

MODERN Brewery Age



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Carlsberg to close half its European breweries

Danish brewer Carlsberg has announced that it will shut down nearly half its breweries in western Europe, citing declines in beer consumption in the region.

The company could close as many as 14 of its 29 European breweries, according to statements Carlsberg executives have made to the European press.

"These cutbacks are necessary in western Europe where people are drinking more and more wine and there are fewer young people, who are traditionally big beer drinkers," group spokesman Jens Peter Skaarup told *Agence France Press*.

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NBWA says new TTB rule could advance equivalency

The National Beer Wholesalers Association (NBWA) has expressed concerns to the Alcohol and Tobacco Tax and Trade Bureau (TTB) about a proposed rule that the association says could allow deceptive and misleading information on alcohol beverage labels. NBWA enlisted

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Dixie Brewing Co. survives Katrina

The venerable Dixie Brewing Company has survived Hurricane Katrina, but company officers say it will be awhile before the brewery is turning out beer again.

Owners Joe and Kendra Bruno report they left New Orleans just before the hurricane hit. "We were planning to leave on Friday night, but Joe had to drain the ammonia plant, so we left Sunday morning," Kendra says. "The good news is that everyone is OK, but the bad news is that the brewery is badly damaged."

During the peak of the flood, the brewery was under 8-10 feet of water. Fortunately the brewery was a multi-story structure, so

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Anheuser-Busch has debuted Jack's Pumpkin Spice Ale, the first beer in a projected line of seasonal brews at the Great American Beer Festival. The pumpkin ale will be available in Michelob Specialty Sampler 12- and 18-packs, and on draught nationwide. The pumpkin ale will be sold until mid-December, to be followed by a winter brew (style to be announced) in January. **See story below.**

Anheuser plans series of seasonal beers

Anheuser-Busch has launched the first in a line of planned seasonal beers, with the debut of a new pumpkin ale at the Great American Beer Festival.

It's been almost a decade since Anheuser's last major foray into the craft beer segment, when the company produced the marvelous American Originals and then let them wither on the vine.

NBWA introduces new officers at convention

The National Beer Wholesalers Association (NBWA) announced its 2005-2006 slate of officers at its convention last week in Las Vegas. The officers, each elected for a one-year term by the Association's board, are charged with leading the association representing nearly 2,000 independent beer wholesalers.

The 2005-2006 officers are as follows:

•Chair: Phillip A. Short, P.A. Short Distributing Co. Inc, Hollins, VA.

•Immediate Past Chair: Jeffrey S. Vukelic, Saratoga Eagle Sales and Service in Glens Falls, NY.

•Vice Chair: Betty Buck, Buck Distributing

Since those days, A-B has kept a toe in the water with a variety of Michelob specialty brews, but its recent announcement of a new line of seasonal brews seems to auger a renewed interest in the category.

The new Michelob-branded Jack's Pumpkin Spice Ale will be available through mid-December. A winter brew will

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Co. Inc., Upper Marlboro, MD.

•Secretary: Phillip Terry, Monarch Beverage Co., Inc., Indianapolis, IN.

•Treasurer: Aldo Madrigano, W.O.W. Distributing Co. Inc., Sussex, WI

As NBWA's board chair, Phillip A. Short said he "will lead the group's efforts to defend the 21st Amendment and the American system of beer distribution, increase visibility of beer in the public affairs arena and reinforce the strength and influence of NBWA on Capitol Hill." P.A. Short Distributing Co. is an Anheuser-Busch distributorship serving counties in Southwest Virginia.

Oregon and New York have reached wine shipment deal

AP—An agreement has been reached between Oregon and New York allowing direct shipments of wine between the two states.

The reciprocity agreement announced Thursday follows the U.S. Supreme Court ruling in May that states may not allow their own wineries ship directly to customers without allowing out-of-state vineyards to do the same.

"This is a very big deal for Oregon," said Earl Jones, whose Abacela Vineyards and Winery in Roseburg will be among the first to obtain the \$125 direct-shipping license needed to sell wine directly to New York wine buyers. "This will heighten sales of Oregon wines tremendously."

Only California and New York have enacted the reciprocity agreements needed to open their borders to out-of-state shipments among the 24 states that had banned those shipments, said Jesse Lyon, a partner with the Portland law firm Davis Wright Tremaine.

