TODAY’S HIGHLIGHTS

- Control State Results for June 2020
- MS: New Commission Formed to Study Future Fate of Alcohol Distribution System
- KY: New ‘direct ship’ alcohol law not quite all ‘cheers’ yet
- Booze industry warns over the cost of calorie labelling
- Inherent Vice: The Media’s Love Affair with “Healthy” Alcohol
- Covid ‘Cocktail Crisis’ Adds to America’s Serious Drinking Problem

NABCA News
Visit NABCA’s COVID-19 Resource page for updates regarding policy changes that effect on- and off-premise retail operations.

TTB NEWS
You can now find all of TTB’s COVID-19-related news and guidance in a single location.

ADDITIONAL LINKS
Visit NABCA’s website for information on:
- Control State Agency Information
- Doing Business in Control States
- NABCA News

NABCA CONTROL STATE RESULTS
During June nine-liter control states spirits case sales grew 13.1% over same period sales last year. Alabama(22.4%), Iowa(23.0%), Idaho(16.4%), Maine(17.9%), Michigan(10.3%), Mississippi(54.9%), Montana(23.4%), North Carolina(16.7%), New Hampshire(6.1%), Ohio(15.3%), Oregon(8.9%), Pennsylvania(-4.6%), Utah(17.0%), Virginia(9.6%), Vermont(10.8%), West Virginia(30.3%), and Wyoming(26.1%) reported monthly growth rates for June exceeding their twelve-month trends. The growth rate for Montgomery County Maryland(-2.3%) fell short of its twelve-month trend. Control state rolling-twelve-month-volume growth, 5.1%, was up compared to May’s reported 4.0%. Spirits volumes grew 6.2% year-to-date compared to 3.3% a year ago.

During the past five years, December’s spirits sales volume in the control states has exceeded 5 million nine-liter cases. June’s reported nine-liter case spirits volume--5,054,718--is the first non-December month during which more than five million nine-liter cases have been reported.

Control state spirits shelf dollars were up 19.6% during June while trending at 8.1% during the past twelve months. Alabama(30.8%), Iowa(24.4%), Idaho(22.8%), Maine(19.4%), Michigan(23.3%), Mississippi(71.0%), Montana(25.3%), North Carolina(23.2%), Ohio(25.4%), Oregon(14.4%), Pennsylvania(0.6%), Utah(18.8%), Virginia(14.8%), Vermont(11.1%), West Virginia(32.5%), and Wyoming(26.8%) reported growth rates exceeding their twelve-month trends. Montgomery County Maryland(-1.5%) and New Hampshire(5.0%) grew shelf dollars at rates below their twelve-month trends. Shelf dollars in the control states are up 10.0% year-to-date compared to 6.1% last year.

Price/Mix for June is 6.5%, improving upon May’s reported 5.9%.

Price/Mix has been tracked by NABCA since January 2002, and July’s 6.5% is the largest Price/Mix value published, ever. The previous highest value, 5.9%, was recorded during May 2020.

During March, April, May, and June the control states’ on- and off-premise markets behaved capriciously. During the twelve-month period ending February 2020, the off-premise monthly share averaged 82%. During March, the off-premise share jumped to 90%, during
April to 99%, and during May retreated to 96%. During June it moderated, somewhat, to 90%. Trends suggest the control state off-premise share for July will be elevated above historical levels.

- June’s control states growth rate was effected by calendar and operational anomalies as well as pandemic related social phenomena.
- The retail outlets in five control states—Alabama, Mississippi, Montana, North Carolina, Utah—are closed Sundays. June this year had four Sundays compared to five last year.
- Seven control states—Iowa, Maine, Michigan, Mississippi, Montana, West Virginia, Wyoming—are wholesale-only states that do not have their own stores. Sales in these states are warehouse depletions to retailers and, in some cases, to on-premise licensees. June 2019 had twenty weekdays for shipping whereas June 2020 had twenty-two, 10% more.
- Mississippi reported a growth rate of 54.9% for June. This growth rate was effected by a change in the State’s billing and order processing procedures that resulted in some July orders being booked with June effective dates.
- On net, there were eight more selling days during June in the control states, 1.5% more, compared to last year.
- After equivalizing selling-day variations between this year’s June and last year’s, June’s nine-liter-case-spirits growth rate is 11.6% with a rolling-twelve-month trend of 6.2%. June’s shelf-dollar growth rate is 18.2% with a rolling-twelve-month trend of 9.3%.
- Equivalized price/mix for June is 6.6%.

