

NBWA Chairman Pat Blach - Remarks as Prepared for Delivery

October 4, 2021

NBWA 84th Annual Convention and Trade Show

Last year when I spoke to you about my goals as chairman, I outlined the values my family instilled in me that have been a beacon throughout my career – a willingness to take risks, hard work and stewardship.

These are the values I sought to bring to my time at the helm of the NBWA Board.

They embody the entrepreneurial spirit and the importance of caring and fighting for this industry we all love.

The last year and a half has been one of the most challenging periods for our industry, and our nation.

A year ago, we couldn't even safely be together, so I spoke to you remotely from our first-ever virtual convention.

We've all been through a lot since our last face-to-face meeting in 2019 – for many of us, there were times when the future looked uncertain, and we feared for our industry, our businesses and our families.

But through it all, we persevered and here we are today. Together.

NBWA remained steadfast in our mission to support and protect our members.

We provided leadership during this period of unprecedented challenges.

Because that's what leaders do.

We managed through risk, and we maintained a steady hand to guide our industry through this storm.

I want to say thank you to everyone for your incredible work and dedication to advance NBWA's important priorities.

And I believe those values that I mentioned – a willingness to take risks, hard work and stewardship – helped our industry weather and continue to weather the pandemic.

But beyond just surviving, we achieved several specific wins on behalf of our industry.

When COVID first hit, NBWA worked quickly to make sure beer distributors were deemed essential, to keep trucks on the road and workers employed.

In response, beer distributors sprang into action, innovating and sharing best practices to help deal with the crisis and keep our industry going.

And when distributors saw a need in their communities, they stepped up, using their logistics and transportation capacity to help transport essential items, like food and PPE.

No matter how big or small the need, distributors once again demonstrated their dedication by being flexible, innovative and collaborative.

We were able to rise above challenges to deliver much more than just beer.

I mentioned stewardship. Stewardship is the act of taking care of something, and I'm incredibly proud of how we've taken care of our industry and each other during this trying time.

And it's been a lot of hard work.

Blood, sweat, tears – I don't have to tell any of you what a difficult time this has been.

And NBWA has been working overtime, even more than usual. So, let's take a moment to thank the incredible team at NBWA for always having our backs and going the extra mile for our industry. Thank you.

Our advocacy team at NBWA is absolutely top-notch, and they have worked tirelessly to keep the industry going.

This includes pushing back against those who are using the backdrop of the pandemic to change existing alcohol policies.

For example, the effort to allow alcohol to be shipped through the U.S. postal service.

We all know your mail person shouldn't be your bartender.

But this spring, the chief sponsor of House legislation to allow alcohol to be shipped through the mail tried to include her bill's language in federal postal reform legislation.

Thanks to NBWA's advocacy, that effort was defeated in committee.

I'll let the chief sponsor of the legislation explain in her own words.

If she wants to give us credit for blocking her bill, we'll proudly take it.

But this issue isn't going away – legislation to ship alcohol through the mail has been introduced in both the House and Senate as some in the alcohol industry continue to push this flawed policy.

We all must remain vigilant.

And NBWA's advocacy efforts for COVID relief have continued, including tax relief efforts for us and our industry partners.

So many of us suffered losses from COVID-related out-of-code beer.

But we weren't alone.

Thousands of distributors, retailers and venues suffered food and beverage inventory losses.

And the on-premise market struggled.

The Hospitality and Commerce Job Recovery Act of 2021 would provide one-time tax relief for those that had losses.

This legislation has a broad industry coalition of 21 associations behind it, with more than 100 bipartisan cosponsors.

NBWA continues to work to find new avenues to advance this important legislation.

NBWA has always engaged aggressively with legislators on policy issues important to our industry.

And through NBWA's Political Action Committee, we support candidates and elected officials from both sides of the aisle who understand issues affecting Main Street businesses, the independent beer distribution industry and the more than 140,000 hard-working people that make it great.

That support would not be possible without your engagement and donations.

This year, the NBWA PAC has raised over \$1.8 million from 694 contributors.

NBWA maintains an active presence on the judicial front as well.

Indeed, the judiciary could present the harshest and most imminent threat to our industry.

Judges could decide whether to ignore or greatly marginalize the 21st Amendment, which gives states the right to regulate alcohol.

And dozens of lawsuits have sought to attack our industry and the laws we work under.

Laws that require a physical presence for distributors and retailers to provide alcohol to customers and pricing laws that level the playing field between market participants.

NBWA is engaged in all of these battles.

We invest your resources in a fantastic legal team to work with your states and your Attorneys General.

The association writes amicus briefs, speaks at conferences and engages with lawyers involved in these fights.

We've also cultivated a wide variety of third-party stakeholders who share our concerns about the importance of state alcohol regulation, including public health, law enforcement and consumer groups.

And the very foundation of our work, the three-tier system, is constantly under attack.

Some people seem to want to get rid of all alcohol rules, arguing it's more convenient or consumer-friendly.

But alcohol is not like potato chips or other goods -- the three-tier system was designed to protect public health and safety and facilitate regulation.

That means sometimes limiting sales, when appropriate, to help ensure people are RESPONSIBLY enjoying alcoholic beverages.

It's critical that we continue to educate and advocate about our important role in this system.

In addition to the fights of the day, NBWA looks towards the future to help position our industry for growth and strength.

The association constantly finds new and creative ways to support our members and further the interests of our industry.

And beyond business, NBWA has worked to be good stewards in our communities.

We are leaders in providing cutting-edge research and analysis to both help inform the public about the importance of our industry and arm our members with up-to-the-minute data to enable success.

Along with our colleagues at the Beer Institute, we released the Beer Serves America report on the economic importance of the nation's beer industry.

