NABCA News

NABCA launches a COVID-19 Resource page. It includes interactive dashboards which includes state actions to lessen the spread of COVID-19 and policy changes that effect on- and off-premise retail operations, as well as additional information.

Visit NABCA’s website for more information

TTB NEWS

NEW COVID-19 PAGE ON TTB.GOV
You can now find all of TTB’s COVID-19-related news and guidance in a single location. Check the page frequently to find new or updated information to help you and your business respond to the COVID-19 national emergency.
https://www.ttb.gov/coronavirus

NABCA WEBINAR

Women. Alcohol. Health. - From Blackouts to Breast Cancer, webinar is now available on our website. Visit www.nabca.org/Resources/Webinars

CONTROL STATE NEWS

ME: Maine stores may ask you to remove your mask when buying alcohol

WGME
May 5, 2020

PORTLAND (WGME) -- Many viewers have reached out to CBS 13, asking whether retailers are allowed to tell customers to remove face masks when buying alcohol.

According to the Maine Bureau of Alcoholic Beverage and Lottery Operations, they can.

A spokesperson says that identification is key to the safe and legal sale of alcohol in Maine.

Maine law requires customers under 27 to provide reliable photographic identification that proves they are older than 21.

The state says that means stores can ask customers to remove their masks, adding that according to the CDC, the mask is not intended to protect the wearer.

The spokesperson adds that Mainers should still be practicing social distancing whenever possible.

LICENSE STATE NEWS

FL: Bars still can’t serve alcohol for on site consumption under first phase of Florida reopening

Orlando police officers educate local bar management after some confusion over rules under reopening

Click Orlando News
By Emilee Speck, Digital Journalist
May 5, 2020
ORLANDO, Fla. – Confused about the rules under Florida’s reopening phase one, some Orlando bars were serving alcohol to customers for drinking on site Monday and had to be asked to stop, according to the Orlando Police Department.

Four Orlando establishments were serving alcohol and food to customers at the bar and once informed by OPD officers that it was not yet OK under Gov. Ron DeSantis’ current executive order they immediately stopped. None of the bars were fined or cited, according to OPD.

“Our downtown units encountered 4 bars that were serving alcohol and had patrons sitting at the bar drinking,” a department spokesperson said in an email. “In each case, our officers educated the managers at their premises, and each of them decided on their own to close down for the night when given the option to sell alcohol to-go. Each manager advised they misunderstood the Governor’s Orders. All of the businesses were compliant and managers were appreciative of the education, once the Governor’s Order was explained by the officers.”

According to police reports Swiggs, Pourhouse, Dapper Duck Bar and Underground had customers sitting at the bar consuming alcohol. That’s when OPD got involved.

Three of the four bar owners declined to comment, but one told News 6 it was a misunderstanding. They thought if 51% of their current sales came from food, alcohol consumption inside the bar would be okay. Orlando police chief Orlando Rolon said current sales don’t count.

“The proceeds from food sales versus alcohol sales for the last year’s tax numbers is what they have to abide by. It can’t be what they’re currently selling as food versus alcohol that justifies them being able to sell something that’s consumed on premises,” said Rolon.

That’s what he said distinguishes bars from restaurants.

While restaurants were given the green light to open for limited capacity in-house dining under the governor’s phase one reopening executive order, bars and nightclubs were not. If an establishment makes a majority of its annual earnings from alcohol sales they are not allowed to reopen yet. However, they can sell drinks to-go.

Due to the coronavirus, Florida bars and clubs were closed through two major celebratory holidays, St. Patrick’s Day and Cinco de Mayo.

It’s unclear how long phase one of the governor’s order will last. He said he will announce phase two reopening soon depending on coronavirus positive cases and how things go this week under the first stage.

**INTERNATIONAL NEWS**

India: Allow home delivery of liquor in Delhi, liquor makers to govt

Outlook India
May 5, 2020

New Delhi, May 5 (PTI) An apex body of the Indian alcoholic beverage industry on Tuesday demanded that the Delhi government allow home delivery of alcohol in the national capital in wake of tipplers breaking social-distancing norm in several areas.

The Confederation of Indian Alcoholic Beverage Companies (CIABC) said that the government can also give permission for token system through which liquor can be sold and it will also be better crowd management.

Undeterred by the threat of coronavirus infection or the ""special corona fee"" of 70 per cent levied on sale of alcohol, hundreds of tipplers queued up outside liquor vends in Delhi for the second consecutive day on Tuesday.

CIABC Director General Vinod Giri said that booking of liquor through online mode can be an effective measure to reduce crowd outside liquor vends.

""We will approach the Delhi government and request it to consider home delivery option of liquor. Delivery of liquor is also safest way and it doesn't pose any threat,"" Giri said.

Giri also suggested that the government can also start token system under which a person can book liquor online and generate token number.

Later, he can go to the store at the given time and get liquor.

On the government’s decision to impose 70 per cent ""special corona fee"" on sale of liquor, he said, ""Prices
of liquor cannot be seen in isolation and they have to be seen in context of the neighbouring cities."

Sources in the government said that it will be a major challenge to stop smuggling of liquor of neighbouring states in the national capital.

"We will have to keep a tight vigil on illicit liquor as it affects the government''''s revenue," they said.

On Tuesday, about 190 government-run liquor shops opened as per the latest lockdown relaxations allowed by the Ministry of Home Affairs. On Tuesday, around 150 such outlets opened.

Chief Minister Arvind Kejriwal on Monday said all relaxations in areas where people violate social distancing and other norms will be withdrawn.

The chief minister''''s stern stance comes amid reports of people flouting social distancing norms at liquor shops in many areas in the city as authorities allowed all activities permitted by the central government.

PTI BUN AAR

Canada: Ontario Announces New Measures to Support Licensed Restaurants, Bars and Cideries During COVID-19

News Release
Source: Alcohol and Gaming Commission of Ontario

TORONTO, May 05, 2020 (GLOBE NEWSWIRE) -- The Ontario government is taking additional measures to help hospitality sector workers and businesses that have been impacted by the COVID-19 outbreak. The province is allowing licensed restaurants and bars to sell spirits with a food order at a lower price and is making it easier for cideries to sell directly to consumers.