Cocktails, with 2% share of the nine-liter case control states spirits market, was June’s fastest growing category with 61.9% reported and a twelve-month trend of 26.2%. Tequila, with 7% share, grew during June at 31.6% and 13.0% during the past twelve months. Vodka, with 34% share, grew during the same periods at 6.4% and 3.4%, respectively. Brandy/Cognac(23.7% during June, 6.3% twelve-month trend), Canadian Whiskey(13.3%, 4.4%), Cocktails(61.9%, 26.2%), Cordials(13.6%, 1.2%), Domestic Whiskey(15.3%, 9.3%), Gin(6.1%, 1.0%), Irish Whiskey(6.0%, 4.6%), Rum(8.2%, 0.7%),

Scotch(4.7%, 0.9%), Tequila(31.6%, 13.0%), and Vodka(6.4%, 3.4%) all grew at rates above their twelve-month trends.

June’s nine-liter wine case sales growth rate was 5.7%. Pennsylvania (reporting -2.0% nine-liter-case growth for wines), New Hampshire (11.3%), Utah (9.7%), Mississippi (42.9%), Montgomery County Maryland (3.6%), and Wyoming (16.0%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. Rolling-twelve-month wine volume growth in these six control states is 0.8%, up from May’s reported -0.1%.
A study committee formed to examine Mississippi’s state-owned alcohol distribution system could recommend keeping the status quo, transition it to a public/private corporation like the Mississippi Lottery Corporation or even completely privatize it.

State Rep. Trey Lamar, R-Senatobia, and chairman of the House Ways and Means Committee said all three possibilities will be scrutinized when the study committee meets in the fall.

“This is a large sector of our private economy and currently, we’re not doing as well as we can. We owe the citizens to look at how we can improve and what’s the best structure for doing that,” Lamar said. “We’ve got to get a handle on what the need is and look at all the possibilities. We’ll examine whether this is a business that government needs to be involved in or not.”

Mississippi is one of 17 states nationwide that are known as control states, which means government handles wholesale distribution of wine and spirits and even retail, like Alabama. The state owns a 211,000 square foot warehouse in Gluckstadt that contracts with a shipping company to deliver product to customers.

The committee’s work is even more relevant considering the problems with the state’s Alcoholic Beverage Control (ABC) warehouse and the task of distributing wine and liquor statewide.

The Department of Revenue (DOR) reported the warehouse has endured a 29 percent increase in case sales, shipping 1.3 million cases in the last four months. That’s an additional 300,000 cases from the same time period last year. The increase caused a backlog in orders being shipped.

The numbers for fiscal year 2020 show the strain on the system. For the fiscal year that ended June 30, the DOR transferred $88.62 million in ABC collections to the general fund compared to fiscal 2019, when $81.3 million was transferred to the general fund.

Proponents of reform of the state’s distribution system, such as Sen. Scott Delano, R-Biloxi, say the delivery issues are an admission by the DOR that it might not be able to run a multi-million wholesale delivery system.

“The state’s approach to handling alcohol is the same model put in place during the 1940s,” Delano said. “We need to explore a completely new model, a model where, as the ABC acknowledges, government is less involved. I’m open to exploring all options, for both warehousing and retail.”

As for a new model, the Mississippi Lottery Corporation (MLC) is one that could be emulated. This legislatively
created corporation has a board of directors chosen by the governor with the advice and consent of the state Senate. It is subject to public records laws with a few exceptions and the board’s appointment of a corporation president is subject to approval by the governor.

A minimum of 50 percent of the lottery’s revenues are required by law to be awarded as prizes.

MLC board member Gerard Gibert, who is the former CEO of Venture Technologies, said the lottery model is excellent and that a similar setup would be a good fit for the ABC. The lottery has transferred $70.73 million to the state treasury in fiscal 2020 and these funds will go to transportation projects statewide, as required by state law. Any revenues above $80 million will be transferred to K-12 education.

