Well, here we are at year end, the last issue of the "INU" for 2014. Please accept our best wishes for a safe and happy New Year's celebration wherever you are and all the very best for a great 2015! We are looking forward to bringing you all the news that is fit to print over the next 12 months. There will not be an INU for New Year's day unless someone does something spectacular to start the year off, LOL! The next issue will be Friday, January 2nd, 2015.

------

**US All-Channel (includes Gas/Conv) Beverage Scanner Data**

IRI data covers all outlets for the 4-weeks ended 12/21.

Source: Morgan Stanley
December 30, 2014

Note: While Thanksgiving occurred in both the current and year ago period, the year-ago period likely benefitted from the timing of Christmas, which fell one day closer to the period end.

**Beer**: Category sales increased +3.7% y-o-y (+6.1% 2-yr. avg.), above +2.8% in the prior 12-wks (+3.0% 2-yr. avg.). TAP sales were +1.2% y-o-y (+3.7% 2-yr. avg.) and ABI was up +1.2% y-o-y (+3.1% 2-yr avg.), losing -60/-115 bps of share. Crown sales were up +12.3% (+17.9% 2-yr avg.) vs. +11.7% in the prior 12-wks (+13.0% 2-yr avg.).

**Wine**: Category sales were up +1.1% (+7.2% 2-yr avg.), vs. +5.0% growth in the prior 12-wks (+3.6% on a 2-yr avg. basis). STZ $ share fell -35 bps on -1.2% growth.

**Spirits**: Category sales were up +0.8% (+5.9% 2-yr avg.), below +6.0% growth in the prior 12-wks (+4.3% 2-yr avg.). BFB $ share was up +5 bps on +0.7% growth.

------

**Nielsen Notables: Beer/wine growth slows, but maintains trend**
Beer and wine sales show slight deceleration, off tougher comps

For the four weeks ended 12/20/14, overall beer industry sales grew 2.8%, below the +3.4% reported in the prior period off tougher comps. Industry volumes increased 0.5% vs. a 1.0% increase previously. Pricing of +2.3% maintained its prior trend of +2.4%. Meanwhile, wine sales decelerated as sales increased 0.9% from +3.8% in the prior period; volumes declined -1.3%, a 40bps deceleration sequentially, while pricing increased 2.2%. We note that year ago comps were affected by a Thanksgiving shift distortion.

STZ: Beer healthy as Modelo accelerates; wine weaker

STZ beer sales increased by 11.3%, vs. a 9.9% increase in the prior period, maintaining momentum with the 52-week trailing average of +11.3%. Volumes accelerated to +10.7% y/y vs. the 9.0% 52-week average. Encouragingly, Modelo Especial volumes continued robust increases at +29.9% (vs. +26.4% in the prior period). Volumes in the Corona brand appear to be increasing after the Corona glass bottle recall announced on 8/15/2014, as volumes in Corona Extra increased 3.1% (vs. a +1.4% increase in the prior period) and Corona Light increased 1.6% (vs. +2.3% in the prior period). However, STZ wine sales declined -1.2% vs. 1.8% increase in the prior period, off lower volume (-1.9%). Total STZ sales increased 3.3%, from 5.0% in the prior period.

TAP: Sales decline, but Coors/Miller maintain trend

TAP beer sales declined 1.0%, vs. the +0.1% increase in the prior period. At the brand level, Coors Light (sales -1.1%) and Miller Lite (sales +2.8%) maintained broader trends. On a volume basis, Coors Light and Miller Lite also maintained trend, declining 1.1% (-10bp) and increasing +2.4% (-140bps), respectively. Including flavored malt beverages (FRBs), total TAP sales declined -40bp y/y, vs. a 0.4% increase in the prior period.

SAM: Angry Orchard still showing strong growth off tough comps

Angry Orchard dollar volumes increased by 51.0% vs. 59.3% in the prior period. We note that while the increases have decelerated from prior-year trends, growth has been healthy considering AO’s now larger base size. Total SAM company sales increased by 11.9% this period vs. 20.3% in the prior period.

-------

Nielsen Alcoholic Beverage Analysis

Source: The Cowen Insight
December 30, 2014
Nielsen data for xAOC (food, drug, mass +WMT scanner data) showed continued growth for total beer in the latest 4-weeks ending 12/20/2014. The cider category continued to show solid growth, with SAM gaining share. Wine decelerated modestly, with Gallo gaining share at the expense of STZ.

Beer Category Growth Continues.
In the four weeks ended 12/20/14, beer category dollar sales were up 2.7%, representing a slight deceleration relative to the 3.0% seen over the last 12-weeks. Volumes were up 0.5%, as price/mix added 2.2 pts to dollar sales growth. ABI and TAP continued to underperform the category, with dollar sales up 0.3% for ABI and down 1.0% for TAP.

For ABI, dollar share losses were driven by Bud Light, Budweiser and Natural Light. For TAP, we saw continued growth for Miller Lite, where dollar sales were up 2.8%, a slight deceleration relative to the 3.2% growth over the last 12-weeks, offset by declines in other key brands, including Coors Light, which was down 1.1%.

STZ continued to outperform the category, posting 11.5% dollar sales growth, driven by 10.7% volume growth. Modelo Especial trends remained robust (+29.9%), while dollar sales growth was seen for each of STZ’s other key brands as well.

Growth for SAM's beer offerings decelerated in the month (+0.2%, vs. +3.4% in the 12-week period). Rebel IPA appears to continue to be the key driver to SAM's growth as SAM's "other" beer offerings were up 160%. Meanwhile, declines for Boston Lager accelerated (-6.5%, vs. -5.2% in the 12 week period), while growth for Seasonals deteriorated meaningfully (-9.9%, vs. -3.1% in the 12 week period). Notably, on an all category basis (including cider and coolers), SAM's dollar sales in the month were up 16.1%, a ~780 bps deterioration relative to the prior four-week trend. Dollar sales for BREW's beer portfolio decelerated further (to +3.7%, vs. +4.9% in the 12-weeks).

Cider Remains Robust.
Dollar sales in cider for the four-week period were up 44.3%, while volumes were up a slightly bigger 45.0%, both representing a slight deceleration relative to the prior four-week trend. Category leader, SAM, continues to gain share (+2.4 pts, to 55.0%), posting revenue growth of 51.0%. ABI's other cider brands, which captures Johnny Appleseed also gained share, offsetting losses for Michelob Ultra, such that ABI's combined dollar share in the cider category was up 1.3 pts to 8.8%. Former category leader C&C continued to lose share, primarily with their Woodchuck brand (-6.6 pts, to an 11.1% dollar share).

Modest Deceleration in Wine.
Sales in the wine category decelerated to +0.8% (vs. +2.6% in the 12-week period), while volumes declined 1.2%. Category leader Gallo continued to gain share (+0.2 pts, to 19.0%), fueled by continued share gains for their Barefoot brand. STZ's dollar share fell -0.3 pts, to 14.2% as the company posted -1.0% dollar sales declines and -2% volume declines in the month.
THE CHARMER SUNBELT GROUP NAMES GREG BAIRD PRESIDENT

Source: C-SG
December 30, 2014

The Charmer Sunbelt Group, one of the nation's leading distributors of fine wines and spirits, is pleased to announce the promotion of Greg Baird from his current role as Chief Operating Officer, to President, effective January 1, 2015. Mr. Baird will oversee the Charmer Sunbelt organization - with expanded oversight of Legal, Government & Regulatory Affairs and Corporate Development.

"Given the rapidly evolving wine and spirits landscape, it's critical to have relentless focus on future growth opportunities," commented Charles Merinoff, Chairman and Chief Executive Officer. "The newly defined role of President and corresponding reporting structure of our corporate leadership will allow Greg to continue to deliver execution excellence for our suppliers and customers, while affording me greater time to focus on our longer term strategic vision."

Greg Baird began his career in the industry with the E&J Gallo Winery, where he spent almost ten years in a variety of roles. During that tenure he was responsible for Gallo's recruiting and training efforts in the East Region. It was in that role that he recognized the critical importance of sourcing, developing and retaining talent to strengthen the organization. In 1990, he joined Charmer Sunbelt's Maryland operation, which at the time was known as Churchill and rose through the organization, eventually becoming President in 1999. In 2002, Greg Baird played an important role in successfully integrating the Reliable and Churchill operations to create an industry leading company in the State of Maryland. In 2007, Greg joined the corporate team, assuming the role of Vice President of Sales for all of Charmer Sunbelt. After several years of executing supplier strategies and expanding key relationships, Greg was promoted to Chief Operating Officer in June 2010. During his tenure as Chief Operating Officer, Charmer Sunbelt consolidated its operations through partner acquisitions in Maryland, Virginia, and New Jersey; implemented a singular SAP IT platform; and drove forward the corporate vision of being the distributor of choice.