Effective immediately, the price for whiskey, gin, rum and other spirits will be temporarily reduced from the current licensee minimum price of $2.00 per 29 mL to $1.34 per 29 mL. By making spirits more affordable the government is providing further support to restaurants, bars and other establishments that cannot serve patrons in-house during the current state of emergency.

This measure will be revoked on January 1, 2021, matching the duration of the temporary ability for bars and restaurants to sell alcohol with food for takeout and delivery which is in place until December 31, 2020.

The government is also taking steps to support those who produce cider. The Alcohol and Gaming Commission of Ontario has temporarily removed the requirement for cideries to have five acres of planted fruit in order to qualify for a store at their cidery. This change will allow all licensed manufacturers of cider to sell their products on-site or deliver directly to consumers across Ontario.

ADDITIONAL INFORMATION

• Regulation 719 under Ontario’s Liquor Licence Act (LLA) sets out the minimum prices for alcohol sold at licensed establishments. Those price requirements are established per serving (e.g. per 1oz or 29 mL of spirits).

• When Ontario recently amended Regulation 719 under the LLA to allow licensed establishments to sell alcohol as part of a food takeout or delivery order, the existing minimum price requirements were not changed.

• Since establishments are only permitted to sell sealed, unopened containers of alcohol with food delivery and takeout orders, spirits costs became cost prohibitive for consumers.

• Today’s amendment to Regulation 719 provides a reduction to the per-serving cost of spirits sold with food takeout and delivery orders. Licensed establishments may still choose the price at which they will sell alcohol, as long as they are not lower than the minimum price requirements.

• The reduced minimum pricing structure for spirits would only be applicable for takeout and delivery orders, so if the declared state of emergency ended prior to January 1, 2021 and customers could be served in-house, the existing minimum price per serving for spirits would continue to apply to in-house service.

• The minimum price has been reduced from $2.00 per 29 mL to $1.34 per 29 mL. The following chart provides examples of the existing and new minimum prices for common sizes of sealed, unopened bottles of spirits:
### Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Size</th>
<th>Minimum Price at a Liquor Licensed Establishment for in-house service</th>
<th>Minimum Price at a Liquor Licensed Establishment for takeout and delivery – until December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spirits</td>
<td>375mL</td>
<td>$25.86</td>
<td>$17.32</td>
</tr>
<tr>
<td></td>
<td>750ml</td>
<td>$51.72</td>
<td>$34.65</td>
</tr>
</tbody>
</table>

**QUOTES**

“The AGCO continues to work closely with the Government of Ontario during the state of emergency to support Ontarians and the sectors we regulate. The reduced minimum prices for bottles of spirits sold by licensed establishments, and the rule change for cidery retail are additional ways to support the hospitality sector as it deals with the effects of COVID-19.”

Jean Major, Registrar and CEO, AGCO

A photo accompanying this announcement is available at [https://www.globenewswire.com/NewsRoom/AttachmentNg/1dc9971e-8637-4f34-a5d5-d51d315977f4](https://www.globenewswire.com/NewsRoom/AttachmentNg/1dc9971e-8637-4f34-a5d5-d51d315977f4)

**ADDITIONAL RESOURCES**

- Changes to minimum price for spirits ordered with food for takeout and delivery
- New Temporary Change for Cideries to Sell Directly to Consumers
- Ontario.ca/coronavirus

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**South Africa: South African Breweries calls for the sale of beer and other alcohol under these conditions**

BusinessTech
Staff Writer
May 6, 2020

South Africa stands out as a worldwide anomaly by adopting a national ban on alcohol sales as a unique measure to combat the spread of Covid-19 and “flatten the curve”.

As history has taught us, banning of alcohol sales and distribution has unintended consequences, such as an increase in illicit liquor trades, says Hellen Ndlovu, director of regulatory & public policy at South African Breweries (SAB).

There is a fear that if we don’t learn from the USA prohibition of alcohol (1919 – 1933), these consequences may grow exponentially as the ban remains in place.

The sale and production of alcohol was prohibited in the United States between 1919 and 1933 – a historical event commonly known as “The Prohibition”. The US government thought this would discourage people from consuming alcohol, but they were very wrong.

What prohibition did do, was allow crime syndicates producing or smuggling booze to flourish, Ndlovu said.

South Africa is currently operating under level 4 lockdown regulations, which bans the sale and distribution of alcohol. That will change once the regulations are relaxed to level 3.

“The lessons learned from the US Prohibition are eerily relevant when we unpack the unintended consequences the ban on alcohol distribution and sales have had in our country over the last 5 weeks,” Ndlovu said.

There is a fear that these consequences may grow exponentially as the ban remains in place if we don’t learn from the prohibition of alcohol in the US.

**Lessons learned:**

**Lesson 1 – Prohibition puts markets into the hands of criminals**

Banning alcohol sales doesn’t suddenly remove demand. Banning alcohol simply hands the market to criminals.

“South Africa already has a fully functional illegal alcohol market. This illicit liquor trades over R13 billion a year and results in annual tax losses in excess of R6 billion.

“As has been widely reported, the ban has offered criminals an unparalleled opportunity to grow their illicit activities which will undoubtedly result in growing losses to both government and the legal alcohol sector,” Ndlovu said.
Lesson 2 – Prohibition changes people’s behaviour

By banning the legal sale of alcohol, ordinary law abiding citizens become criminals overnight and it changes how they consume alcohol, she said. In the US, consumers switched to more potent drinks and illegal producers – Bootleggers – were incentivised to produce hard liquor rather than beer and wine. During Prohibition, the death rate from acute alcohol poisoning (due to overdose) was more than 30 times higher than it is today.

“In South Africa, spirits accounts for the largest share of illicit alcohol volumes, resulting from counterfeiting and substitution/refill activities. Illicit industrial manufacturing is mostly run by very sophisticated, organised criminal cartels concentrating on high-margin products,” Ndlovu said.

