

The NABCA logo is displayed in a bold, black, sans-serif font. It is positioned in the upper left corner of a banner image that features a newspaper and a computer keyboard.

# DAILY NEWS UPDATE

Monday, November 29, 2021

[www.nabca.org](http://www.nabca.org)



## TODAY'S NEWS

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## SAVE THE DATE

### 85th Annual Conference - May 23-26, 2022

NABCA's 85TH Annual Conference is taking place at the JW Marriott Phoenix Desert Ridge in Phoenix, AZ, May 23 – 26, 2022!

Email <mailto:meetings@nabca.org> with questions.

## NABCA NEWS

### NEW COVID-19 DASHBOARDS

NABCA continues to work hard to provide members and partners timely updates on state-level policy changes made through governor issued executive orders that impact the regulation of the alcohol supply chain in response to the novel coronavirus (COVID-19). Visit NABCA's COVID-19 Resource for policy and operational changes related to restaurants, bars, retail, government, industry and public health.

### The Collection: An Alcohol Research Summary

*(formerly Annotated Bibliography)*

A comprehensive overview of the latest scientific evidence on important topics related to alcohol policy.

### Sharing Solutions E-Newsletter!

A platform for the NABCA community to share successful Implementations and lessons learned about your good work.

## ADDITIONAL LINKS

Visit NABCA's website for information on:

- [Control State Agency Information](#)
- [Doing Business in Control States](#)
- [NABCA News](#)

## CONTROL STATE NEWS

### MI: New Holland is now Michigan's largest independent craft brewery and has no plans to sell

Detroit Free Press

By Brian Manzullo

November 28, 2021

Once Bell's Brewery's sale to Australasian beer company Lion becomes official, there will be a new largest independent craft brewer in Michigan.

Started in 1997 by childhood friends Brett VanderKamp and Jason Spaulding, New Holland Brewing Co. evolved from a passion for home brewing with old kegs, thermos coolers, pulleys and platforms and established itself a Michigan craft beer powerhouse. It owns two restaurants — the Pub on 8th in Holland and the Knickerbocker in downtown Grand Rapids — plus a spirits tasting room in Saugatuck and two brick-and-mortar stores.

Though Spaulding has since moved on to open Brewery Vivant in Grand Rapids with his wife, Kris, VanderKamp has stayed at New Holland as CEO. He takes pride in its status as an independent brewer.

"It means a lot," VanderKamp, 49, told the Free Press. "When you're a founder-led company, you can make those decisions for the longer term as opposed to looking at just this year's budget. And I think that's what being independent is all about, is investing in the long-term and where you want to take your organization long-term."

That said, he understands Larry Bell's decision to sell Bell's Brewery after 38 years of running the company. Bell had been dealing with health issues the past few years and, without the option of keeping the business in the family for future generations, he had to make a difficult decision.

"Outside Sierra Nevada, Bell's was my first experience with craft beer," VanderKamp said. "We made trips down there when we started our brewery (in 1997). We knew the brewers very well. It was a big inspiration for us when we were starting out. I give Larry a lot of credit for being a pioneer in that.

"I'm happy for Larry and the Bell's family. I know he's gone through a lot and this was a decision that I'm sure wasn't easy for him, but I'm happy for him."

New Holland brewed close to 50,000 barrels of beer in 2020, making it the largest fully independent craft brewer in the state. Next on the list is Williamston-based Old Nation Brewing Co., driven by its M-43 New England IPA. Old Nation said it will end up producing up to 20,000 barrels of beer this year alone. Other larger Michigan independent craft brewers include Griffin Claw Brewing Co. in Birmingham with 12,000 barrels of beer produced in 2020, and Grand Haven-based Odd Side Ales, which produced just under 11,000 barrels.

New Holland has quite a few year-round and seasonal staples, including the Mad Hatter IPA (7% ABV), the Poet oatmeal stout (5.8%) and Ichabod pumpkin ale (4.5%). But it's perhaps best known for Dragon's Milk, first produced in 2001. It has since become one of the most recognizable barrel-aged stouts in America, so much so that New Holland elevated Dragon's Milk into its own brand in 2018. It even has its own website, [dragonsmilk.com](http://dragonsmilk.com).

"That was really the brand itself taking off and becoming something else," VanderKamp said. "When we would talk to people around the country, they may have not heard of New Holland, but they have heard of Dragon's Milk. I love that beer."

The original Dragon's Milk (11% ABV), one of the few barrel-aged stouts available year-round, is brewed with roasted malts that deliver deep chocolate and coffee notes. It rests in bourbon barrels for three months to add undertones of vanilla, oak and a

boozy, bourbon heat. Throughout the year, New Holland releases a handful of variants as part of the Dragon's Milk Reserve series; one such variant, with marshmallow and dark chocolate, made the list of top 10 beers I tasted in 2020. Another released this year, salted caramel Dragon's Milk, is delightfully sweet with soft, creamy caramel notes.

New Holland has made a number of other savvy business moves over the past several years to elevate itself while staying independent.

