

MODERN Brewery Age



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Manhattan Beer Distributors revives small-scale brewing in the Bronx

The largest beer distributor in New York City is also the city's smallest craft brewer. World Class Beverages, the specialty division of Manhattan Beer, recently purchased a SABCO "Brew Magic" one-barrel brewing system, and this week brewed up their third batch of beer. The system is intended to give sales supervisors a better handle on what goes into making the craft beers they sell. John Mish (second from left) the former v.p. of operations for the Three Floyds Brewing Co., and now a sales supervisor for MBD's World Class unit, serves as defacto brewmaster, assisted by a cadre of enthusiastic amateurs. **Above:** Most of the World Class Beverage sales team gathered on a recent August morning to brew up a new double IPA. (L. to R) sales supervisor Phil Aguas, brewmaster John Mish, sales supervisor Brian Niebuhr, sales supervisor Lakeino Brown, sales manager Andrew Reed, sales supervisor Phil Richman, sales supervisor Dave Krebs, general manager Rob Mitchell and Kirby Shyer.

A-B InBev earnings increase; U.S. STRs down 1.7%

Anheuser-Busch InBev reported forecast-beating growth in the most recent quarter, thanks to strong sales in developing markets.

The company said earnings growth

should accelerate further in the third and fourth quarters, due to lower marketing expenses.

The company reported that profit rose to

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MillerCoors opens new specialty unit, Tenth & Blake

The MillerCoors specialty beer unit is now open for business, calling itself the Tenth and Blake Beer Company.

"This is a unique and exciting period in the beer business," said Tom Cardella, the company's CEO and President. "With the added focus on our craft and import brands

and the talent within our brewing network, Tenth and Blake Beer Company has the opportunity to make an impact and continue to help grow this segment. We're made up of passionate brewers and merchants of the world's finest specialty brews, and we

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Carolina sold to equity firm

A Dallas, TX-based private-equity firm has bought a majority stake in Carolina Beer & Beverage of Mooresville, North Carolina, for an undisclosed price.

The brewery was founded in 1997 by Mike Smith and John Stritch. The company makes the Carolina Blonde and Cottonwood Ale brands.

The buyer, SunTx Capital Partners, says it plans to keep Mike Smith as chief executive officer.

In a statement to the press, Mr. Smith said the deal will allow Carolina Beer to

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NAB buys Magic Hat/Pyramid

North American Breweries of Rochester, NY, has once again emphasized its commitment to the brewing industry by purchasing one of craft brewing's crown jewels, Independent Brewers United (IBU).

IBU owns Magic Hat, Pyramid and MacTarnahan's beer. The purchase includes three breweries and five Alehouses and a retail store affiliated with one of the breweries. Terms of the deal were not disclosed.

The new owners said that the beers would continue to be made by the same people, in the same breweries, and that all breweries, alehouses and the Magic Hat Artifactory will remain open.

"We are really excited to add Magic Hat, Pyramid and MacTarnahan's beers to North American Breweries," said Rich Lozyniak, CEO of North American Breweries. "These brands have a rich history of craft brewing. By having more beers to offer our customers, wholesalers and retail accounts, we can better compete with the multi-national mega brewers who dominate the U.S. beer industry."

North American Breweries also imports and sells Imperial, Labatt Blue and the Labatt family of beers. Out of its Rochester brewery it makes and sells the Genesee and Dundee Ales & Lagers.

"The industry has taken a turn away from the mega brewers. We have a collection of regional and heritage brands that position us well among today's beer drinkers," said Mr. Lozyniak. "At a time when the overall beer industry is in decline, we're growing across brands which essentially created a great opportunity to collaborate with some of the best craft brewers in the business."

According to the company, the brand attributes of Magic Hat, Pyramid and MacTarnahan's will be closely guarded. "The credibility that these brewers have developed in the craft beer segment is key to our success," Mr. Lozyniak said. "We will work hard to carefully maintain and grow what was passionately created by people who love to drink and brew beer."

The acquisition of IBU means the addition of three new breweries to NAB, one each in: Portland, OR; Berkeley, CA; and Burlington, VT. Magic Hat is the 10th largest craft brewery in the country, while Pyramid is the fifth largest. Together Magic Hat, Pyramid and the Portland Brewing Co. employ about 600 people.



Two ex-AB guys to start new St. Louis craft brewery

The great Anheuser-Busch brain drain continues. One of A-B's highest-profile young brewmasters, Florian Kuplent, left the company last week, and plans to open a new St. Louis craft brewery in partnership with David Wolfe, a former Anheuser-Busch sales and marketing executive. The two call their new venture the Urban Chestnut Brewing Company ("Chestnut" as a nod to the Chestnut trees that are a fixture in German beer gardens, and "Urban," as a nod to its location in the Midtown alley district of St. Louis). The pair plan to have their new brewery up and running by the end of the year, and plan to package their beer in kegs and in bottles.

Kuplent and Wolfe say their new brewery will be "an unconventional-minded yet tradition-oriented brewer of craft beer" that will brew and distribute draught and bottled beers to on- and off-premise establishments in the St. Louis area.

The partners said Urban Chestnut will actually incorporate a beer garden as its central serving area. "Our taste room & biergarten won't quite be the traditional brewpub," Wolfe says. "I like to tell people, 'think wine bar for beer,' a casual place to hang out and experience a selection of local craft beers accompanied by small plates of cheeses, meats, and other little eats that pair well with beer."

Kuplent adds, "It is my goal to bring a little bit of Bavaria to UCBC. While our taste room will have a touch of old-world feel, our biergarten is where we're trying to create an authentic, German beer-drinking experience by importing biergarten tables from Europe and planting shade-giving chestnut trees."

Co-founders Kuplent and Wolfe say their passion for craft beer coupled with their unique expertise in creating, brewing and marketing beer "will bring a fresh approach to the local craft beer market in St. Louis." They plan to use local ingredients in their beer and food offerings whenever possible, and partner with local businesses and non-profit organizations.