Greg Baird will report to Charles Merinoff, Chairman and Chief Executive Officer and work closely with the Board of Directors.

-----
It was February 2013, and Chip Tate, the 39-year-old founder and president of Balcones, one of the country's most successful artisanal distilleries, was desperate for money.

From almost the day Tate opened the distillery - in Waco in 2008 - Balcones grew like a weed, with sales of its corn and malt whiskey doubling each year. But making whiskey is a capital-intensive business, and expanding to meet skyrocketing demand takes significant money - money that Tate and his two investors did not have.

Tate found what seemed a perfect solution: Gregory S. Allen, a businessman from Virginia with money to burn. Over a series of phone calls and meetings that spring, the two came up with a plan for Allen to take a majority share in Balcones in exchange for $8.5 million for a larger distillery, debt repayment and working capital.

In a statement announcing the deal, Tate said: "We've held out for partners that share our commitment to quality over quick return and who are interested in growing a business that we can pass on to our children. Many investors see that approach as old-fashioned, but we've taken time to find a group we're proud to call partners."

Then things got weird.

Depending on which side you ask, either Allen and the other members of the company's board tried to steal the company away from Tate, or Tate became increasingly suspicious, erratic and violent. In either case, by September of this year, the board had suspended Tate and obtained a restraining order against him after the employee of a business associate said that Tate threatened to shoot Allen and burn down the distillery (an accusation Tate denies). The board sued Tate, and he countersued.

In early December, Tate agreed to let the rest of the board buy him out; he was then fired and, through a noncompete agreement, forbidden to make whiskey until March 2016.

"This has been the strangest situation I have ever experienced," Allen said in an interview. "Just surreal. Beyond words."

The drama at Balcones has resonated far beyond Waco, putting whiskey consumers, distillers and, above all, potential investors on edge. The U.S. whiskey industry is booming, and with the proven market power of "craft" products, small distillers are becoming takeover targets for big business. But the mess in Waco raises a question of
how easily distiller-artists like Tate can accommodate investors who expect them to manage not just a whiskey still but a balance sheet, too.

A passionate nonconformist

In 2008, with an initial investment from Stephen Germer, a local businessman, Tate opened Balcones - named for a geological fault zone that runs about 450 miles from South Texas to Waco - in a dusty former welding shop just west of the Baylor campus.

Tate took an idiosyncratic approach to making whiskey, even for a startup distillery. Instead of buying stills from Kentucky or Scotland, which could easily have cost over $100,000 each, he designed and built his own. He used local blue corn instead of buying in bulk from a commodity grain supplier. He even made his own barrels.

A compact man with a receding hairline and a thick, meticulously brushed beard, Tate seemed to revel in a swaggering nonconformity. More than one person mentioned that he kept a loaded pistol in the distillery. ("It's Texas," Tate told me.)

"He was very bold," said Lew Bryson, the author of Tasting Whiskey and a longtime beer- and-spirits journalist. "He's not trying to make whiskey like other people make whiskey." Bryson recalled that the first time they met, Tate said he made the best whiskey in the world.

The effort and passion paid off: Tate's whiskey was a hit almost from the moment it landed on shelves in 10 states in 2010. His first release, a young whiskey called Baby Blue, won a double gold, the highest honor in its category, at the prestigious San Francisco World Spirits Competition. Soon his stills were running almost nonstop, and he was adding employees every month.

If Tate was the right man for the job, he also arrived at the right time. After declining for nearly 30 years, U.S. whiskey sales were up 34 percent from 2008 to 2013, according to the Distilled Spirits Council of the United States, and up more than 100 percent for super-premium whiskey of the sort that Balcones specialized in. That growth has also spurred an expansion in the number of small, craft distilleries. When Tate founded Balcones, there were about 100; today there are nearly 500.

By late 2012, Tate realized that he needed financial help to expand, even after bringing in a second investor, Michael Rockafellow, the owner of a distribution company in Lubbock. But building a new still, in a new space, would take serious capital - at least $4.1 million, Tate estimated, much more than he or his two investors could afford.

The new investor
While Allen sampled some of Balcones' latest releases, Tate sold him on his grand plans for making it into a world-renowned whiskey brand. "With Chip, it's easy to get excited about that vision," Allen said.

After a few weeks of negotiations, Allen agreed to buy Germer's and Rockafellow's shares, and then, with Rockafellow, invest $8.5 million in Balcones. In return, Allen received a 58 percent stake and Rockafellow a 15 percent stake; Tate retained the remaining 27 percent.

From Tate's perspective, Allen's role was to be strictly financial. "They would provide the money, and I would run the distillery," he said. "And we would meet once a year and have a drink and that would be it."

But on paper, Allen and Tate weren't equal partners. Along with a majority of the shares, Allen got to appoint three of the five board members. (Tate and Rockafellow were the other two.) Tate did win one important concession: His presence at board meetings was required for a quorum.

At first, all sides agree, the arrangement went smoothly. Sales continued to rise, as did the medal count at spirits competitions. And plans continued apace for a new 65,000-square-foot distillery nearby, 30 times the size of the old one.

"Those first months were great," said Keith Bellinger, whom Tate hired in the fall of 2013 to run the company's distribution. "And then it all deteriorated."

The first hint of tensions emerged at a board meeting in December 2013, when Tate reported that the price of the new distillery might be significantly higher - $8 million, or nearly double his original estimate. This was, Allen said, "an extraordinary miss," and it led him and the other board members to question Tate's management skills.

Tate says he never guaranteed the $4.1 million price tag: "I told them what was perfectly known and unknown to the best of my knowledge." And, he said, those unknowns were pretty large, because the stills were being built by a Scottish manufacturer according to Tate's custom design. Nevertheless, in January, Tate agreed to bring in an engineering consultant to help with the plans.

Around the same time, Tate began to chafe at what he perceived as attempts by Allen's three appointees to the board - including Allen himself - to dictate the company's day-to-day operations. "I was realizing there were certain people who were going to be relentless in their insistence to be involved," Tate said. He resented the idea that Allen's people thought they knew how to run a distillery better than he did - and he had the sales numbers and awards to prove it.

"It would be like me being in the operating room with fast-paced surgery going on, telling a doctor what to do," Tate said.
Allen, however, said he and Rockafellow had no choice but to become more involved with the company, especially when Tate began to refuse to attend board meetings that he deemed unnecessary.

"Mike and I had a lot of money exposed," Allen said. "Chip had a lot of authority and was not doing the fundamental things in terms of communications that were appropriate in an organization."

An escalating dispute

By June, it had become clear that the new distillery was going to cost not $8 million but more than $12 million. At a meeting that summer, Allen and Rockafellow made Tate an offer: They would pay for the increased costs, and even lend Tate the money to maintain his percentage share, if he would step down from his management role and let Allen's team run the company.

Tate said he feared that the investors' motive all along had been to take control of the company - "to back me into a corner and tell me to shut up" - and, eventually, to sell it for a premium to a multinational spirits company (several of which had already courted Tate). He rejected the offer and proposed either raising the money himself or buying out Allen. The board said no to both.

Instead, Allen and the board pushed Tate harder. They gave him a negative performance review and demanded that he submit expense reports and a regularly updated travel schedule. They also began to schedule more board meetings, sometimes three a month, all of which Tate said he refused to attend.

Around 10 a.m. on Aug. 5, Tate was meeting with a grain supplier in his office when Allen, who he thought was back in Virginia, burst through the door with Bellinger. Allen had hired two off-duty sheriff's deputies, who were sitting in their car outside. Allen gave Tate an ultimatum: Either he would take a 60-day leave, or he would be suspended indefinitely. Allen said that, to his surprise, Tate agreed to take a leave.

When, a few days later, Tate pushed back against the leave agreement, the board suspended him and obtained a temporary restraining order. On Aug. 22, they filed a lawsuit in the McLennan County District Court, seeking a permanent injunction against Tate.