In 2016, it struck a deal with Pabst Brewing Co. to distribute its beer nationwide, allowing customers to buy New Holland beers in 47 states (though 40% of its overall sales take place in Michigan). It debuted a refreshed logo and rebranded its non-Dragon's Milk beer in 2020. It also has a line of spirits that it launched in 2005 as an alternative for those who don't drink beer. Earlier this year, it even tried its hand at bourbon barrel seltzer.

"(The Pabst deal) helped us grow and remain independent," VanderKamp said. "What it allowed for us was to keep control of our brands, our marketing, our space, our pubs, and to continue to focus on other alcoholic beverages we love, including spirits, hard seltzer, etc. It afforded us all that and to continue to grow on a national level."

That growth also helped New Holland better weather the COVID-19 pandemic, which has led to the shutdown of indoor dining twice since March 2020 and forced many Michigan breweries to adjust their distribution strategies for their beer, leading to the emergence of curbside pickup and tougher competition on store shelves (the only other place they could sell their beer). VanderKamp said New Holland is "stabilizing," though not quite back to pre-COVID numbers.

The key for New Holland, VanderKamp indicated, is maintaining independence — and, as with many independent craft breweries, staying dedicated to community. Holland is home to four other breweries: Our Brewing Company, next door to New Holland's Pub on 8th, as well as Big Lake Brewing, Tulip City Brewstillery and Brewery 4 Two 4. VanderKamp said it's a close-knit beer community where breweries help one another out.

"There's so much energy that's coming into the craft beer space," VanderKamp said. "You can get into it for so much less money than, say, 25 years ago. You can start with hardly any cash, work hard, find space, open your doors and have a built-in customer base if your beer is decent.

"I'm super excited for folks and the energy coming into the industry."

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### **MT: Alcohol trends continue to increase after pandemic high**

NBC Montana

by Sierra Ryder

November 28, 2021

MISSOULA, Mont. — Collected taxes on beer, wine and liquor in the state of Montana continue to increase. In 2020, the state saw the biggest jump from the year prior.

Fiscal Year 2020 was up 14.34% in volume and 18.03% in dollars over Fiscal Year 2019 for liquor. Fiscal Year 2021 is reported to be trending only slightly higher than Fiscal Year 2020 with volume up 0.73% to prior year and dollars up 2.63% for liquor.

However, beer and wine appear to be trending along normal growth lines.

As life slowly returns to pre-pandemic levels, University of Montana marketing professor Justin Angle explains why we are not seeing a decline from the large rise seen during the pandemic.

"We're sort of still in the pandemic to some degree, and we're seeing reports of continued increases in anxiety and depression and isolation," said Angle. "The pandemic has blurred the lines between work life and leisure life, people probably feel like, well, you know, it's not 5 o'clock, but I'm done with my last Zoom meeting, and sort of the day slips into the evening, and just the boundaries are more permeable," said Angle.

The month with the most collected taxes is January, and the Department of Revenue says this could be related to holiday consumption and celebration but cannot be certain.

"One could make the assumption that it is due to people purchasing alcohol for the holidays," said Czelsi Gómez, public information officer for Montana Department of Revenue.

An economist with the University of Montana, Dr. Robert Sonora, says he cannot give a concrete reason for the increases of sales and taxes because there are simply not enough studies yet to address it.

"I don't want to say in a while, but I don't think there's going to be anything that's going to be meaningful that's going to come out of it for maybe another year or so, that would be my guess," said Sonora.

Sonora says people can speculate that it relates to a few factors like boredom or depression.

"I think a lot of its boredom, you know sitting at home, people not coming out," said Sonora.

The Montana Department of Revenue says these increases are being felt across the country as well.

## **INTERNATIONAL NEWS**

### **United Kingdom: Trade group warns United Kingdom can face alcohol shortage as Christmas nears**

WION

WION Web Team

November 28, 2021

The Wine and Spirit Trade Association has warned that the UK could face an alcohol shortage in the run-up to Christmas.

The association's CEO Miles Beale said "There is mounting concern amongst our membership that unless urgent action is taken, we will fall deeper into delivery chaos."

49 businesses have added their names to a letter to transport minister Grant Shapps calling on him to take urgent action over HGV driver shortages and freight disruption.

"The government acted quickly to tackle the challenges to our supply chains, which were brought on by global pressures including the pandemic and the international shortage of HGV drivers," said a Downing Street spokesperson.

"We are already seeing major delays on wine and spirit delivery times which is pushing up costs and limiting the range of products available to UK consumers. Government needs to be doing all it can to ensure British business is not operating with

one hand tied behind its back over the festive season and beyond,” Beale said in the statement.

The prospect of limited alcohol lines follows panic buying at Britain's fuel pumps, soaring heating prices, and shortages of items ranging from consumer electronics to crisps and vegan sausage rolls.

The WSTA said its members had reported that importing products was taking up to five times longer than it did a year ago, with businesses that had previously been able to fulfill orders in two to three days experiencing shipments taking 15 days to process.

It also noted that freight costs had increased by 7 per cent, as delivery firms have had to increase HGV drivers' wages to retain them.

The WSTA wants Shapps to extend a temporary visa scheme for HGV drivers from Feb. 28, 2022, to a minimum of one year, to ease the burden on industry and allow for a sufficient increase in domestic drivers.