As South Africans change their drinking behaviour and demand increases for access to more potent alcohol, already existing illicit producers will seize this opportunity to grow their businesses and create a stronghold in the market.

“Another risk is the influx of a host of new illicit producers looking to make a quick buck, thereby introducing potentially hazardous substances which could endanger thousands of desperate consumers who normally wouldn’t have taken the risk of purchasing illicit alcohol,” she warned.

Lesson 3 – Prohibition diverts law enforcement resources

A law that few people agree with requires massive enforcement if government wants it to succeed, said Ndlovu.

In the first weeks of the lockdown, South African citizens generally accepted the ban of alcohol sales in light of the initial high levels of uncertainty and turmoil. As time passed, the acceptance and understanding of the purpose of a prolonged ban on alcohol, however faded fast.

“In South Africa, the growing illegal sales of all types of alcohol at exorbitant prices and the spike in looting of alcohol stores and storage facilities has been widely reported.

“An already strained and exhausted police force is now tasked to deal with additional problems, while the resulting legal battles to deal with these cases will further burden an already overloaded legal system,” said Ndlovu.

Lesson 4 – Prohibition almost never works

Despite the effort, prohibition failed to end alcohol consumption in the US.

“In fact, as we have seen from our own experience during our indefinite lockdown, telling someone they can’t have something, makes them want it even more. The question that requires careful consideration is however, at what cost will people pursue the forbidden fruit?”

Where to from here?

The regulatory position taken towards alcohol in South Africa has definitely been on the extreme end of the spectrum when compared to lockdown measures put in place by other countries – both on the continent and globally, said SAB.

In some countries where bans were instituted the governments quickly reversed them when it became clear that the unintended consequences were worse than the initial perceived threats. Naturally these consequences included spikes in illicit alcohol trade and deaths related to the consumption of unsafe illicit substances, Ndlovu said.

“If not addressed soon, the alarming rise in illicit trade, health emergencies and criminal incidents involving alcohol will become a crisis in its own right in South Africa.

“By implementing measured concessions now, our government can prevent this matter from becoming an ongoing drain on precious government time and resources in a time where the attention is much more needed elsewhere,” she said.

SAB called for a more measured approach to the sale of alcohol, including limiting the amount of alcohol that can be purchased, introducing online sales, trading hour restrictions for stores selling for personal consumption, and opening up sales of lower alcohol by volume (ABV) products only.

Sell beer to save jobs

The Beer Association of South Africa (BASA) representing the Craft Brewers Association, Heineken and South African Breweries recently called for the ‘off-consumption’ beer trade to resume.
The association made a number of submissions to president Cyril Ramaphosa with proposals as to how to ensure the survival of the industry.

Some of these include:

- Allowing licensed off-consumption outlets to sell beer subject to strict social distancing requirements and within restricted hours of trade.
- Allowing licensed on-consumption outlets to be granted a special dispensation to operate strictly as off-consumption outlets subject to the strict social distancing requirements and within restricted hours of trade.
  - This includes Licenced taverns to support the township economy
- Restriction on volumes sold per consumer to avoid irresponsible consumption
- Placing hand sanitizes at outlets to ensure good hygiene practices.
- Allowing for online ordering and delivery of beer with strict quantity controls in place
- Restricted Hours of Trade:
  - Between 09h00 – 18h00 on all weekdays;
  - Between 09h00 – 16h00 on Saturdays; and
  - No beer sales on Sundays and Public Holidays

“We believe our proposal balances both the need to mitigate health risks and preserving the stability of the legal beer industry and our business,” BASA said.

“As an association, we have made a commitment to work with SAPS and other law enforcement agencies to take swift action against any traders who do not comply with the regulations,” it said.

PUBLIC HEALTH NEWS

New alcohol-monitoring program reduces risk of rearrest

News Medical and Life Sciences
Reviewed by James Ives, M.Psych. (Editor)
May 6, 2020

An innovative statewide alcohol-monitoring program that requires drunk drivers to be tested frequently for alcohol use significantly lowers the likelihood that participants will be rearrested or have probation revoked, according to a new RAND Corporation study.

The study analyzed results from South Dakota's 24/7 Sobriety Program, a public safety effort that imposes very frequent alcohol testing along with swift but modest sanctions for those testing positive or missing a test -- typically a night or two in jail.

Researchers found that among those who had been arrested for a second or third drunk driving offense, 24/7 participants were almost 50 percent less likely to be rearrested or have their probation revoked in the following year compared to those who were not in the program.

Evidence suggests the trend continued into the second and third years following arrest.

The results are published online by the Journal of Policy Analysis and Management.

The 24/7 Sobriety program is targeted at individuals whose alcohol use leads them to repeatedly threaten public health and safety. Our research shows that 24/7 is making a difference in people's lives and reducing the risk of rearrest."

Beau Kilmer, Study Lead Author and Director, RAND Drug Policy Research Center

The 24/7 Sobriety program started in 2005 as a pilot project in a small number of South Dakota counties. As a condition of bond, individuals arrested for DUI were ordered to abstain from alcohol and show up at a law enforcement office to undergo twice-daily breathalyzer tests.

Individuals who test positive for any alcohol or who skip the tests are immediately subject to a short jail term.

Over time, the program expanded throughout the state and other alcohol testing technologies were incorporated. More than 30,000 South Dakotans participated in program through early 2017. The program also expanded in terms of who was eligible to participate.

This study focuses on DUI participants, but the program’s impact may be much broader. There are many other kinds of crime, and aspects of life, that may be positively affected by less heavy drinking."
Greg Midgette, Study Co-Author and Assistant Professor, Department of Criminology and Criminal Justice, University of Maryland

Today, the program is used throughout South Dakota, and similar efforts have been adopted in North Dakota and other jurisdictions, including the Greater London Authority in England. The program also has been designated as "promising" in CrimeSolutions.gov, the U.S. Department of Justice’s evidence-based practices portal.