The story went public in early September in an article in the Waco Tribune-Herald. Almost immediately, whiskey fans lined up behind Tate, creating Twitter hashtags like #nochipnobalcones. One blogger, Joshua Feldman, wrote, "The investors would do well to put aside their pride and understand that Chip Tate, like Michelangelo, is a great artist that needs latitude."
Tate countersued in late October, saying the board's actions were invalid because they had been taken without him present, and thus without a quorum. The next month a judge agreed with him - and found that, without Tate present, Balcones couldn't go forward with a new plan to finance the distillery expansion with a $15 million debt offering.

After a few weeks, the two sides, now locked in a legal stalemate, agreed to mediation. Following a long negotiating session on Dec. 2, they settled on a deal in which the other owners would buy Tate's share of the company. While the specific terms are confidential, Tate was able to whittle a proposed three-year noncompete clause to 15 months. The next day, the company announced that it had fired Tate.

An all-too-common pattern

Many people expect to see more such conflicts in the industry as investors continue to pour money into craft distilling. "I think we're seeing a lot of overeager capital flowing into the category," Bryson, the beer-spirits journalist, said. "It's coming in without understanding what they're investing in."

Balcones, meanwhile, is moving forward with its expansion plans, and Tate is looking for space for his next venture, Tate & Co. Distillery. Although blocked from making whiskey for 15 months, he is free to go into other spirits. "It's bittersweet, but I'm over it," he said. "Maybe I'll found a Texas brandy tradition."

-----

Drink spiking: What you need to know about Britain's hidden epidemic (Excerpt)

The worrying truth? There are no reliable statistics on how many women have their drinks spiked each year. But, anecdotally, at least, it appears to be on the rise. Rebecca Holman speaks to victims and explains why we must all face up to this difficult topic.

Source: The Telegraph
By Rebecca Holman
30 Dec 2014

On Christmas Eve, I conducted a straw poll, via Whatsapp, of 15 or so female friends. Simply, I wanted to see who had - or suspected they had - been the victim of drink spiking.

To my total non surprise, half of the women I asked, aged between 18 and 35, had either had their drink spiked or knew someone it had probably happened to.

Their stories ranged from my little sister's friend, aged 18, who remembers being chatted up by a guy in a bar before drawing a complete blank for the rest of the night (a friend got her home); to a close friend, who I left in a pub with some mutual acquaintances,
completely sober, only for her to be found unconscious in a toilet cubicle 20 minutes later. Then there was the girl who suddenly found she couldn't walk halfway through her first drink of the night - again her friends realised what had probably happened and called her partner to come and collect her.

Her reaction now? "I just feel lucky it happened after one drink - if I'd had a couple more, I don't think anyone would have taken me seriously."

Some themes quickly emerged. All the women had relied on good mates sorting them out and getting them home. Bar staff and bouncers were disinterested at best, aggressive at worst. The fact that nothing more sinister happened to them was largely down to chance, rather than the systems that are meant to keep women safe actually working.

Oh, and no-one else really believed that they'd been spiked.

Therein lies the problem: you almost never know certain if you've had your drink spiked. It's never clear whether you've been the victim of a crime, or your own inability to pace yourself. It's easy to wake up feeling dizzy and with hazy memories of the night before ("I only had a couple of drinks - I just can't take my alcohol any more!") and brush it off.

Which is why it's near impossible to get any hard and fast statistics on how common it really is. And if the victims don't always take it seriously when it happens to them, how do you think the aforementioned bouncers and medical professionals used to dealing with pissed punters every Saturday night respond?

Last month, 19-year-old British student Jane Khalaf collapsed and died at Cologne's St Marien hospital after telling her friends she thought her drink had been spiked.

Tests later revealed that Jane, who was on a placement from Newcastle's Northumbria university, had amphetamine and ecstasy in her blood. However, staff didn't run any tests when she arrived at the hospital, only acting once she'd collapsed. When her parents went to the police, they were disinterested in investigating the case and have yet to interview anyone who was with Jane that night.

Jane's friend Lottie Smith has since launched a Change.org petition - which has more than 52,000 signatures - to try and force the German authorities to properly investigate the case, which, with New Year's Eve looming, makes for terrifying reading.

So what are we supposed to do?

The easy answer is to avoid drinking altogether. Dr Sarah Jarvis is a GP and a medical advisor to Drink Aware. She says there are no stats on whether more people have their drinks spiked over the festive period: "but I think you see an increase over the limit during this time, and people having a problem as a result of this - and you're less likely to take precautions when you're drinking heavily."
Of course, me telling you not to drink heavily on New Year's Eve would unrealistic. And - as whoever happens to be holding my hair back at 12.23am on New Year's Day will tell you - a touch hypocritical.

More than that, doesn't this start to smack of victim blaming? After all, if I (hypothetically) get so drunk I don't know where my own ears are, it shouldn't mean that's a free pass for someone to slip whatever they like in my drink.

The problem is that there are too many grey areas around drink spiking and too much uncertainty.

A crime survey by ITV carried out earlier this year suggested that one in ten of us have had our drink spiked at some point. Whereas a study by Swansea University claimed that one in three students there has had their drinks spiked. Some researchers have even suggested the whole thing is an "urban legend" concocted by those who don't want to admit to excessive drinking.

None of these figures can be relied on. There's no way of verifying who actually was spiked and who just thought they may have been. Similarly there's no way of measuring the women who woke up after ablurry night out and assumed they'd had too much to drink when something much darker had had gone on. It's this very ambiguity that makes it so sinister.

Anecdotally, I'd say that as a trend it's definitely the rise. And Dr Jarvis admits it's something she just hadn't encountered, in her work as a GP, until a few years ago.

Is your friend behaving out of character?

Katie Burrington set up CYD (Check Your Drink) when her husband, a barrister, told her how many women were struggling to get their cases of assault even taken seriously by the police - who didn't believe their claims that they were drugged.

"So many women were saying, 'I don't take drugs, I only had a few drinks I don't understand why I was acting so odd, and then the police just don't believe them.'"

Burrington has worked with science labs and researchers at Strathclyde University to develop a Litmus test that users can dip into their drinks to test for Ketamine or GHB. It's quick, simple and effective. But in developing tests like this, are we putting the onus on potential victims, rather than on those spiking drinks in the first place?

The charity Rape Crisis, for example, has put out statements refusing to endorse similar products for that very reason. And Telegraph Wonder Women Deputy Editor Claire Cohen has made the same point as regards an anti-rape nail varnish in these pages.
"What I think we need is to have a zero tolerance policy against drink spiking," says Burrington. "We need bars and clubs to give out our tests for free, put up posters and make it clear that they won't tolerate it."

Which all makes sense. But is there any real will from pub, bar and club owners - and crucially, doormen? After all, they are often the people who get to decide whether a seemingly drunk woman gets kicked out of a club on her own, or looked after until a mate turns up, or even given medical help.

Burrington hopes to work with the Association of Licensed Multiple Retailers (the people behind all those chain pubs and bars we know and love) in the New Year, in order to develop a coherent policy around drink spiking. But the fact remains: they don't have one now.

National Pubwatch is a voluntary organisation set up to promote best practice in pubs across the UK. Their spokesperson admits they don't have a specific policy relating to drink spiking either. Instead they would treat a drinking spiking case "the same as if a customer has had too much to drink or had fallen ill, in that the licensee and staff has a duty of care to ensure that the person is looked after. E.g. that they get medical attention, they are not separated from their friends."

But as sensible as that all looks on paper, it doesn't always reflect reality. What if the woman involved in unable to speak, or stand? Can she really be expected to be taken seriously by someone she doesn't know?

As one of the girls I spoke to recalls: "one of the last things I remember is the bouncer shouting at my friend to get me out, as she tried to hail a taxi. I was sick everywhere and the taxi driver screamed at us and charged my mate £50. They just didn't believe my friend when she said I'd been spiked. But I count myself so lucky - what if she hadn't been there?"

Drink spiking: what you should be aware of this New Year

We're not victim blaming - drink spiking isn't something you need to take responsibility for. But it can't hurt to be especially drink aware on New Year's Eve - a night when many people who haven't been out drinking for months fill the bars and pubs. Here are a few simple things to consider.

- "Every time you go up to dance, get a fresh drink from the bar," suggests Dr Jarvis. Basically, get into the habit of never leaving your drink unattended, no matter how drunk you get.

- "If you do think you've been spiked, you've got 15-20 minutes to do something about it before you become incoherent - so don't waste time confronting the person who's done it."
Either call a friend to collect you, or speak to one of the bar staff," suggests Katie Burrington.

- Pay for your own drinks. Apart from the fact that it's boring having to spend the night talking to whoever's willing to shout you a gin and tonic, someone's going to find it far easier to slip something in your drink if they're getting it for you.