Mr. Kuplent says UCBC will look to distinguish itself from other craft breweries through its unique brewing philosophy—"Beer Divergency," that he described as a "new world meets old world" brewing approach wherein UCBC balances its portfolio with artisanal interpretations of modern American styles, and classically-made versions of fundamental European beer styles. "In launching UCBC," he says, "my vision is to delve into both the exploration of modern, American craft beer and the traditions of old world brewing, simultaneously. It is the fusion of these two brewing cultures, new and old, that has shaped our brewing philosophy—embracing the revolution of American craft beer, while simultaneously appreciating the heritage of European beer."

Brewmaster Kuplent brings nearly two decades of artisan brewing experience to Urban Chestnut Brewing Co. Born in Bavaria, Mr. Kuplent apprenticed at Brauerei Erharting before he attained his Master's in Malting and Brewing Science at the prestigious University of Munich-Weihenstephan. He also served an internship at the New England Brewing Co. of Norwalk, CT, during the early years of the U.S. craft beer renaissance. From there he went on to brew for several small and large German, Belgian, English and American brewers.

Prior to launching UCBC, Mr. Kuplent was employed in a variety of capacities as a brewer for A-B. In recent years, he was tasked with exploring experimental beers at A-B's pilot brewery, including the creation of craft-style beers under the Michelob brand. During that time, he met Mr. Wolfe, a sales and marketing executive tasked with developing and marketing specialty beers for A-B. More recently, Mr. Wolfe had directed U.S. marketing efforts for A-B InBev's European and Belgian beers.

Top 30 Brands, Top 20 Premium; SymphonyIRI 13 weeks ending July 11, 2010

Excerpted from SymphonyIRI Data US Food

Top 30 Brands, Food	Dollar Sales	\$ sales % chg YA	\$ Shr Of Cat	\$ shr Cat chg YA	Case Sales	Cs sales % chg YA	Cs Sh of Cat	Cs Shr Cat Chg YA	Avg \$ Per Cs	\$ per cs Chg YA
BUD LIGHT	\$341,454,000	(2.0)	14.7	(0.3)	19,274,090	(3.0)	16.4	(0.2)	\$17.72	\$0.17
COORS LIGHT	\$173,245,700	(0.9)	7.5	(0.1)	9,727,281	(1.9)	8.3	0.0	\$17.81	\$0.18
MILLER LITE	\$162,488,800	(3.3)	7.0	(0.2)	9,276,614	(4.5)	7.9	(0.2)	\$17.52	\$0.22
BUDWEISER	\$138,832,400	(7.3)	6.0	(0.5)	7,764,938	(8.3)	6.6	(0.5)	\$17.88	\$0.19
CORONA EXTRA	\$115,232,800	(3.3)	5.0	(0.2)	4,247,338	(1.1)	3.6	0.0	\$27.13	(0.60)
NATURAL LIGHT	\$64,522,460	(3.0)	2.8	(0.1)	4,778,191	(5.8)	4.1	(0.2)	\$13.50	\$0.39
HEINEKEN	\$64,120,000	(4.6)	2.8	(0.1)	2,279,820	(2.6)	1.9	(0.0)	\$28.13	(0.59)
BUSCH LIGHT	\$51,948,020	(0.5)	2.2	(0.0)	3,871,846	(3.0)	3.3	(0.0)	\$13.42	\$0.34
MICHELOB ULTRA LIGHT	\$56,259,590	1.8	2.4	0.0	2,676,388	3.0	2.3	0.1	\$21.02	(0.26)
MILLER HIGH LIFE	\$43,445,590	(2.0)	1.9	(0.0)	3,101,604	(4.5)	2.6	(0.1)	\$14.01	\$0.35
BUSCH	\$35,157,400	(7.3)	1.5	(0.1)	2,577,934	(10.5)	2.2	(0.2)	\$13.64	\$0.46
CORONA LIGHT	\$39,225,740	0.8	1.7	0.0	1,444,198	2.3	1.2	0.1	\$27.16	(0.42)
KEYSTONE LIGHT	\$30,994,410	0.7	1.3	0.0	2,339,345	(3.5)	2.0	(0.0)	\$13.25	\$0.56
BUD LIGHT LIME	\$37,173,670	(14.8)	1.6	(0.3)	1,516,427	(14.8)	1.3	(0.2)	\$24.51	\$0.02
MILLER GENUINE DRAFT	\$25,587,950	(17.4)	1.1	(0.2)	1,422,116	(18.2)	1.2	(0.2)	\$17.99	\$0.18
TECATE	\$22,506,540	(6.6)	1.0	(0.1)	1,235,048	(5.5)	1.1	(0.0)	\$18.22	(0.21)
BUDWEISER SELECT	\$16,480,140	(22.0)	0.7	(0.2)	936,058	(22.4)	0.8	(0.2)	\$17.61	\$0.10
NATURAL ICE	\$17,782,430	(3.2)	0.8	(0.0)	1,329,599	(6.9)	1.1	(0.1)	\$13.37	\$0.50
MGD LIGHT 64	\$19,904,030	(7.8)	0.9	(0.1)	1,095,236	(6.0)	0.9	(0.0)	\$18.17	(0.36)
GUINNESS DRAUGHT	\$9,112,440	(4.0)	0.4	(0.0)	253,808	(4.3)	0.2	(0.0)	\$35.90	\$0.12
COORS	\$17,081,730	(3.3)	0.7	(0.0)	964,259	(3.7)	0.8	(0.0)	\$17.71	\$0.08
MODELO ESPECIAL	\$21,067,990	16.9	0.9	0.1	844,460	21.2	0.7	0.1	\$24.95	(0.92)
MILWAUKEES BEST LIGHT	\$13,206,660	(9.4)	0.6	(0.1)	1,065,743	(11.7)	0.9	(0.1)	\$12.39	\$0.32
BLUE MOON BELG WHITE	\$20,583,650	25.9	0.9	0.2	698,449	27.9	0.6	0.1	\$29.47	(0.48)
PABST BLUE RIBBON	\$19,194,740	21.5	0.8	0.1	1,308,223	18.5	1.1	0.2	\$14.67	\$0.36
YUENGLING TRAD LAGER	\$17,910,330	12.6	0.8	0.1	908,450	10.9	0.8	0.1	\$19.72	\$0.30
HEINEKEN PREMIUM LIGHT	\$14,907,110	(8.0)	0.6	(0.1)	523,785	(6.6)	0.4	(0.0)	\$28.46	(0.44)
ICEHOUSE	\$13,378,620	(2.3)	0.6	(0.0)	924,062	(3.1)	0.8	(0.0)	\$14.48	\$0.12
SIERRA NEVADA PALE ALE	\$13,872,210	1.9	0.6	0.0	451,819	3.1	0.4	0.0	\$30.70	(0.36)
STELLA ARTOIS LAGER	\$15,368,000	12.6	0.7	0.1	445,216	13.0	0.4	0.1	\$34.52	(0.14)

