# NABCA DAILY NEWS UPDATE

Friday, January 22, 2021 www.nabca.org

| TODAY'S HIGHLIGHTS | |
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| | • NV: Las Vegas approves dial-for-drinks home liquor deliveries<br>• Ireland running rapidly out of beer as big breweries stop delivering across the country<br>• Alcohol consumption associated with nearly 5% of US cancer cases<br>• Nielsen Insight: A Christmas like no other<br>• Mix Geography, Alcohol and Trademarks Responsibly |

## 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

# LICENSE STATE NEWS

### NV: Las Vegas approves dial-for-drinks home liquor deliveries

NewsNow 8
by The Associated Press
January 21, 2021

LAS VEGAS (AP) — Las Vegas residents will be able to dial for drink deliveries under a new law passed by the Las Vegas City Council.

The measure adopted Wednesday lets restaurants and convenience stores deliver alcohol through third-party services.

It was cast as a boost for businesses struggling with coronavirus pandemic restrictions.

Councilman Stavros Anthony says it connects someone at home who wants a 12-pack of beer with stores and third-party deliverers.

Deliveries will be allowed starting Sunday.d The las Vegas Strip is outside the city. Licensees have to ensure drivers are at least 21 years old and to keep transaction records.

# INTERNATIONAL NEWS

### United Kingdom: UK government urged to cut beer tax to save pubs

Yahoo!
By Abigail Fenton, Writer
January 21, 2021

The UK government is under pressure to cut tax on draught beer to "help pubs thrive" once COVID-19 restrictions end.

The Campaign for Real Ale (CAMRA) is calling for the March budget to lower the rate of duty on beer served on tap, in order to help pubs and restaurants compete with supermarket booze.

Reducing the tax on beer depending on how it is served is an option the government can take to support the industry now the UK has left the European Union.

CAMRA research suggests that even a "modest reduction" in beer tax could result in £26.6m ($36.4m) of additional expenditure on draught beer in public venues.

This would help many to rebuild their businesses, as well as "bringing alcohol consumption back to social settings

– creating jobs and boosting the economy in the process", the consumer body said.

This is just one of many measures CAMRA is urging the government to take to help pubs and restaurants in 2021.

The organisation has written to chancellor Rishi Sunak to ask him to consider a package of measures ahead of the March budget. These include:

- Ongoing, regular grant payments to help pubs and social clubs cover costs when they are forced to close or operate at a reduced capacity.
- Continuing the furlough scheme as long as pubs and clubs are subject to trading restrictions.
- Making sure that brewers and cider producers are eligible for support schemes.
- Announcing another business rates holiday for 2021/22.
- Extending the VAT reduction to beer to support wet-led pubs.

Nearly three quarters of pubs across Britain expect to go under this year as a result of impact of the coronavirus crisis.

Meanwhile, thousands of pubs are still awaiting the one-off £1,000 support payment promised to them by prime minister Boris Johnson at the end of 2021.

Nik Antona, national chairman of CAMRA said: "The next budget is an ideal time for the government to announce some much-needed long-term financial support to help the beer and pubs industry recover from the COVID-19 crisis.

"As well as ongoing support while restrictions on trading remain, we would like to see a long-term change to the way beer is taxed to reduce the price of a pint specifically for pub-goers.

"This move would help pubs rebuild their businesses, compete with cheap supermarket booze and secure their future at the heart of our communities."

He added: "It would also encourage responsible drinking in the supervised setting of community pubs – with all the social and mental health benefits that come with it.

"We hope that the chancellor will listen to our campaign and commit to reducing tax on the pint in the pub, helping our locals at a time when they need it most."

## Ireland running rapidly out of beer as big breweries stop delivering across the country

*It is now almost impossible to buy a keg full of pints and more than 1,000 illegal shebeens are running out of booze much to the relief of the Gardai.*

Sunday World
By John Kierans
January 22, 2021

Ireland is running dry of beer after the big breweries stopped delivering kegs all over the country.

