policy & legal research analyst for NABCA.

Alcohol & Opioid Drugs Don't Mix

Cassandra Hicks, deputy superintendent and chief of licensing at the Ohio Division of Liquor Control started the session by highlighting the current opioid epidemic in Ohio and what the Division is working on to improve how they respond to alcohol's role in the epidemic.

Cassie Greisen, manager of public policy for the National Alcohol Beverage Control Association, provided a national overview of the epidemic. Further, why it is important that during the opioid epidemic, we bring alcohol out from the shadows and that data is the key to ensuring the public and policy makers understand their connection. Alcohol is contributing to 22 percent of all opioid overdoses and 18% of opioid-related emergency room visits. Alcohol consumption is on the rise and alcohol-related ER visits have grown substantially in the past year. Part of what is contributing to the rise in alcohol-related harm is the risky way the adult population is consuming the product.

Mary Beth Cox, substance abuse epidemiologist of the North Carolina Department of Public Health shared how she is working to bring alcohol out of the shadows as she travels the state to discuss the statistics and trends of

the opioid epidemic in North Carolina. She also shared that only looking at alcohol poisonings is not telling the entire picture in capturing all the alcohol-attributable harms in the state. She encouraged attendees to use epidemiologists in their states to help them explain the connection between polysubstance use in their states and to tap into resources from DCD Alcohol Related Disease Impact tool that can calculate all state's alcohol attributable harms.

Looking Closer at Cannabis

Mary Segawa is the public health education liaison at the Washington State Liquor and Cannabis Control Board. She discussed how the state of Washington implemented the legalization of marijuana for medical use and for retail sales. Some of the key elements legalizing marijuana were: regulating the system to produce, process and retail marijuana for adults age 21 and older, decriminalize possession, and a three-tier system of licensing, regulating and taxing. She also reviewed the Federal Enforcement Guidelines, such as preventing distribution to minors, preventing revenue going to criminal enterprises, preventing diversion from states where it is legal to other states, preventing violence and use of firearms, and others.

Washington state continues to overcome challenges such as social media, testing and potency, the availability of medical grade products, vaping, and combining drug use with alcohol products. They also continue to fund activities to educate the community on these issues.

Moderator for this session was Steve Schmidt, SVP, public policy and communications for the National Alcohol Beverage Control Association.

Using Technology to Inform Regulatory Decisions

Tom Montoya, chief of enforcement for the Wyoming Department of Revenue Liquor Division moderated the session. Dr. Pamela Trangenstein, associate scientist of the Alcohol Research Group provided an overview of alcohol's harm and a scientific framework for why alcohol is no ordinary commodity, and why alcohol outlets are not ordinary businesses. Alcohol is the fourth leading actual cause of death in the United States and costs the public approximately \$2.05 per drink. Alcohol outlets can bring together motivated offenders and bring together susceptible victims, creating a pre-criminal situation. The Community Preventive Services Task Force, an independent, non-federal expert panel recommends limiting alcohol outlet density as a key way to prevent excessive alcohol consumption, which contributes to alcohol-related harms. Dr. Trangenstein walked the audience through several technological tools to help inform regulatory and policy decisions, from geo-spatial analysis which can help visualize the distribution of alcohol outlets and how they are associated with harms to multi-attribute utility analyses and optimization algorithms which can help optimize revenues and mitigate harm.

Skyler Genest, chief of office of compliance and enforcement, at the Vermont Department of Liquor and Lottery, is working to incorporate these data analysis tools to inform his agency's day-to-day decisions regarding resource allocation efforts. They manage around 7,000 licenses and have 11 full-time sworn officers/investigators covering 9600 square miles. They engage in compliance program (tobacco is required by state statute and alcohol is not, but it's a priority for the agency), inspection program (unannounced visits to retailers) and investigations (source investigations for DUIs, etc.).

ProjectR.A.B.I.T. (Response Allocation Based on an Intelligence Toolkit) has help them apply their compliance and inspection model more efficiently. The project is comprised of two applications. The first is using a mobile app to collect multiple data sources, and the second is using software to visualize and interpret the data, which in turn drives decision making for DLC resources. These tools are cost effective, versatile, automated, cloud based and can operate with or without the internet.

With this tool, The Vermont DLC has seen their prior 2% violation rate improve to 15% without penalizing businesses more, and have reallocated their resources to where there is the greatest need. They also provide education resources before issues escalate to violations.

Endless Aisle

Neil Graff, COO of the Alabama Alcoholic Beverage Control Board, introduced the session by explaining the differences between Control State products and pricing schemes versus the private sector. Even though the

perception is that License States may have more products available, they may also be more expensive. Therefore, a benefit of control is the pricing formula for retail of alcoholic beverages.

Dale Horst, director of marketing and merchandising for the Pennsylvania Liquor Control Board, said the PLCB wants to give consumers a modern and enhanced retail experience, which includes this endless aisle retail strategy through brick and mortar stores and online. The PLCB has 605 Fine Wine and Good Spirits stores and a new, extensive e-commerce facility that offers 22,000 supplier inventory offered SKUs. In 2017, e-commerce sales were 3.5 million, with 45% orders to home.