It showed that the beer industry – from brewers and beer importers to beer distributors and retailers – generates more than 2.2 million jobs, providing more than \$103 billion in wages and benefits to American workers and families.

The monthly Beer Purchasers Index has served as the leading indicator of changes in the beer market for the past seven years.

NBWA distributors are the first to know where the market is headed.

For example, this past June, the FMB/seltzer index saw its single largest drop ever.

Distributors knew about this trend well in advance, before many interested parties in the industry, including the national media or Wall Street analysts.

A few weeks following the release of the June Beer Purchasers' Index, news broke of some seltzer brands being discontinued and suppliers destroying out-of-code product.

This is a reminder of the value of this free service to NBWA members to help you understand market trends and control inventory costs.

And it only takes a few minutes a month to participate in this national survey to let NBWA know if you are planning to order more, the same or less beer.

Through the Beer Growth Initiative, NBWA is providing additional tools to grow the industry and help set members up for success.

As part of this important program, NBWA has led the #BeersToThat consumer campaign to champion beer as America's favorite beverage and position beer as the perfect beverage for celebrating life's everyday wins.

This year, NBWA has provided further innovation by developing our Beer First toolkit, which helps distributors show on-and off-premise customers that beer is a valuable category that brings consumers to their outlets and generates lift, velocity and profits.

You'll hear more about that later this morning.

Part of setting our industry up for continued success is empowering future leaders.

NBWA's Next Generation Group is meeting that need.

Bringing together tomorrow's leaders to learn more about the beer business, get more involved with NBWA and network.

If you or someone in your business could benefit from this group, I encourage you to reach out to NBWA to learn more.

And taking care of our industry means staying on top of trends and educating and empowering members.

Many distributors are utilizing online ordering platforms to allow retail customers greater convenience.

The NBWA-managed Beer Industry Electronic Commerce Coalition saw a need to help distributors best adapt to this growing trend.

So, they recently launched an online education tool for distributors interested in learning more about online ordering solutions.

The tool features best practices, including videos and commentary, to help explain how an online program can work.

And after years of work, this coalition recently launched a free and open Master Product Catalog.

This catalog aims to be a single source of item information for retailers, distributors and other industry stakeholders.

This way, everyone will have open access to the same, consistent information.

These are ways to adapt to growing trends in e-commerce while being respectful of everyone.

NBWA also worked beyond business interests to help members make a real difference in our communities.

In July 2020, we launched the Distributors Against Human Trafficking initiative to train beer distribution employees to spot the signs of this terrible and pervasive crime.

We have been overwhelmed by the incredible response.

We initially set out to train 10,000 employees by the end of 2021, yet by April, we had already exceeded that goal.

So, we raised our goal again to training 25,000 employees by the end of the year.

I'm proud to say that we've just passed our goal with more than 26,000 distributors trained!

Because of this incredible work, Distributors Against Human Trafficking was awarded the American Society of Association Executives 2021 "Power of A" Gold Award.

Local officials have taken note of this great work as well.

To date, distributors have partnered with 11 Attorneys General, and other elected officials are eager to work with us because of our unique ability to help combat this crime.

It gives us an opportunity to show local officials our value, and to engage with them outside of alcohol business issues.

But, most importantly, this work SAVES LIVES.

If you're already involved with this important initiative, thank you.

If you haven't gotten involved yet, I urge you to consider joining – it's incredibly easy to get started.

NBWA has put together a toolkit with a short training video as well as posters and other useful collateral – go to NBWA.org for more information. And the staff at NBWA is happy to help point you in the right direction.

Looking back on this past year, I'm honored and proud of the trust you put in me during such a critical and difficult time.

And I'm amazed by all the work we've accomplished on behalf of our industry.

This has been an incredible journey, and I want to take a moment to thank the people who have supported me throughout my career to get to this point.

First, as many of you know, I got married this year.

So, I want to thank my amazing wife Rhilee, who cares for so many things in my life. I can't thank you enough, Babe. I love you.

To my wonderful family -- my mom and dad, my brothers and sisters. Thank you. And a special shout out to my mom, Jeanne Blach, and my brother, Alan Blach, for their guidance and advice on all of the challenges our family businesses have faced.

To all the NBWA officers, the members of the Board and the NBWA staff – your partnership and friendship have been invaluable.

You have a wealth of knowledge and experience, and you are always generous in sharing that wisdom.

I have learned so much from all of you, and I know there is much more you will continue to teach me.

I really want to thank the fabulous employees at Blach Distributing Co. and Blach Beverage.

Their hard work and commitment to our companies have allowed me to dedicate more time to NBWA and helped keep our company going during these trying times.

I want to take a moment to acknowledge one of our team members who we lost this past year, Gary Burks.

My family has known Gary for decades, dating back to when he was my dad's district manager in the 70's.

Most recently, he was General Manager for Blach Beverage in Redding, California.

We had to say an early goodbye to him when he passed away last spring.

He was a dedicated member of our team, a legend in the beer industry and a friend to us all. Gary, you will be greatly missed.

It's been a hard time for all of us. But when things were looking difficult and events in the world were keeping us down, we all just kept getting back up.

Leadership often means being the guiding light to help lead through a storm, and that is exactly what we have done.

This past year has been a story of adversity, but it's also been a story of resiliency.

Before I turn things over to NBWA President and CEO Craig Purser, let's take a look at a short video to remind us of all of what we've been through, and how we've persevered.

Now, it is my honor to introduce someone who brings more energy and enthusiasm to our industry than anyone I've ever seen. Ladies and gentlemen, please welcome NBWA President & CEO Craig Purser.

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