Top 20 Premium, Food	Dollar Sales	\$ sales % chg YA	\$ Shr Of Cat	\$ shr Cat chg YA	Case Sales	Cs sales % chg YA	Cs Shr of Cat	Cs Shr Cat Chg YA	Avg \$ Per Cs	\$ case Chg YA
BUD LIGHT	\$341,454,000	(2.0)	36.0	(0.1)	19,274,090	(3.0)	36.1	(0.0)	\$17.72	\$0.17
COORS LIGHT	\$173,245,700	(0.9)	18.3	0.2	9,727,281	(1.9)	18.2	0.2	\$17.81	\$0.18
MILLER LITE	\$162,488,800	(3.3)	17.1	(0.3)	9,276,614	(4.5)	17.4	(0.3)	\$17.52	\$0.22
BUDWEISER	\$138,832,400	(7.3)	14.6	(0.9)	7,764,938	(8.3)	14.6	(0.9)	\$17.88	\$0.19
MILLER GENUINE DRAFT	\$25,587,950	(17.4)	2.7	(0.5)	1,422,116	(18.2)	2.7	(0.5)	\$17.99	\$0.18
MGD LIGHT 64	\$19,904,030	(7.8)	2.1	(0.1)	1,095,236	(6.0)	2.1	(0.1)	\$18.17	(\$0.36)
YUENGLING TRAD LAGER	\$17,910,330	12.6	1.9	0.2	908,450	10.9	1.7	0.2	\$19.72	\$0.30
BUDWEISER SELECT 55	\$17,204,880		1.8	1.8	869,820		1.6	1.6	\$19.78	
COORS	\$17,081,730	(3.3)	1.8	(0.0)	964,259	(3.7)	1.8	(0.0)	\$17.71	\$0.08
BUDWEISER SELECT	\$16,480,140	(22.0)	1.7	(0.5)	936,058	(22.4)	1.8	(0.4)	\$17.61	\$0.10
BUD ICE	\$7,873,405	13.2	0.8	0.1	482,752	15.9	0.9	0.1	\$16.31	(\$0.39)
MICH GLDEN DRFT LIGHT	\$3,391,436	(5.4)	0.4	(0.0)	197,717	(4.0)	0.4	(0.0)	\$17.15	(\$0.24)
YUENGLING LIGHT LAGER	\$3,188,377	18.8	0.3	0.1	155,948	18.9	0.3	0.1	\$20.45	(\$0.02)
BUD LIGHT VARIETY PACK	\$1,247,813		0.1	0.1	56,899		0.1	0.1	\$21.93	
OLD STYLE	\$1,532,756	0.9	0.2	0.0	104,973	7.3	0.2	0.0	\$14.60	(\$0.93)
LEINENKUGEL	\$597,344	(17.1)	0.1	(0.0)	37,908	(17.3)	0.1	(0.0)	\$15.76	\$0.04
GRAIN BELT PREMIUM	\$244,770	13.6	0.0	0.0	12,236	11.6	0.0	0.0	\$20.00	\$0.36
OLD STYLE LIGHT	\$187,235	(26.3)	0.0	(0.0)	12,822	(23.0)	0.0	(0.0)	\$14.60	(0.66)
LEINENKUGEL LIGHT	\$156,073	(21.2)	0.0	(0.0)	11,132	(24.8)	0.0	(0.0)	\$14.02	\$0.65
MICHELOB GOLDEN DRAFT	\$72,500	(55.6)	0.0	(0.0)	4,025	(59.6)	0.0	(0.0)	\$18.01	\$1.62

The charts above depict 13-week data for the grocery channel, courtesy of Symphony IRI. This block of charts presents a pretty good snapshot of the spring/summer so far, from late April through early July. It's been a terrible time for premium beer sellers, unless your name happens to be Dick Yuengling. And the sub-premium segment also looks pretty soft, unless you happen to be C. Dean Metropoulos, and you own the Pabst Blue Ribbon brand. There is positive movement for several key imports (and, as specialty import sales managers keep telling us, even stronger growth for many specialty imports, although their volumes don't show up in this top brand scan data). As usual, craft can do no wrong, and Boston Beer retains its position as clear category leader—Samuel Adams seasonal case sales up 14%, and Samuel Adams variety pack case sales up a whopping 41%! The crafts have been tinkering with price a bit this summer. You can see that reflected in the average case prices for these top 20 brands, a ripple that signifies the stronger currents roiling beneath the surface. This has also been the summer of craft consolidation—we scarcely got used to calling Magic Hat/Pyramid “IBU,” and now they're part of NAB (Also this week, the Anchor deal closed, and Carolina Beer was bought). One footnote: take a look at Stella Artois making a steady ascent into the top 30 brands, with case sales up 13%! And check out their average case price, at \$34.52! The ABI boys might have bobbed the Anheuser-Busch portfolio, but they certainly are getting great execution with Stella.