It also wants his department to facilitate better routing of freight from ports and smaller UK-based driver networks for short-haul journeys.

Britain's two biggest supermarket groups, Tesco and Sainsbury's are currently running big wine promotions, indicating no immediate threat to wine supplies.

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### **United Kingdom: Calorie labels on booze? Study suggests it would lower obesity rates, curb alcohol consumption**

Study Finds  
November 28, 2021

**LIVERPOOL, England** — Excessive drinking is linked to a range of life threatening conditions including heart disease, cancer and diabetes. Doctors warn that a glass of wine can contain as many calories as a doughnut. A British government policy paper reports that 3.4 million adults consume an extra day's worth of calories a week from alcohol each year, equivalent to an additional two months of food annually. Could requiring bottles or cans of alcohol to show calories be the key to lowering this eye-popping statistic?

The U.S. is in the top 12% of obese countries, followed by the U.K., in which a quarter of adults are grossly overweight. Considering that Brits are also among the world's biggest boozers, mandatory stickers on bottles of beer, wine and spirits may reduce consumption, as well as obesity.

Nutrition labels on food is nothing new, but alcohol is exempt from food labeling laws. According to University of Liverpool researchers, three in four people are oblivious to calorie levels in alcohol. Around two in three British adults would support the move to introduce labeling. Labels could help “kill two birds with one stone,” suggest study authors.

“The government is considering whether calorie labeling of alcoholic drinks can help address obesity. Although it is unclear if calorie labels will have a meaningful impact on what people choose to drink, making sure drinks are clearly labeled is a step in the right direction and may also encourage the alcohol industry to cut calories in drinks,” says lead author Dr. Eric Robinson, according to South West News Service.

The findings are based on data pooled from 18 previous studies from around the world. Analysis reveals widespread public ignorance of the number of calories in alcoholic beverages. It also provides support for calories to be listed, just like ingredients. “Among regular drinkers, energy derived from alcohol can make a significant contribution to daily energy intake,” notes Dr. Robinson.

Gram for gram alcohol is the second most calorie-dense source of energy, just behind fat.

“Calorie labeling of alcoholic drinks is a public health measure that could be used to address both alcohol consumption and obesity. There is a moderate level of evidence revealing that people tend to be unaware of energy content in alcoholic drinks. This suggests that they are more likely to support than oppose energy labeling of alcoholic drinks,” the authors write.

A prior study in Canada finds the average participant consumes 250 calories from alcoholic drinks a day — 11% of their daily requirements. “Furthermore, laboratory evidence suggests

individuals do not compensate in the short term by consuming less food. Provision of energy information on alcoholic drinks may help consumers to reduce consumption and daily energy intake," the authors add.

Current U.K. law states that manufacturers do not have to provide nutritional information, such as number of calories per serving, on alcoholic drinks. Previous voluntary pledges made by the alcohol industry have been ineffective. Boris Johnson has launched a consultation program on making it public health strategy legislation to combat obesity.

The study suggests it will work by changing behavior. This in turn could help the nation's waistlines as well as reducing alcohol consumption.

These findings are published in *Obesity Reviews*.

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### South Africa trade slams new travel ban

Harpers.co.uk

By James Lawrence

November 29, 2021

The international communities' decision to prohibit travel to South Africa will have "significant implications" for the nation's struggling wine and tourism industries, according to oversight body VinPro.

As reported in the BBC, South Africa's president Cyril Ramaphosa said he was "deeply disappointed" by the action, in a speech he delivered to the nation yesterday (28 November).

News of the travel ban came after the transmissibility of a new Covid-19 variant – B.1.1.529 – was widely covered in the global press last Thursday (25 November). As a result, the UK, EU and US have banned tourists from entering the country.

"This is really a worldwide health emergency, which should be treated as such...we must work together, rather than punish each other. If we're going to be on a witch-hunt or blame-game, it won't benefit anybody," minister of health Dr Joe Phaahla told the South African press last Friday.

"The reaction from some countries in terms of travel bans and other such measures are completely against the norms and standards as guided by the WHO," he added.

A series of prohibitions on the domestic sale of alcohol, combined with the travel restrictions enforced for most of 2020/21, have severely damaged South Africa's once thriving hospitality sector.

"The problem is that Covid-19 has exposed existing structural weaknesses in the wine industry," said Alexander Waibel, owner of Constantia Glen. "A large proportion of the Cape's wine farms have been too reliant on tourism and domestic sales, either lacking the resources – or drive – to build up a reputation in the export markets. The pandemic has forced people to consider the future sustainability of their business model."

As it stands today, Ramaphosa has refused to impose stricter domestic measures in light of the new variant. However, Vinpro has called upon the government to remain in constant dialogue with the industry, if new measures are to be considered in the future.

"It is extremely important that government consults thoroughly and is informed about the impact that any decisions regarding Covid-19 and possible restrictions may have on the respective sectors, their workforce and communities," said Vinpro MD Rico Basson.

"In the run-up to the festive season, and in light of a looming fourth Covid-19 wave, we call on Government to take the lead in the country's response to the Omicron variant at an international level, by intensifying vaccination efforts, ensuring the health system is properly prepared and enforcing strict adherence to Covid-19 protocols such as mask wearing, sanitising and social distancing," he added.