The RAND analysis is the first peer-reviewed study of the 24/7 program using individual-level data.

While previous RAND research focused on the program’s impact at the county level, the new study allows policymakers to make comparisons with other well-studied programs that target the same population.

RAND based its analysis on information from 16,513 individuals who were arrested for a second or third drunk driving offense in South Dakota between 2004 and early 2012. The researchers controlled for several factors to help rule out alternative explanations and took advantage of the fact that the program was implemented in counties at different times.

"[W]e find strong evidence that 24/7 participation reduced criminal activity at 12 months after the initial arrest, and perhaps longer," the study concludes. "These findings provide support for 'swift-certain-fair' approaches to applying sanctions in community supervision."

Greater availability of non-alcoholic drinks may reduce alcohol consumption

Medical Xpress
by BioMed Central
May 5, 2020

People are more likely to opt for non-alcoholic drinks if there are more of them available than alcoholic drinks, according to a study published in the open access journal BMC Public Health.

A team of researchers at the NIHR Bristol Biomedical Research Centre, and the Universities of Bristol and Cambridge, UK found that when presented with eight drink options, participants were 48% more likely to choose a non-alcoholic drink when the proportion of non-alcoholic drink options increased from four (50%) to six (75%). When the proportion of non-alcoholic drink options decreased from four to two (25%), participants were 46% less likely to choose a non-alcoholic drink.

Dr. Anna Blackwell, the corresponding author said: "Alcohol consumption is among the top five risk factors for disease globally. Previous research has shown that increasing the availability of healthier food options can increase their selection and consumption relative to less healthy food. To our knowledge, this is the first study to demonstrate that increasing the availability of non-alcoholic drinks, relative to alcoholic drinks in an online scenario, can increase their selection."

Participants in the study completed an online task in which they were presented with a selection of alcoholic beer, non-alcoholic beer and soft-drinks. The drink selections included four alcoholic and four non-alcoholic drinks, six alcoholic and two non-alcoholic drinks or two alcoholic and six non-alcoholic drinks. 808 UK residents with an average age of 38 years who regularly consumed alcohol participated in the study.

When presented with mostly non-alcoholic drinks, 49% of participants selected a non-alcoholic drink, compared to 26% of participants who selected a non-alcoholic drink when presented with mostly alcoholic drinks. These results were consistent regardless of the time participants had to make their decision, indicating that the findings were not dependent on the amount of time and attention participants were able to devote to their drink choice. The findings suggest that interventions to encourage healthier food and drink choices may be most effective when changing the relative availability of healthier and less-healthy options.

Anna Blackwell said: "Many licensed venues already offer several non-alcoholic options but these are often stored out of direct sight, for example in low-level fridges behind the bar. Our results indicate that making these non-alcoholic products more visible to customers may influence them to make healthier choices. The market for alcohol-free beer, wine and spirit alternatives is small but growing and improving the selection and promotion of non-alcoholic drinks in this way could provide an opportunity for licensed venues to reduce alcohol consumption without losing revenue."

The authors caution that as the study measured hypothetical drink selection online, results may differ in
real-world settings. Further studies are needed to determine how the relative availability of non-alcoholic and alcoholic drinks impacts the purchasing and consumption of alcohol in real life.

**INDUSTRY NEWS**

Low-Waste Bars and Restaurants Are Building a New Paradigm

Wine Enthusiast  
By Lauren Mowery  
May 5, 2020

In Brooklyn, New York, Rhodora Wine Bar evokes a neighborhood watering hole transported from Europe. Details like distressed wood, mismatched chairs and marble tables honed matte with wear suggest the passage of time. A pared-down menu of tapas and natural wines is framed by second-hand furnishings, while upcycled tiles that adorn the bar suggest an ethos of resourcefulness.

However, resourcefulness manifests itself through more than décor and dining: Rhodora is a zero-waste establishment.

Zero waste is a small but critical movement growing within the hospitality industry. Forward-thinking wine bar and restaurant owners are hoping to transform, if not eliminate, the unsustainable waste produced by bars and restaurants. It’s a philosophy that advocates the redesign of resource life cycles for reuse, one that mirrors nature.

The theory? Send nothing to a landfill.

The statistics are staggering. A 2018 report from ReFED, a nonprofit organization that targets food waste, found that U.S. restaurants generate 11.4 million tons of organic trash each year, at a cost of more than $25 billion.

According to the Environmental Protection Agency (EPA), food waste and packaging account for nearly 45% of trash sent to U.S. landfills. The agency also estimates that among food-service providers, from 4–10% of the food they purchase lands in the garbage, rather than on customer plates.

As many Americans now know, not all recycling, whether glass or cardboard, is processed appropriately. Wild Olive, an Italian restaurant in Charleston, South Carolina, prefers compostable packaging that the staff can handle themselves, in line with the restaurant’s ethos of “farm to table...table to farm.”

Wild Olive became South Carolina’s first Certified Green Restaurant in South Carolina in 2013. The Chef, Jacques Larson, with Owner Doug Godley and General Manager Jason Parrish, find local sources for the bulk of their products. The restaurant recycles or composts 85% of its waste, more than 1,000 pounds a week.

However, challenges to reaching 100% remain.

“Zero waste is difficult because of the necessity of plastic wrap,” says Parrish. “As much as we despise it, there is nothing else that seals as well and is as cost effective.”

Every year, Parrish invites Christina Moskos, Charleston County’s recycling coordinator, to speak to his staff on the how and why of composting and recycling.

“It’s amazing how little actual trash a restaurant can produce if everyone is focused on this goal,” says Parrish.

To run a low or zero-waste business poses challenges beyond just recycling, reuse and composting. Sometimes, it’s the little things, like plastic tape.

Rich and Chambers asked a vendor to switch from plastic tape to paper, a change the vendor made for all its accounts. Others who wouldn’t conform to Rhodora’s packaging guidelines were dropped. A baker that delivered in plastic was replaced by one that biked bread to the wine bar in linen bags.