Top Brands in Key Segments, SymphonyIRI 13 Weeks ending July 11, 2010

Excerpted from SymphonyIRI Data Total US Food

Top 20 Sub-Premium	Dollar Sales	\$ sales % chg YA	\$ Shr Of Cat	\$ shr Cat chg YA	Case Sales	Cs sales % chg YA	Cs Sh of Cat	Cs Shr Cat Chg YA	Avg \$ Per Cs	\$ per cs Chg YA
NATURAL LIGHT	\$64,522,460	(3.0)	19.1	(0.1)	4,778,191	(5.8)	19.1	(0.0)	\$13.50	\$0.39
BUSCH LIGHT	\$51,948,020	(0.5)	15.4	0.3	3,871,846	(3.0)	15.5	0.4	\$13.42	\$0.34
MILLER HIGH LIFE	\$43,445,590	(2.0)	12.9	0.1	3,101,604	(4.5)	12.4	0.1	\$14.01	\$0.35
BUSCH	\$35,157,400	(7.3)	10.4	(0.5)	2,577,934	(10.5)	10.3	(0.6)	\$13.64	\$0.46
KEYSTONE LIGHT	\$30,994,410	0.7	9.2	0.3	2,339,345	(3.5)	9.4	0.2	\$13.25	\$0.56
PABST BLUE RIBBON	\$19,194,740	21.5	5.7	1.1	1,308,223	18.5	5.2	1.1	\$14.67	\$0.36
NATURAL ICE	\$17,782,430	(3.2)	5.3	(0.0)	1,329,599	(6.9)	5.3	(0.1)	\$13.37	\$0.50
ICEHOUSE	\$13,378,620	(2.3)	4.0	0.0	924,062	(3.1)	3.7	0.1	\$14.48	\$0.12
MILWAUKEES BEST LIGHT	\$13,206,660	(9.4)	3.9	(0.3)	1,065,743	(11.7)	4.3	(0.3)	\$12.39	\$0.32
MILLER HIGH LIFE LIGHT	\$8,279,398	(8.3)	2.5	(0.2)	629,980	(10.3)	2.5	(0.1)	\$13.14	\$0.29
MILWAUKEES BEST ICE	\$7,448,501	(7.6)	2.2	(0.1)	604,266	(9.7)	2.4	(0.1)	\$12.33	\$0.28
MILWAUKEES BEST	\$7,634,397	(16.3)	2.3	(0.4)	598,839	(19.2)	2.4	(0.4)	\$12.75	\$0.43
OLD MILWAUKEE	\$3,717,568	(14.2)	1.1	(0.1)	282,449	(18.1)	1.1	(0.2)	\$13.16	\$0.61
KEYSTONE ICE	\$2,435,488	(1.8)	0.7	0.0	204,532	(8.0)	0.8	(0.0)	\$11.91	\$0.75
OLD MILWAUKEE LIGHT	\$1,872,495	(3.7)	0.6	(0.0)	151,712	(5.5)	0.6	0.0	\$12.34	\$0.23
LONE STAR	\$1,854,009	(3.1)	0.5	(0.0)	114,210	(7.2)	0.5	(0.0)	\$16.23	\$0.69
BUSCH ICE	\$1,610,773	(8.4)	0.5	(0.0)	123,223	(13.0)	0.5	(0.0)	\$13.07	\$0.65
HAMMS	\$1,341,845	(10.5)	0.4	(0.0)	102,346	(13.1)	0.4	(0.0)	\$13.11	\$0.39
RAINIER	\$1,128,765	9.8	0.3	0.0	67,733	5.3	0.3	0.0	\$16.66	\$0.68
LONE STAR LIGHT	\$1,079,491	(2.4)	0.3	0.0	70,512	(6.8)	0.3	(0.0)	\$15.31	\$0.70
Top 20 Imports, Food	Dollar Sales	\$ sales % chg YA	\$ Shr Of Cat	\$ shr Cat chg YA	Case Sales	Cs sales % chg YA	Cs Sh of Cat	Cs Shr Cat Chg YA	Avg \$ Per Case	\$ case ChgYA
CORONA EXTRA	\$115,232,800	(3.3)	24.3	(0.8)	4,247,338	(1.1)	23.9	(0.5)	\$27.13	(0.60)
HEINEKEN	\$64,120,000	(4.6)	13.5	(0.6)	2,279,820	(2.6)	12.8	(0.5)	\$28.13	(0.59)
CORONA LIGHT	\$39,225,740	0.8	8.3	0.1	1,444,198	2.3	8.1	0.1	\$27.16	(0.42)
TECATE	\$22,506,540	(6.6)	4.8	(0.3)	1,235,048	(5.5)	7.0	(0.5)	\$18.22	(0.21)
MODELO ESPECIAL	\$21,067,990	16.9	4.4	0.7	844,460	21.2	4.8	0.8	\$24.95	(0.92)
HEINEKEN PREMIUM LIGHT	\$14,907,110	(8.0)	3.1	(0.3)	523,785	(6.6)	2.9	(0.2)	\$28.46	(0.44)
STELLA ARTOIS LAGER	\$15,368,000	12.6	3.2	0.4	445,216	13.0	2.5	0.3	\$34.52	(0.14)
DOS EQUIS XX LAGER ESP	\$15,007,340	15.5	3.2	0.4	562,672	16.9	3.2	0.4	\$26.67	(0.33)