A representative from Vinpro noted that due to the unilateral travel bans imposed over the past few days, the tourism sector has lost virtually 100% of its lucrative inbound international tourism market overnight.

"Whilst the domestic leisure holiday season is of utmost importance for the survival of our tourism industry, any further negative impacts of restrictions on the domestic tourism industry will be catastrophic to businesses and jobs."

## PUBLIC HEALTH NEWS

### The connection between alcohol and breast cancer

Medical News Today

Medically reviewed by Faith Selchick, DNP, AOCNP, Nursing, Oncology — Written by Heather Grey on November 29, 2021

Current evidence suggests that alcohol consumption increases the risk of breast cancer. Some research also links alcohol consumption to an increased risk of breast cancer recurrence or secondary breast cancer.

The American Cancer Society (ACS) recommends avoiding alcohol or limiting alcohol consumption to no more than one drink per day for women and two drinks per day for men.

Research has linked alcohol consumption to an increased risk of breast cancer. This is because regularly drinking alcohol can:

- damage tissues
- cause oxidative stress to cells
- limit the body's ability to absorb certain nutrients
- increase levels of estrogen, which is a hormone involved in breast tissue growth and development

No strong or consistent evidence suggests that drinking alcohol after receiving a breast cancer diagnosis makes the condition worse. However, alcohol consumption can have other negative effects on a person's physical and mental health.

Alcohol can also impact a person's treatment, increasing the risk of harmful drug interactions and side effects.

Read on to learn more about the connection between alcohol and breast cancer. This article also provides tips for limiting alcohol consumption.

#### Alcohol and breast cancer

Several factors can affect a person's risk of breast cancer, including genetic and environmental factors. Alcohol consumption is one of the modifiable risk factors.

According to the World Cancer Research Fund and the American Institute for Cancer Research, strong

evidence indicates that drinking alcohol raises the risk of breast cancer.

Research has linked even light alcohol consumption to an increased risk. A 2018 review pooled the results of 60 past studies on alcohol and cancer, including 27 studies on breast cancer incidence. It found that:

- Drinking up to half an alcoholic drink per day raised the risk of breast cancer by 4%.
- Drinking up to one alcoholic drink per day raised the risk of breast cancer by 9%.
- Drinking one to two alcoholic drinks per day raised the risk of breast cancer by 13%.

The authors of this study defined one drink as containing 12.5 grams (g) of alcohol.

According to one 2020 review, studies have also found stronger links between alcohol consumption and breast cancer in North America than in other parts of the world.

More research is necessary to understand why this is. However, it might reflect regional differences in how frequently people binge drink, among other things.

#### Will drinking with breast cancer make it worse?

Few studies have looked at alcohol consumption following a breast cancer diagnosis.

Although more research is necessary, no strong or consistent evidence currently suggests that drinking alcohol reduces a person's chance of surviving breast cancer. However, some evidence suggests that alcohol consumption may raise the risk of breast cancer recurrence or secondary breast cancer.

Drinking can also raise a person's risk of other health conditions, such as:

- liver disease
- high blood pressure
- depression

#### Survival

A 2013 study involving 22,890 women with breast cancer in the United States found no link between post-diagnosis alcohol consumption and the risk of dying from breast cancer. However, women with breast cancer who drank less alcohol were less

likely to die from any cause over an average follow-up period of 11.3 years.

A 2016 study involving 7,835 women with breast cancer in the U.S. found no link between post-diagnosis alcohol consumption and death from breast cancer or death from any cause.

### **Recurrence and spread**

Some, but not all, evidence suggests that drinking alcohol may raise the risk of breast cancer recurrence or secondary breast cancer.

Recurrence happens when breast cancer returns after treatment. Secondary breast cancer happens when breast cancer spreads from the breast to other parts of the body.

One 2016 review pooled the results of 11 past studies on breast cancer recurrence and five past studies on secondary breast cancer. In total, roughly half of the studies linked alcohol consumption to an increased risk of recurrence or secondary breast cancer.

Two studies found a stronger link between alcohol consumption and recurrence in postmenopausal women compared with premenopausal women.

### **Steps to limit the risk**

In a 2020 guideline, the ACS recommends avoiding or limiting alcohol consumption to reduce the risk of cancer.

If people do drink, the ACS advises them to limit their alcohol consumption to no more than one drink per day if they are a woman and no more than two drinks per day if they are a man.

Following the tips below from the National Institutes of Health (NIH) may help people cut back on alcohol consumption and reduce their risk of alcohol-related problems.

### **Set goals**

People may find it helpful to set a goal or a limit on how much they plan to drink each day or week. Taking some days off drinking may help reduce overall alcohol consumption.

### **Track drinking**

Tracking alcohol consumption may help people recognize when they are drinking too much.

People can use a variety of tools to track their alcohol consumption, such as:

- a smartphone app
- a wallet-sized drink tracker card
- a notebook and pen

### **Measure drinks**

Using a measuring shot glass or other tools to measure each drink may help people avoid over-pouring and underestimating their alcohol consumption.