- Look after your mates. Very few people will be going out alone on New Year's Eve. Keep an eye on each other - every woman I spoke to who'd had their drink spiked avoided anything more happening because their friends were on hand to take them home when they started acting out of character.

-----

Did Beer Boost Chill In Q3 For Constellation Brands?

Source: INVESTOR'S BUSINESS DAILY
By VANCE CARIAGA
December 31, 2014

After five straight quarters of double-digit or better earnings and sales growth, alcoholic-beverages distributor Constellation Brands (NYSE:STZ) eyes single-digit gains when it reports quarterly results next week.

The seller of Ravenswood and Robert Mondavi wines, Corona beer, Svedka vodka, Black Velvet Canadian whiskey and other brands has been on a strong run of late, thanks partly to a robust beer business. It's on the IBD 50 list of top-rated growth stocks.

But Constellation will likely see a slowdown in growth when it reports third-quarter fiscal 2015 results before the open on Jan. 8.

Analysts polled by Thomson Reuters expect the Victor, N.Y.-based company to log a 4% year-over-year EPS rise and a 5% revenue increase. Those percentages are well below the previous year's third quarter, when Constellation logged a 75% earnings gain and an 88% rise in revenue.

The company got a major lift last year when it acquired the remaining 50% stake that it didn't already own in Crown Imports from Anheuser-Busch InBev (NYSE:BUD) for $5.3 billion.

That deal made Constellation the No. 3 beer company in the U.S. It also brought aboard rights to import, market and sell Mexican beers under the Modelo umbrella, including Corona Extra, Corona Light, Modelo Especial, Negra Modelo and Pacifico.

The company expanded its operation even further this month when it completed a roughly $300 million acquisition of a glass production plant in Nava, Mexico, from Anheuser-Busch
InBev. Constellation also entered into a 50-50 joint venture with Owens-Illinois (NYSE:OI) to own and operate the plant.

Earlier this month, Bank of America analyst Bryan Spillane raised his stock price target on Constellation to 104 from 97, citing the company's "higher-than-average EPS growth (led by imported beer) and prospects for improvement in margins and ROIC (return on invested capital)."

Constellation shares hit a record high of 100.77 on Christmas Eve. The company has an IBD Composite Rating of 93, factoring in earnings growth, stock gains and other metrics. It's the second-highest ranked stock in IBD's Beverages-Alcoholic group, which places No. 66 out of 197 industries tracked. Boston Beer (NYSE:SAM) tops the group with a 98 Composite Rating.

---------

INTERNATIONAL SPIRITS, LLC UNDERTAKES NEWLY ADOPTED STRATEGIC PLAN

Company Seeks to Become First African American Owned Distiller

Source: CO&P Integrated Marketing
Dec. 30, 2014

International Spirits, LLC, the owner and importer of Ivanabitch Vodka, Gin and Brandy, announced today the formation of a new Board of Directors and select additions to its management team. The new Board unanimously confirmed its intent to pursue a strategic plan to establish itself as the first African American-owned vertically integrated alcoholic beverage operation in the United States.

The strategic plan will support growth of the Company's successful Ivanabitch branded products as well as rum and tequila products it represents. All of the Company's products have substantial growth potential and appeal to the "Millenial" consumer. The Company intends to deploy capital in the acquisition of additional brands as well in completing its strategic plan. The Company has strong, well-established distribution relationships and is licensed to do business in 31 states as well as Canada and the Caribbean.

An essential part of the strategic plan, is that International Spirits will become a certified Minority Business Enterprise (MBE). New members of the Company's management team bring extensive entertainment and music relationships to help secure broad customer appeal among the African American community.

Steve Koegler, the Company's Chairman of the Board, commented: "We are extremely proud of the growth of our Ivanabitch Brand as well as our expansion into the agency marketplace. Now it's time for the Company to execute its new strategic growth plan. To
do that, we installed the new Board and intend to expand our management team to accomplish the goal of becoming an MBE in the very near future."

-----

DAVOS BRANDS ANNOUNCES PARTNERSHIP WITH AVIATION AMERICAN GIN

Source: EFG :: Entertainment Fusion Group December 30th, 2014

Davos Brands, an importer and marketer of luxury sakes, wines and spirits is pleased to welcome into its prestigious portfolio, Aviation American Gin. Created by House Spirits Distillery, a pioneer and leader of the craft spirits distillery movement in the United States, Aviation American Gin will join premium brands TY KU Sake and The Real McCoy Rum in Davos Brands' impressive roster. Davos Brands partners with up-and-coming best in class wine and spirits brands to develop and execute innovative sales and marketing strategies under the leadership of the Company's Vice Chairman, Guillaume Cuvelier, founder and former CEO of SVEDKA Vodka.

-----

Binge drinking disrupts immune system in young adults, study finds

Source: Science Daily Loyola University Health System December 29, 2014

Binge drinking in young, healthy adults significantly disrupts the immune system, according to a study led by a researcher now at Loyola University Chicago Stritch School of Medicine.

Depending on their weight, study participants drank four or five shots of vodka. Twenty minutes after reaching peak intoxication, their immune systems revved up. But when measured again, at two hours and five hours after peak intoxication, their immune systems had become less active than when sober.

The study by Majid Afshar, MD, MSCR, and colleagues is published online ahead of print in Alcohol, an international, peer-reviewed journal.

Binge drinking increases the risk of falls, burns, gunshot wounds, car accidents and other traumatic injuries. One-third of trauma patients have alcohol in their systems.
In addition to increasing the risk of traumatic injuries, binge drinking impairs the body's ability to recover from such injuries. Previous studies have found, for example, that binge drinking delays wound healing, increases blood loss and makes patients more prone to pneumonia and infections from catheters. Binge drinkers also are more likely to die from traumatic injuries. The study led by Dr. Afshar illustrates another potentially harmful effect of binge drinking.

Drinkers generally understand how binge drinking alters behavior. "But there is less awareness of alcohol's harmful effects in other areas, such as the immune system," said Elizabeth Kovacs, PhD, a co-author of the study and director of Loyola's Alcohol Research Program.

The National Institute on Alcohol Abuse and Alcoholism defines binge drinking as drinking enough to reach or exceed a blood alcohol content of .08, the legal limit for driving. This typically occurs after four drinks for women or five drinks for men, consumed in two hours. One in six U.S. adults binge drinks about four times a month, and binge drinking is more common in young adults aged 18 to 34, according to the Centers for Disease Control and Prevention.

Dr. Afshar led the study while at the University of Maryland, where he completed a fellowship before joining Loyola. The study included eight women and seven men with a median age of 27. Each volunteer drank enough shots of vodka -- generally four or five -- to meet the definition of binge drinking. (A 1.5 oz. shot of vodka is the alcohol equivalent of a five-ounce glass of wine or 12-ounce can of beer.) Dr. Afshar and colleagues took blood samples at 20 minutes, two hours and five hours after peak intoxication because these are times when intoxicated patients typically arrive at trauma centers for treatment of alcohol-related injuries.

The blood samples showed that 20 minutes after peak intoxication, there was increased immune system activity. There were higher levels of three types of white blood cells that are key components of the immune system: leukocytes, monocytes and natural killer cells. There also were increased levels of proteins called cytokines that signal the immune system to ramp up.

Two hours and five hours after peak intoxication, researchers found the opposite effect: fewer circulating monocytes and natural killer cells and higher levels of different types of cytokines that signal the immune system to become less active.

Dr. Afshar is planning a follow-up study of burn unit patients. He will compare patients who had alcohol in their system when they arrived with patients who were alcohol-free. He will measure immune system markers from each group, and compare their outcomes, including lung injury, organ failure and death.
Dr. Afshar is a pulmonologist, critical care physician and epidemiologist. He is an assistant professor in the Division of Pulmonary and Critical Care Medicine and in the Department of Public Health Sciences of Loyola University Chicago Stritch School of Medicine.

Loyola's nationally recognized Alcohol Research Program investigates such issues as how heavy drinking hinders the body's ability to recover from burns and trauma; how alcohol abuse damages bones; and whether teen binge drinking can increase the risk of mood disorders later in life.

------

**More than 350,000 kids will have their first sip of booze this month**

Source: The Leader Post
By Christopher Ingraham, The Washington Post
December 29, 2014

Here's a holiday tip for parents of teens: Keep a close eye on the eggnog.

