

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, May 24, 2019

Issue 383

MEETINGS & EVENTS

[June 3 - ILBA Annual Golf Outing | Springfield, IL](#)

[June 10-12 - Beverage Alcohol Retailers Conference | Louisville, KY](#)

[June 12 - Connecticut Package Stores Association Annual Golf Tournament](#)

[July 9-10 - ABL Summer Board Meeting | Madison, WI](#)

[July 29-31 - ECRS Ignite 19 Retail Success Conference | Nashville, TN](#)

[September 9-11 - MTA Annual Convention & Tradeshow | Sidney, MT](#)

[September 12 - IABR Fall Golf Outing | Indianapolis, IN](#)

[September 15-17 - ILBA Annual Convention & Tradeshow | LaSalle, IL](#)

[October 10 - IABR Annual Meeting & Board of Directors Meeting | Indianapolis, IN](#)

[October 14-17 - TLW 84th Annual Fall Convention | Green Bay, WI](#)

[October 21-23 - ABL Fall Board Meeting & Industry Meetings | Washington, DC](#)

ABL & PUBLIC POLICY News

[U.S. Distillers Relieved as Canada and Mexico Revoke Whiskey Tariffs:](#) The United States, Canada and Mexico have at least reached an agreement to repeal tariffs on American whiskey. The Distilled Spirits Council, the USA's spirits industry body, said it "welcomed" the news that Canada and Mexico would repeal retaliatory tariffs on American Whiskey in a statement released on Friday 17 May.

[Report Shows State-by-State U.S. Consumer Interest in Alcohol e-Commerce:](#) Digital Commerce 360 reported, according to Internet Retailer analysis of industry data and historical U.S. Commerce Department figures, "consumers spent \$517.36 billion online with U.S. merchants in 2018, up 15.0% from \$449.88 billion spent the year prior."

[Ignition Interlocks to Prevent Drunk Driving Are Also Behind Hundreds of Crashes:](#) Is a device designed to deter people from drinking and driving causing hazards on the road? We're talking about ignition interlock. It is a system put in vehicles to measure alcohol on the breath. "This has been the hardest thing that I've had to go through in my life," said Hampton's Cynthia Hites. Hites says the last four years have been a nightmare.

[Federal Legislation Introduced to Ban Cashless Stores:](#) The movement to require stores and restaurants to accept cash is gaining steam. Months after the city of Philadelphia and the state of New Jersey passed laws requiring retailers to take cash, two lawmakers in Congress have introduced bills that would put a ban on cashless stores nationwide.

[All 50 State Banking Associations Urge Congress to Pass Marijuana Financial Services Bill:](#) Banking associations from all fifty states and one U.S. territory are calling on the Senate Banking Committee to advance bipartisan legislation that would protect financial institutions that service marijuana businesses from being penalized by federal regulators.

With Trade Deal, Canada And Mexico Expected to Lift U.S. Whiskey Tariffs: Following Friday's announcement that the U.S. will lift its steel and aluminum tariffs on Canada and Mexico, those two countries are expected to rescind their retaliatory levies on American whiskey, offering relief to U.S. producers whose exports have been hurt by the trade battle.

\$15 Minimum Wage to Be Major Issue in 2020 Elections: The entire 2020 Democratic presidential field has publicly touted the need to double the federal minimum wage to \$15 an hour. According to APNews, support for the proposal reflects the success of the Service Employees International Union, which has promoted the idea through a campaign called "Fight for 15," which aims to get higher wages for foodservice and other workers.

U.S. Senators Introduce Tobacco 21 Bill: Senate Majority Leader Mitch McConnell (R-KY) and Sen. Tim Kaine (D-VA) on Monday joined together on a bill that would put the federal minimum tobacco buying age at 21, the Washington Post reports. The proposal comes as more states are mandating a 21 minimum age for tobacco and vaping products.

Retailers Push Congress to Address Tax Law Snafu: Retailers are pressing Congress to make right an error in the 2017 tax law that's harming their businesses, The Hill reports. The snafu centers on language that makes restaurants and stores write off the costs of renovations over 39 years, rather than immediately, as lawmakers wanted.