Eddie Wirt, chief communications and research officer of the Virginia Alcohol Beverage Control Authority, opened his presentation by saying, "it is an endless pursuit of the endless aisle". The Virginia ABC has 374 retail stores, and the average store stocks over 1,200 items with a gross sale of \$2.6 million. Full availability of product is the primary objective of ABC's e-commerce program, which has 2,653 products available online.

Private Label (Opportunity or Threat)

In this session, state regulators and policy advocates discussed the legal grey area of private labels. By owning the intellectual property underlying a label or effectively controlling its producers, retailers have implicated myriad tied-house rules. However, despite the potential for vertical integration, the legality of private labels has been largely left unanswered.

In addressing these issues, state regulators from Iowa and Pennsylvania highlighted an approach they have found effective in their states—namely, requiring that any private label being brought into the state be made available to all retailers on the same terms.

Panelists were Stephen Larson, administrator, Iowa Alcoholic Beverages Division and Lynne Omlie, SVP, secretary and general counsel, Distilled Spirits Council.

What Have You Done for Me Lately?

While the title of this session is that of the popular Janet Jackson song from over three decades, this panel showcased what their respective agency has recently done to develop materials and messages that help clarify their agency, give citizens insight into understanding more about what they do, and share the reasoning/motivation/thought process for choosing what they did to identify the "why" and address what was done. All of this effort with the intent to help citizens understand control systems and the reason they exist.

Moderator and NABCA Director, Communications Margaret Barchine set the framework and offered a communications model that outlined how a mass audience adopts or rejects change.

Emily DeTitta of the Montgomery County Department of Liquor Control presented an overview of the internal and external transitions, challenges and changes the agency experienced over the past several years. She also talked about frequency and how the agency was communicating with its stakeholders, and awards the agency received for several initiatives. Some of the awards include a Best Practices Award from the National Association of Licensing and Compliance Professionals for outstanding work in the regulation of alcoholic beverages including licensee training and educational affairs. Another was a national achievement award for Information Technology.

Lindsay LeBerth of the Ohio Division of Liquor Control talked about the agency's social responsibility initiatives, engaging in communication with their liquor agencies and vendor/broker partners, earned media from local newspapers and electronic news outlets, and branding.

Terry Wood of the Utah Department of Alcoholic Beverage Control showed some videos vignettes the agency created to help stakeholders understand changes in alcoholic beverage regulation. He also showed a "Day in the Life" of the Utah DABC video targeted to legislators for them to see how the agency operates in getting product into the stores, and the role employees play in fulfilling this responsibility.

Tomorrow's Technology

Bluetooth. GPS. Wi-Fi. These technologies exist and continue to shape and influence the abundance of Apps in the marketplace. Overall, they provide convenience, efficiency and speed which can meet goals, depending on the needs. Nathan Purcell, chief executive officer, The Rawr Agency and George Stewart, director of business development, Paylt, demonstrated several ways this technology can be used for the business of alcoholic

beverage, one of which was a means to communicate and connect with licensees. They also showed a video that demonstrated augmented reality, which can be triggered from a label or bottle barcode.

Another great value to technology is the power of the analytics. It can provide a great amount of data, and it can invite social sharing. An audience member noted that technology cannot provide face to face interaction, which can be a major contributor to building relationships with customers. The discussion concluded that this may be a generational issue. As mobile technology becomes more advanced, it's not going backwards. It's moving forward. Regarding the subject of privacy, there is not any one entity that governs the storage and protection of personal data and that best practices and safeguards in security are the guideposts for operation at this time.

As this session concluded, Chairman Painter transitioned into the presentation of the StateWays Best Practices Awards, where members received recognition for their work. Winners are listed below. As part of his closing statement, Chairman Painter encouraged attendees to continue looking forward and to see the bigger picture of their work and efforts. In the meanwhile, he said, "We need to stop and recognize the things that have been done. He also reminded everyone "to use the ideas you learned at this event."

Winners of the StateWays Best Practices Awards are:

Overall Winner "Best of the Best" -- Oregon Liquor Control Commission

- Best Consumer Education Program -- Idaho State Liquor Division
- Best Distribution Innovation -- Montgomery County Department of Liquor Control And Virginia Department of Alcoholic Beverage Control
- Best Enforcement Program -- Montana Alcoholic Beverage Control Division And Vermont Liquor Control Board
- Best On-Premise Innovation -- Alabama Alcoholic Beverage Control Board
- Best Retail Innovation -- New Hampshire Liquor Commission
- Best Stakeholder Outreach Program -- Utah Department of Alcoholic Beverage Control And Minnesota "SMART"
- Best Technology Innovation -- Société des alcools du Québec And Maine Bureau of Alcoholic Beverages & Lottery Operations

Best Trade or Licensee Education Program -- Pennsylvania Liquor Control Board

The 25th NABCA Annual Administrator's Conference will be held at the Denver Marriott Tech Center, Colorado, from October 27 – 30, 2019.