Data from the Substance Abuse and Mental Health Services Administration (SAMHSA) show that 12- to 17-year-olds are more likely to take their first sip of alcohol in December than in any other month except July. In December, an average of 11,400 teens try alcohol for the first time each day of the month, which works out to about 353,000 new drinkers by months' end. By contrast, in February the daily number of new teenage drinkers is less than half of that.

The simple reason for this? There's a lot more booze around in December than in any other month. Census retail sales data from beer, wine and liquor stores illustrate this nicely: Between 1992 and 2013, these stores did an average of $3.7 billion in sales in December. The next highest month was July, with $2.8 billion.

In short, the house is well-stocked, and Mom and Dad are either throwing parties where the booze flows freely, or are attending other parties and leaving the liquor cabinet untended.

Of course, not all kids who try alcohol for the first time -- maybe even not the majority -- are doing so without their parents' permission. Many families may invite their kids to share a glass of wine with the Christmas dinner, or to enjoy a cocktail after dinner as everyone gathers 'round to hear your crazy uncle tell stories from his Army days.

To the extent that this type of drinking happens in a social setting in the company of adults, it can help kids develop responsible drinking habits as they get older. But of course, there are plenty of kids doing dumb things with booze this month, too -- a 2010 study found that "the number of minors treated in hospital emergency rooms for drinking
on New Year's Day 2009 was nearly four times the average daily figure," according to CNN.

-----

**Australia's wine 'cheaper than a bottle of water'**

Source: BBC News  
By Sarah Porter  
December 30th

It depends what wine you're looking at and where you get your bottled water, but on some big retailers' shelves in Australia it's not too hard today to find water that is more expensive than wine.

You may be considering a little-known bottle of red that's sitting in a bargain bucket selling for one Australian dollar (53p).

Or you could be about to purchase a well-known white going for A$2.99.

That's all before you spot your favourite four-litre box of cask wine selling for less than A$17.

Whatever you fancy, if you compare your purchase to an average 350ml of bottled water selling for about A$2.50, "then you've certainly got wine that's cheaper than buying a bottle of water," says Prof Kym Anderson from the Wine Economics Research Centre in Adelaide.

"And that does seem a bit bizarre, especially when there's a wholesale tax and a retail tax on top of that," he says.

How did it happen?

It's not the first time this kind of pricing scenario has made news in Australia, but today, the situation according to some experts is quite dire.

Prices across the board have been affected by several interconnected factors, including recent foreign exchange rates, falling international demand, and a glut of product in the domestic market.

Some of the highs that Australia's currency saw against the US dollar from early 2011 until early 2013 have had two major impacts on the wine industry, says Paul Evans, chief executive of the Winemakers' Federation of Australia (WFA).

"A lot of the export volume that we were previously selling to overseas markets has come back to the domestic market as international demand for our wine has dropped off."
This scenario increases competition between local producers, he explains, which in turn drives down prices.

"But of course it provides a commercial incentive for imports to come into the country as well, and we've seen the proportion of imported wine sales in the domestic market increase substantially," he says.

Tax and prices

Another contributing factor keeping wine prices low in Australia is the tax on alcohol, which varies according to the product.

"What you have in Australia is a regime where wine and cider are taxed differently," explains Prof Robin Room, an internationally recognised leader in alcohol research who heads up Melbourne's Turning Point Alcohol and Drug Centre.

"They are taxed on the value of the product as it is sold, rather than on any particular amount of alcohol it has in it,"

This situation, he says, means that if wine is sold very cheaply, then there's a very small tax on it.

"So the people who are making the expensive stuff are taxed at a higher rate, and if they don't make the cheap stuff as well, they feel that they're being treated rather badly."

And this has caused a division in the industry, he says.

One of Prof Room's roles is to help reduce alcohol-related health issues in Australia. So would a hike in the tax paid on cheap wines ease competition on the domestic front, and help reduce some of the wider health issues?

"We would see a reduction in the really serious health problems - and some of the problems of social order and violence from drinking," he says.

Instead, Prof Room says there's been a steady rise in alcohol associated health issues.

"It's particularly true for incidences of people being really heavily intoxicated," he says.

"Ambulance calls have doubled in Victoria in the last 10 years [and numbers] coming into the emergency departments have gone up for intensive drinking related episodes.

"Hospital admissions for liver cirrhosis have gone up," he says.
But he also says that some alcohol in Australia "has been cheap all along" and that taxes aside, developing a minimum price for products "would also be an important way of thinking about reducing alcohol problems".

A duopoly and the winemakers

Another factor keeping the price of some wines very affordable in Australia is a duopoly between two big supermarkets, Woolworths and Coles.

Between them, they control more than 70% of all retail wine sales.

The WFA says it applauds the major investments in the industry that has come from them, but says the situation needs to be reviewed.

"There is a considerable mismatch between the market power of the retailers and winemakers (which) is negatively affecting the wine industry as a whole," says the WFA's Mr Evans.

"It reflects in margins and profitability for winemakers, which cascades down to grape growers.

"And we've seen very low profitability there, and in some cases, loss-making at both of those levels in recent years," he says.

Others say the retail duopoly isn't such a bad thing and that the big retailers are helping winemakers battle through a tough time in the market.

One small winegrower from Canberra in the Australian Capital Territory says some retailers like Dan Murphy's, owned by Woolworths, are actually good traders.

"They are definitely helping some growers out with their oversupplies," says Fergus McGhie of Mount Majura Vineyard.

"We're meant to reduce our overall stock of vineyard - and therefore of wine being made by about 10%," he says, explaining some of the solutions that have been discussed to help reduce Australia's wine glut.

"And that's across every region. We're told everybody needs to pull out about 10% of our vines to bring things back to balance.

"But nobody wants to do that. And I'm not pulling out 10% of my vineyard. So it's really only the people who don't understand the scenario who whinge about the retail duopoly," he says.
"Those big retailers are just going about doing their job of selling wine - and they do it really well."

For the consumers?

Overall, the crippling low prices of a range of Australian wines seem acceptable for some growers, and a win-win for consumers looking for a nice affordable bottle of wine for under $10.

And perhaps it's a win, too, for the big retailers who are being seen as a saviour by some growers in need of reducing their oversupply of product.

But what about the long-term view?

The WFA says the situation is not sustainable and that they are working with the government to help correct it.

"The current situation is seeing a devaluation of the brand equity that many of Australia's winemakers have built up over a long period of time," says Mr Evans.

"But I think even more importantly, in the longer term, it's disconnecting the important link in a consumer's mind between the quality of wine, and the price they're paying for that wine."

"And it's going to be very hard for consumers to go back to pricing that's more relative to the intrinsic value of the quality of that wine they're consuming."

-------

**Chilean wine 'riding a wave' in China as import tariffs abolished**

Source: Decanter
By ??/Sylvia Wu
30 DEC 2014

Chile will become the second country to see import tariffs on its wines abolished in mainland China on 1 January, in a move that importers and retailers expect will maintain strong sales momentum - even retail prices are unlikely to fall significantly.

China has gradually cut tariffs on bottled Chilean wine from 14% to just 1.6% since the two countries signed a free trade agreement in 2005. In 2015, tariffs will be abolished for both bottled and bulk wine imports from the South American country, as they were for New Zealand in 2012.
The move is part of China's focus on bilateral trade deals. It recently signed a free trade agreement with Australia that will also see tariffs on Australian wine imports abolished within four years.

Market figures suggest Chile has already enjoyed significant benefits from tariff cuts in China in a generally sluggish sector. Imports of Chilean wine rose by 37% in volume in 2013, despite an overall drop in China's wine imports due to government austerity measures. In the first nine months of 2014, Chilean wine imports rose by nearly 50% in volume, versus an overall decline in wine imports of 7.4%.

Chile is riding a wave in China,' said Ian Ford, chief executive of Summergate, the Shanghai-based importer of wines for Chile's largest wine producer, Concha y Toro. 'It's our strongest category right now, with sales of Casillero del Diablo growing in 2014 at close to 30% year-on-year, from an already large base. Other brands are also doing very well versus the market and versus competition,' said Ford, who recently sold Summergate to Australia's Woolworths, but who will be staying on as CEO.

Ford was less certain that zero import tariffs on Chilean wine would lead to lower retail prices in 2015.

Any impact on retail prices have already been realised over the past couple of years, so I don't expect to see any noticeable change in retail price as a result of this final stage of tariff reduction,' he told DecanterChina.com.