NEWCASTLE BROWN ALE	\$13,149,360	10.2	2.8	0.3	430,142	11.3	2.4	0.2	\$30.57	(0.31)
PACIFICO	\$11,121,660	(4.5)	2.3	(0.1)	411,274	(2.8)	2.3	(0.1)	\$27.04	(0.48)
LABATT BLUE	\$9,213,282	(1.6)	1.9	(0.0)	491,455	(3.0)	2.8	(0.1)	\$18.75	\$0.27
BECKS	\$9,820,343	(1.8)	2.1	(0.0)	351,891	(1.1)	2.0	(0.0)	\$27.91	(0.22)
GUINNESS DRAUGHT	\$9,112,440	(4.0)	1.9	(0.1)	253,808	(4.3)	1.4	(0.1)	\$35.90	\$0.12
LABATT BLUE LIGHT	\$7,557,602	10.3	1.6	0.2	425,833	8.3	2.4	0.2	\$17.75	\$0.32
AMSTEL LIGHT	\$7,870,514	(6.2)	1.7	(0.1)	276,434	(4.3)	1.6	(0.1)	\$28.47	(0.58)
RED STRIPE	\$7,105,570	(1.9)	1.5	(0.0)	245,834	(2.3)	1.4	(0.0)	\$28.90	\$0.12
FOSTERS LAGER	\$6,255,866	(7.3)	1.3	(0.1)	263,324	(5.8)	1.5	(0.1)	\$23.76	(0.39)
NEGRA MODELO	\$6,000,270	6.3	1.3	0.1	208,236	9.4	1.2	0.1	\$28.81	(0.86)
DOS EQUIS XX AMBER	\$5,863,320	8.2	1.2	0.1	213,120	9.4	1.2	0.1	\$27.51	(0.31)
GUINNESS EXTRA STOUT	\$4,171,642	5.6	0.9	0.0	115,632	4.4	0.7	0.0	\$36.08	\$0.39
Top 20 Craft, Food	Dollar Sales	\$ sales % chg YA	\$ Shr Of Cat	\$ shr Cat chg YA	Case Sales	Cs sales % chg YA	Cs Sh of Cat	Cs Shr Cat Chg YA	Avg \$ Per Case	\$ case ChgYA
SAMUEL ADAMS SEASONAL	\$13,695,340	15.8	6.9	0.3	457,334	14.0	7.1	0.3	\$29.95	\$0.45
SIERRA NEVADA PALE ALE	\$13,872,210	1.9	7.0	(0.6)	451,819	3.1	7.1	(0.5)	\$30.70	(0.36)
SAM ADAMS BOSTON LAGER	\$12,721,860	1.6	6.4	(0.6)	433,837	1.3	6.8	(0.6)	\$29.32	\$0.09
NEW BELGIUM FAT TIRE	\$9,075,985	2.0	4.6	(0.4)	289,414	4.6	4.5	(0.2)	\$31.36	(0.80)
SAM ADAMS VARIETY PACK	\$6,410,660	40.6	3.2	0.7	224,976	41.2	3.5	0.8	\$28.49	(0.12)
SHINER BOCK	\$6,055,033	4.9	3.0	(0.2)	223,616	(0.3)	3.5	(0.4)	\$27.08	\$1.36
WIDMER HEFEWEIZEN	\$4,651,360	(5.5)	2.3	(0.4)	161,264	(3.1)	2.5	(0.3)	\$28.84	(0.73)
SIERRA NEVADA SEASONAL	\$4,156,237	13.4	2.1	0.0	134,152	14.4	2.1	0.1	\$30.98	(0.28)
SAMUEL ADAMS LIGHT	\$3,670,886	(16.8)	1.8	(0.6)	124,349	(17.2)	1.9	(0.6)	\$29.52	\$0.12
NEW BELGIUM SEASONAL	\$2,412,570	23.6	1.2	0.1	77,338	22.7	1.2	0.1	\$31.20	\$0.22
SIERRA NEVADA Torpedo IPA	\$2,899,428	169.9	1.5	0.9	88,606	169.2	1.4	0.8	\$32.72	\$0.08
BELLS SEASONAL	\$2,558,240	36.4	1.3	0.2	75,228	39.1	1.2	0.2	\$34.01	(0.69)
DESCHUTES MIRROR POND	\$2,305,093	(5.6)	1.2	(0.2)	80,957	(2.8)	1.3	(0.2)	\$28.47	(0.84)
REDHOOK LONG HAMMER	\$2,568,716	2.1	1.3	(0.1)	88,909	5.9	1.4	(0.1)	\$28.89	(1.07)
KONA LONG BOARD LAGER	\$2,082,049	28.2	1.0	0.1	67,837	31.1	1.1	0.2	\$30.69	(0.69)
REDHOOK ESB	\$2,071,009	(1.6)	1.0	(0.1)	73,547	3.6	1.1	(0.1)	\$28.16	(1.47)
DESCHUTES SEASONAL	\$1,766,207	92.1	0.9	0.4	62,055	99.1	1.0	0.4	\$28.46	(1.04)
PYRAMID HAYWIRE	\$2,089,412	(14.0)	1.1	(0.3)	73,976	(10.4)	1.2	(0.3)	\$28.24	(1.18)
MAGIC HAT NO 9	\$1,807,588	27.8	0.9	0.1	54,974	25.1	0.9	0.1	\$32.88	\$0.68
DESCHUTES BLACK BUTTE	\$1,701,258	4.7	0.9	(0.1)	58,733	7.6	0.9	(0.0)	\$28.97	(0.79)