Lyon credited the Oregon Liquor Control Commission and the state Attorney General's office with drafting language that led to full reciprocity with New York.

"The timing couldn't be better," said Lyon, whose firm serves as general counsel to the Oregon Wine Advocacy Council, the state wine board's legislative arm. "Wineries getting in on the front end of this should be able to start shipping wine to New York in time for the holiday season."

For Oregon's 314 commercial wineries, most of them too small to attract major distributors, the ability to ship wine directly to New York consumers is a plum. "After California, New York is the biggest wine market in the country," said Ted Farthing, executive director of the Oregon Wine Board. "We expect this to tip the balance between Oregon wine that's sold in-state versus what is sold out of state."

New Bavarian strong beer

Giving Boston Beer a run for its money, a Bavarian brewer has produced a beer in the Utopias range. Harald Schneider's strong brew has 25.4% alcohol content. He is quoted by Britain's *Sky News* as saying: "People will only be able to drink two or three glasses, otherwise they'll drop like flies. Everyone who tries it is enthusiastic. It tastes like a mixture of beer and sherry."



St. Pauli Girl tickled to see billboard in her own hometown

St. Pauli Girl spokesmodel Stacy Fuson of Tacoma, Washington, recently returned to her hometown to check out the new billboard bearing her likeness. The St. Pauli Girl spokesmodel is traveling the U.S. to promote the #2 top selling German beer in the United States. Ms. Fuson's collectible poster is available to consumers on the St. Pauli Girl website, at www.stpauligirl.com.

Glazer's appoints Nauslar as v.p. for malt beverages

Glazer's, the Dallas, TX-based multi-state distributor of wine, spirits and malt beverages, has announced the appointment of Dennis Nauslar as its Corporate Vice President for Malt Beverages.

The announcement was made by company president Jerry Cargill and Executive Vice President/Chief Operating Officer Barkley Stuart.

The company said that Mr. Nauslar will report to Mr. Cargill, and will work out of Glazer's Texas state office, working closely with Mike Maxwell, Glazer's Texas President.

According to the company, Mr. Nauslar will be responsible for executing Glazer's strategy in the malt beverage arena, and will work with Glazer markets on sales, marketing, and operations issues relating to malt beverages.

"Dennis will work closely with Mike Maxwell to continue Glazer's successful Malt Beverage Initiative, which has resulted in Glazer's being the 13th largest beer distributor in the U.S.," Jerry Cargill said. "We are excited to have someone of Dennis Nauslar's caliber to lead our business in this important category."

Dennis Nauslar joined Glazer's in July

2005 after many years with Dallas, TX-based Willow Distributors. As President of Willow, Nauslar was successful in leading the multi-brand beer wholesaler to record revenues and to receive many supplier awards.

Nauslar's 29 years of experience includes working at Miller Brewing and the Coors Brewing Company in various executive positions. Dennis has been appointed to his suppliers' Distributor Councils, is a member of NBWA, WBDT, and other community and business boards.

Dennis holds a B.A. from the University of Southern Colorado, and an M.S. from the University of Oregon.

Glazer's, currently operating in 12 states, is one of the nation's largest wholesale distributors of wine, spirits, and malt beverage products. The third-generation family business was founded in Dallas in 1933.

As malt beverages are a core component of Glazer's business strategy, it is important that we secure industry leading talent to drive our business forward," said executive vice president Barkley Stuart. "Dennis Nauslar has a proven track record in leading large beer operations, so he is a great fit for Glazer's."

Anheuser-Busch intros line of seasonal beers

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follow in January, a spring brew in April and a summer brew in July. No word yet on which styles will be chosen for the other seasonals.

The company said that the pumpkin-spiced beer will be bottled and available on draught. According to Anheuser-Busch, the pumpkin beer "will have the aroma of cinnamon, cloves and nutmeg with a sweet and malty finish." It has 5.5 percent alcohol by volume.

Anheuser-Busch said the all-malt (all-malt, and pumpkin, that is) brew was made using a special pumpkin variety known as "Golden Delicious." The beer is also spiced with cinnamon, ginger, nutmeg and cloves.