It is now almost impossible to buy a keg full of pints and more than 1,000 illegal shebeens are running out of booze much to the relief of the Gardai.

Diageo stopped delivering kegs of Guinness, Carlsberg and Rockshore nationwide in early January after the Taoiseach Micheal Martin demanded pubs stop selling takeaway pints.

He felt it was encouraging people to socialise when everyone should stay at home with the Covid pandemic out of control. Heineken then followed suit.

The majority of publicans stopped doing home deliveries while others felt Mr Martin's call was unfair and carried on as normal. Now, however, they can't get beer anywhere.

A Diageo source said: "From last March to June we stopped all deliveries to pubs and wholesalers. We then re-opened for over six months.

"With the current wave of the virus crippling the country we then decided in early January to stop everything. You can't even get a keg in a "cash and carry."

"The whole drinks industry from the breweries to the pubs and restaurants are trying to row in behind the Government for the greater good and to encourage our customers to stay at home and stay safe."

Many of the shebeen owners were purchasing kegs from publicans they knew and wholesalers. Others were just buying them privately for their own home.

A keg has anywhere between 80 to 90 pints and costs between 200 to 250 euro depending who you are buying it from.

The Gardai have been seriously concerned at the spate of illegal drinking dens operating across the country during lockdown.

Between 30 to 40 have been shut down in raids from Donegal to Kerry after tip-offs from members of the public.

Some of the illegal premises were designed like bars and could accommodate up to 40 people.

A source said: ": If they are running out of beer that is good news. The only reason why people go to these places is they love their pints.

"The problem is in a pandemic they are the perfect place to spread the virus."

"We had heard it is almost impossible to get your hands on a keg in the country at the moment."

The Gardai believe that are between 500 to 1,000 shebeens open across the country.

## PUBLIC HEALTH NEWS

### Alcohol consumption associated with nearly 5% of US cancer cases

Becker's Hospital Review
By Erica Carbajal
January 21, 2021

Alcohol consumption contributed to 4.8 percent of all U.S. cancer cases and 3.2 percent of cancer deaths, translating to 75,199 cases and 18,947 deaths between 2013 and 2016, according to a study published in Cancer Epidemiology Jan. 19.

The study, conducted by American Cancer Society researchers, found the proportion of cancer cases attributable to alcohol consumption varies by state, ranging from a low of 2.9 percent in Utah to 6.9 percent in Delaware. Utah and Delaware also had the lowest and highest proportion of alcohol-related cancer deaths at 1.9 percent and 4.5 percent, respectively. Proportions were generally lower in Midwestern and Southern states, according to the data.

The proportion of alcohol-related cancers was greatest for oral cavity/pharyngeal cancer cases.

"This information is important for prioritizing state-level cancer prevention and control efforts to reduce alcohol consumption and the burden of alcohol-related cancers," said Farhad Islami, MD, PhD, study author.

Researchers conducted the study using data from the U.S. Cancer Statistics database.

## INDUSTRY NEWS

### Nielsen Insight: A Christmas like no other

Drinks Retailing News
January 22, 2021

It's fair to say Christmas was different in 2020.

With the hospitality industry all but closed last year, it was the biggest ever Christmas for supermarkets as consumers spent £11.8 billion on groceries in the four weeks to December 26.

With tight restrictions and many on-trade venues shuttered, the off-trade saw an increase in BWS sales of more than £941 million (19%) during the festive trading season of the 12 weeks to January 2.

Beer saw strong value growth of 26% as consumers continued to shift some of their on-trade spend to drinks at home. Premiumisation persisted in the category, with value growth for world/discovery beer up by 41%, and craft beer up 44%, indicating that shoppers were still willing to trade up for festive celebrations.

Christmas is always an important time for the spirits category and this year was no different.