Data Excerpted from SymphonyIRI monthly reports—Total US Food

MillerCoors opens its new specialty unit, Tenth & Blake

(Continued from page 1)

look forward to celebrating the joy of beer with beer drinkers throughout the U.S.”

Mr. Cardella said the organization wanted a name that reflects the Miller and Coors beer heritage, so they chose the name as a nod to two of the company's small-scale breweries—10th Street in Milwaukee, home to Leinenkugel's 10th Street Brewery, and Blake Street in Denver home to the Blue Moon Brewing Company at the Sandlot.

These two breweries will be the crossroads for MillerCoors specialty brewing effort, as it were.

“These facilities will be primary sources of many of the company's beers, while serving as incubators of ideas and future beers,” Mr. Cardella said.

Tenth and Blake Beer Company will also handle the company's imported offerings, including Peroni Nastro Azzurro, Pilsner Urquell and Grolsch.

“Employees of Tenth and Blake Beer Company will take beer passion, education and capabilities to the next level,” Cardella said. “All team members will participate in training at one of our breweries, take part in beer merchant sessions and go through sales training to better understand and serve our customers.”

As an independent yet connected company, Tenth and Blake will own the strategic business drivers—marketing, trade marketing and an independent sales organization dedicated to the craft and imports business. The company will in-source other capabilities from MillerCoors, including legal, communications, HR, marketing services and consumer insights.

The company already has created its own Facebook page, located at: www.Facebook.com/TenthAndBlake.

Carolina sold to equity firm

(Continued from page 1)

“take advantage of the numerous opportunities to grow.” Carolina Beer has grown to 200,000 square feet at its headquarters. Last year, it added a 500,000-square-foot distribution center. The company has about 200 employees and an annual capacity of more than 35 million cases.

SunTx Capital's capital comes from institutional investors that include university endowments and pension funds.



East Coast Beer Co. begins distribution in New Jersey

Brian Ciriaco, left, co-founder of East Coast Beer Co. standing with partner John Merklin on the Point Pleasant Boardwalk. The company has announced the launch of their beer distribution efforts with their hometown distributor, Crown Beer Distributors in Wall, NJ. This newly formed partnership will begin distribution of Beach Haus American Pilsner throughout Monmouth and Ocean Counties in New Jersey. Brian Ciriaco and John Merklin, founders of Beach Haus Classic American Pilsner, have spent the better part of 2010 getting ready for the launch of their beer.

“Crown Distributors are not only one of the most successful distributors in the state, but they are also local shore guys that are very enthused about our product and share our passion for the region,” said John Merklin, Co-owner of East Coast Beer Co. “We are delighted that they will help us launch Beach Haus here at the Jersey Shore.”

Mr. Merklin said Crown Beer Distributors, who will help East Coast Beer Co. target various New Jersey Shore accounts. “I love their enthusiasm and the direction they're heading in,” said Rick Koenig, president of Crown Beer Distributors. “They have a great product and energy. It's a natural for the area.” Beginning August 23rd, 2010, consumers will be able to purchase the original Jersey Shore beer, Beach Haus Classic American Pilsner throughout the 63 miles lining the Jersey Shore.

“It's in the Haus!” said co-owner Merklin. “Beach Haus is crafted to pay homage to those early German-American brewers and the classic American pilsner style they created. East Coast Beer Co. will continue to explore and fuel their love of craft beer by cultivating and developing new brews in the future.”

Karl Ockert accepts post as MBAA Technical Director

The MBAA Technical Director selection committee has announced that Karl Ockert has accepted the position of Technical Director for the Master Brewers Association of the Americas, beginning September 1, 2010. The association reported that Mr. Ockert will assume full responsibility as Technical Director when Ray Klimovitz, current MBAA Technical Director, retires in December 2010.

“Karl will be expanding the role of MBAA Technical Director from its current part-time duties to a full-time role,” the MBAA noted in a press release.

Mr. Ockert has been the brewmaster of the Bridge Port Brewing Company in Portland, OR, which he helped found and build, since 1984. Mr. Ockert also helped

found the Nor'Wester Brewing Co., a now-defunct craft brewery, and served a stint with Anheuser-Busch, as a brewmaster at the company's Newark, NJ brewery. He earned his B.S. degree in fermentation sciences from the University of California at Davis in 1983.

Mr. Ockert has been active in MBAA since 1993, and is currently serving as second vice president. Karl will be stepping down from his Executive Committee duties when he starts in September. In the past Karl has served as chair of the MBAA Technical Committee and editor of the MBAA Practical Handbook for the Specialty Brewer series. Karl will continue to reside in Portland, Oregon, with his wife and two daughters.

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Wholesaler Events

September 20-21, 2010—Assoc. Beer Distributors of Illinois 72nd Annual Convention, Hilton Lisle/Naperville in Lisle, IL. Contact: Carol Shirley, 217-528-4371, carol.shirley@abdi.org

October 3-6, 2010—NBWA 73rd Annual Convention, Chicago, Illinois
November 17-19, 2010—California Beer and Beverage Dist. 63rd Convention at the Hyatt Regency Embarcadero. For info contact Rhonda Stevenson at 916-441-5402.



Full Sail offers Sanctuary

The Full Sail Brewing has introduced Sanctuary Dubbel, the newest beer in their Brewmaster Reserve line-up. The company says the beer is inspired by the monastic brewing traditions of the Trappist monks of Belgium.

"For centuries, the Trappist monks of Belgium have earned their daily bread by making "liquid bread" or beer," says Sandra Evans of Full Sail. "In the early years, the monks brewed lower alcohol or "table beers" primarily for their brethren to drink with their meals. As their brewing tradition grew the abbey began producing stronger dubbel (double) style ales to serve to their guests and eventually for sale. Full Sail's Sanctuary is a dubbel modeled after the abbey style beers of Belgium complete with a flavor profile that invites calm and quiet reflection. Contemplate the soothing rich malt aromas, followed by the flavors of biscuit and roast, rounded on the tongue by a rich sweet malt character. With a light blessing of hops, Sanctuary finishes with a Belgian yeast spice notes and a chewy finish."

Sandra reports that the new dubbel has 7% abv, and 20 IBUs.

"Sanctuary is part of our rotating selection of Brewmaster Reserve beers. Every eight to ten weeks we come out with a different beer that show cases the brewer's art. We began the program back in 1998 as a way of celebrating our independence and creativity," notes Full Sail's Founder and CEO, Irene Firmat.

Sanctuary will be available in 22oz bottles and on draft in specialty beer stores and pubs throughout the Pacific Northwest from mid-August to November. Full Sail will also be offering Sanctuary at the Great American Beer Festival in Denver, Colorado this September. According to the brewery, the next beer in Full Sail's Brewmaster Reserve line up will be Lupulin Fresh Hop Ale and will be released in late September.

The independent and employee-owned Full Sail Brewery is located in Hood River, Oregon.