The pumpkin spice ale will be offered as part of the Michelob Special Sampler Collection, a seasonal package that the brewer has offered in the fall since 1997. The sampler collection will also include the regular Michelob, Michelob Marzen, Michelob Pale Ale, Michelob Honey Lager and Michelob AmberBock.

"Brewing seasonal beers allows us to stay close to our roots," said Florian Kuplent, brewmaster, Anheuser-Busch, Inc. "Most of the brewmasters here at Anheuser-Busch got started by making their own beers and this is a good demonstration of how a passion rooted in experimentation has grown. Created with the finest two-row and caramel malts and the choicest Hallertau and Tettnang hops, we hope adults will notice the rich copper color, enjoy the aroma of cinnamon, cloves and nutmeg and appreciate the slightly sweet and malty finish. Overall, it is a true treasure to try—not overly spicy or too pumpkin-heavy—but rather a beer that's well-blended, balanced and enjoyable to the finish."

Pumpkin ales are now made by at least eight U.S. breweries. The Coors Brewing Company was the first large brewer to make a pumpkin ale, introducing the brand into its Blue Moon specialty beer portfolio in the mid-1990s.

The Pumpkin Ale style seems to have been pioneered by Bill Owens, the brewpub pioneer from Hayward, CA. Mr. Owens made pumpkin ale one of his trademark brews in the late '80s and early '90s, along with Alimony Ale (The bitterest brew in America").

However, according to Mr. Owens, the inspiration for pumpkin ale was not his own,

but goes back to the father of our country.

"I was inspired by George Washington," Mr. Owens says. "He used pumpkins and squash in the mash to get the starches to convert to sugars. So I borrowed the idea from him. By the end of the process, though, I found the pumpkin has pretty much no taste, so you have to add spices."

Mr. Owens, who now runs the American Distilling Institute, of Hayward, CA, was non-plussed about A-B's decision to make a pumpkin beer, but did not begrudge the giant brewery its day in the pumpkin patch.

"No one holds the trademark for pumpkin ale," Owens says, "and Anheuser has the marketing power to do something with it. I always thought pumpkin is a flavor that touches a nerve. Pumpkin pie is mom and security. So I think the product will do well."

The Michelob Specialty Sampler Collection, including the new pumpkin ale, will be sold in grocery and convenience stores across the country through early November in 12- and 18- packs. The 18-pack also includes three bottles of each beer, two limited-edition pilsner glasses, a collection of recipes featuring these super-premium brews as ingredients, beer mixer recipes, suggested food pairings, and tips from Anheuser-Busch brewmasters. The 12-pack includes two bottles of each beer.

Carlsberg to shut down half its breweries

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The announcement seems to be the last and most draconian step in a restructuring effort that the company started four years ago, aimed at cutting costs.

According to the Danish daily *Boersen*, the company is planning to shut down 14 support plants of a total of 29 breweries across the continent, including the brewery at the Carlsberg headquarters in Valby near Copenhagen.

"We are in the midst of working out a plan towards obtaining the optimal (business) structure. We will still have support plants for years to come, but our anchor plants will of course constitute the future of our production," Carlsberg chief executive Nils Smedegaard Andersen told *Boersen*.

Last month, Carlsberg said it would probably have to cut costs by at least 500 million kroner (81 million dollars, 67 million euros) per year if it wants to increase profitability, warning that it would shut some



Albert to head Insight

Allen Albert has been named President of Insight Distribution Software. Allen has been with Insight for over eight years and most recently served as Installation and Education Department Manager. Before joining Insight, Allen was General Manager of a beverage distribution operation, giving him a solid management and industry background. Hunt Valley, MD-based Insight is a provider of enterprise software to beverage distributors, with applications including route accounting, sales reporting, inventory control, data exchange, EDI, and handhelds.

breweries and lay off workers.

"We have a lot of work to do to essentially just stay in the same place (hold on to our market share) and maintain profits. Western Europe is a huge challenge," Skaarup said at the time.

He said the choice of which breweries to close would depend on "the local market development".

About 70% of Carlsberg's sales and 60% of its profits come from Western Europe, and the company has said that it will continue to focus on Western Europe. Carlsberg executive said Eastern Europe will be a short-term growth market, and called Asia "an emerging and promising market which has strong growth potential," Skaarup said.

In August, Carlsberg reported that its second-quarter sales slipped eight percent in western Europe and that its sales volume also dropped six percent from the second quarter of 2004.