CONTROL STATE NEWS

ME: Union voters to consider allowing sale of agency liquor

Penbay Pilot

By George Harvey

October 23, 2018

UNION — Voters in Union will see one municipal warrant at the November polls with the lone municipal question pertaining to whether agency liquor stores should be allowed to operate within the town Mondays through Saturdays.

The question is: Shall this municipality authorize the State to permit the operation of agency liquor stores on days other than Sunday?

The State of Maine defines agency liquor stores as “a person who is licensed by the bureau to sell spirits to be consumed off the premises.”

As of now, the town of Union is considered a dry town and hard liquor cannot be sold by businesses within the town.

The referendum arose from one local merchant who gathered signatures to petition to the town place the article before voters in November.

If voters approve this referendum, hard liquor will be permitted to be sold all days of the week, except for Sundays.

According to Maine Legislature Statutes Title 28-A, Chapter 19 §453, the Maine Bureau of Alcoholic Beverages and Lottery Operation may license up to three agency liquor stores in a municipality with a population of at least 2,000 but less than 5,001. According to the 2010 Census, Union has a population of 2,259.

However, the Bureau “may issue one additional liquor store license beyond those otherwise authorized by this subsection in a municipality with a population of less than 10,000” and “may consider the impact of seasonal population or tourism and other related information provided by the municipality requesting an additional agency liquor store license.”

AL: Planning Commission approves 3 alcohol-related recommendations

Decatur Daily

By Bayne Hughes Staff Writer

October 24, 2018

The Decatur Planning Commission approved three alcohol-related recommendations Tuesday that Chairman Kent Lawrence said “are meant to be progressive.”

The commission finally voted to recommend creating the controversial Class 1 restaurant in downtown Decatur that will be required to make only 30 percent of its gross receipts off food sales. This allows the business to make up to 70 percent of its sales off alcohol.

The commission recommends that all of the city’s restaurants be required to make only 50 percent of receipts off food. The current requirement is 60 percent food and 40 percent alcohol.

The commission also voted to ask the City Council to change the city ordinance so that it matches the state law that allows alcohol sales starting at 10 a.m. Sunday instead of noon.

In an effort to get on the Alabama Wine Trail, a recommendation was approved to allow wineries to operate in an agriculture zone. The winery must be on 5 acres.

The Planning Commission recommendation will not require wineries to use their own grapes as is required in some areas of the country, city Director of Development Wally Terry said.

The City Council has the final say on all three recommendations.

The restaurant alcohol issue for downtown has been discussed and debated by the Planning Commission for more than seven months.

Downtown restaurant owners spoke out against an initial proposal for a 25 percent-75 percent food/alcohol ratio in the commission’s September meeting and again at a called meeting last week.

Lawrence said he felt like some restaurant owners didn’t understand what the commission was trying to do, but they changed the stances when they found out that a Class 1 restaurant will still need to invest in a kitchen and spend the money required to meet city regulations.

“I think it’s a good compromise with what everybody wanted,” Lawrence said. “We’re trying to protect everybody while helping downtown grow.”

Lawrence said the hope is the ordinance changes, with approval of the council, will attract a business like an Irish pub.

"People haven't talked about it during our discussions, but it could bring an upscale supper restaurant that sells expensive wine," Lawrence said.

Frances Tate was the only commissioner to oppose the 30-70 ratio. She wanted a 35 percent food-65 percent alcohol ratio that some downtown restaurant owners wanted.

"To me, 30-70 is an all-out bar," Tate said. "And I don't want bars in downtown."

Councilman Chuck Ard, the council liaison to the Planning Commission, said he thinks 30-70 is a good compromise.

"I think this is a positive move, but I would have gone lower," Ard said. "I can't speak for the council (about whether the measure will pass). The Planning Commission went through a lot of time and effort and got input from a number of people."

While there may be opposition from some of the church leaders, Ard pointed out that the proposed Sunday alcohol sales time change would not impact the city's Arts and Entertainment District. This downtown area doesn't allow people to have open alcohol containers until after noon on Sunday.

"People won't be outside (with alcohol) where they can disturb the churches," Ard said.

The time change for Sunday sales is meant to allow restaurants to serve a brunch with a Bloody Mary or Mimosa. Tyler Jones, co-owner of the Whisk'D Café, recently asked the Planning Commission to consider the brunch hours change.

In other business, the commission approved a site plan for a mosque at the corner of Cedar Lake Road and Sandlin Road Southwest.

Engineer Blake McAnally, of Pugh, Wright and McAnally Engineering Services, said the new owners are converting what used to be a Jehovah's Witness church into a mosque and they're adding a small addition. He did not know the details of the addition.