At West Bourne, Marcus believes her success depends on working with vendors aligned in ethos. She sources beans from Counter Culture Coffee, which operates with sustainable practices and publishes transparency reports. West Bourne’s largest supplier, Baldor Foods, began steps toward zero waste output in 2016.

There’s no single legal definition or regulation for “zero-waste.” However, certification groups have begun to pop up to provide guidance and support.

After two years of effort, including 12 months of compiling waste-tracking data, West Bourne became a TRUE Zero Waste Silver-certified business.

“You have to demonstrate that 90% of what you throw out is diverted away from landfills,” says Marcus. “If you miss this goal for a month, you start again.”
Communicate now with growers and dealers to share your updated hop requirements

Brewers Association
By Chris Swersey, Supply Chain Specialist
May 5, 2020

April and May are busy and exciting times on farms, with plants emerging from winter dormancy, and on-farm tilling, pruning, trellis building, twining, etc. Spring 2020 was shaping up to be the first year that total U.S. hop acres would surpass 60,000 in many decades. At the January 2020 hop convention in Portland, growers and dealers were estimating an additional 3,000 acres would be planted this year.

Fast forward to the COVID-19 era, and all the unknowns that now permeate daily existence. This is a critical time to take stock of your brewery’s situation, especially your hop needs. Why? Because this is the one time of the year when hop growers can actually adjust production to match likely demand for their crop.

Some Questions to Consider:

- Have you adjusted your brewery’s estimated hop demand for the remainder of 2020 and 2021 beer production years?
- How significantly does your likely usage differ from the anticipated needs reflected in your hop contracts?
- Do your grower and dealer partners know how many pounds you will actually need?

Now is the Time to Communicate with Your Suppliers

Now is a critical time to share your anticipated hop needs with your suppliers. The sooner you communicate with them, the sooner they can:

- Curtail production of hops neither you nor any other brewer will ever use, thereby right sizing your future purchases and inventory, and saving resources and reducing systematic costs
- Modify purchase agreements to reflect actual needs resulting from significant demand destruction and disruption in the brewing industry
- Account for purchases of open market hops. This is especially important for smaller brewers who do not purchase hops under contract. In these uncertain times, buyers who are otherwise not visible in the form of contracts are assuming extremely high supply surety risk. While most hops are produced and consumed under contract, a large proportion of the U.S. hop crop is produced and purchased without a contract.

Uncommitted acres represent an especially juicy target for reduction by growers seeking to avoid long positions on uncommitted pounds they may never sell. This situation is made even more precarious by the highest March hop inventories ever recorded. Think about it from a grower’s or dealer’s perspective: if you’re already overstocked on hops heading into the uncertainties of COVID-19, are you most likely to increase or decrease production?

By way of example, every extra acre of unwanted hops imposes an establishment cost of around $8,950 on the system. Brewers are the only buyer of hops, so the brewing industry as a whole will ultimately pay these costs, whether the hops are actually consumed or not. Assuming 2021 brewing demand remains unchanged from 2020 predicted demand, and the 3,000 new acres planned could be avoided, that’s around $27.8 million in costs that could be eliminated from the supply chain. The savings would increase even further if total U.S. acres actually decreased, which while unlikely, would be possible if all brewers communicated their needs accurately and in a timely manner to growers and dealers.

Help your brewery and the businesses of your hop grower and dealer partners. Reach out today and have a clear conversation about your actual hop needs going forward. Your growers and dealers will thank you for it, and your inventory will match your needs much more accurately.

Additional Resources: 2015 Estimated Cost of Establishing and Producing Hops in the Pacific Northwest

Industries Pushing for Targeted Tax Relief in Pandemic Bills (excerpt)

Bloomberg Tax
By Kaustuv Basu, Reporter | Colin Wilhelm, Reporter
May 6, 2020

U.S. industry groups, confronted with the economic damage wrought by the pandemic, have started asking lawmakers for more targeted tax relief.
The requests, which come as Congress is starting work on the next coronavirus relief package, are likely to intensify in the coming months as businesses map out their plans for a post-pandemic world.

The alcoholic beverage industry, for example, hard hit by the closure of restaurants and bars, is looking for a number of breaks. The U.S. Alcohol and Tobacco Tax and Trade Bureau is already letting distillers, vintners, and breweries put off their federal excise tax payments for 90 days. But alcoholic beverage importers can only do so if their revenues have dropped more than 40%.

The alcohol industry associations are now pressing the Treasury Department to level the field for importers. They pointed out in an letter to Treasury Secretary Steven Mnuchin that the importers of beer, wine, and spirits pay the same excise taxes as do domestic producers.

Rob Maron, vice president of international trade for the Distilled Spirits Council of the United States, said importers are looking for parity. “In 2019, in terms of value, the U.S. imported about $9 billion of spirits,” he said, making the U.S. the second-largest spirits market in the world behind China.

A Broader Demand

Distillers, meanwhile, want Congress to suspend the federal excise taxes on domestic and imported distilled products while making permanent an excise tax break for craft beverages and others that expires at the end of 2020.

Craft liquor producers have had to shut down their tasting rooms and distillery tours, areas that drive much of smaller distillers’ business, said Jeff Wuslich, co-founder of Cardinal Spirits in Bloomington, Ind. That blow comes as key customers like bars and restaurants have been shuttered, further hammering sales. “Not only did that affect our tasting room, which we derive about a third of our revenues from, but also all our biggest accounts,” said Wuslich.

To make up the difference, many distillers pivoted to making hand sanitizer in the early days of the pandemic, as Purell and other brands flew off the shelves, and Congress cleared a temporary tax waiver in March so that spirit producers could easily switch to producing it. But that demand has now tapered, Wuslich said, and if hand sanitizer production dries up, “it will be unclear how we can carry on with our own sales and production.”

Distillers hope their current plight will prod Congress to enact tax changes they’ve pushed for years, encapsulated in the Craft Beverage Modernization and Tax Reform Act (H.R. 1175, S. 362). They are even calling on Congress to go a step further during the health crisis and provide an excise tax holiday for 2020.