Diamond Bear rocks Oktoberfest

Little Rock, Arkansas-based Diamond Bear Brewing Company recently introduced its new seasonal beer, Rocktoberfest. This beer is described as a medium-bodied German-Style Lager, brewed in the Marzen style with Vienna, Munich Malts, and Noble Hops. The brewery reports that "A pleasant malty sweetness and a smooth hop finish make this beer very drinkable." The brewery's name, Diamond Bear, comes from the two earliest slogans for Arkansas; "Bear State" and "Diamond State." Diamond Bear is the only production brewery in Arkansas.

Dixie Brewing Co. flooded by Katrina

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while everything on the first floor, including the modern bottling line, was submerged, the brewhouse and the historic cypress tankage were undamaged.

Joe Bruno went back to the brewery this past week, in company with New Orleans police officers. "Everything that wasn't stainless steel is history," he says. "The conveyor and other parts of the bottling line are corroding already. The worst thing is the stench, and the fact that everything is covered with a greenish film. I was wearing white surgical gloves, and after an hour they were completely green."

According to Joe, the most serious damage to the facility occurred in the warehouse area. "Everything was destroyed," he says. "We lost 10,000 cases of beer, and a large soft drink inventory."

Dixie was planning a kick-off of its new relationship with Distinguished Brands International, the Colorado-based beer importer, but will have to put things on hold.

However, Joe and Kendra say they plan to rebuild the Dixie Brewing Company. "We're still standing, and that is the important thing," Kendra says. "The whole bottling line must be replaced, but we will do that. Our 100th anniversary is coming in 2007, so we have a lot of work to do."

Joe says he was planning to install a beer garden on the property. "Thank God we didn't start work on that yet," he says.

The Brunos say they are now examining offers from several regional brewers to produce Dixie beer under contract. Candidate brewers include Spoetzl, City Brewing and the D.G. Yuengling Brewing Co.

"Dixie will rise again," Kendra says.



3SUM launches new flavors

United Brands Company of Los Angeles, CA, recently announced the national launch of 3SUM flavored malt beverage at the National Beer Wholesalers Association 68th Annual Convention and Trade Show in Las Vegas. The product has been sold in 19 states in an 8.3-ounce package, but the national rollout adds a new 16-ounce package to the mix. The company says the drink is the first of its kind in the malternative category to blend fresh fruit flavors and a combination of caffeine, ginseng, and taurine. It is available in four flavors, original, apple, watermelon and tropical. "Our new adult drink provides retailers with 'the Next Big Thing' and a fresh way to reach consumers looking for hip, flavorful, ready-to-drink beverages that match their fast-paced lifestyles," says Michael Michail, president and CEO of United Brands Company. "We didn't just take an existing recipe and add caffeine, ginseng and taurine. We developed a totally new product with a delicious taste profile from the ground up." The product is expected to be available in 27 states by year end.

NBWA says that proposed new TTB rule could advance equivalency

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100 Members of Congress to join in commenting on the proposed rule.

Letters were sent to the TTB in response to a proposed rule put forward by the bureau that would allow alcohol beverage labels to include descriptions of alcohol content per "standard serving" accompanied by graphics suggesting that all types of alcohol are equal. The graphic suggests that there is no difference between a shot, a bottle of beer or one glass of wine.

NBWA says the label is an attempt by the

spirits industry to further its "equivalency" agenda, seeking to blur the lines between the different licensed beverages.

In his letter, NBWA President David Rehr wrote, "Graphic equivalency logos and a 'standard serving' reference are deceptive and potentially dangerous to consumers."

"One rum drink could contain up to four times the amount of alcohol as another rum drink," he added, "and several times as much alcohol as a single beer or glass of wine—depending on the type of spirits used, the mixers included and the bar-

tender's pouring tendencies."

More than 100 members of Congress joined NBWA in condemning the proposal.

In his letter, Mr. Rehr told TTB that "Attempting to standardize servings of products that do not come in a standard container or with a uniform alcohol concentration amount could be...misleading and harmful to consumers. The establishment of a standardized serving in products...with such a wide disparity of alcohol concentration will create consumer confusion and could result in...over consumption."