Pure privatization would transfer alcohol distribution to private wholesalers, much as has been done with beer statewide. The downside of this possibility is the state would lose about $80 million annually in profit from the warehouse. Lamar said the committee will have to examine whether excise tax hikes would be required to recoup the revenue lost if the state completely divests the warehouse.

Mississippi and Alabama are the only control states in the region. The rest have alcohol distribution handled by the private sector.

Lamar also mentioned the committee will also examine whether warehouse upgrades and more staff might be a solution. In past legislative sessions, bond bills that would’ve raised funds for ABC warehouse upgrades have not made it out of committee.

The study committee will be led by Lamar and Sen. Josh Harkins, R-Flowood, who chairs the Senate Finance Committee. The group will have 13 other legislators chosen by July 31.

FRANKFORT, Ky. (WTVQ) – Don’t “cheers” just yet to a new law that would allow brewers, distillers and vintners to ship alcohol directly to consumers.

It’s going to take time to implement, Alcoholic Beverage Control (ABC) Commissioner Allyson Taylor said while testifying before Thursday’s meeting of the Interim Joint Committee on Licensing, Occupations and Administrative Regulations.

Committee Co-chair Rep. Adam Koenig, R-Erlanger, said the proposed regulations required under HB 415 were submitted on July 14 to the Administrative Regulation Review Subcommittee. He added he hopes the regulations are implemented in time for the Christmas shopping season.

“As far as how long it takes to implement after that I believe it will depend on the public comments and how many changes we implement,” Taylor said in response, noting the computer system required for producers to apply for shipping licenses is ready to go.

Dubbed the direct ship bill, House Bill 415 from this past session clears the path for producers of alcohol – in and out of Kentucky – to be licensed with ABC to ship directly to consumers. No more than 10 liters of distilled spirits, 10 cases of wine and 10 cases of malt beverages per month could be shipped to an individual.

The packages would have to be clearly labeled and be signed for by someone 21 or older. And shipping to dry territories, communities where alcohol sales are prohibited by local laws, would still be banned.

Sen. Jimmy Higdon, R-Lebanon, said he has heard from retailers, wholesalers and distributors concerned some language in the proposed regulation may allow out-of-state importers to sell in Kentucky.

Senate Majority Caucus Chair Julie Raque Adams, R-Louisville, said she too has heard concern about how out-of-state importers will work into the proposed regulations.

Senate Majority Floor Leader Damon Thayer, R-Georgetown, said he wanted to make sure ABC follows the legislative intent of HB 514. Taylor responded that ABC had three goals when drafting the proposed regulations.

The objectives were to implement the legislative intent, make sure Kentucky producers and suppliers are on the same footing as their out-of-state competitors and to respect the three-tier system.
Thayer then characterized HB 415 one of the most important bills we passed last session.

“As everyone knows, because of COVID-19 our bourbon tourism venues are pretty much flat on their back,” Thayer said. “We all know downtown Louisville is pretty much shut down because of the riots and there is a lot of bourbon tourism down there. Anything we can do to open up another revenue stream for the bourbon industry is incredibly important, but I do support making sure we got this right.”

HI: O’ahu bars closing for 3 weeks, restaurants to stop serving & selling alcohol after 10 p.m.

KITV 4
By KITV Web Staff
July 30, 2020

In a press conference Thursday, Honolulu Mayor Kirk Caldwell addressed another record single-day spike of 124 COVID-19 cases across the state. 120 of those cases were on O’ahu alone.

The mayor announced that starting Friday evening, bars on O’ahu will be shut down for at least three weeks.

Restaurants will be prohibited from selling, serving, or consuming alcohol after 10 p.m., beginning Friday as well.

Any business that violates the order will be subject to fines, and even losing their liquor license.

After the next three weeks, the city will assess whether or not changes will be made moving forward.

INTERNATIONAL NEWS

United Kingdom: Booze industry warns over the cost of calorie labelling

The Grocer
By Daniel Woolfson
July 30, 2020

Introducing calorie labelling on booze could send costs surging and lead shoppers to unintentionally consume higher-abv drinks, industry sources have warned.

Industry reaction was fiercely divided when the government’s plans to consult on introducing calorie labelling for booze were revealed as part of Boris Johnson’s crackdown on obesity.