A standard drink in the U.S. contains 14 g of pure alcohol, which is equivalent to:

- 12 fluid ounces (fl oz) of regular beer or cooler
- 8–9 fl oz of malt liquor
- 5 fl oz of table wine
- 1.5 fl oz of distilled alcohol, such as gin, rum, vodka, or whiskey

### **Avoid triggers and find alternatives**

If certain people, places, or situations trigger the urge to drink, avoiding those things may help a person avoid drinking or limit their alcohol consumption.

It is also important to find healthy ways to cope with feelings that may push someone to drink, which may include:

- boredom
- sadness
- stress
- anxiety

Investing more time in hobbies, activities, or relationships that do not involve drinking may help someone fill their time and find a sense of fulfillment outside of situations that involve alcohol.

People who enjoy the taste of alcoholic beverages may find it helpful to explore alcohol-free alternatives, such as:

- alcohol-free soft seltzer
- nonalcoholic beer
- mocktails

### Prepare to say ‘no’

Preparing to say “no, thanks” to a drink may help someone cope with moments when they are offered an unwanted alcoholic beverage.

In some cases, they may need to remind themselves why they are limiting or avoiding alcohol. It may help to carry a list of reasons with them in their wallet or smartphone.

Some people may also find it helpful to talk through their reasons with another person.

### Get professional help

If someone finds it hard to limit or avoid alcohol, they may have alcohol use disorder. This is the inability to cut back on or stop drinking despite unwanted consequences. Professional support is available to treat this condition.

To treat alcohol use disorder, a doctor may prescribe medication, counseling, or a combination of both. Some people may also find it helpful to join a support group for people with alcohol use disorder.

### Takeaway

Strong evidence indicates that drinking alcohol increases the risk of a breast cancer diagnosis.

More research is necessary to learn how drinking affects breast cancer in people who already have a diagnosis of the condition.

There is no strong or consistent evidence to suggest that drinking makes breast cancer worse. However, some evidence indicates that alcohol consumption may raise the risk of breast cancer recurrence and secondary breast cancer. Drinking may also contribute to other health problems.

The ACS recommends that women consume no more than one alcoholic drink per day and that men consume no more than two alcoholic drinks per day.

People who find it hard to avoid or limit alcohol may benefit from medication, counseling, or a combination of both to treat alcohol use disorder.

## INDUSTRY NEWS

### In The US, Craft Spirits Are Outpacing Major Brands

Forbes

By Kate Dingwall, Contributor

November 27, 2021

Despite the hurdles posed by the pandemic, craft spirits are thriving in the US.

According to research by the IWSR Drinks Market Analysis, craft spirits experienced a volume gain of 8% in 2020, while non-craft spirits gained around 5% growth. In 2015, craft spirits held just 3% of value shares. By 2020, craft spirits achieved 7% of value shares.

While it’s a small step at the moment, the craft spirits sector is projected to continue taking shares of total spirits in both value and volume — craft’s value share is expected to reach double-digits by 2024.

Non-craft spirits are expected to register +4% CAGR between 2020 and 2025, while the craft segment is expected to grow an impressive +21% growth over the same period.

The IWSR defines craft spirits as products made in-country by “licensed producers that have not more than 750,000 proof gallons (or 394,317 nine-liter cases) removed from bond and who market themselves as craft.” A craft brand owned by a larger supplier still falls under the category.

Compared to the rest of the industry, the craft segment is still relatively small. Despite such, every single segment of the craft spirits category posted growth over the last year, including struggling smaller categories like rum. While US rum is expected to see a volume decline of 1% between 2020 and 2025, craft rum is forecasted to grow 12% in that same period.

To no surprise, whiskey rules the American craft scene, commanding more than a third (36%) of the category. Tennessee and blended whiskeys are expected to hold the greatest growth potential looking forward.

Gin is also poised to blow up, with the IWSR expecting the juniper spirit to post the greatest growth over the forecast period. In 2020, craft gin only possessed a 9% share of the total US craft spirits market, but the category is forecasted to register a CAGR of +23% from 2020 to 2025. This compares to a +2% CAGR for total gin in the US over the same period.

Premiumization has helped these categories thrive — American consumers are willing to pay higher prices for craft spirits. “The craft category has benefited from premiumization as higher average



prices help U.S. consumers become accustomed to premium-plus offerings,” says Lee.

Case in point: while the average retail price of a 750mL bottle of gin in the US was \$16.77, the average craft gin retails for over \$30. “Brands are also driving up their popularity with consumers by leveraging regional botanicals, aged expressions, flavors and other innovations,” says Lee.

The IWSR foresees innovation in the craft space will fuel growth in both flavored whiskey and agave spirits categories, the latter filling a growing gap left by tequila, “which continues to face substantial supply challenges.”

“These findings suggest the US craft spirits segment has ample opportunities for evolution and growth, and continues to be an attractive investment proposition for brands,” says Lee.

While the pandemic struck on-premise sales of booze, loosened alcohol legislation allowed spirits producers to pivot online — brands were given the opportunity to meet drinkers at home. “While there was a substantial deceleration in growth, craft producers and indeed the total US beverage alcohol market as a whole, performed better than projected last year due to consumption switching to the home-premise,” says IWSR analyst Ryan Lee. Producers that could make strategic changes via expanded distribution and amped-up social media campaigns saw huge returns on efforts.