They also want the Trump administration to de-escalate trade tensions with Europe, a major market for American whiskey. The European Union recently raised tariffs on whiskey in retaliation for levies on food products like wine and cheese imposed by President Donald Trump in a separate dispute over airplane manufacturing.

DAILY NEWS

Booze Bonanza for Shops Masks Beer and Spirits Downturn

The New York Times
By Reuters
May 6, 2020

BRUSSELS — When Lionel Platteuw started planning how he would cope under Belgium’s coronavirus lockdown, there was one item he wanted to make sure he had enough of - alcohol.

"My first concern was that we didn't have enough beer and wine," said the Brussels-based consultant. "I wasn't concerned about toilet paper, but I didn't want to be stuck at home without alcohol supplies."

Soaring sales of beer, wine and spirits at retail outlets suggest drinkers across the world took a similar attitude. Sales at British liquor stores leapt a third in March, while those for alcohol at U.S. retailers shot up more than 50% in the week after the country entered a state of national emergency.

But the drinks industry isn't popping any corks.

The surge in demand came as sales through bars, clubs and restaurants fell to zero as they were closed to contain the virus. And even as countries start to ease restrictions, these venues are likely to be at the back of the line to reopen.

Manufacturers have also faced supply disruptions and, in some countries, even a ban on sales as authorities
worry excessive drinking could jeopardise social distancing efforts.

A deep global economic downturn also looks set to hit consumer spending, with signs drinkers are switching from premium brands to cheaper alternatives and multipacks.

NO SOCIAL OCCASIONS

In the United States, "on-trade" drinking at bars and restaurants accounts for about 20% of spirits sales and 25% for beer, so off-premise drinking would need to keep growing by 25-30% to compensate.

The signs are it's already starting to slow.

While U.S. stores' alcohol sales are up a quarter since early March, the rate of growth slowed to 16% in the week to April 18, according to market research firm Nielsen.

In Europe, bars generally account for a bigger proportion of alcohol sales, rising to 60% in Spain. In many developing countries, including China and Brazil and for beer in Nigeria and Ethiopia, at least half of drinking is in bars.

Cees 't Hart, the chief executive of Danish brewer Carlsberg, told Reuters that in Europe retail sales had already returned to normal after initial panic buying.

Dutch rival Heineken noted that even store-bought alcohol was often designed for group events now barred in most countries.

"Beer belongs to social occasions and these occasions for consumption are simply lost," Chief Executive Jean-Francois van Boxmeer said last month, after reporting beer volumes fell by a third in Italy and a quarter in Spain in March.

SUPPLY PROBLEMS

Lockdowns have created other problems for drinks makers.

They have had to suspend production in countries such as China, India, Malaysia and Mexico, where there was only about 10 days of beer inventory last week.

Draconian travel restrictions have also closed duty-free shops, a particular concern for spirits makers.

Pernod Ricard, the maker of Absolut vodka and Jameson whiskey, has forecast an 80% decline of its "travel retail" business from February to June.

In India, the world's largest whisky market, most alcohol shops were forced to shut in its countrywide lockdown. South Africa has banned all alcohol sales for more than a month.

As restrictions start to ease, it is not clear how quickly drinkers will return to old habits.

Manit Parikh, the head of an English learning technology company in Bengaluru, said he was "gutted" at not being able to have a drink or two in the lockdown, but also scared to go to liquor stores when they reopened with long lines on Monday.

New York-based insurance industry temp Samantha Gool said she switched to more vodka from beer and her drinking increased when confined at home, although may have started to taper.

Spiros Malandrakis, head of alcoholic drinks research at Euromonitor International, believes there won't be a surge in demand as lockdowns gradually ease, with some bars going bust, social distancing limiting business and some customers wary of going out.

BOXED WINE AND MULTIPACKS

He also believes the crisis could spell the end, or at least the suspension, of an industry-wide trend of the past two decades - persuading drinkers to spend more on "premium" brands.

In the global financial crisis of 2008-2009, consumers traded down to cheaper products. And all the signs suggest the hit to jobs and economies from the coronavirus pandemic - at least in the short term - will be much bigger.

Wine consumption in Europe is forecast to fall by 8% this year, with a particular hit for sparkling and vintage wines, according to the European Commission.

Study reports high level of hazardous drinking among Pacific Islander young adults in US

UC Riverside-led study calls for culturally tailored approaches to encourage this neglected population to seek behavioral health treatment

UC Riverside News
Author Iqbal Pittalwala
May 5, 2020

Pacific Islander young adults in the United States have an extremely high level of hazardous drinking and potential alcohol-use disorders, a study led by a health
disparities researcher at the University of California, Riverside, has found.

The study, published in the American Journal of Orthopsychiatry, found 56% of Pacific Islander young adults screened positive for hazardous drinking, a level that places people at heavy risk for accidents, drunk driving, and serious social and health problems. Similarly, 49% of young adults screened positive for active alcohol-use disorders, or AUD, more than eight times the national AUD rate.

The study is the first and largest alcohol study of community Pacific Islander young adults in the U.S. “To our knowledge, we are the first to investigate and detail the scope of community alcohol use and associated harms affecting adults of this understudied U.S. racial group,” said Andrew Subica, an assistant professor of social medicine, population, and public health in the UCR School of Medicine, who led the study. “Pacific Islanders have been exposed to extensive U.S. colonization and historical trauma and have been warning people for years about the severe levels of alcohol-use problems and need for treatment in their communities, especially among young adults. Yet, young adults in these communities, who are at highest risk for AUD and harms in the general population, had not been studied in an empirical fashion.”

Subica and his team collected survey data from 156 Pacific Islander young adults aged 18 to 30 living in Los Angeles County and Northwest Arkansas. Forty percent of the survey participants reported experiencing alcohol-related harm, far exceeding the 4-9% rate found in other populations. Additionally, 52% and 49% of participants reported using cigarettes and marijuana, respectively, with 47% of participants reporting dual alcohol-cigarette use and 30% of participants reporting lifetime alcohol-cigarette-marijuana use.