The plans were welcomed by the Wine & Spirit Trade Association, though its CEO Miles Beale stressed the consultation should look “beyond just labelling and seek views on how best to inform consumers about the energy content of alcoholic drinks”.

The British Beer & Pub Association, meanwhile, condemned the plans as “unnecessary”. Its CEO Emma McClarkin said they would “be hugely costly and detrimental to our sector at a time when it is trying to get back on its feet”.

Indeed, said Global Brands chairman Steve Perez: “This would further squeeze the already tight margins within our drinks manufacturing, due to increase in label size/raw costs.

“I think the government just think consumers are all absolutely stupid,” he told The Grocer. “People already just take out their phone to check out [drinks’ nutritional information].

“This would mean us having to redesign all our labels and there is already so much information squeezed on them about alcohol units, and the 18 warning – maybe there’s something the industry could do that would be far simpler and less costly, like a QR code.”

Christopher Snowdon, director of lifestyle economics at thinktank The Institute of Economic Affairs, said there were still questions to be answered as to how best to convey calorie information if it were mandatory.

“Do you display it by unit or by millilitre? Because it has a subtle nudging effect depending on which way you choose. I presume the beer industry would rather do it by millilitre and spirits the other way round.”

He added it could also have a potentially damaging effect on public health if it led to drinkers switching to boozier drinks or skipping meals. “What happens to [shoppers] who are quite weight-conscious? The likes of Pernod Ricard’s Glenlivet brand already display their calorie content

“There is very little empirical evidence but it certainly seems plausible [a shopper] who wants to keep trim will either skip food before going out, which isn’t healthy, or would switch to lower-calorie drinks like spirits, which maybe isn’t best.”

However, some lower-alcohol booze brands such as hard seltzers - many of which already market
themselves on their low-calorie credentials - welcomed the news with open arms.

Bodega Bay Hard Seltzer founder Charlie Markland said it would offer consumers transparency that hard seltzer brands were “already leading on”.

“It will make alcohol producers who use sugar as a shortcut to alter the taste have to reassess their impact,” he added.

Many big booze suppliers such as Diageo and Pernod Ricard already begun rolling out calorie labelling prior to the government’s announcement. All new Diageo products made in 2020, which are larger than 50cl, display their calories.

INDUSTRY NEWS

Inherent Vice: The Media’s Love Affair with “Healthy” Alcohol

Wine Enthusiast
By Evan Rail
July 31, 2020

Contrary to decades of common medical advice, media coverage of beer, wine and spirits periodically hype the so-called “health benefits” of alcohol. Such stories have turned up everywhere from Today.com to Town and Country, suggesting that red wine can help you live longer, that one beer a day is good for your heart, or that a Champagne diet is a great way to lose weight.

So, what makes articles like these a favored topic for publishers, and what makes such seemingly counterintuitive stories popular with readers?

“Humans are susceptible to something called confirmation bias, in that we tend to believe information that supports our current beliefs,” says Dr. Jessica Myrick, associate professor at Penn State’s Donald P. Bellisario College of Communications, who studies the media and consumer emotions. “So if you already like to drink alcohol and have convinced yourself it is healthy, you will be happy to see more information that supports that view.”

That kind of confirmation can be powerful in terms of how we conceptualize things like alcohol, coffee and other pleasures. Dr. Pamela B. Rutledge, director of the Media Psychology Research Center, says that these articles play on a “double standard” in many people’s conception of beer, wine and spirits, whereby alcoholic beverages are seen as both good and bad.

“Everyone likes to be told what they considered a vice is actually good for you,” she says. “It’s permission to indulge.”

In part, the taste of our favorite drinks affects how we think about them. Rutledge says, much like a how child reacts to being told to “eat your vegetables,” most things deemed healthy for us are often assumed to taste unpleasant. If something tastes delicious, it is often assumed to be bad for us.

The company we keep can also affect these perceptions.

“Because alcohol, coffee and other drinks are generally social experiences, we tend to associate them with interpersonal connections, relaxation and pleasure,” says Rutledge.