Zero tariffs won't bring too much impact to retail prices,' said Yuan Jiang, founder and CEO of online retailer YesMyWine. 'But,' he added, 'for e-commerce retailers, every little counts.'

Due to a price range of between CNY80 to CNY200 (£8-20), 'Chilean wines are especially competitive in the mid-to-lower end market,' Yuan told DecanterChina.com. 'The affordable price gives the young drinkers a value-for-money impression.'

Zero tariffs could also raise the profile of high-end Chilean wines, said Mariano Larrain Hurtado, of La Cava de Laoma, a Beijing-based wine shop that specialises in family-owned, boutique wineries from Chile.

Chinese consumers sometimes think that cheap wines are bad wines,' Larrain Hurtado told DecanterChina.com. 'I hope the official bodies and distributors can transmit the idea that cheaper Chilean wines are a consequence of a free trade agreement and not because of quality.'

As of 2012, New Zealand has also enjoyed zero tariffs on wine exports to China, based on a free trade agreement signed by the two governments in 2008. The country's wine exports to China have risen from CNY12.5m in 2007 to CNY127m in 2013. Export
volumes have jumped from 268,000 litres to 1.93m litres over the same period, according to New Zealand Trade and Enterprise.

Competition in the market is likely to increase if Australia also enjoys reduced tariffs as agreed less than two months ago.

Ford said that, for now, 'Chile is very clearly outpacing the industry overall, and total Chile shipments to China could very well overtake Australia in the number two spot in the months ahead,' said Ford. 'But Australia is now poised to respond in 2015, so it will be a very interesting year.'

-------

**West Coast Review - Top Wine Stories of 2014**

As part of our round-up of the year's biggest wine stories, W. Blake Gray looks back at the big news from the West Coast.

Source: Wine-Searcher
Tuesday, 30-Dec-2014

**California drought**

The state responsible for 90 percent of the wine made in America suffered the third year of a drought that some believe, because of redwood tree-ring evidence, is the worst in hundreds - perhaps thousands - of years. Both the state and federal government drastically reduced water deliveries to farmers, which may have played some role in a smaller-than-usual harvest. Wine grapes were much less affected than other crops, but that won't be the case forever. Heavy rains in December gave farmers hope for 2015, but if the wet weather doesn't continue, the drought's impact on grapegrowers will be much greater with every vintage.

**Wine sales keep going up, especially high end**

U.S. wine drinkers keep buying more wine and, after a bump for the economic downturn in 2008, they are paying more for it. Total wine sales in the world's largest wine market rose for the 20th year in a row. As late as November, it appears that sales will be up in 2014 by about 6 percent over 2013. The hottest category was wines above the $20 mark. Chardonnay and Cabernet Sauvignon continue to be the best-selling premium varieties, with Pinot Noir and Sauvignon Blanc the fastest-growing.

**Pacific Northwest has record harvest**

After a summer that set records for heat and dryness - perhaps an echo of California's drought - Oregon and Washington both had their largest harvests in history in 2014. It also
should be one of the ripest in history, which might be better news for Cabernet and Syrah producers in Washington than for Pinot Noir producers in Oregon. It will be interesting in two years when these wines start hitting the market to see what kind of reception they get. Bet that wine critics and sommeliers will see them differently.

California harvest smaller but so far, so good

The way a year is remembered in the wine industry is by the quality of the wines. It's too early to tell about 2014 but, after a steadily warm, dry summer, without the surprising heat that hit Oregon and Washington, there's no reason to expect anything but another good, solid year for the Golden State.

Napa quake

Early on August 24, a 6.0 earthquake - the largest in the San Francisco Bay Area since 1989 - hit the city of Napa. Initially it seemed catastrophic; some hysterical early radio reports suggested there might be a wine shortage. Fortunately, the wine industry survived it because it happened at 3:20 a.m. Barrels full of wine were strewn around warehouses; had it happened during a workday, there likely would have been more than just one fatality. Most wineries hadn't started harvesting yet, so the 2014 vintage will be unaffected. At the time it seemed like this might be the biggest story of the year, and for the city of Napa it was, as more than $1 billion in damage has been estimated to homes and business. For the wine industry, fortunately, it's mostly a reminder to keep glass bottles secured along the Ring of Fire.

Scarecrow ascendant

Eight years after its founding, Scarecrow Napa Valley Cabernet Sauvignon joined the exclusive ranks of the most-sought wines in the world after a stunning bidding war at Premiere Napa Valley in February. A Los Angeles wine shop paid $4333 a bottle for five cases of 2012 Scarecrow Toto's Opium Dream, Scene III Cabernet Sauvignon. The Wine House expects to make a profit; the wine, not scheduled to be delivered until October 2015, is for sale on its site for a pre-release price of $5400. Think about it: the retailer's profit margin alone is bigger than the retail price of Screaming Eagle. Scarecrow owner Bret Lopez said: "It went up so fast. I'm kind of in shock. A part of me says we should never enter an auction again, because we're never going to do that well again." In fact, Scarecrow did not produce a lot for 2015 Premiere Napa Valley. Most of the top Napa cult wines don't; Scarecrow is in that group now.

Casino fights

Native American tribes made their neighbors in wine country uneasy in 2014. In Santa Barbara County, which has some of the toughest anti-development laws in the country, the Chumash tribe - not bound by local laws - held a meeting in July to explain their planned $160-million casino expansion that will include a 12-story hotel. In Napa and
Sonoma Counties, people awaited the outcome of a lawsuit filed by the Mishewal Wappo Tribe of Alexander Valley. If the tribe regains federal recognition, it also would not have to follow local development laws and could build a casino on any land it acquires in Napa or Sonoma Counties. In November, California voters rejected a proposition that would have allowed the North Fork Tribe to build a casino 38 miles away from its reservation. While that vote may not have bearing on other Native American tribes, it was the first time California voters have voted "no" on any expansion of Native American casinos.

Controversial 2011 Napa vintage released

After three years of drought, it’s hard to remember what California was like when it was wet and cold, but the 2011 vintage is a reminder. White wines and some Pinot Noirs came out last year, but the debate over the vintage accelerated when California's headliners, Napa Cabernets, were released in 2014. Wine Spectator's James Laube panned the vintage. Robert Parker was surprisingly kind, saying that some wineries made great wines, but not showing the enthusiasm he has for drier years. Across the wine world of people who care about such things the vintage was debated: was this a vintage of greater restraint, or an off year? Regardless of whether they age well, with lower critics' ratings, the wines will never reach the secondary market prices of the 2010s or 2012s. This debate may be revisited in a decade.

------

Looking Back on the World of Wine in 2014

Source: Wine-Searcher
By Wine-Searcher staff
31-Dec-2014

Following W. Blake Gray’s look at stories that concerned the U.S. West coast, here are some of the other big stories Wine Searcher covered this year that we think were the most important for the wine world.

Fraud and the future for wine investment

Probably the biggest wine story of the year was the glacially slow sentencing process in New York that followed the conviction of Rudy Kurniawan on fraud charges in 2013, after a decade-long counterfeit wine scheme. He was due to be sentenced in April this year, but various court delays meant it was August before he was imprisoned for 10 years and ordered to repay $28 million.

It was the biggest fraud case ever in the wine world, but it wasn't the only one this year. Italian police seized 165,000 mislabeled Brunello di Montalcino wines in September, the second time wrongly labelled wines had emerged during the year. Back in the U.S., Bill Koch won damages from both Eric Greenberg and Rudy Kurniawan, and Georgia real-estate mogul Julian LeCraw issued proceedings against a British wine merchant.
It doesn't look like fraud - or at least the concern about counterfeit fine wines - is going to disappear anytime soon.

2014 vintage ups and downs

In Europe, the harvest was very mixed, with a poor summer and unseasonal hail storms leaving grapegrowers in many regions fearing the worst. Italy was hit particularly hard, while in Bordeaux and Burgundy a warm, sunny September saved the harvest. In France in particular there were sighs of relief all around after the very small vintages of 2012 and 2013, at last 2014 delivered decent quantity with overall good, if not always exceptional quality.

While California, Oregon and Washington all had great harvests, Finger Lakes in New York was declared a disaster zone in March after a brutal winter destroyed some vineyards.

The Southern Hemisphere was no different, with four of the five major growing countries reporting "challenging" vintages. Chile struggled with frost, Argentina with rain, while Australia was hit by frost, rain and cooler-than-normal temperatures. South Africa was also hit by untimely rain, but New Zealand had a record harvest, with many areas reporting superb quality as well as quantity.