Judge Hears Spat Between Beer Giants Over Corn Syrup Ads: Two household names in beer argued before a federal judge Thursday over the veracity and potential harms of Bud Light advertisements claiming Miller Lite and Coors Light contain high-fructose corn syrup.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter – Weekly News \(May 24\)](#)

3x3 Insights

[Retail Untapped - Episode 27: What Private Label Means for Independent Retailers](#)

Alcohol Law Advisor

[Arbitration Clause in Beer Distribution Agreement Enforced by the Virginia ABC](#)

Beer Business Daily

[The Big Theme These Days: Incrementality](#)

Brewers Association

[Brewers Climb Capitol Hill to Advocate for Small and Independent Brewers](#)

Distilled Spirits Council

[Council Commends Agreement with Canada and Mexico to Lift Retaliatory Tariffs on American Whiskey](#)

Law360

[Ex-MillerCoors VP Gets 3½ Years for \\$8M Fraud Scheme](#)

National Restaurant Association

[NRA CEO to Retire at End of 2019](#)

SevenFiftyDaily

[How to Work with Multiple Distributors in the Same Market](#)

The Spirits Business

[What the RND-Through Breakup Means for the Industry](#)

Wine & Spirits Daily

[More Consumers Seek Out Healthier Drink Choices On-Premise](#)

[Beam Suntory Says Tim Hassett Suit Relies on "Made-Up Allegation"](#)

AFFILIATE News

Illinois Licensed Beverage Association

[Proposed State Alcohol Tax Hike Raises Concern Among Local Bar Owners](#)

Illinois residents could see an increase in alcohol prices to rebuild Illinois' roads and bridges. To help pay for the \$41.5 billion six-year infrastructure project, Governor J.B. Pritzker's office has unveiled a capital plan to increase fees and taxes, including a tax hike on alcohol. "We're more than willing to help out," said former Illinois Licensed Beverage Association President Jay Gesner.

STATE & LOCAL News

[Alabama: Direct Wine Shipment Bills Are Dead for the Session](#): Any Alabama resident wanting to order a bottle of Chardonnay and have it delivered to their doorstep will have to wait at least another year. All bills in the legislature that would have allowed direct wine shipments to consumers have been referred to a study committee. Alabama is one of five states where direct shipping is not allowed.

[Arkansas: Beer-Friendly Laws Passed in Recent Legislative Session](#): It has been a while since any meaningful beer-related legislation was enacted down in Little Rock. That changed this year as state lawmakers approved two measures that directly impact Arkansas beer drinkers. The more significant of the two was Act 681, which allows for the operation of microbrewery-restaurants in dry counties.

[Delaware: Lawmakers Reintroduce Marijuana Legalization Bill](#): Democratic lawmakers are again proposing to legalize marijuana in Delaware after a failed effort last year. The bill introduced Thursday is aimed at eliminating the black market for pot by establishing a state-licensed industry that would create jobs while padding state coffers with licensing fees and taxes.

[Illinois: Raising Liquor Taxes in Illinois Will Become an Absolute Folly](#): Governor J.B. Pritzker proposed increasing liquor taxes as a way to pay for his capital plan. His proposed plan would increase the tax on beer from 23.1 cents to 27.7 cents per gallon, would increase the tax on wine from \$1.39 to \$2.05 per gallon, and would increase the tax on spirits from \$8.55 to \$12.60 per gallon.

[Louisiana: Recreational Marijuana Bill Not Dead in Legislature](#): The House's judiciary committee did not approve or kill a bill that would allow for recreational marijuana use in Louisiana. Instead, lawmakers essentially sent it to the House's criminal justice committee, where the concept faces opposition. Baton Rouge Democrat Rep. Edmond Jordan's bill would allow the Louisiana Department of Agriculture and Forestry (LDAF) to distribute 15 industrial marijuana growing permits.

[Massachusetts: State Is Moving Forward with Marijuana Cafes; Here's What They Would Look Like](#):

As more and more recreational marijuana shops open across Massachusetts, state regulators turned their focus Thursday toward the next frontier of the industry's rollout: Social consumption establishments. Otherwise known as cannabis cafes or marijuana lounges, social consumption establishments are for weed what bars are for alcohol: a business where people are allowed to buy and consume the drug on site, whether that be by inhalation or ingestion.

[Michigan: Lawmaker Ready to Take a Swing at Sports Betting Bill](#): The long wait for a sports betting bill in Michigan is about to end. Legal Sports Report obtained a draft of a bill being prepared by Rep. Brandt Iden, which he intends to introduce next week. While it took a few months longer than anticipated

to work out the details, Iden's proposal is mostly reasonable compared to the borderline outlandish provisions appearing in some nearby states.