Dr. Kathleen Beullens, associate professor at the School for Mass Communication Research at Belgium’s University of Leuven, says that articles touting the benefits of alcohol can appeal for another reason. They can alleviate a feeling of cognitive dissonance between what we think we should be doing and what we are actually doing.

“Many people are aware of the negative effects of drinking, but drink anyway,” she says. For many, she says, such internal conflict can produce a feeling of mental discomfort. “Reading a newspaper article that states that drinking isn’t that bad after all might reduce this feeling of discomfort.”

Not only are people likely to believe articles that support their own biases about alcohol, but they’re also more likely to help promote such stories, says Myrick. In turn, publishers see more traction with them on social media.

“There is research to suggest that we are more likely to share news stories that are positive in nature,” she says. “An article telling you that your favorite beverage is healthy may be one you feel good about and want to share with others.”

“Everyone likes to be told what they considered a vice is actually good for you.”—Dr. Pamela B. Rutledge, director, Media Psychology Research Center

What should consumers think about articles that claim unexpected diet, health or longevity benefits from
alcohol? Myrick says that readers should approach these with a critical eye.

Studies on alcohol and health that only cover a small test population may not accurately represent the general public. Stories based on multiple scientific studies are more likely to be trustworthy.

“Science works best when it builds upon previous work,” she says. “Ten different studies pointing to the benefits of a glass of wine is a lot different than a single study showing the same results.”

Myrick also suggests that readers examine if other lifestyle factors were considered in a scientific study.

“A study of marathoners who drink wine every day might give you different results than a study of sedentary individuals who drink wine every day,” she says.

As for the health benefits of alcohol, there’s certainly research that claims moderate drinking has some benefits. But when it comes to what, why and how much, the jury is still out.

Dr. David Belk, the physician and writer behind the website The True Cost of Healthcare, says that the relationship between alcohol and health is complex and often contradictory.

“Consuming large quantities of alcohol every day is certainly bad for you,” he says. “Heavy alcohol consumption can, over time, damage your liver, pancreas and heart. Moderate alcohol consumption, though, is not normally bad for those who tolerate it.”

One of the main problems, he says, is that “moderate alcohol consumption” can mean different things for different people, depending on their weight, gender and family background.

While studies have claimed to show that people who consume moderate amounts of alcohol might live longer or be healthier than those who consume no alcohol, Belk says that both groups generally do much better than heavy drinkers.

Somewhere in the middle of all that is a sweet spot for alcohol consumption and health. “I often tell my patients who consume alcohol that a glass or two of wine each day might very well be good for them,” says Belk. “But a bottle or two of wine each day never is.”

Sparkling Wine Growth Accelerate as Consumers Settled into New Normal

Wine Industry Advisor
By Press Release
July 30, 2020

Unless otherwise noted, all trends below are for dollar sales within Nielsen U.S. off-premise channels for the one-week period ending 7/18/20 compared to the same week in 2019. We continue to remind our readers that we are only measuring some specific off premise channels, and that the impact of the health crisis on sales is uneven across companies in the alcohol industry.

The year-over-year growth rate for total off-premise alcohol dollar sales within Nielsen measured channels was +19%.

- Spirits continue to lead growth, up 29.3%.
- Wine grew 19.7% in dollar sales.
- Beer/FMB/cider growth was at +15.4%. Core beer excluding FMB/seltzer/cider was +8.6%.

In the words of Danelle Kosmal, Vice President of Beverage Alcohol at Nielsen:

“While growth rates have ebbed for all three categories, coinciding with on premise re-opening to varying extents, spirits has clung on to its earlier growth better than either beer or wine, while the latter’s growth has decelerated the most. That may be attributed to some business moving back to the more wine-friendly restaurant environment, which is less impacted by new closures than bars.

Looking at just those more recent growth rates may be a better indication of what we’ll potentially see through the end of the summer, and maybe even into the fall, as consumers settle into their new normal.”

We have been measuring/referring to a few different time periods related to COVID impacts: 1) COVID year-to-date, which started the first week of March (now 20 weeks); 2) Restricted Living (first week of March through the end of May); and 3) Re-opening (first week of June through the latest time period).

ON PREMISE

NOTE: this section is focused on the on-premise (bar, restaurant, taproom, etc. space). Everything else in this report is focused on the off-premise (retail...grocery store, liquor stores, etc.) space.
The following on-premise insights come from the Nielsen CGA RestauranTrak dataset, powered by Check-Level Insights Pool (CLIP), for the week ending July 25.