Fine wines and auctions

There is something odd going on in the world of fine wine investment. While the Liv-ex fine wine index shows a virtually moribund Bordeaux market, auction houses are reporting record prices and solid demand for both Burgundy and Bordeaux. Clearly there are still plenty of people out there with deep pockets and a taste for the top wines. And yet it took a single wine, Château Montrose to inject some life into the Bordeaux market. The 2010 wine was upgraded to 100 points by Robert Parker and shot up in price, dragging the otherwise flat Bordeaux market with it.

Changing hands

Several significant wine properties changed hands this year and again this year one of the strongest themes was Chinese investment. While the Chinese might not be buying quite so much French wine anymore, they are certainly buying French wineries. Bordeaux has been a popular place with Chinese investors and this year saw some branch out into Languedoc and there were other sales in Napa and New Zealand. Australia saw some quick changes this year, too, with historic brands like Grant Burge and Peter Lehmann being swallowed up by bigger companies. Expect that to continue in 2015.

The U.S. now the biggest wine consumer
French traditionalists would have cried into their Montrachet as the U.S. was crowned world's top wine consumer this year. The sea change is remarkable on two levels. First is the dramatic fall-off in French consumption, which plummeted by 7 percent; then you have Americans happily sipping a little extra each and voilà, the world is turned on its head. Still, the French can console themselves with the knowledge that they are still the biggest per capita consumers of wine among the major wine-producing nations, with only the tiny microstate of Andorra and the Vatican City ahead of them.

Empire takes on the State

It might seem a small, local thing, but a store's decision to take the New York State Liquor Authority to court over the issue of interstate shipping could have a lasting impact. The S.L.A. has been threatening Empire, an upstate New York retailer with various punishments because Empire had allegedly sold wine to states that didn't allow out-of-state sales. Stung by the S.L.A.'s heavy-handed attempts to strong-arm the store, Empire turned around and started a lawsuit against the S.L.A., saying it was acting unconstitutionally. The case is ongoing, but if this helps to get laws banning interstate shipping declared unconstitutional, Empire will have done wine drinkers a huge service.

The comeback of Port with the 2011 vintage

While port had been enjoying something of a renaissance, this year marked real progress. The 2011 Dow's Vintage Port was named wine of the year by Wine Spectator and two still wines from the Douro Valley joined it in the top five. But it was Port that stole the headlines, with a renewed interest in older Tawnies, Colheitas and even White Ports, and widespread agreement that the 2011 vintage was one out of the bag.

It wasn't just winemakers and merchants talking it up either - the public responded by buying it by the bucketload, returning Port to its place at the top table of wine.

A 2014 roll of honor

We lost a few legends of the winemaking world this year, but none more celebrated than Baronne Philippine de Rothschild. Madame de Rothschild, as she preferred to be known, took her final bow after leading Château Mouton Rothschild and its joint ventures in the New World to ever greater heights. She was buried amid the vines of her beloved property.

Bordeaux also said goodbye to winemaker Jacques Boissenot, who had a hand in four of the five first growths, and Christine Valette-Pariente, the proprietor of Château Troplong Mondot, who died aged 57. Champagne magnate Nicolas Feuillatte, Alsace winemaker Laurence Faller, Burgundy's Hubert de Montille and English sparkling wine pioneer Mike Roberts also died this year.

Critics agree for once
One of the more under-the-radar stories this year was the alliance between wine critics Stephen Tanzer and Antonio Galloni under the Vinous umbrella. Quite a few people heard the news and asked: "So what?" but the move was seen by others as the start of jockeying for position in a post-Parker world. The acknowledged king of the critics still holds the throne, but he appears more distant as the years pass. Will 2015 see the passing of the baton? And, if so, to whom?

Some shameless self-promotion

We thought the launch of Wine Searcher's label-recognition feature on the mobile version along with our recently updated apps was a pretty nifty story. Now you can simply take a photo of a wine and search the details without all that bothersome typing - just click and read. We love anything that makes our lives easier.

------

WHITE OAK VINEYARDS & WINERY LLC

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES

WHITE OAK VINEYARDS & WINERY LLC, a California limited liability company, Plaintiff,
v.
WHITE OAK SPIRITS, LLC, a Florida limited liability company, Defendant.

Case No: 14-9830

COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF
1. Federal Trademark Infringement
2. Federal Unfair Competition
4. Common Law Injury to Business Reputation
5. Common Law Unfair Competition
6. Common Law Trademark Infringement

JURY TRIAL DEMANDED
Plaintiff White Oak Vineyards and Winery LLC, a California limited liability company ("White Oak" or "Plaintiff"), by and through its attorneys Carle, Mackie, Power and Ross LLP, as and for its Complaint against Defendant, White Oak Spirits, LLC ("Defendant") alleges as follows:
NATURE OF ACTION
1. White Oak is the owner of the registered trademark WHITE OAK®, U.S. Registration No. 3,049,660 for wine (the "WHITE OAK Mark"). This action arises out of Defendant's unauthorized incorporation and infringing use of the WHITE OAK Mark on, inter alia, Defendant's vodka products.

Despite White Oak's written requests, Defendant has refused to cease its use of the WHITE OAK Mark. Accordingly, White Oak brings this action for infringement of the WHITE OAK Mark in violation of § 32 of the Lanham Act, 15 U.S.C. §§ 1114(1); for unfair competition and false designation of origin in violation of § 43 of the Lanham Act, 15 U.S.C. § 1125(a); for unfair competition arising under Cal. Bus. & Prof. Code 17200 et seq.; for common law injury to business reputation; and for unfair competition and trademark infringement under the common law of the State of California.

Wine collecting 101: 3 factors that help wine age with grace

Source: Fox News
By Stephanie Miskew
December 29, 2014

Since only 1 percent of wine produced is meant to improve with age, you can't just grab any old bottle off the shelf.

The temperature's a cool 55 degrees, the humidity's at 70 percent and the racks are installed. Conditions for your new wine cellar are perfect. So, which wines should go in it? Since only 1 percent of wine produced is meant to improve with age, you can't just grab any old bottle off the shelf.

Here are three factors that act as preservatives, which are crucial to helping wine age with grace:

Acidity

Acidity, primarily in the form of tartaric and malic acids, is found in both white and red wine. Its presence is dictated by the grape variety, region, climate and even the winemaker's influence. Acidity in wine is perceived as a tingling sensation along the sides of your tongue that, in turn, causes your mouth to water - much like biting into a wedge of lemon. Grapes grown in cooler climates have higher levels of acidity and generally include riesling, chardonnay, sauvignon blanc, pinot noir, and sangiovese.

Example: Joseph Drouhin Clos des Mouches Blanc, Burgundy, France, 2012: White Burgundy, made exclusively from the chardonnay grape, is historically some of the most popular white wine in the world. This example is a bright lemon yellow color with lovely aromas of spiced apple, vanilla and honeysuckle. The palate reveals layers of crème
brulée, golden apple and baking spices on an elegant frame with a lengthy, mineral-tinged finish. Recommended drinking window: 2017-2024.

Tannins

Tannins are natural preservatives that protect wine against the ravages of its No. 1 enemy - oxidation. Grape skins and seeds and oak barrels are the primary sources of tannins, which relate mostly to red wine. (White wines aren't in contact with their skins for long and do not spend nearly as much time in oak.) Tannins put a "grippy" sensation on the palate in which the moisture feels stripped from your mouth. Wines with high levels of tannin are made from thicker skinned grapes that usually receive plenty of oak treatment, including cabernet sauvignon, cabernet franc, merlot, syrah, petite sirah, nebbiolo, and tannat.

Example: Round Pond Cabernet Sauvignon, Rutherford, Calif., 2012: California cabernet sauvignons are well known for their ability to age with grace, and this wine is no exception. It is an inky purplish-red with heady aromas of black fruit, kirsch and spice. Flavors of black cherry, blackberry, anise, mocha and spice accompany firm tannins and a deliciously long finish. Recommended drinking window: 2015-2024

Sugar

Sugar acts as a preservative in wine and, when balanced with acidity, can help a wine age for decades. Residual sugar (known as "RS") is in a wine when fermentation is stopped before the sugar is completely converted into alcohol. For this reason, sweet wines such as sauternes and riesling are lower in alcohol than other white wines. As sweet wines age, their sugar compounds change, and as the primary fruit fades they are sometimes perceived as less sweet. Sweet wines known for their awesome aging potential include Bordeaux's Sauternes, the Loire's Quarts de Chaume and the rieslings of Germany.