Montana: Big Sky Considers Taxing Convenience Store Alcohol: Buying a beer or wine at the corner convenience store in Big Sky could soon cost people more. Already when dining in Big Sky any alcohol consumed is taxed. Those taxes go towards the Resort Tax Fund, which last year totaled more than \$8 million. Now the board of directors is considering taxing convenience store alcohol, like the kind you can pick up at gas stations and grocery stores.

Nevada: State Assembly Passes 24-7 Sobriety Program Act: On Monday, the Nevada State Assembly Passed the 24-7 Sobriety and Drug Monitoring Program Act. The bill is modeled after a Safe-And-Sober program used in Washoe County. The bill is for people with less serious DUI's, not those who face manslaughter or other felonies. It would set up a program to monitor if the offender is using drugs or alcohol. The goal is to help people stay sober and let them get a restricted drivers' license for specific reasons.

New York: 186 Alcohol Sellers Charged in Underage Drinking Crackdown: More than 180 establishments holding New York state liquor licenses have been charged with serving minors during last month's statewide crackdown on underage drinking. That's according to state officials who say April's monthlong enforcement effort resulted in charges being filed against 186 out of the 851 bars, restaurants, liquor stores and grocery stores in 46 counties that were visited by underage decoys working with investigators.

Tennessee: Downtown Residents Call for Change as Scooter Numbers Continue to Rise in Nashville: The number of scooters on Nashville streets is on the rise, and more could be on the way. Some people living downtown say before that happens, they need to see some major changes. According to the Billy Fields with the Metro Transportation Licensing Commission, there were three companies and approximately 2,500 scooters on Nashville streets in mid-December.

Texas: Senate Moves to Let Breweries Sell Beer to Go. Make it Easier to Own Several Liquor Stores: The Texas Senate restored a measure Wednesday allowing breweries to sell beer to go from their taprooms to a bill allowing the Texas Alcoholic Beverage Commission to continue operating. It also approved a measure that would loosen restrictions on the number of liquor store permits individuals can hold.

Virginia: New Vehicle Alcohol Detection Technology Showcased at Highway Safety Summit: The Driven to Protect Initiative and Virginia DMV presented new alcohol detection technology at Wednesday's highway safety summit. The technology has the capability of sensing someone's alcohol level simply by inspecting the air in the car. The sensor is located on the driver's side so it will only sense the driver's blood alcohol concentration level.

Wisconsin: More Grocers Seek to Offer Curbside Alcohol Pickup: More Wisconsin grocers are asking municipalities for liquor license extensions so they can take alcohol purchased online out to customers' vehicles. Walmart and Pick 'n Save first started offering curbside pickup of beer, wine and spirits in the Milwaukee and Fox Valley areas in 2017. Other stores quickly followed, but the practice has been met with criticism that it could allow minors to buy alcohol or make liquor access easier in a state that's known to overindulge, Wisconsin Public Radio reported.

BUSINESS & LIFESTYLE News

Anheuser-Busch Gives Contribution to Red Cross Armed Forces Program: Anheuser-Busch has expanded its partnership with the American Red Cross. At an event Friday in downtown Jacksonville, Fla., Anheuser-Busch presented the humanitarian organization with a special contribution to the Red Cross' Service to Armed Forces Giving Program – the largest contribution to the program by a corporate partner to date.

12 of the Best Summer Beers to Throw in Your Beach Bag, Backpack or Beer Fridge: Summer is an exciting season for beer-drinking. For this year's pick of summer favorites, VinePair tasted dozens of new releases from trusted brewers, as well as a few new-to-the-market brands. Here is their take on 12 of the best summer-friendly beers so far in 2019.

Brewers Tell Us the One Beer They'd Drink for the Rest of Their Lives: The US (and the world) is full of amazing, refreshing, thirst-quenching beer. So much beer that loyalty to just one particular style, brand, or bottle really limits a drinker. To truly savor everything the beer world has to offer, you need to expand your horizons while broadening your palate. Love IPAs? The next time you're at a brewery grab a yeasty, hazy farm ale instead. Favor stouts? Try a salty, sour gose ASAP.

Liquor Giants Nudging Drinkers Toward Cocktails, Away from Shots: When Italian liquor giant Campari Group bought Grand Marnier in 2016, it had a problem and her name was "GrandMa." "They were called GrandMa shots," said Ugo Fiorenzo, managing director of Campari America, explaining how consumers would often order Grand Marnier at the bar. "Shots. A lot of shots—it is not so premium."