Spirits accounted for more than 30% of BWS value sales in the 12 weeks to January 2, an increase of more than £300 million on Christmas 2019. This growth was helped by a large increase in the number of households purchasing. In fact, in the 12 weeks to December 26, more than 1.5 million (9%) additional households bought spirits than a year ago.

After the recent success of flavoured gin, last year saw flavoured vodka up 84% and flavoured/spiced rum up 48%, showing there is still an appetite for new flavours in the spirits category. Flavoured vodka capitalised on the increased importance of the impulse channel during Covid-19 with new listings contributing towards growth of over £8 million versus last year.

With increased at-home occasions, homemade cocktails look to be on the rise as consumers try to replicate the out-of-home experience. With the strong growth in spirits too, mixers were the fastest growing sector within soft drinks over the festive period, up 18%. This is a continuation of trends seen throughout the pandemic and it will be key for spirits manufacturers to understand which of these occasions will remain once we get back to normal.

Wine grew behind total BWS this Christmas, but still achieved sales of almost £307 million (15%) more than the 12 weeks to Christmas 2019. Compared to beer and spirits wine is less reliant on the on-trade so has not seen quite the same uplift as a result of the closures, but this is still significant growth. As out-of-home New Year celebrations were curtailed, Champagne sales surged in the last two weeks, growing at 47% to more than £12 million higher than 2019.

With the continued uncertainty around the reopening of hospitality, we can expect the off-trade to be buoyant throughout 2021. However, as we start to lap the first lockdown in March we anticipate growth will slow and decline towards the end of the year. Should Euro 2020/21 go ahead it offers an opportunity to drive sales alongside hopefully good news of a successful vaccination roll out.

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## Wine industry sees uncertain future as pandemic and millennials cloud outlook

FoodDive
Author, Christopher Doering
January 21, 2021

**Dive Brief:**

- Wine is expected to post positive year-over-year growth in off-premise accounts from January through the second week of March, according to a report from Silicon Valley Bank. But it's unlikely that positive year-over-year growth rates will continue, "given the 60% spike in sales in March of 2020 and substantial growth rates thereafter." The bank, which provides financial services to vineyards and wineries, also said the shift online will continue with many consumers turning to e-commerce in a post-COVID world.
- Silicon Valley Bank said it is hard to determine whether total wine sales were up or down for 2020, with the final figure likely depending on who compiled the data. The bank cites a preliminary report from Jon Moramarco, the managing partner of wine industry consultancy bw166, who estimated total sales will be up 1.3%. But Silicon Valley Bank estimated year-end restaurant closures, with added COVID restrictions and the possibility of lower December sales overall, might lead to downward revision of 1% to 2%.
- Even without the coronavirus curtailing away-from-home consumption, the wine industry continues to face hurdles to grow, particularly among younger consumers. Last January, IWSR Drinks Market Analysis found U.S. wine consumption decreased in 2019 for the first time in 25 years, posting a 0.8% volume loss from the year prior.

**Dive Insight:**

After a quarter-century of growth, the wine industry remains popular even as higher consumption rates appear harder to sustain. U.S. wine retail sales totaled $75.1 billion in 2019, according to the Wine Institute. In its 60-page report, Silicon Valley Bank said wine continues to see strong demand from retiring baby boomers who are buying at all price points — though their their buying seems to be moderating, both on price and volume, as they age. Going forward, much of the growth in the space will come from people under 40.

However, one problem is emerging: Millennials aren't drinking wine as much as expected.

"They lack financial capacity, having been slow to get into their careers after the financial crisis that started in 2007," the report found. "They have a current preference for premium spirits and craft beers, which have a better value per serving."

As more millennials and Gen Zers become drinkers, wine succumbs to the same problems that beer has already faced with new alcohol choices and a demand for lower-calorie or nonalcoholic options. As this balance shifts further, and even more younger drinkers are inclined to reach for a beverage like White Claw hard seltzer, wine could be in for a period of prolonged declines as well.