That’s not to say the last year was easy. 56 distilleries were forced to shutter over 2020 — a record in the industry. But the impact was less severe than expected — the craft segment also saw the opening of 22 more distilleries than the year prior. The IWSR expects 265 new distilleries to open by 2025.

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## Is cannabis the next big thing in the drinks sector?

The Drinks Business  
By Ron Emler  
November 29, 2021

**Big players are eyeing the market with interest, with Constellation Brands investing US\$4 billion in THC-infused drinks. And all eyes are on Canada, the petri dish for cannabis beverages, to see how sales develop there ahead of US and European expansion.**

Some big players have already placed their bets. In 2017 Constellation Brands took a small stake in Canopy Growth, Canada’s biggest cannabis producer, which it has since increased to more than US\$4 billion.

Molson Coors’ Canadian arm is a partner in Truss Beverages, a US\$100 million joint venture, while Anheuser Busch InBev has a 50-50 stake in Canada’s Fluent beverages.

The reason they have set up in Canada is because its Federal Cannabis Act of 17 October 2018 made Canada the second country in the world, after Uruguay, to formally legalise the cultivation, possession, acquisition and consumption of cannabis and its by-products.

As the first G7 and G20 nation to do so, this made Canada an attractive test bed for the potential of the much larger US and eventually European markets.

Back in 2018, one in three Canadian cannabis users said they would try THC-infused beverages and consultancy Deloitte predicted that the market would be soon be worth CAN\$530 million (£315 million).

And while the Toronto Globe and Mail says analysts and cannabis producers remain optimistic, the THC-infused drinks sector has yet to take off in a meaningful way.

Constellation is regularly enthusiastic about Canopy, which has yet to turn profit for all cannabis products, let alone drinks, but the sector’s sales have been underwhelming compared to the original hype.

Ontario’s state online retailer and distributor, Ontario Cannabis Store, says that between April and June this year cannabis beverage sales were just CAN\$4.8 million (£2.85 million), or 2% of its total cannabis market. That is still an improvement on the CAN\$1.5 million achieved in the same quarter in 2020.

Several factors appear to be holding back demand. By far the most important thing is price. Some brands are at available at CAN\$3.95 (£2.35), comparable to the price of a craft beer, but with a cannabis content of just 2.5 milligrams, consumers say they do not get the “hit” they expect. That only comes well up the content and price spectrum.

Producers say eventual economies of scale and improved technology to get the cannabis oil to mix better with water will bring down prices, but that will not overcome the present legislative hurdle on possession which restricts the amount customers can buy at one time.

For instance, they can buy only five of Canopy Growth's 355-millilitre content cans in a single visit to a store.

That said, the market is growing, but from a small base. Frederico Gomes, an analyst at ATB Capital Markets told the Toronto Globe and Star that Canada's retail market for cannabis-infused beverages could reach CAN\$100 million (£60 million) this year, possibly more as the market was expanding rapidly.

Possession of cannabis remains illegal under US federal law, but several states are in conflict with that, not least California, where recreational use has been allowed since 2018.

According to data from Seattle-based analytics firm Headset, sales of cannabis-infused beverages increased 40.3% last year compared to 2019 across all states where recreational cannabis is legal. That compares with 39.4% growth for the overall cannabis market.

Despite the sales surge, the category remains small beer in terms of alcohol volumes, but all eyes are on Washington.

Vice President Kamala Harris was an advocate of federal legalisation of cannabis for recreational use during her term as a California senator and the state's attorney-general and she now has president Biden's ear.

Rumours on Capitol Hill are growing louder that Biden will include decriminalisation of cannabis possession and use in soon-to-be-published draft legislation. If they are well founded, the prospects for cannabis-infused drinks increase hugely.

Much will depend on the structure and content of any new federal rules, the revenue-raising potential individual states see from cannabis-infused drinks and the likelihood of profitability to producers.

The big players are eyeing the market with interest.

Constellation is ready to go with a range from Canopy that could be pushed out via its efficient nationwide network of distributors once production

can be scaled up. Others such as Pabst Blue Ribbon and Lagunitas Brewing already have their own THC-infused drinks in production in the US.

But until federal law changes, California will remain a testing ground to develop THC-infused beverages and especially to hone their marketing strategies.

Hard seltzers came from a standing start in 2015 and now represent a meaningful segment of the US alcohol market, despite growth rates easing from their spectacular progress during lockdown.

Many believe that THCs will follow the same initial trajectory once they become more widely available and production costs are pared. But it still could be some time before Constellation reaps the rewards it hopes for from its US\$4 billion stake in Canopy Growth.

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### **Craft beer might get even more expensive. Here's why.**

WAPT

By Alicia Wallace, CNN Business

November 27, 2021

Your next can of craft beer might be a lot more expensive.

Ball Corp., one of the world's largest suppliers of aluminum cans, is sending shockwaves throughout the craft beer world after lifting the minimum number of cans certain producers must order and saying it will raise prices.