Alcohol Pairs Well with Food Delivery, but Restaurants Missing Out: If sales from the top five third-party delivery providers were combined — a whopping \$9.8 billion in 2018 — as a whole entity, they would fall within the top 10 U.S. restaurant chains, said Technomic principal Donna Crecca during a presentation at the National Restaurant Association Show. To say that delivery is growing is an understatement. In 2018, delivery increased sales by 55%, on top of a 35% increase a year prior.

Is Marijuana the New Martini?: Every night before she goes to bed, Holly Byerly takes three to four drops of a tincture that's half CBD and half THC. "I mostly use it for migraines, which I was getting up to 15 times a month," explains Byerly, who works at a medical spa in the Bay Area. Since starting her nightly cannabis routine, she estimates she gets an average of two migraines monthly.

Liquor Companies See the Benefits of Sobriety: It's early days, but alcohol-free liquor seems to be on its way in. Counter-intuitively, big liquor companies should reap the rewards. Sales of traditionally alcoholic beverages with no or little alcohol content are still small. In 2018, they comprised 1.3% of the U.K.'s total alcohol business, IWSR data shows, and that includes alcohol-free beer, which is more widespread than booze-free gin, for example. Figures in the U.S. are lower still.

Is Legal Marijuana Hurting Beer Sales or Helping Them?: The cannabis trade has tried to convince the public that legal weed is not only a creator of jobs and salvation's wing for local economies but that it is also an industry wrecking machine with the power to snuff out all of the competitors within the inebriation market. Its arch nemesis in this nail-biting mission to contribute to the unsobering of America is none other than the alcohol industry.

The Big Food Brands Eyeing Marijuana Moves: As cannabis becomes increasingly normalized, big-name food brands are getting in on the trend. Legal weed is big business these days. The industry pulled in \$12.2 billion globally last year by some estimates, and profits are expected to continue seeing massive growth over the next couple of years. With all that potential comes a whole lot of interest from a number of more mainstream industries looking to get a piece of the pie.

You Can Turn Around a Bad Review: Sam Elbandak, owner of a San Francisco restaurant, used to dread looking at his restaurant's Yelp page. He would get frustrated and defensive about negative reviews and would respond in kind, according to a story from Nation's Restaurant News. Elbandak, who spoke at a Yelp-sponsored panel at the 2019 National Restaurant Association Show in Chicago, noted that all foodservice operators want those five-star reviews.

New Blockchain Platform Offers Wine, Spirits Insights: Label-maker Avery Dennison has introduced a blockchain platform called Materials in Use to give wine professionals insights on how label and packaging elements, like color and messaging, resonate with consumers. Meanwhile, a 2018 Label Insight study found that three-quarters of consumers indicated they would change brands if a competitor offered more comprehensive product information.

Tom Hanks Was Denied Beer At The Stagecoach Festival (Despite Offering Bartenders 'Toy Story 4' Premiere Tickets): Tom Hanks, the man otherwise known as "America's Dad," was denied beer at this year's Stagecoach Festival in California. Yes, that's right. The 62-year-old actor wasn't allowed to buy a beer while watching singer and songwriter Rita Wilson (who just so happens to be his wife) perform at this year's acclaimed country music festival.

How the Cannabis Industry Is Revolutionizing the Beverage Sector: The cannabis industry is on a roll. As of May 1, 2019, 33 states have legalized medical cannabis and 10 states have legalized cannabis for adult use. At the federal level, however, cannabis remains illegal. Canada legalized adult use of cannabis in 2018 and is slated to legalize cannabis infused edibles by October 2019.

Highly Potent Weed Has Swept the Market, Raising Concerns About Health Risks: Studies have shown that the levels of THC, the main psychoactive compound in pot, rose dramatically in the U.S. from 1995 to 2017. As more states legalize marijuana, more people in the U.S. are buying and using weed - and the kind of weed they can buy has become much stronger.

This Strategy Can Double Your Estate-Tax Exemption: Financial advisers who want to maximize a wealthy client's tax-free estate have a simple yet often overlooked strategy handy that essentially doubles the amount avoiding taxation at death. The strategy, called portability, applies to married couples.

Winemakers See Canned Wine Trend as Here to Stay: Winemakers are creating a plethora of canned wine options, recognizing that the trend has serious staying power as sales were up 69% last year to \$69 million, versus only \$2 million in 2012, according to Nielsen. Treasury Wine Estates and E. & J. Gallo are among established players that have introduced canned wines, joining startups like West + Wilder, a can-only producer that is working to bring a higher profile to the category through established appellations.