Commissioner Myrna Burroughs said most mosques have a bell or some other signal to let followers know that it's time for daily prayer and she is concerned that it might disturb the neighbors.

Terry said the mosque would have to follow the city noise ordinance that limits how loud the signal can be.

OR: The Oregon Health Authority's Draft 2019 Budget Includes Big Tax Increases For Beer and Cigarettes

The agency's proposal shows a proposed a \$800 million hike in sin taxes.

Willamette Week

By Nigel Jaquiss

October 23, 2018

The Oregon Health Authority is proposing at least \$800 million in new taxes on tobacco and alcohol, according to a draft copy of the agency's 2019-21 budget.

The 2,050-page document, details of which have not been previously reported, shows the agency hopes to aggressively address the state's growing Medicaid costs.

In 2017, lawmakers plugged a Medicaid hole with a new \$600 million hospital tax and also tried, but failed, to raise taxes on alcohol and tobacco.

Hospitals supported that new tax on themselves last year. The alcohol and tobacco industries are unlikely to do the same in 2019, when the OHA faces an \$830 million funding gap for the Oregon Health Plan, the state's Medicaid program.

Eleven years ago, for instance, lawmakers referred an 84.5 cent per pack cigarette tax increase to voters. Tobacco companies trounced the measure 60 percent to 40 percent.

If anything, the beer and wine lobby in Salem is even more effective than the tobacco lobby. Lawmakers haven't made a serious attempt to raise alcohol taxes for nearly a decade.

Although the health agency's proposed budget is clear about its desire to raise funds via tax increases on alcohol and tobacco, Gov. Kate Brown herself has not laid out a tax plan as she campaigns for re-election against the GOP nominee, state Rep. Knute Buehler (R-Bend).

"I don't have any specifics at this point," Brown said in an Oct. 11 endorsement interview with WW. She added that any changes to taxes ought should have two characteristics: bipartisan support and "not raising taxes on hard-working families."

Brown's spokesman, Chris Pair, says the OHA budget is a preliminary draft and has not yet been vetted by Brown's staff.

According to the OHA budget, the agency is proposing raising Oregon's taxes on cigarettes and alcohol to reduce consumption and to boost state revenues. It's a logical move: Oregon's so-called "sin taxes" lag far behind other states, fueling consumption that OHA says causes a variety of harms, including higher health care costs.

The OHA seeks a 150 percent increase in the cigarette tax, from \$1.33 to \$3.33 a pack.

That \$2 per pack increase would bring Oregon's cigarette tax in line with the tax in Washington state and generate nearly \$300 million a year in new revenue. The OHA also forecasts the tax hike will reduce smoking up to 15 percent.

"If Oregon does not increase tobacco prices and fund tobacco prevention, Oregonians – both adults and children – will continue to suffer from the health consequences of tobacco and chronic diseases," the budget document says.

The agency also wants to begin taxing e-cigarettes, and increase the tax on cigars, although it is unclear how much those changes would generate.

OHA also seeks to raise the retail price of beer, wine and cider 10 percent, according to its budget proposal.

"Oregon has not increased the taxes on beer for over 40 years and wine for over 32 years," the budget document explains. "In real terms, beer and wine taxes fall every year because they do not keep up with inflation. The price of alcohol in Oregon is too low. Cheap alcohol fuels excessive drinking and related harms."

Raising the alcohol taxes, some of the nation's lowest, would reduce consumption 5 percent, the OHA says, and bring in real money.

"For the 2019-21 biennium, total new revenues from retail price increases of alcohol are estimated to be \$491 million, which would generate additional funding for treatment services, cities, counties and Oregon's General Fund," the budget document says.

Increasing the costs of cigarettes, beer, wine and cider, the OHA says, would lead to better health outcomes and save \$52 million in state healthcare spending on smokers and \$287 million in lost productivity and health costs for drinkers.

Of course, whether the OHA moves forward with the tax increases depends on a couple of factors. First: whether Brown wins re-election. If she does, she will then pull together all agency budgets and present a governor's budget in the first week of December.

Second, the proposals' success hinges on whether Democrats can win three-fifths super-majorities in both chambers. Oregon law requires a super-majority vote of both the House and the Senate to increase taxes. Democrats are currently one seat shy of that threshold in both chambers.

OHA spokesman Robb Cowie says the draft budget lays out the agency's conceptual thinking and is far from final. He says the agency submitted the document to Brown's office in September but has had no discussion about it with the governor or her staff yet.

"It's an agency request, not a final budget," Cowie says. "The governor's office will make the decision about what goes forward."

UT: Utah liquor stores may get to keep those consumer-friendly rating cards, after all

The Salt Lake Tribune

By Kathy Stephenson

October 24, 2018

Utah liquor stores may get to keep those consumer-friendly rating cards, after all.

On Tuesday, alcohol officials said they had changed their minds on “shelf-talkers” and are now looking for a way to keep the product review cards — which many consumers rely on when buying wine — without requiring additional work for liquor store employees.