Here are a few highlights:

- Overall sales velocity (average dollar sales per the average on-premise outlet in Nielsen CGA measurement) in U.S. outlets that are currently operational is down -28% vs last year in the week to July 25.
- Compared to March 28, when the on-premise shutdown commenced, sales velocity is +205%.
- Week on week velocity has increased +3% July 25 vs July 18 across the US.
- Average purchase/transaction value is -9% compared to pre-COVID norms, up from -50% at its lowest.
- It’s worth noting that restaurant sales velocities over the last few weeks are more stable now than what we saw previously, but that these numbers are specific to dining locations, and not the much less stable ‘bar’ environment.

**BEER/FMB/CIDER**

- Total beer/FMB/cider was up 15.4% in dollars and 12.0% in volume for the latest week ending 7/18/20. Core beer (excluding beyond beer segments) is up 8.6% in dollars. We’re back to positive growth rates for every segment in the beer category in off premise channels, likely due to the shift back from on premise with the second round of closures.
- Considering the tough comps from the summer of seltzers in 2019, the segment continues to grow at phenomenal rates, up 142% compared to the same week last year. Seltzers accounted for 45% of the total category growth.
- Growth rates for other key beer segments for the week ending 7/18/20 were: super premium +20.6% with Mich Ultra once again as the top growth brand extension for the category, craft +12.6%, Mexican imports +7.2%, premium light +6.4%, FMBs +5.0%, and below premium +0.4%.
- The beer/FMB/cider category had a strong week in the convenience channel, up 18.4%, outpacing growth rates for the grocery channel, which were up 15.4%.

**SETTLING INTO THE NEXT NORMAL**

For some segments, there were distinct differences in trends during the restricted living time period compared to the re-opening time period. Total beer/FMB/cider growth during the restricted living time period was up 21.8% in dollar growth. That slowed to +16.6% in the re-opening period (to date). Here are segments and channels that saw some of the biggest shifts from the restricted time period to re-opening:

- Beer/FMB/cider in grocery channel: +30.1% during restricted vs +18.6% in re-opening
- Cider: +18.6% vs +6.7%
- FMBs (excluding seltzers): +23.1% vs +11.7%
- Kombucha: +70.0% vs +30%
- Mexican imports: +20.4% vs +10.5%
- Hard seltzer: +312% vs +180%

Segments that haven’t shifted as much between the two COVID time periods or phases include super premium, premium light, craft, and non-alcoholic beer.

**WINE**

Wine dollar sales in Nielsen measured off premise channels grew +19.7% in the most recent week vs year ago, up from last week’s +16.8%.

Comparing growth rates between the earlier restricted living period and the more recent re-opening period:

- Package size growth rates are showing a very big swing: earlier in the pandemic period, consumers shopped in stores infrequently and sought larger packages, and so we saw larger packages (e.g. 1.5L bottle, 3L and 5L boxes) growing quickly. Those growth rates have subsided significantly, though the 3L box is still up 30% during the past seven weeks vs year ago. Cans and 375 ml bottles are both growing in the 50% range during that same time period.

- Within just bottles, growth of the lower price tiers ($11 and under) have receded substantially. Growth rates of price tiers in the $11-$20 range are still substantial, but reduced versus where they were earlier, while growth rates of price tiers $20-$25 and $25+continue to be the highest, and steadiest. A reminder again, consumers moving their product purchase from on to off premise are saving large sums of money when that happens.
• Unlike table wine, sparkling wine growth rates have, if anything, accelerated as consumers have settled into their ‘new normal’ and moved their celebrations from the on premise into or around the home.

• By channel, while generally growth rates predictably decelerated moving into the re-opening weeks, the Convenience channel was the only one that maintained consistent high rates of growth across the two time periods suggesting a steadier shopping pattern.