A-B InBev earnings increase

(Continued from page 1)

\$1.15 billion from \$1.07 billion a year earlier. Analysts had been expecting profit of about \$1.08 billion.

Revenue fell after the group sold some units, but organic volume growth was 2.1% in the quarter as the company produced 90.5 million hectoliters of beer. Analysts had been expecting volumes to rise 1.1%.

Evolution Securities analyst Andrew Holland told Bloomberg that better-than-expected growth in Latin America and Central and Eastern Europe was behind the performance, while the U.S. business performed in line with expectations.

Stifel Nicolaus analyst Mark Swartzberg pointed to the company's "better-than-expected volume, especially in Brazil, continued price discipline across geographies, moderating trade down in the U.S., and a gain in noncash net financing costs."

He noted that in ABI's largest market by EBITDA, the U.S., (approximately 43% of EBITDA), sales to retailers were down 1.7% (estimated down 2.0%). But beer revenue per hl rose 2.8%, improving on 1Q's 1.6% increase as trade-down moderated. EBITDA for North America (U.S. plus Canada) rose 3.7% in the quarter.

"We are constructive on ABI shares given year-to-date contraction in valuation multiples, an improving U.S. beer outlook, and the likelihood of improving rates of quarterly revenue and EBITDA growth," Mr. Swartzberg said. "[So] we stick with our Hold recommendation."

The company said its World Cup sponsorship helped boost the group's market share in Brazil and drive volume growth of 11.9% in the northern Latin American markets. That helped offset a 3.4% drop in volumes in North America.

Despite the continued weakness in the U.S., A-B InBev said Brand Budweiser volumes were flat from a year earlier, boosted by the World Cup and the brand reintroduction in Russia.

"Notwithstanding our international successes with Budweiser, we are not pleased with our overall market share performance," AB InBev said in a statement.

Market share declined in regions representing more than half the group's total volumes. The company said there are plans for advertising and brand-building programs through 2011 to try and reverse the trend.



Brewer Jason ZumBrunnen joins Wynkoop Brewing Co.

The Wynkoop Brewing Co. of Denver, CO, has announced the addition of new personnel, including assistant brewer Jason ZumBrunnen (pictured above) a 2010 Siebel Institute grad and former frontman for touring act The Fairlanes; and Andrew Eaton, a Colorado beer sales veteran and former Wynkoop employee who is assisting with sales, production and promotions.

The canned Railyard Ales displayed by Mr. ZumBrunnen are canned one at a time on a tabletop machine from Cask Systems.

Firm closes acquisition of Anchor Brewing Co.

Anchor Brewers & Distillers, LLC has announced the closing of the acquisition of Anchor Brewing Company.

"Today marks a major milestone, culminating our work with Fritz Maytag to maintain the time-honored legacy of Anchor Brewing in San Francisco," said Tony Foglio, chairman of Anchor B&D.

The new owners have said they plan to establish a "Center of Excellence" in San Francisco for craft brewers and artisan distillers from around the world. .

The affiliated companies within Anchor Brewers & Distillers now include Anchor Brewing, Anchor Distilling, Preiss Imports, and BrewDog USA, LLC, the US division of the leading UK craft beer.

Brew Notes: New brews from Sam Adams

Notes from the tasting panel for Modern Brewery Age, by Peter V.K. Reid, editor of *Modern Brewery Age*; with Gregg Glaser, editor of *Modern Distillery Age* and *Yankee Brew News*, and Tom Conti and Robert Lachman of the YBN tasting panel. Joining us each week is a rotating cast of tasters, to include Dr. Steve Victor, formerly of Yale University; Lt. Commander Von Bair, USN, ret.; graphic designer Phil Simpson; Greg Zannella, field sales director for Northeast Bev. of Orange, CT; Tess & Mark Szamatulski of Maltose Express Homebrew Shop in Monroe, CT; Marty Juliano, Northeast rep for Sierra Nevada Brewing Co., Frank Fermino, brewer at John Harvard's in Manchester, CT, and Mark Tambascio, the co-owner of "My Place," a beer bar/restaurant.

Boston Beer Company's Beer Lover's Choice competition is underway once again. It's one of Boston's more inspired marketing campaigns, letting the average beer enthusiast into the loop on a test-marketing project. As in the past, Boston has offered up two Beer Lover's choices: This year we have Sample A, a Belgian IPA, and Sample B, an American Rye Ale. Our reviews of these two samples follow. Spoiler alert, we like rye beers.

Sam Adams Sample B American Rye Ale Boston Beer Co. Boston, MA

Boston Beer's Sample B gets the nod from our panelists for this year's Beer Lover's Choice. As one of our panelists has said in the past, "the addition of rye makes any beer better." And this beer has a plenitude of rye.

It's a rich, chewy beer with a lovely color and rocky head. There is rye spice in the aroma, and a grainy, rye tanginess to the flavor. If anything, the rye character was slightly too pronounced. The Beer Lover's Choice winner is always tweaked by the brewery before it rolls out in the market, and we think this would be even better if they dialed back the rye a bit.

"Wow," said taster Gregg Glaser, "sure smells like rye."

"Very much so!" said taster Gerry Nicholls. "And a lovely head on this beer, rocky fading to lace, beautiful!"

"Smells absolutely great," said guest taster Mark Szamatulski of the Maltose Express in Monroe, CT. "and there is strong rye character in the taste."

"Reminds me of an altbier," Gerry added. "Has the grainy taste of an alt-

bier, the rye is strong, but balanced well. I like the fact that it is quite distinct from a pale ale, it's a style of its own, not quite like anything else."

"I love rye," said Von Bair, "but the aroma is a bit sharp, and in my opinion this is over-ryed."

"Over-rye-ding presence of rye!" Phil Simpson agreed. "It seems to be missing some malt!"

"Nice beer, though the rye takes over," echoed Tess Szamatulski of Maltose Express.

"Bugger all, I think it's just smashing," said Gerry Nicholls.