“We want to find a win-win situation,” Sal Petilos, executive director of the Utah Department of Alcoholic Beverage Control, said Tuesday.

The department is forming a committee, he explained, that will include staff and vendors to come up with a solution that provides accurate information for consumers “but where our staff is not spending a lot of time monitoring.”

Earlier this month, DABC officials informed wine brokers and vendors that after Dec. 31, they no longer would be allowed to post the 3.5-by-4-inch cards that give brief reviews and scores from industry magazines such as Wine Spectator and Wine Enthusiast.

The agency decided to terminate the review service because a few vendors and brokers failed to update the cards in a timely manner. Savvy customers have accused the agency of “bait-and-switch” when a card has a review for a different vintage (year) than the bottle on the rack.

“Having a shelf-taker that is 2 or 3 years old,” Petilos told members of the DABC advisory board, “irks customers.”

Wine brokers — the liaison between wineries and importers who make the wine and the state that sells it — were upset about the DABC decision, saying the shelf-talker program is the only approved education and marketing material for wine and spirits allowed in Utah’s state-owned and -operated stores.

Under state law, the DABC is prohibited from advertising or promoting liquor. However, brokers, vendors and producers are free to promote the products they sell or make.

Currently shelf talkers are only posted for top-rated wines. If a new program is implemented, it also would look at making the cards available for liquor and beers that have received awards or ratings from reputable publications, Petilos said.

CONTROL STATE NEWS

MA: Nine Liquor Stores to Appeal License Commission’s ‘nip’ Ban

Chelsea Record

By Seth Daniel

October 24, 2018

Nine Chelsea liquor stores have hired an attorney and filed an appeal with the state Alcoholic Beverages Control Commission (ABCC) regarding last May’s ‘nip’ ban of small alcoholic beverage bottles (100 mL or less), a policy that was renewed at a recent meeting in September.

Attorney Louis Cassis has filed an appeal with the ABCC on behalf of Chelsea Liquors, Inc. (Heller’s); 180 Broadway Liquor Inc. (Chelsea Liquor Mart); Pamukhan Corp. (Bridge Liquors); Canadian Liquors, Inc. (Broadway Variety 2);

Finemart, Inc.; KB Corp. (Yogi's); Nilam, Inc. (Caribbean Liquors); SAR Convenience, Inc. (Shop N Go); and Banwait Liquors, Inc. (One Stop).

The policy was enacted after several hearings last spring aimed at reducing litter and preventing vagrancy in areas around liquor stores. Many in the public and the Commission felt that the small liquor bottles were an enabling factor to the litter and the vagrancy.

Another provision in the policy was they could not sell any alcohol product under \$3.

Attorney Cassis said his clients felt the change altered their licenses in a way that made their businesses suffer.

“The Board’s action in prohibiting the sale of containers of spirits of 100mL or less and imposing a voluntary ban on containers priced below \$3 is a modification of the liquor license within state law,” read the complaint. “The action of the Board is so modifying the license was unsupported by substantial evidence; arbitrary, capricious and an abuse of discretion...; unsupported by specific findings of fact or by the evidence; based upon error of law; made upon unlawful procedure; violative of its own policies and procedures; and in excess of the statutory authority of the board.”

The attorney said his clients sought a review before the ABCC and would reverse the actions made on his clients.

The ‘nip’ ban was followed up by an effort to also ban small bottles of 250 mL or less, but that effort was tabled in favor of a voluntary ban that is being promoted among the liquor store owners.

The review before the ABCC will likely be a test case for the entire state as many urban municipalities have also sought to ban ‘nip’ bottles from their licensed package stores. Already, Everett has taken a step in that direction as well as other surrounding cities.

INTERNATIONAL NEWS

Europe: WHO helps EU Member States enhance surveillance of alcohol consumption and harm

World Health Organization (Europe)

October 24, 2018

WHO has developed a series of measures and instruments to support Member States in their efforts to enhance alcohol surveillance and improve the national processes for estimating alcohol consumption and the burden of alcohol-attributable disease.

The instruments, including a new fast-track process for annual monitoring of alcohol use in the WHO European Region and new software designed to make the estimates of alcohol-attributable mortality and morbidity more accurate, were presented during a meeting in Moscow on 8–9 October with selected Member States from the Region.

“This meeting is very useful for the Member States, especially because it included discussions of some very concrete measures on generating and using alcohol data. Cooperation between WHO and Member States is of utmost importance, but so is cooperation between different Member States – as we can learn so much from each other,” stated Krzysztof Brzózka, Director of the State Agency for the Prevention of Alcohol-Related Problems, Poland.

Alcohol intake in the European Region is the highest in the world. In 2016, the Region had the highest proportion of all deaths (10.1% of all deaths) and disability-adjusted life years (DALYs) (10.8% of all DALYs) caused by alcohol consumption. This is why European Union (EU)–WHO cooperation in the field is so important, and the new fast-track tool can become a game changer for efficient monitoring and surveillance actions, and ultimately help curb this unhealthy regional trend.