“These are concerning rates of cigarette and marijuana use for any population, and the rate of comorbidity with alcohol use is of special public health concern,” Subica said.

Subica added that while almost half of Pacific Islander young adults screened positive for active AUD, only one quarter perceived a need for substance-use treatment.

“Further analyses suggested culturally sensitive interventions are needed to reduce untreated AUDs in this group, not so much by highlighting a person’s addictive behaviors, but by raising awareness of how their alcohol use is harming the person socially, physically, and economically,” he said.

Subica’s team relied on a close partnership with two leading Pacific Islander community organizations in Los Angeles and Arkansas, the Office of Samoan Affairs and the Arkansas Coalition of Marshallese, who will now partner with Subica to create and test interventions to prevent AUDs in their communities.

“Now that we've demonstrated that a major problem exists, we are starting to design culturally tailored interventions that could help these communities suffering excessive alcohol use and alcohol-related harms,” Subica said. “These harms are especially important to prevent because they greatly affect the health of a community by causing accidents, drunk driving, increased public violence and property damage, family problems, and increased risk for chronic diseases such as heart disease and cancer.”

Subica was joined in the study by Drs. Howard Moss of UCR; Nia Aitaoto of the University of Utah; Erick Guerrero of the I-Lead Institute in Los Angeles; Derek Iwamoto of the University of Maryland; and Li-Tzy Wu of Duke University.

The study was supported by a grant from the National Institute of Alcohol Abuse and Alcoholism of the National Institutes of Health.

The paper is titled “Hazardous Drinking, Alcohol Use Disorders, and Need for Treatment among Pacific Islander Young Adults.”

Struggling to Survive, Bars and Restaurants Must Bring Politics to the Table

VinePair
words: Tim Mckirdy
May 5, 2020

Remember when gift cards were going to save America’s bar and restaurant industry?

The solution was first touted by major news outlets during the third week of March, after state governments mandated that bars and restaurants close their on-premise operations. It came during a period of extreme and rapid change, a pre-face-mask Covid America when
most people were still unaware of, or perhaps unwilling to accept, the enormity of what lay in front of us.

Of course, those promoting, purchasing, or selling gift cards should be praised and not faulted. Every dollar given helps toward ongoing costs like rent and insurance. But as days have turned into weeks, it has become clear that no amount of gift cards will offset the financial losses bars and restaurants endure while sitting closed and empty.

Subsequent lifelines, including the much-maligned Paycheck Protection Program (PPP), proved equally fruitless for many operators. Now, in the absence of a vaccine and without clear guidance from the government on what the coming months hold, bar and restaurant owners are left wondering when they can reopen and how they will return to profitable business.

To learn how bars and restaurants are thinking about the future of their businesses — and the hospitality industry as a whole — VinePair connected with industry leaders around the country.

One thing we heard repeatedly is that significant changes are needed to make the industry more sustainable. From government-subsidized financial aid to overdue updates to old legislation, industry professionals are calling on the government to step up. Restaurants and bars closed their doors to on-premise customers to help curb the spread of Covid-19. Without help, the reward for that compliance looks like a large portion of independent operators going out of business across the country. The industry must find its collective voice, and hold elected officials accountable. Now, more than ever, it’s time to bring politics to the table.

THE SHORTFALLS OF PPP

With The Dead Rabbit set to receive PPP funds, the Manhattan bar’s co-owner Jack McGarry is running the numbers — and they don’t add up. While many bars are using the funds to reopen and pay employees (turning the loan into a grant), McGarry doesn’t believe that’s an option in the current landscape. “The stipulations that they have set are just naive,” he says.

Instead, McGarry plans to accept the funds as a low-interest, long-term loan and use them to reopen the bar when it’s safe to do so, which he thinks may realistically be in 2021. In the meantime, he’s focusing on merchandising — something the bar has already been ahead of most hospitality brands on — and developing a new business model that is watertight, so when the bar does reopen, it is better prepared for unforeseen events in the future. “I’m treating it like we’re opening a new business,” he says.

McGarry isn’t alone in the industry in highlighting the shortfalls of PPP. The largest, most vocal opponent to date has been the newly formed Independent Restaurant Coalition (IRC). Just over a month since its inception, the coalition boasts over 51,000 members, led by high-profile names such as José Andrés, Tom Colicchio, Nina Compton, Ivy Mix, Naomi Pomeroy, Andrew Zimmern, and many more.

The IRC is calling on Congress to provide a $120 billion stabilization fund to help “independent” restaurants, which it defines as those that aren’t publicly traded and those with fewer than 20 locations of the same name. During a recent video conference, TV personality and restaurateur Andrew Zimmern highlighted the contributions of these restaurants to the U.S. economy.

Independent restaurants employ 11 million people in America and prop up several supporting industries, he says. With the addition of the sales and trust taxes that independent restaurants pay — as much as 20 percent in some states — the IRC estimates that independent restaurants contribute $1 trillion to the U.S. economy.

“That macroeconomy of independent restaurants is necessary for a full American economic recovery,” Zimmern says.

FINDING A POLITICAL VOICE

Skeptics might question why such an imbalance is only being raised now, at a time when almost every other industry in the country is asking for federal support. For Portland, Ore.-based Naomi Pomeroy, an IRC member who owns a restaurant (Beast) and cocktail bar (Expatriate), the answer is simple: “We tend to work 16 hours a day. We were so busy surviving, we forgot to ask for what we needed,” she says. “I think now we need to start asking.”

Sam Kass, a political advisor who served as President Obama’s senior policy advisor for nutrition policy, believes the IRC has a fighting chance. During the video conference, Kass explained that just as every other industry is pushing its agenda to politicians on the Hill, it’s time for the restaurant community to raise its
collective voice. “Even though it’s a long shot, it’s still a real shot,” he says.

Others believe the government needs to be held more accountable for its handling of the Covid-19 pandemic.

Erick Castro, a bar owner with locations in San Diego and NYC, believes the issues facing independent bars have been exacerbated by the federal government. With better access to hand sanitizer, masks, testing, and ventilators; and if contact tracing was done on a larger scale, Castro believes businesses might have been able to reopen already.