Ball said it will now require that non-contract customers — who include many smaller breweries — order no fewer than five truckloads (roughly 1.02 million cans) per each of their beverages starting on Jan. 1. The previous purchase minimum was one truckload per product.

Additionally, starting in 2022, Ball wrote that it would no longer be able to store excess cans from those non-contract customers in its warehouses and that the price-per-can would increase by nearly 50% for at least some non-contract customers, according to notices sent to breweries.

The news has many small and regional breweries scrambling to secure cans and has spurred fears of heftier costs, reduced variety and higher prices for consumers.

"I do see this as an economic killer for some, and certainly most small brewers are going to have to raise prices significantly or rethink their entire models," said Garrett Marrero, chief executive officer and co-founder of Maui Brewing Co. in Hawaii.

The tight-knit craft beer industry was already reeling from pandemic-spurred restaurant and taproom closures, inflationary pressures, can shortages and other supply chain disruptions.

Then, a little over a week ago, notices from Ball landed in the inboxes of hundreds of craft brewers across the country, according to the Brewers Association, the trade organization representing small and independent brewers. The Denver Westword was the first to report about Ball's purchase minimums.

In the letters, copies of which were provided to CNN Business, Ball wrote that demand for aluminum cans continues to outstrip supply.

"Ball is making investments to bring additional capacity online, and in the meantime we remain in a tightly constrained supply environment for the foreseeable future," according to the letter. "This environment is making it difficult for us to deliver the quality customer experience our customers expect from Ball, and we are making some adjustments to how we do business to remedy that."

With fewer than six weeks until the new year, hundreds of craft brewers will no longer be able to buy their pre-printed cans directly from Ball and instead will have to secure one of the most critical components of their business from new sources, said Bob Pease, president and chief executive officer of the Brewers Association.

"This is still pretty darn new, so we're still trying to gather information from our members that are being impacted," Pease told CNN Business.

The Brewers Association is weighing its options and considering reaching out to policymakers, Pease said, and was hoping to talk with executives at Ball, which is a longtime member, he added. On Friday, Pease said he heard back from Ball's senior leadership, and the two sides are working to set up a meeting in December to discuss the recent changes.

Ball isn't completely abandoning the craft beer industry, a company spokesperson told CNN Business.

"The new model will increase our overall efficiency and allow us to actually produce more cans for our contracted customers, including craft brewers," Ball spokesperson Scott McCarty wrote in an email.

McCarty added that Ball is building five plants in the United States to produce more cans, adding that "each year, we evaluate supply and demand and will continue to invest where it makes sense."

As potential solutions for customers that couldn't meet the raised minimums, Ball offered up contact information for four distributors that could take smaller orders, provide warehousing and offer labeling options such as stickers and plastic shrink wrap.

## DAILY NEWS

### Making Spirits Bright – Tips for Alcohol Permittees This Holiday Season

JDSupra

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It's the most wonderful time of the year. And for many, this holiday season marks the return to social gatherings of pre-pandemic proportions. With revelers sure to crowd restaurants and bars, there is also an increased risk of alcohol-related accidents and injuries. So, what can permittees do to avoid the pitfalls of serving one too many cups of cheer?

First, permittees should know the law. North Carolina has a public policy of protecting individuals from injuries caused by intoxicated persons. To that end, N.C. Gen. Stat. § 18B-305 provides that it is unlawful for alcohol permittees or their employees to *knowingly* sell or give alcoholic beverages to any person who is intoxicated. A violation of this law can give rise to a negligence action against the permittee by a third party who has been injured by an intoxicated patron. To prove this claim, the injured individual has the burden to show (1) that the patron was intoxicated and (2) that the permittee *knew*,

or *should have known*, that the patron was intoxicated *at the time he or she was served*.

“Intoxication” here means that the patron’s mental or physical functioning is *materially impaired* as a result of the use of alcohol. This requires a showing that the patron had an outward manifestation of impairment, such as bloodshot eyes, slurred speech, poor coordination, and/or smell of alcohol. In other words, there must be proof of visible signs sufficient to put the permittee on notice of the patron’s impaired condition at the time of service in order for liability to be imposed.

In addition to a common law negligence claim, there is a statutory cause of action for injuries caused by alcohol sales to an *underage* person. N.C. Gen. Stat. § 18B-121 provides that an “aggrieved party” has a claim for damages against a permittee if: (1) the permittee (or their agent or employee) negligently sold an alcoholic beverage to an underage person; (2) the underage person causes a motor vehicle accident while under the influence; and (3) the injury was proximately caused by the underage driver’s negligent driving while impaired. Of note, the “aggrieved party” does *not* include the underage person or anyone who aided or abetted the sale of alcohol to the underage person.

As is so often, an ounce of prevention is worth a pound of cure when it comes to alcohol-related accidents. Permittees should set clear policies for employees to understand the signs of intoxication, recognize when it is time to stop service, and know what to do in the event a patron has been overserved. Of course, these policies are meaningless without proper instruction and enforcement. Employees must be trained on the policies and be held accountable.

In the event a customer has been overserved, it is crucial that employees intervene. Depending on the situation, it may be appropriate to ask the patron’s family or friends for assistance, call an Uber or Lyft, or offer food and water. It may be necessary to involve the police if the customer shows signs of aggression or violence.