The software tool presented at the meeting, the International Model of Alcohol Harms and Policies (InterMAHP), is an open-access tool designed to be used by international alcohol research teams for alcohol harm estimation and policy scenario modelling. The tool, that will use data collected and validated by WHO, was developed by the

Canadian Institute for Substance Use Research and will help Member States to gain a better overview of alcohol-related harm at the national level, thus contributing to better informed alcohol policies.

“The policy modelling part of the InterMAHP tool seems like a very timely and much needed instrument. If we can visualize different policy scenarios and show what each scenario can do for equity – not only regarding sex, region and age, but also taking into account socioeconomic status – our decisions will be more informed and contribute to equality and well-being throughout the region more efficiently,” said Richard Henriksson, Analyst, Department of Living Conditions and Lifestyles, Public Health Agency of Sweden.

Canada: Province modernizes its liquor rules

Everything GP

By Glory Przekop

October 23, 2018

Changes are coming to the province’s liquor regulations for restaurants, bars and hotels.

The Alberta government says it is modernizing its liquor rules which means starting now, restaurants and bars are able to “mix liquor products with ingredients such as spices, herbs and fruits, as well as create house-aged liquor products.”

The news release goes on to say hotel guests will be able to take their drinks purchased at the bar/lounge to their rooms or other areas of the hotel.

“Alberta makes some of the best liquor in the country. But some regulations were constraining restaurants and bars from being creative and limiting Albertans’ enjoyment. That’s why we are bringing in common-sense changes, like being able to take your wine from the hotel bar back to your room. This is in addition to previous changes that allowed for craft beer and liquor to be sold at farmer’s markets and more open patio policies,” says Joe Ceci, President of Treasury Board and Minister of Finance.

Other changes include:

- Ferment-on-Premises: Albertans are able to make their own beer or wine at licensed facilities and then take it home.
- Seniors lodges: Facility owners and operators can authorize residents to consume their own supply of liquor within other rooms and common areas.
- Theatregoers: As the final curtain drops, guests and performers can enjoy liquor products past the final curtain within the licensed areas of the venue, should the licensee wish to provide the opportunity.

“Alberta’s liquor laws have been updated to keep pace with the evolution of today’s liquor industry. We listened to Albertans and implemented new policies to reflect the growing trends among home brewers and bartenders, as well as creating opportunity for small Alberta businesses,” says Alain Maisonneuve, president & CEO, AGLC.

INDUSTRY NEWS

Demand for craft spirits in the US shows no sign of slowing

Harpers.co.uk

By Helen Gilbert

October 24, 2018

The appetite for craft spirits in the United States - arguably the nation behind the boom in craft drinks worldwide - still packs a major punch new research suggests.

The research, published in the IWSR US Craft Spirits Report 2018, revealed an extra 1.5m nine-litre cases contributed to 31.1% of the total spirits growth in the US last year.

Craft spirits – which account for 3.3% of the total US spirits market – continue to significantly outperform the overall industry in terms of both volume and value growth, the report stated.

Between 2010 and 2017, the CAGR for overall spirits volume was 2.8%, compared to 25.8% for craft spirits, while forecasts for 2022 predict that total spirits volumes should perform at a CAGR of 2.1% against craft's 22%, the IWSR paper stated.

Craft whisky made up 36.9% of the overall category growth in 2017 with 580,000 nine-litre cases added to the market. Other craft categories that contributed significantly to the growth of their parent categories included vodka (51.6%) and brandy (32.9%).

The trend could take off if in Europe if recent new product developments in the craft beer movement are anything to go by.

According to recent data from the Mintel Global New Products Database (GNPD), North America (and the US especially) dominated the global craft beer industry in 2013, accounting for 52% of all craft beer retail launches compared to just 29% for Europe.

In 2017, roles reversed with 54% of launches originating in Europe and just 19% in North America, while new craft beer product launches in the continent have more than doubled over the past five years by 178%.

"Over the last few years, interest in craft beer has migrated from the US into the UK and now into continental Europe," Jonny Forsyth, associate director, Mintel Food & Drink, said.

"Our research suggests that Europeans are embracing craft beer because they are looking for new, more exciting offerings compared to their usual beer options, especially in markets such as Germany, where brewers and beer styles have remained unchanged for centuries. While markets like Germany, Belgium and Czech Republic are still dominated by their own beer styles when it comes to innovation, consumer interest in craft beers is already there and offers ample opportunities for manufacturers."

Although there were no specific craft spirits figures for the UK, the IWSR's Drinks Market Analysis 2018 data found that demand for rye whisky is growing fast, driven by bartenders in the cocktail trade.

The volume figures for spirits categories in the UK 2013-2017 also showed gin continued to perform very well, with a volume increase of 23.4% 2016-17, taking total UK consumption in 2017 up to nearly 42 million litres. Appetites for both vodka and white rum, however, declined.