Example: Domaine des Baumard Quarts de Chaume, Loire Valley, France, 2010: This wine is made from chenin blanc grapes that have been affected by "noble rot" or Botrytis cinerea (for more about botrytis, click here). This wine is a fine example with inviting aromas of peach, ginger and orange blossom. The palate is unctuous and delightfully decadent, yet balanced with notes of honey, candied pear and white flowers. Recommended drinking window: 2018-2035.

Stephanie Miskew is a certified sommelier, wine educator and proprietor of The Wine Atelier, an online wine boutique. She also runs the The Glamorous Gourmet, a website dedicated to wine and entertaining.

------

The French Laundry victimized by Christmas Day wine heist (Excerpt)
On Christmas Day, an unknown visitor allegedly broke into the French Laundry. But rather than just eat some cookies, the intruder - or intruders - made off with some of the four-star restaurant's most expensive wines.

The restaurant - which closed for its long-awaited kitchen remodel on Saturday - released the below statement tonight. Thomas Keller tweeted out an abbreviated version as well.

On Christmas day, The French Laundry was the victim of a robbery. Specific wines of specific value were stolen (DRC & Screaming Eagle). We have complete trust in the authorities leading the investigation, and we welcome any information our community may have regarding the event.

We are confident that if and when any of the stolen bottles appear in public, they will immediately raise questions and red flags among the wine knowledgeable.

The French Laundry wine program is, as many of you know, singular and distinct. We look forward to rebuilding our cellar in the meantime and plan to get to the bottom of this disheartening act immediately.

Please contact media@tkrg.com with any information.


Other links: http://www.latimes.com/food/dailydish/la-dd-french-stolen-wine-20141230-story.html#page=1

------

**Macaroni Grill closes all 5 Missouri restaurants**

Parent Ignite continues to shutter underperforming units

Source: NRN
Ron Ruggless
Dec 30, 2014

Romano's Macaroni Grill shuttered all five of its restaurants in the Missouri market this week as parent company Ignite Restaurant Group Inc. continues to close underperforming units of the brand.
Houston-based Ignite, which also operates the Joe's Crab Shack and Brick House Tavern + Tap casual-dining concepts, closed Macaroni Grill restaurants in the Branson, Columbia and St. Louis areas.

"Mac Grill, as most brands do, has been closing isolated underperforming restaurants as the leases come up for renewal," said John Gilbert, president of the Macaroni Grill division, in an email Tuesday.

"In the case of St. Louis, this was the primary reason, coupled with selling some locations to other brands," Gilbert wrote. "Nothing bigger."

At least one of the Missouri Macaroni Grill locations will be torn down to make way for a new 5,000-square-foot Chick-fil-A restaurant, the Columbia Daily Tribune reported Monday. Chick-fil-A said its Columbia, Mo., restaurant would open in the second half of 2015.

Before the Missouri closures, Ignite had already closed 14 Macaroni Grill units by October, bringing the brand's unit count to 167 locations. Ignite acquired Macaroni Grill in April 2013.

For the most recent third quarter, Ignite said same-store sales declined 8.5 percent at Macaroni Grill and fell 4.4 percent at Joe's Crab Shack, but rose 7.5 percent at Brick House Tavern + Tap.

To help increase traffic, Macaroni Grill unveiled in October a concept-within-a-concept, fast-casual lunch format called Romano's Kitchen Counter inside 131 of its company-owned, domestic casual-dining restaurants.

The new offering, called the Kitchen Counter, is open from 11 a.m. to 4 p.m. and intends to give lunch customers a faster, less expensive option than its traditional full-service menu.

In an Oct. 29 conference call with analysts, Ray Blanchette, Ignite's president and chief executive, called the Kitchen Counter "a very bold stroke for a casual-dining chain with a national footprint," with a value proposition focused on 12 entrées priced at $7 and prepared in seven minutes or less.

Blanchette suggested the counter-service option could be expanded to the dinner daypart.

Blanchette also said Ignite was "aggressively" managing the underlying Macaroni Grill real estate portfolio and had sought a consultant's help in evaluating more closures and lease terminations.

Blanchette called it a "continued rationalization of the Mac Grill portfolio to conversions, sales and closures."
IGNITE REPORTED IN LATE OCTOBER THAT ITS NET LOSS WIDENED IN THE SEPT. 30-ENDED THIRD QUARTER, TO $6.5 MILLION, OR 25 CENTS PER SHARE, FROM A LOSS OF $1.9 MILLION, OR EIGHT CENTS PER SHARE, DURING THE SAME QUARTER A YEAR AGO. REVENUE DURING THE THIRD QUARTER FELL 5.4 PERCENT, TO $215.2 MILLION, FROM $227.6 MILLION DURING THE PRIOR-YEAR QUARTER.

IN ADDITION TO MACARONI GRILL, IGNITE OWNS AND OPERATES 138 JOE'S CRAB SHACK UNITS AND 21 BRICK HOUSE LOCATIONS. IT HAD 334 RESTAURANTS OPEN AT THE END OF THE SEPT. 30-ENDED QUARTER.

------

NEW MEXICO: NEW MEXICO LAWMAKER PROPOSES LIQUOR SALES CHANGE

Source: KTSM
December 29, 2014

A LAS CRUCES REPRESENTATIVE WANTS TO GIVE PEOPLE IN NEW MEXICO MORE OPTIONS ON WHEN THEY CAN BUY AND CONSUME ALCOHOL.

NEW MEXICO STATE REPRESENTATIVE BILL MCCAMELEY, D-LAS CRUCES, SAID THE STATE'S CURRENT ALCOHOL SALE LAWS ARE INCONSISTENT AND OUTDATED.

THAT'S WHY HE IS PROPOSING A BILL IN THE 2015 LEGISLATIVE SESSION - UP IN SANTA FE - THAT WOULD FIX SOME OF THAT.

"IT'S A VERY INCONSISTENT BUSINESS POLICY FOR BUSINESSES TO HAVE TO FOLLOW," SAID MCCAMELEY.

HOUSE BILL 11 WOULD ELIMINATE THE SUNDAY AND CHRISTMAS DAY RESTRICTIONS ON ALCOHOLIC BEVERAGES.

CURRENTLY NO ONE IN NEW MEXICO CAN SELL BOOZE ON CHRISTMAS DAY.

THE BILL WOULD ALSO TREAT SUNDAYS LIKE ANY OTHER DAY OF THE WEEK, ALLOWING RESTAURANTS, DISPENSARIES, AND OTHERS WHO SERVE ALCOHOL TO START AT 7 A.M.

"WOULD WE PASS THESE SAME LAWS TODAY? IS THERE SOMETHING ABOUT CHRISTMAS DAY OR SUNDAY MORNING THAT MAKES BUYING ALCOHOL ANY MORE DANGEROUS THAN ANY OTHER TIME," MCCAMELEY SAID. "I DON'T THINK ANYONE HAS AN ARGUMENT FOR THAT."

HB 11 WOULD ALSO EXTEND THE TIME LIQUOR STORES STOP SELLING ALCOHOL FROM MIDNIGHT UNTIL 2A.M., THE SAME TIME BARS AND RESTAURANTS IN NEW MEXICO HAVE TO STOP SELLING BOOZE.
"If I could buy a bottle of beer at a bar, I should be able to go do it from liquor stores," he explained.

MADD told NewsChannel 9 they don't have a stance on the proposal because they say there is no evidence that supports extended sale hours would lead to more DWI's.

McCamley says if such data ever comes out, he would reconsider that portion of his bill.

Still there were mixed feeling about it from Las Cruces residents.

Isabel trejo: "People who abuse alcohol are going to abuse it," said Isabel Trejo. "But still I don't think it is that bad. I don't think it is a great problem. Just drink responsibly."

"I think at 2 a.m. you probably already have some drunk drivers out there, just looking for something more. A six pack to sit and drink in your car. So no, I don't think that is a good idea," said Dan Singleton.

Overall, Rep. McCamley said the bill is meant to help business operations become more consistent.

"If there is a safety restriction, I would love to hear it, on Sunday mornings or on Christmas. But if it is for a religious reason, I don't think that is a good reason to have a law on the books. And it makes it harder on businesses," he explained.

This is the second time McCamley brings the proposal before the legislature. Last time it didn't make it out of committee.

It's unclear what the bill's prospects are this time around. But if it does pass into law, it would go into effect on July 1st, 2015.

The 2015 legislative session start on January 21.