SPIRITS

Spirits’ growth of +29.3% continues to lead the other beverage alcohol categories by a wide margin, and continues to gain share within the total beverage alcohol space. Comparing growth rates between the earlier restricted living period and the more recent re-opening period:

• Segments where growth has slowed much faster than the total spirits category (but still growing): American whiskey; cordials; gin; rum; vodka

• Segments where growth has increased moving into Re-opening: cognac; Scotch; Japanese whisky

And how about the two clear sub-category winners:

• RTD cocktails: +89% in the first three months vs year ago; and +81% over the last seven weeks. Cans now represent around ⅓ of the RTD category over the last 52 weeks, with now triple digit growth

• Tequila: +67% in both periods of time

A few other interesting nuggets:

• Across the various off premise channels we’re tracking, in those selling a large array of fast moving consumer goods as well as alcohol such as the Grocery channel, spirits growth rates decelerated moving into the re-opening period. On the other hand, growth rates are more consistent across the two time periods in more specialized channels, such as the Liquor and Convenience channel. And in fact, growth rates in the Convenience channel are higher than any other.

• Package size growth rates are showing a very big swing: earlier on consumers shopped in stores infrequently and sought larger packages, and so we saw the 1.75 Litre grow faster than the 750 ml bottle, but that has now reversed. And smaller sizes (all the way from the 50 ml to 375 ml) are growing faster now than they did in the first three months

DAILY NEWS

Covid ‘Cocktail Crisis’ Adds to America’s Serious Drinking Problem

Lockdowns and other pandemic stresses have certainly primed the drinking pump

Elemental

By Robert Roy Britt

July 30, 2020

Americans are drinking more during the Covid-19 pandemic, and even indulging on the job while working from home, adding to an epidemic of alcohol consumption that research shows will only lead to more premature deaths, most notably among middle-aged people.

Excessive alcohol consumption kills more than 93,000 people in the United States every year, shortening the lives of these people by an average of 29 years, according to a new study by the U.S. Centers for Disease Control and Prevention. The research accounts for acute alcohol-related deaths involving such things as violence, car crashes, suicides, accidents, and child abuse.

But 55% of these premature, preventable deaths are from long-term drinking that causes various cancers, liver disease, heart disease, and other health problems. Overall, 71% of these premature deaths are among men, and 56% are people ages 35 to 64.

The study, led by CDC scientist Marissa Esser, PhD, is based on data from 2011 through 2015. The figures are slightly higher than in the previous five-year period.

“A lot of my patients talk about this idea that there’s a hamster wheel constantly going in their head and that alcohol quiets down the hamster wheel. But I’m worried when drinking becomes the routine, go-to solution.”

Likely an undercount

There were substantial differences among states. The researchers recorded 20 alcohol-related deaths per 100,000 people in several states, including New York and New Jersey. A few other states had lower figures but were thought to have “suppressed estimates” of the real totals, the study concludes.
The five states with the highest number of alcohol-related deaths per 100,000 people:

- New Mexico: 52
- Arizona: 37
- Montana: 37
- Oklahoma: 36
- West Virginia: 35

“Effective population-level interventions to reduce excessive drinking are underutilized in states,” Esser said by email.

The study is “important” and its methods “rigorous and valid,” says Frederic Blow, PhD, director of the Addiction Center at the University of Michigan, who was not involved in the study. But the data involved only cases in which alcohol was listed as the primary cause of death on the death certificate. “So it is highly likely that many alcohol-involved deaths were not detected—for example, individuals who died of cardiovascular disease but were also heavy drinkers might not have been counted even though their drinking likely contributed to their heart disease,” Blow says.

Drunk and drunker

It’s no secret Americans overimbibe. Excessive alcohol consumption, along with opioids and suicide, are thought to be responsible for the decline in U.S. life expectancy that began in 2015, after many decades of mostly rising.

Before the pandemic, binge drinking — defined as four drinks for a woman or five for a man in a single two-hour window in the past month — was already on the rise among people over age 50, while being most common in people ages 25 to 34.

And increasingly, scientists question the age-old advice that one or two drinks is good for you, citing many recent studies indicating no amount of alcohol is healthy. Research last year refuted the long-held claim that moderate drinking reduces the risk of stroke, as but one example. Another study finds that when moderate drinkers stop, their mental health improves.

Recently, a committee of health experts proposing changes to the federal Dietary Guidelines for Americans suggested reducing the recommendation for alcoholic beverages to no more than one for men, rather than two, and retaining the suggested limit of one for women. The scientists say if you don’t have a drink one day, that does not mean you should have two the next day.