Walmart and Target are trying to capitalize on Trader Joe's 'Two-Buck Chuck' success

CNN

By Nathaniel Meyersohn,
October 23, 2018

New York (CNN Business) Walmart, Kroger, and Target are rolling out premium wines for cheap. They're trying to copy Trader Joe's success with "Two-Buck Chuck" and capitalize on America's love affair with wine.

The big-box players have recently tried a variety of tactics — new brands, partnerships, and delivery choices — to prove their wine bona fides and attract the growing number of Americans replacing beer with wines and spirits.

In May, Walmart introduced 10 private-label wines for \$11 a bottle. The line, "Winemakers Selection," featured rosés and vinos from Italy, France, and California. Nichole Simpson, Walmart's senior wine buyer, told USA Today that they "drink like a \$30 to \$40 bottle."

Winemakers Selection is a part of Walmart's attempt to upscale its brands in stores and online. The label is targeted at middle-income shoppers thinking about spending on a bottle of vino. The design doesn't bear Walmart's logo, making it more acceptable to wine connoisseurs who want to trade down.

"Consumers want to indulge within their means," said Catherine Lang, an analyst at Kantar Consulting who has researched discount grocers and convenient stores like 7-Eleven expanding their wine selections. "The challenge and the opportunity for brands in wine is the ability to convey quality with their private label."

The wine play is working for Walmart so far. The company has gotten a bump in sales from Winemakers Selection and plans to release 11 more wines in the spring: "It's been a real winner for us," Steve Bratspies, Walmart's chief merchandising officer, said last week.

Quality wine for low prices fits into a broader strategy at Target, too. The company has renewed its focus on selling its own brands to bolster its chic 'Tar-zhay' image.

Target introduced its \$5 California Roots brand last year and added California Roots Rosé earlier this year. In a separate move, Target became a retail partner for Yes Way Rosé, a brand that caught fire on Instagram and goes for \$12.99 a bottle at stores.

Target said alcohol was the fastest-growing unit in its food and drinks division last year. To meet increasing demand, the company has been gaining more liquor licenses and expanding alcohol aisles in stores. It aims to offer alcohol in 80% of its stores by the end of 2018.

For Kroger, wine is also a "growth category." Kroger sells 80 wine lines, including exclusive brands like Storyteller for \$2.99 to \$29.99. Last week, Bloomberg reported that it was piloting a wine home-delivery service in a handful of markets.

Kroger won't sell the wines under its own label, but it's trying to tap into an expanding online alcohol delivery market. Online beer, liquor, and wine sales grew 33% last year, according to analytics firm Slice Intelligence.

These big-box players have taken their wine cues from Costco, Lidl and Trader Joe's, rivals that discovered years ago that selling cheap vino could be another way to win shoppers.

Costco sells \$2 billion a year worth of wine at its warehouses. There are blogs dedicated to ratings, reviews, and deals on malbecs, merlots, and cabernets at Costco.

Costco has started offering more wine under its popular private label, Kirkland Signature, over the past few years to gain higher profit margins off the sales.

"The wine and spirits thing has caught us off guard in a positive way," Costco's chief financial officer Richard Galanti said last year of the response to Kirkland Signature wines.

Yet Trader Joe's has set the retail standard for bargain wines with its Charles Shaw private-label brand, known as "Two-Buck Chuck." Trader Joe's struck gold with the brand, claiming awards at wine shows and earning a cult-like following among shoppers.

"Trader Joe's showed that if you make a decent wine and you price it well, it will be a draw," said Victor Martino, president of Third Wave Strategies, a California food and grocery consulting firm. "It's a phenomenal seller."

The Family Coppola Purchases Oregon Winery

It marks Francis Ford Coppola's company's first vineyard outside California.

Food & Wine

By Mike Pomranz

October 23, 2018

Even most casual wine drinkers have come to understand that Oregon produces some world-class wines, but for those still in the dark, this latest news could be seen as the state stepping out onto the red carpet: The well-known winery from Hollywood legend Francis Ford Coppola has made its first foray north of the California border. The Family Coppola announced yesterday that it has acquired the Willamette Valley-based Vista Hills Vineyard.

"It was with great excitement that we were approached by The Family Coppola to acquire our picturesque vineyards in the Dundee Hills," David McDaniel said according to Oregon Live. McDaniel owns the winery along with his wife Cristy and her parents, John and Nancy McClintock, who founded the business. "Although we love the Oregon wine industry, the opportunity to have this property grow to greater heights under the stewardship of such a well-respected company was difficult to pass up. We have no doubt that The Family Coppola will transition well into the region and build upon what we started 22 years ago."

Vista Hills Vineyard contains about 40 acres of vines, producing Pinot Gris, Pinot Noir, and Chardonnay grapes. Current offerings on the Vista Hills website range from an \$18 2017 Treehouse Pinot Gris to reserve wines like the \$60 2016 Skyraider Pinot Noir. "These vineyards produce some of the finest fruit in Dundee Hills and make a perfect fit within our premium wine offerings," explained Corey Beck, The Family Coppola's chief executive officer and chief winemaker. "We're proud of this opportunity to own prime real estate embedded in such a respected region, and we look forward to showing our commitment to the area and further getting to know the community."