“Our economy has been booming for the last five or six years from a Wall Street standpoint; we should have been building a cash reserve for a situation like this,” he says. Instead, “we have a leaky bucket and now we’re trying to fill it with water to put out a fire — that’s a lot more difficult than it had to be.”

Beyond government aid, Castro believes bars will look to cutting costs and adapting menus in the short and medium terms. For example, faced with fewer patrons in his bars, Castro is considering simplifying his cocktail menus to a shorter list of “greatest hits,” he says, focusing on simple, classic cocktails that have higher profit margins.

Los Angeles-based Matthew Kaner co-owns two wine bars (Augustine Wine Bar and Bar Covell) and a wine club. Kaner is wondering how his businesses can navigate near-certain capacity caps, which could range from 25 to 50 percent. He plans on converting his bars’ event spaces to extra seating — “no one’s having a party anytime soon” — and offering his wine inventory for retail online.

For the latter, he’s aided by a special liquor license that allows his bars to sell wine for off-premise consumption. During Covid-19, all bars within the state have been granted temporary permission to do likewise — as in many other states. But when stay-at-home orders are lifted, Kaner plans to lobby the California Department of Alcoholic Beverage Control (ABC) to ensure all businesses with on-premise licenses enjoy a similar privilege.

“If [the California ABC] doesn’t allow that to stay the norm moving forward, then no matter how much [on-premise] alcohol we’re allowed to sell, it’s not going to be enough,” he says.

AIR SUPPORT ISN’T COMING

While the calls for government intervention are loud and numerous, not everyone is waiting for or expecting help from the federal government. “The people here understand, ain’t nobody coming for them,” says New Orleans-based activist and beverage consultant Ashtin Berry. “[Hurricane] Katrina already proved that. No one’s coming to save us.”

Berry also believes there are more pressing issues at hand than a restaurant stabilization fund, such as impending food and housing insecurity. And while she respects some of the chefs who make up the IRC, she doesn’t feel the organization properly represents the independent restaurants across the country.

“Where’s the mom-and-pop restaurants that sell chopped cheese? Where’s the restaurants that sell oxtail?” she asks. (The IRC, for its part, says it’s placing a specific focus on representing women and minorities so that all operators have access to funds.)

Berry says independent restaurant owners should do more in the future to ensure their employees are covered by health insurance. She points to creative solutions, like forming S corps with other small businesses in their communities. “[The IRC is] leaning into charity, not solidarity. There’s a huge difference,” she says.

Portland-based bartender and author Jim Meehan says he worries that the bar and restaurant industry’s lack of unity prior to Covid-19 leaves it too far down the pecking order to receive aid from Washington. He likens the situation to calling for “air support” that’s never going to arrive.

“One of the reasons we have so little power in Washington is because we’re not engaged with the political process the rest of the time,” Meehan says. “When you don’t vote or engage in politics, and then suddenly you need politicians to save your life, it’s not a huge surprise that they don’t come running to help you.”

Meehan believes there will never be a “tent big enough” to cover the full diversity of America’s bars and restaurants. Even if there were, it wouldn’t stand a political chance against the financial muscle of the airline industry or gun lobbying groups. Put simply, the National Restaurant Association will never equal the NRA.
When asked how bars and restaurants can instead hold elected officials accountable, he says they should vote. “There’s an election in November, with many more after, and we need to unite as many hospitality workers, including producers, distributors, and the patrons who support us, to vote as one big powerful block moving forward,” Meehan says. “We’ll never have the money to influence politics, but we have the numbers and the venues.”

**TIME FOR SOCIETAL CHANGE**

Prior to Covid-19, there was no one-size-fits-all business model that worked for every bar and restaurant. The same will likely be true of the path to rebuilding. But while large-scale governmental aid may be necessary to get the industry back on its feet, one could question how that measure addresses the lack of profitability that plagued the industry prior to Covid-19.

Some could blame bars and restaurants for their inefficient business models, while those in the industry may point the finger at the government. But perhaps it’s society as a whole that needs to change its opinion of the industry for bars and restaurants to become more profitable.

The U.S. Bartenders’ Guild (USBG) was formed in 1948 with the aim of promoting the role of the bartender as a profession versus a transitional job. In 2014, some of its members formed the USBG National Charity Foundation (USBG NCF), an adjacent entity that aims to provide a safety net for bartenders. In times of crisis or tragedy, bartenders can apply for grants up to $2,500.

During a typical month, the foundation receives five to 10 applications and gives out around 12 to 25 grants per quarter, founding director Kim Haasarud explains. In the past weeks, USBG NCF has received close to 300,000 applications to review.

The need for a fund like the USBG’s raises a key question: Why aren’t hospitality jobs treated like most other professions, with health insurance and paid time off? The simple fact is that the entire business model of bars and restaurants needs to be reconsidered.

On a governmental level, legislative concessions must be made to allow independent bars and restaurants to thrive. Those businesses, in turn, should reinvest those profits in their workers, providing benefits and a living wage. And as consumers, we need to come to the realization that it costs more to eat out — and that we need to pay our fair share. We can also help the industry by making more informed decisions about who we vote for, and hold elected officials accountable when they fail the industry.

Without bars and restaurants, we lose a key thread in the fabric of our society. We lose the third place — a space that provides “happily anticipated gatherings of individuals beyond the realms of home and work,” as Ray Oldenburg describes in “The Great Good Place.”

We need to look at the industry more holistically, Meehan concludes.

“If some sort of food or drink matters to you, think about what it takes for that to exist,” he says. “Think about what the ingredients are made up of. Think about the trade deals that might need to be in place to secure those ingredients, or how they’re farmed or cultivated. Think about their carbon footprint. Think about what matters to you and then think about how that applies to food.”

Now, more than ever, as restaurants and bars reopen, we must recognize that every plate of food we eat and sip of alcohol we savor is inherently political. We are what we eat. We are what we drink.