Even with the best policies in place, however, alcohol-related incidents can still happen. Permittees should be prepared to defend against claims brought by injured parties. Therefore, employees should maintain

complete records of all drinks served. They should also keep an incident log for instances when service has been refused. These documents can be used to demonstrate that the permittee acted reasonably in light of the circumstances.

Finally, permittees should notify their insurance companies about all potential dram shop claims. With the help of an experienced attorney, permittees can put themselves in the best position to investigate and defend the claim. If you need any assistance this holiday season, please contact Cranfill Sumner LLP’s Retail, Restaurant, & Hospitality Practice Group.

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### **A brief history of moonshiners, Revenuers and Florida sheriffs**

Tallahassee Democrat  
By David Brand, Guest columnist  
November 27, 2021

FLORIDA - There has been a long-standing relationship, beginning when Florida was a Territory of the United States, between our Florida sheriffs and what is now called the State Division of Alcoholic Beverages and Tobacco.

Florida sheriffs and the Division of Alcoholic Beverages and Tobacco have a long-standing symbiotic relationship dating back to 1822 when Florida was still a Territory. The sheriffs and the “Revenuers” collected taxes on alcohol, regulated sales, and enforced laws designed to protect public health.

The genesis of the Florida sheriff can be traced back to when Florida, as a Spanish colony, came under the Stars and Stripes when President James Monroe appointed Andrew Jackson the Commissioner and Provisional Governor.

The president wrote to Jackson, “I have confidence that your appointment will be immediately and most beneficially felt. Smugglers and slave traders will hide their heads, pirates will disappear, and the Seminoles cease to give trouble.”

Consequently, jurisdiction establishing East Florida took place at St. Augustine on July 10, 1821. A week later, on July 17, Andrew Jackson himself accepted the transfer of West Florida at Pensacola.

Section 4 of a lengthy ordinance promulgated by the governor on July 21, 1821, provided that a sheriff and a clerk would be appointed for the courts of the territory's first two counties, Escambia and St. Johns, thereby establishing the Office of Sheriff in Florida. Later statutes assigned the sheriff a myriad of duties including managing jails, taxes, various aspects of county government, and interaction with other judicial and administrative officials.

### **Liquor and Prohibition**

On March 3, 1845, Florida was admitted to the Union and became a state. From 1845 through 1915, the sale of intoxicating liquors in Florida was primarily regulated on the local level. The federal government primarily regulated and taxed the manufacturing of alcoholic beverages.

In the early 20th century, public opinion about the consumption of alcohol was so predominant that it pushed a gubernatorial candidate into the Capitol in Tallahassee.

Governor Sidney Johnston Catts, Florida's 22nd governor, won the Democratic gubernatorial nomination in 1916. However, the Florida Supreme Court ordered an election recount, rescinding his nomination. He then left the Democratic party and was elected as a Prohibition candidate.

He served as governor from Jan. 2, 1917 to Jan. 4, 1921. His election may have reflected the mood of the country because on Jan. 16, 1920, the 18th Amendment, or Volstead Act, became effective making the possession of alcoholic beverages unlawful.

### **Enforcement was complicated and dangerous**

Some saw prohibition as a positive crusade while others viewed it as designed to enact social control by a minority on the majority.

In April, 1919, Florida Sheriffs Association members met in Jacksonville for their annual meeting. Perry Gilbert Ramsey, Alachua County sheriff, presided as president. While the "moonshine problem" was discussed, it was decided to take the matter up again in Tallahassee on April 8 when the legislature was in session.

The law that passed in 1919 revised the alcohol fee system and reflected, at least in part, the association's requests. During this time some

counties were "dry," or did not allow the sale of alcohol, while others were "wet."

Enforcement, considering the difference between rural and urban areas along with local, state, and federal laws that were ever changing, made enforcement difficult.

Enforcement, seasoned with the mood of the country changing towards alcohol sales, presented a challenging environment for the sheriffs.

### **In harms way**

Sheriffs went in harm's way, sometimes alone in rural counties, to enforce the alcohol prohibition laws. One example occurred on Aug. 20, 1927, when Flagler County Sheriff Perry Hall raided an establishment where moonshine was being consumed.

Outnumbered, yet undaunted, Sheriff Hall ordered James Smith, one of the occupants, to raise his hands as he moved into the room to make the arrest. Smith suddenly spun around and struck the sheriff in the head with a whiskey bottle. Sheriff Hall never regained consciousness and died hours later. James Smith was later gunned down by a posse after a 21-day manhunt found him hiding out in Brookfield, Georgia.

The National Prohibition Act was rescinded on Dec. 5, 1933, with the passage of the 21st Amendment. Afterwards, legislation began to appear providing for the taxing the regulation of alcohol.

### **The birth of the Florida enforcement agency**

On June 27, 1935, the Florida State Beverage Department was created after the Beverage Act of 1935 was passed. This act provided the authority to tax and regulate the liquor industry. Mr. J.A. Cormier was appointed by Governor David Sholtz as the first Director.

Over the years, the partnership between ABT, sheriffs, and police departments has increased to address local issues as well as creating a force multiplier.

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