For the time being, The Family Coppola has reportedly decided to keep on the vineyard's current staff and winemaker and continue production of the Vista Hills wines in Oregon. The sale also apparently includes the vineyard's Treehouse tasting room which will ostensibly also continue to operate as it had before.

Francis Ford Coppola first entered the wine world in 1975 when he purchased part of the old Inglenook wine estate in Rutherford, California. His venture has since ballooned to America's 15th largest wine company as of 2017, with the production of 1.7 million cases, according to the North Bay Business Journal.

DAILY NEWS

How local breweries are helping Austin during water boil notice

Austin 360

By Arianna Auber

October 23, 2018

(AUSTIN, Texas) Austin's boil water order has affected just about every person in the city, but breweries are perhaps among the best equipped to handle it. Boiled water is a necessary, fundamental step in the brewing process, which means they've got it on hand on a regular basis — and this week, with city officials mandating that residents boil their water before consuming it, local breweries are doing their part to help out both people and businesses.

Black Star Co-Op was among the first to announce on social media that it had "fresh boiled water available for the community," a Facebook post that now has more than 1,200 shares. Since then, other local breweries including Infamous, the Brewer's Table, Pinthouse Pizza and Independence have also stepped up.

For Black Star, it was just the right thing to do, as well as easy, given the amount of water that was already available for use.

"Our hot liquor tank is full of 170-degree water, which is the reason it was just so obvious to do this," Andy Martinec, Black Star's head brewer, said. "We had 700 gallons of water that was not even from the potentially contaminated source (because it) had been sitting in here for a week, half of which had been at pasteurization temperature for a week, so it's 100 percent good. It just made sense for us to do this."

He said people have stopped by with water jugs since yesterday, but the cooperative brewpub has also been able to provide water to the Austin Humane Society and to Barrett's Coffee, both nearby. (Animal shelters sent out a call for water donations yesterday.) The five gallons that went to the coffee shop, Martinec said, helped to bring their espresso machine back online.

Other Austin breweries have been supplying coffee shops as well, many of which don't have kitchens to boil water in-house. One of the co-founders of East Austin coffee shop the Brew & Brew, Matt Wright, "started an email thread today with a bunch of breweries and coffee shops, asking if any breweries would be willing to let coffee shops grab boiled, cooled water off their tanks," he said. "It's been like three hours and already 6 different breweries have helped out or offered to help out."

In addition to Black Star, Zilker Brewing, the Brewer's Table, Hops & Grain, St. Elmo Brewing and Pinthouse all responded, he said, and among the coffee shops to accept help include the Brew & Brew, Figure 8 Coffee Purveyors and Fleet Coffee.

“We’re setting this up for the long haul, in case this thing stretches out for weeks, and it’s been a huge relief for me to be able to rely on our neighboring breweries for this help,” Wright said.

Plus, Independence Brewing plans to be open until 8 p.m. today to give out boiled water to anyone who wants it. The East Austin brewery doesn’t normally have taproom hours on Tuesdays but is making an exception to “give back to the community that has supported them for the past 14 years,” according to an email from a publicist. Bring your container to fill up, at a limit of 1 gallon of water per person, while supplies last.

Want to give thanks? There’s no better way to do it than by purchasing a beer from the taproom bar.

And if you live west of town, Infamous Brewing, in the Lake Travis area, is also doing its part, by offering people the chance to fill their jugs up with water both during hours brewing staff is there and afterward.

Providing this service to local businesses that need it and to the community at large is a no-brainer to these breweries, according to the Brewer’s Table team, which noted it’s “amazing how the community supports each other.” The Brewer’s Table, with a full-scale restaurant, is open business as usual because of the water the kitchen can source from the brewery side. And in South Austin, St. Elmo is offering its water to other local businesses in addition to coffee shops.

Black Star’s Martinec has plans to brew tomorrow but said he is willing to push back his schedule by a couple of days if it means providing water to people in need.

“Of course, it makes so much sense to do it; what other industry are you going to have huge tanks of cold, ready-to-drink water? Very few. It just seemed obvious,” he said.

14-year-old in serious condition after vaping alcohol

WAOW

October 23, 2018

PATCH GROVE, WI (WKOW) — A 14-year-old is in serious condition after vaping alcohol.

The Grant County Sheriff’s Office and West Grant EMS responded to River Ridge High School Tuesday morning. The investigation showed the male possibly inhaled alcohol through a vaping device and it caused him to suffer symptoms associated with alcohol poisoning.

The teenager was transported to Crossing Rivers Medical Center and then airlifted to University Hospital in Madison. He’s in serious condition.

The Grant County Sheriff’s Office is still investigating.

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