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Another "Budweiser" will be sold in St. Louis

AP—Czech brewer Budejovicky Mestansky Pivovar (BMP) isn't interested in picking a trademark fight, at least not in the U.S., where it's calling its beer B.B. Burgerbrau. In Europe, the same brew is sold as "Budweiser Bier."

"I don't want to stick my hand in that fire," said Rob Neuner, president of Classic Beverages LLC of Darien, Conn., the U.S. importer of B.B. Burgerbrau. "Budweiser is a trademark of Anheuser-Busch. We don't want to market the beer as Budweiser per se, but we don't see any problem saying the beer is from the town of Budweis."

Labels use the Czech term "Budejovicke Pivo," which translated means "Budweiser Bier," and the P.O.S. notes "Czech Budweis City" as the site where the beer is made.

The brand was introduced in some U.S. markets this spring. It is now arriving in St. Louis and some other Missouri markets.

BMP says its beer was first brewed in 1802, long before Anheuser-Busch came into existence, and was known then as Budweiser Burgerbrau.

Mark Bobak, chief legal officer for A-B, disputed claims that B.B. Burgerbrau was the first to use the Budweiser trademark. "Anheuser-Busch has no objections to them selling beer in the U.S. as long as they do not infringe our intellectual property rights," Bobak said. "The Czech brewer does not have any rights whatsoever to the Budweiser or Bud names in the U.S."

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Wholesaler Events

October 19-21, 2005—California Beer and Beverage Distributors 58th Annual Convention, Balboa Bay Club and Resort, Newport Beach, California. For more information, contact Rhonda Stevenson, 800-952-8308.

September 18-21, 2005—NBWA 68th Annual Convention & Trade Show, Las Vegas, NV.

October 5-8, 2005—New York State Beer Wholesalers Fall Convention. Grand Hyatt, NYC. Contact Carol Eberle, 518-465-6115, or e-mail to nybeer@att.net.

September 17-20, 2006—NBWA 69th Annual Convention, Orlando, FL.

Brewers Events

Sept. 14—District St. Paul-Minneapolis at Fitgers' Brewhouse, Duluth, MN
Info: Jim Lonetti, Summit Brewing Co.
Tel: 651-265-7800

email: jiminstpaul@yahoo.com

Sept. 15—District Milwaukee, MBAA at Cargill Malt, Jefferson Junction, WI
Info: John Kretsch, Ace Chemical, ph: 414 357 8515 ext. 106 or John Harrison, jharrison@delafield-brewhaus.com.

September 26-28—Food Processing Machinery Expo, co-located with pack Expo International. Las Vegas Convention Center, Las Vegas, NV.

Sept. 29 - Oct. 1 Great American Beer Festival, Colorado Convention Center. Denver, CO. Info: Nancy Johnson, Tel: 303 447 0816 Ext 131. email: nancy@aob.org.

Oct. 2-14 —MBAA Brewing & Malting Science Course, Univ. of Wisconsin Madison WI. Info: MBAA, Tel: 651.454.7250 Fax: 651.454.0766 www.mbaa.com

Oct. 14-17—MBAA 118th Anniversary Convention, Intercontinental Hotel, Miami Florida. for information, check the web at mbaa@mbaa.com, or tel: 651.454.7250.

Note: to be listed on this industry calendar, please send information on your event date, venue or location and contact information via e-mail to pete@brewery.com

NBWA highlights...

Photos from the recent NBWA convention in Las Vegas.



Michael Deary of Nor-Cal Beverage Co., W. Sacramento, CA somehow ended up in the bathtub at the Go Girl suite.



Jim Harrison of Harris, Inc. checked out a Magliner beverage cart at the Magline booth on the trade show floor.



At the opening reception (L. to R.) Don Schlesselman, Eagle Beverage Corp., Kansas; Troy Bass, Great Rivers Distribution Co., Missouri; and Bob Bush, City Beverage Co. of Kansas.



Craft beer luminaries at the Boston Beer party (L. to R.) Charlie Papazian, president of the Brewers Association; Ray Daniels, director of craft beer marketing, Brewers Association; Jim Koch, founder and chief executive of the Boston Beer Co. and Paul Gatza, director, Brewers Association.



Also at the Boston Beer party (L. to R.) Jack Burns, United Liquors; Maggie Sheehy, Boston Beer and Ron Weathers, United Liquors, Massachusetts.