Silicon Valley Bank said the jump in wine purchases through grocery seen during the coronavirus will eventually ease in favor of other channels like direct to consumer and a reopening of restaurants. Still, in the longer term, the permanent closures of restaurants will result in reduced selling opportunities on-premise.

The report noted that restaurants "will also incrementally move away from full-service seated models to new revenue-generating strategies, particularly home delivery and curbside to-go models, neither of which favors alcohol sales." This could explain why, last year, Constellation Brands acquired Empathy Wines, a DTC wine producer.

The challenge of recruiting younger, health-conscious, multicultural consumers into the category, coupled with an aging core drinker, continue to weigh on the wine industry. Both consumer groups have different values and spending patterns, and the wine industry "has done little to alter their marketing message to attract or retain either consumer cohort," the report said.

It's possible the wine industry benefited from a quarter-century of growth, and now is finding it can't position itself as quickly to changes in the marketplace, some of which are outside its control with others self-inflicted. Much like beer makers are rolling out more low-calorie or low- and no-alcohol offerings to cater to consumer preferences, wine is facing the same dynamics.

Large wine makers could learn a thing or two from upstarts such as FitVine, a wine maker whose offerings have less than one-third of the sugar and the same alcohol by volume as traditional options. Today, FitVine, which sells its products online and in stores such as Walmart, Kroger, Publix and Albertsons, is said to be one of the country's fastest-growing brands of alcohol and the top-growing wine brand.

# DAILY NEWS

### Forecasting 2021: WSWA Outlines Multiple Scenarios For The Recovery

Shanken News Daily
January 21, 2021

With a tumultuous 2020 now in the rearview mirror, the U.S. drinks industry is hedging its bets on how 2021 will unfold, given various unknowns like the rapidity of the vaccine rollout and ability to widely reopen the on-premise.

A study by the Wine & Spirits Wholesalers of America (WSWA) and the consulting firm Kearney projects that wine and spirits market volume growth will slow somewhat in 2021—after experiencing an off-premise driven surge in 2020—potentially growing by up to 3% or contracting by as much as 5.8%. Even in the best case scenario, it appears unlikely that the beverage alcohol business will match 2020's 7% volume expansion, the study found. The presentation used data derived from consumer surveys as well as from WSWA's SipSource.

The study employed scenario-based forecasting to lay out several possibilities for the new year. "We knew we were never going to be right, exactly, if we predicted one future, so we had to predict multiple, with the idea that it's better to be approximately right than precisely wrong," said Sean Ryan, lead partner at Kearney's consumer products sector. The group gamed out projections based on varying scenarios, including the relative effectiveness of the Covid-19 vaccine and the strength of the economic recovery.

If the vaccine is highly effective and the economic recovery strong, 2021 could bring a "Champagne-poppin' recovery," with the off-premise building on its 2020 growth and the on-premise able to operate without restrictions by July. SipSource's data indicates that this scenario would result in the industry being up 3%, with the on-premise growing by 24% and the off-premise up by 1%, with the latter lapping its robust double-digit growth in 2020. The group's "Covid hangover" scenario pairs a weak vaccine rollout with a strong economic recovery, forecasting growth for the off-premise but substantial challenges for the on-premise amid continuing restrictions. The overall industry would be up around 0.5% in this scenario, including 1.4% off-premise growth and a 9.8% decline for the on-premise.

Kearney also modeled two scenarios assuming a weak economic recovery: "Back to the future" and "the double-shot recession." In the first, a strong vaccine meets a weak economic recovery, allowing the on-premise to return but with high unemployment and little government assistance (overall volume down 5.8%, with the off-premise falling 11.8% and the on-premise rebounding 60.6%). The final scenario, as its name suggests, pairs widespread on-premise restrictions throughout the year with negative GDP growth and government gridlock (-0.4% overall, with the off-premise up 0.6% and the on-premise declining 11.7%). Regardless of which future plays out, the WSWA does not see consumers returning to the on-premise at pre-pandemic levels in 2021.—Shane English

## States Move to Extend or Make Permanent To-Go Cocktails

*Legislation is pending in 13 states to allow restaurants and bars to continue selling alcohol off-premise.*

Restaurant Business
By Patricia Cobe
January 21, 2021

Thirteen states have recently filed bills to extend or make permanent cocktails-to-go programs initiated during the pandemic.