Covid cocktail crisis

Lockdowns and other pandemic stresses have certainly primed the drinking pump. Data from previous epidemics, including SARS in 2003 and swine flu in 2009, “suggest that social isolation can have a number of negative health effects, including increases in alcohol consumption,” Blow says.

Stress, isolation, and boredom are all potential triggers for alcohol consumption, says Adriane Dela Cruz, MD, an assistant professor in psychiatry at the University of Texas Southwestern Medical Center. “A lot of my patients talk about this idea that there’s a hamster wheel constantly going in their head and that alcohol quiets down the hamster wheel,” she says. “But I’m worried when drinking becomes the routine, go-to solution.”

Which seems to be exactly what’s happening, based on multiple analyses of the first months of the pandemic.

- Overall alcohol sales, including from stores and in bars and restaurants, was roughly 10% to 20% higher in March and April this year compared to the previous three-year average for those months in states that reported data, according to the National Institute on Alcohol Abuse and Alcoholism. Sales of wine and hard liquor rose while beer sales dipped.
- About a third of Americans say they’re drinking more now than before the pandemic, according to a survey released in April by the American Addiction Centers. A similar percentage said that if they work from home, they’re more likely now to drink during working hours.
- The average number of drinks per day increased 27% between February and April, with binge drinking up 26%, according to another survey led by Carolina Barbosa, PhD, of RTI International, a nonprofit research institute. The biggest rise was among people with kids at home versus adults with no children in the house.

“Alcohol use, especially heavy use, weakens the immune system and thus reduces the ability to cope with infectious diseases.”
Stressed-out parents

It’s not hard to imagine the connection between children and parental drinking.

Parents who are stressed about their kids’ distance learning are downing seven more drinks a month than parents who say it does not stress them, according to yet another survey done in May. “These stressed parents are also twice as likely to report binge drinking at least once over the prior month than parents who are not stressed,” write the researchers, University of Maryland psychologist Susan Sonnenschein, PhD, and Elyse Grossman, PhD, of Johns Hopkins Bloomberg School of Public Health.

“Drinking appears to have gone up, perhaps rather substantially,” says Max Griswold, a researcher at the Institute for Health Metrics and Evaluation at the University of Washington whose own research found a strong link between alcohol consumption and the risk for cancer, injuries, and infectious diseases. “In the long run, I can’t imagine this will be good for American health.”

Alcohol-related deaths had been declining in prior years, mostly among younger adults, Griswold points out. If younger people are responsible for the current rise, “then given the addictive nature of alcohol, this could lead to increased drinking in the long run and subsequent increased deaths,” Griswold tells Elemental. “If the increased drinking is among those who already were drinking a modest amount, this might push them to alcohol abuse.”

Strategies to avoid alcohol as a pandemic stress reliever include physical activity, eating and sleeping well, staying in touch with friends and family, and even deep-breathing exercises, according to the American Heart Association. The researchers in the new CDC study say alcohol-related deaths could be reduced via societywide measures, like increasing alcohol taxes and reducing the number of places that sell alcohol.

Alcohol and the coronavirus don’t mix

Experts have, meanwhile, dashed any myth-driven hopes that a good stiff drink might ward off the coronavirus.

Rather, alcohol slows the function of lung cells responsible for clearing out coronavirus particles and reduces production of the immune system’s white blood cells, says David Fiellin, MD, director of the Yale Program in Addiction Medicine.

“Alcohol use, especially heavy use, weakens the immune system and thus reduces the ability to cope with infectious diseases,” the World Health Organization states. Consuming alcohol will not destroy the [corona]virus, and consumption is likely to increase the health risks if a person becomes infected with the virus.”

While increased drinking may play a role in serious Covid-19 cases and deaths, many of the effects, including cancers and liver disease, won't show up for many years, Griswold notes.

“I have no doubt that for many individuals who increased their drinking during the pandemic, they will continue that higher level of consumption over the longer term,” says Blow, the University of Michigan researcher. “Therefore, we will likely see many more people who drink excessively in need of treatment, and unfortunately many who will die of alcohol-related causes over the coming few years.”