Sam Adams Sample A Belgian IPA Boston Beer Co. Boston, MA

"Belgian IPAs" are all the rage, but we just don't get it. The assertive hops and yeast esters often seem to work at cross purposes, as in this case.

"Strong hop aroma, spicy and perfumy," noted taster Tom Conti.

"Nose confusing," Tess observed, "the hops and spice don't marry well."

"It's like there's an argument between the yeast and the rest of the beer, and no one wins," said Gerry Nicholls.

"The Belgian and IPA are separate," said Von Bair. "There's some Belgian here and some IPA there, but they don't intermingle."

"Really dry, and aftertaste is just hops," Tess said. "Not my favorite."

Samples for tasting (Three 12-oz bottles or one or two 22-oz bottles) can be sent to the Modern Brewery Age tasting panel, c/o **Modern Brewery Age LLC, 44 Indian Valley Road, Weston, CT 06883, United States of America.**



We were delighted to get a sample of the new Samuel Adams Infinium, the first beer in a long-awaited Boston Beer/Weihenstephan collaboration series. The two companies described the beer "as an entirely new style," and we can't disagree. It's like a meld of champagne and eisbock—vinous and sweet, with strong alcohol esters present. When poured into a glass, it presents with a citric nose, leading into a big-bodied winery beer with a sweetish palate and a hint of sour. It's a very hard beer to describe: you might call it a malty wine, or you might call it a winery beer. No wonder they had to think up a fancy name. "Infinium! no such word!" exclaimed taster Gerry Nicholls. "Even I'm enough of a Latin scholar to tell you that!"

Rheingold returns (again)

Rheingold is back, after another hiatus. The brand, first introduced in 1883, was revived after Repeal, and held a 30%-40% share of the Metro New York market in the 1950s and 1960s. The brewery shut down in 1976, though the brand lived on as a popular-price beer of indeterminate parentage. In 1998, Mike Mitaro, a former Labatt USA executive, revived Rheingold with some fanfare. He later sold it to an investment group, and in 2005 the brand was bought by Drinks America of Wilton, CT. In the interview that follows, we talk with J. Patrick Kenny, the chairman and CEO of Drinks Americas since it was founded in September 2002. He is a former senior vice president and general manager at Seagram who held a variety of senior management positions over 22 years, with responsibility in the Seagram wine, wine cooler, alcoholic and non-alcoholic beverage divisions.



Modern Brewery Age: You bought Rheingold in 2005, why did you wait so long to reintroduce it?

Patrick Kenny: We were in litigation for awhile, and although we prevailed, it didn't make sense to jump right back in with the brand. For one thing, we were not satisfied with the product in the market. I viewed Rheingold as a fantastic brand, with a great legacy in New York, but I thought the product could be better.

Let me tell you a story. After we bought the brand, I started bringing six-packs to our parties. And when we were cleaning up afterward, I kept seeing a pattern: There would be three or four empty Corona bottles on a table, and then an uncapped, almost full bottle of Rheingold. In my opinion—and apparently in the opinion of a lot of people at our parties—the beer was literally unpalatable. Once we shut it down, I told everyone, 'we are going to put good beer in that can.' That is what I am maniacal about.

And why bring it back right now?

Where the economy is now, now it makes sense to reintroduce the brand

as a popular-priced beer. We've worked with the Lion, and Cliff Rissel's team of brewers to reformulate the beer. We wanted to make it a beer that spoke to what Rheingold had been, a popular price, enjoyable cold can of beer. We didn't want the taste to be limiting. Not to coin a term, but we wanted it to have "drinkability," to be easy-to-drink.

In addition to the perceived product problems, what happened with the previous Rheingold revival?

In Hollywood they have a term, when someone is "working a room too hard." The previous management took steps that in our view weren't necessary. They distanced the brand from its strengths.

There is an incredible memory for Rheingold in New York. It is deeper and wider than you might expect.

In its heyday it had an iconic association with the African-American community, it was the only beer to hang in with Jackie Robinson, and it was the only regional sponsor that stuck it out with the Nat King Cole show. Rheingold promotions featured celebrities like Gene Kelly and John Wayne, and the 1969 Mets.

People have an institutional memory of Rheingold. In the financial community, I was amazed when brokers in their late 20s or early 30s would say "I remember that beer."

Maybe they were recalling the reintroduction in the late '90s?

Sure, that's possible, or maybe they just think they remember it. But Rheingold is certainly an iconic brand in this market, and we want to revive that. We want it to be known as a good beer in a can.

You will sell it in the tri-state, New York, New Jersey and Connecticut markets?

Sure, we have orders in Metro New York, New Jersey and Connecticut. We will focus on Metro New York.

We're getting orders from distributors further and wider than that—Pennsylvania, Michigan and Florida, for example. So maybe the market for Rheingold is as wide as New Yorkers travel. We will fill orders opportunistically, based on whether we think they have the ability to promote the brand successfully.

What kind of support will you give the brand?

For one thing, we'll be reviving the Miss Rheingold contest. They say that during the Kennedy/Nixon election, more people voted for Miss Rheingold in New York than voted for either candidate. It will be a regional piece. The previous management had an idea to switch up the contest, make it "not your father's Miss Rheingold," so they had these girls with rings in their navels and shot glasses in one hand. We will try to handle it a little differently. We'll also be doing some print, using old materials that link the brand with iconic celebrities, like John Wayne.

You are pricing it at popular levels?

Yes, it will be positioned mid-way between Pabst and Bud Light Lime, depending on the market. The primary call will be in 12- and 24-ounce cans, and we won't be doing draft yet.

Where do you see the brand in a year or two?

This is definitely a \$5 million piece of business in Metro NY, and a \$20 million piece of business nationally. We want beer to be a big part of the Drinks America business going forward, so we will be looking to add beer brands to our portfolio. And, hey, if you hear about anyone who wants a national sales manager position in the Metro NY market, let me know.

Thanks for your time, Patrick.