The 13 states are Delaware, Florida, Kansas, Kentucky, Maryland, Missouri, Nebraska, New Hampshire, New Jersey, New York, Oregon, Texas and Virginia. More are expected to follow, according to the Hospitality Recovery Coalition, an initiative spearheaded by the Distilled Spirits Council of the United States (DISCUS), the National Restaurant Association and other industry partners.

Currently, more than 30 states plus the District of Columbia are allowing the sale of cocktails to-go, bottled spirits and wine to-go, or both. Iowa and Ohio have both made cocktails to-go permanent.

Off-premise alcohol sales have been a much-needed revenue stream for struggling restaurants and bars over the past year.

“Innovative measures like cocktails to-go won’t fully solve the hospitality industry’s economic woes, but it may help these businesses hang on during this COVID-19 emergency,” DISCUS President and CEO Chris Swonger said in a statement.

The legislation also provides some stability for the future of bars, restaurants and distilleries, according to DISCUS.

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## Mix Geography, Alcohol and Trademarks Responsibly

Lexology
McDermott Will & Emery
January 21, 2021

Two precedential Board decisions in 2020 touched on issues of confusion and descriptiveness with respect to geographic indicators as alcohol brands.

- First, in In re St. Julian Wine Company, Inc., 2020 USPQ2d 10595 (TTAB 2020), the Board affirmed a refusal of the mark REAL MICHIGAN (with a disclaimer of the term “MICHIGAN”) for hard cider, finding it likely to cause confusion with the registered geographic certification marks for MICHIGAN APPLES (& design). In contrast to a typical likelihood of confusion analysis where a geographic term may be considered descriptive or weak, a geographic certification mark, like MICHIGAN APPLES, is deemed distinctive because its purpose is to designate the geographic origin of goods and services.
- In City of London Distillery, Ltd. v. Hayman Group Limited, 2020 USPQ2d 11487 (TTAB 2020), Applicant Hayman Group Limited was able to eke out a Supplemental Registration for the trademark CITY OF LONDON (“London” disclaimed) for gin after the Board sustained a refusal to register the mark on the Principal Register on grounds that the mark is primarily geographically descriptive. Finding a “goods-place” association, the Board explained that purchasers will believe that Hayman Group’s gin originates from, or is otherwise associated with, London, England.

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## American Airlines launches wine delivery service in wake of onboard restrictions of alcohol

Washington Examiner
by Carly Roman, Associate News Editor
January 21, 2021

American Airlines's plan for its unopened wine product as the coronavirus pandemic limits the sale of alcohol aboard flights is staving off a case of sour grapes.

After alcohol sales were suspended during flights to prevent the transmission of COVID-19, the air travel corporation was left with thousands of bottles in unused product. It was then that the Texas-based company came up with a solution in launching "Flagship Cellars," a service that will deliver unopened wine bottles to customers' homes.

"Flagship Cellars is a wine passport to the world with flexible wine subscriptions or build-your-own case options," American Airlines said in a press release. "The curated collection features exclusive ultra-premium wines at a lower price and with AAdvantage mileage benefits."

The corporation's top executives said that the program would allow for customers to feel interconnected even as the pandemic prevents widespread travel.

“For wine lovers around the world, wine provides a deeper connection to the places they enjoy visiting,” said Chief Customer Officer Alison Taylor. “We created Flagship Cellars to provide more ways for customers to enjoy our Flagship wine even if they aren’t flying in one of our premium cabins.”

More than 97 million cases of COVID-19 have been reported worldwide, with more than 2 million deaths attributed to it, according to the Johns Hopkins University coronavirus tracker.