

Message from Chairman of the NBWA Board Michael Schilleci and  
 NBWA President and CEO Craig Purser

## Welcome to Washington, D.C.

We are excited to have you here in Washington, D.C. for NBWA's 2019 Legislative Conference!

This year's conference features an exciting lineup of new speakers, new networking opportunities and industry receptions. Together, we'll spend the next few days educating lawmakers about the value of the independent beer distribution system as we support policies that encourage choice, innovation and growth.

Earlier this year, the U.S. House of Representatives and the Senate swore-in more than 100 new members of Congress, and they're waiting to hear from you! We are excited to share with lawmakers how distributors are delivering more than 141,000 local jobs — with benefits and room for advancement — in every congressional district. And, as lawmakers consider hot-button issues like tax reform, jobs, marijuana legalization and the expansion of e-commerce, it's more important than ever for beer distributors to be top of mind as they cast their votes.

In addition to meeting with members of Congress during this Legislative Conference, we'll also get an update about the judicial branch. As you know, the Supreme Court of the United States is considering a case involving alcohol regulation that could impact our industry. Distributor members will hear directly from the legal experts working on the case, *Tennessee Wine & Spirits Retailers Association v. Thomas*, as they share their latest insights.

But don't worry — it won't be all work. We'll have some fun and drink some beer too. We are excited to raise a glass with our friends at the Beer Institute on Monday during the Toast to Washington Reception and to visit the Smithsonian Arts and Industries Building for our annual Cheers celebration on Tuesday night.

Thank you again for taking time away from your business to come to Washington, D.C. and make this industry even stronger. We're grateful for all that you do to make America's independent beer distribution industry the best in the world.

Cheers!



Michael Schilleci  
 NBWA Chairman of the Board



Craig A. Purser  
 NBWA President & CEO





# The Supreme Court to Soon Rule on Case Impacting State Alcohol Laws

By: Paul Pisano, NBWA Senior Vice President, Industry Affairs and General Counsel

Every spring, beer distributors from around the country come to Washington, D.C., and take to the halls of Congress to meet with their representatives and other government leaders. However, often overlooked is the importance of another building on Capitol Hill – the Supreme Court of the United States.

For the first time in 13 years, an alcohol-related case, *Tennessee Wine & Spirits Retailers Association v. Thomas*, has made its way to the nation's highest court. The Court is considering the constitutional-ity of the state of Tennessee's durational residency law for retailers, which requires retailers to be residents of the state for two years before they are eligible for an alcohol retailer license. Nearly half the states have some form of residency law at the retailer or distributor level.

Depending upon how the Court rules, this case could have far-reaching implications for the state-based regulation of alcohol. That is why in November, NBWA filed an amicus brief in support of the *Tennessee Retailers*. In total, 14 briefs were filed in support of state alcohol regulation. NBWA was joined by the Center for Alcohol Policy, 36 state attorneys general, National Conference of State Legislatures, Wine & Spirits Wholesalers of America, America's Beverage Licensees, National Alcohol Beverage Control

Association, a coalition of 30 public health groups, Consumer Action, Open Markets Institute and other interested parties in defending states' authority to regulate alcohol under the 21<sup>st</sup> Amendment.

On the opposing side there were eight amicus briefs in favor of invalidating the Tennessee law. The briefs filed by self-identified free-market economists, law professors, an association representing big box retailers and libertarian think tanks argued that the dormant Commerce Clause of the United States Constitution trumps the Tennessee residency requirement and other state alcohol laws.

The Supreme Court held oral argument in the case this past January, during which the Justices asked probing questions. All were present except Justice Ruth Bader Ginsberg. The Court must decide the case by the last week in June.

While it is difficult to predict how the Court will ultimately rule, a close decision is expected and NBWA will be ready to explain its implications.



Although most states do not have the type of alcohol retailer residency law in question, all states will be impacted by how much latitude the Court gives to state alcohol regulation under the 21<sup>st</sup> Amendment. No matter how the Court rules, more litigation involving state alcohol laws is expected as proponents and opponents try to expand or constrict the ruling.

For more details on this case subscribe to NBWA's blog on alcohol litigation, [www.alcoholawreview.com](http://www.alcoholawreview.com). Please contact Paul Pisano with any questions you may have about this or other litigation.

# NBWA Celebrates the 21<sup>st</sup> Amendment on Capitol Hill

By: Lauren Kane, NBWA Vice President, Communications

Throughout the year and no matter the weather, NBWA advocates for America's independent beer distributors and unrivaled independent beer distribution system – especially on a beer holiday!

It was just above freezing in early December, as NBWA celebrated the 85<sup>th</sup> anniversary of passage the 21<sup>st</sup> Amendment with a koozie giveaway on Capitol Hill in Washington, D.C. Thanks to the collaboration of D.C.-area members Capital Eagle and Premium Distributors, we even had a beer truck on hand to highlight the importance of the three-tier system and the critical role independent beer distributors play in America's beer industry.



NBWA staff handed out nearly 1,000 koozies to policymakers, Capitol Hill staff, media and commuters. Several members of Congress stopped by to grab a koozie and snap a photo in front of the beer truck. Each koozie contained an educational tip card about beer distributors illustrating the value of the three-tier system and beer distributors.

In addition to our fun on Capitol Hill, NBWA Chairman Michael Schilleci and NBWA President and CEO Craig Purser marked the important day in American history by authoring opinion pieces in influential media outlets. Each reflected on how the 21<sup>st</sup> Amendment and the independent distribution system have led to the safest, most diverse and robust beer industry in the world.

Schilleci's op-ed was published in *Yellowhammer News*, a leading source for Alabama political news, while Purser's piece was published by *Morning Consult*, a national outlet with reach to policymakers and thought leaders in Washington, D.C. and beyond.

Keep your eye out for more activities like this in Washington, D.C. and across the nation as we share the story of our great industry!





# Educating a New Congress on the Value of Beer Distributors

By: Laurie Knight, NBWA Executive Vice President, Government Affairs

**T**hank you for traveling to our nation's capital to be the voice of America's beer distributors. For those of you who joined us last year, as you look around your congressional delegations this year, there will likely be some new faces who were elected to serve in the 116<sup>th</sup> Congress. These legislators have come to Washington eager to legislate and make a difference – let's take a look at how things have changed.



Following Republican successes in the 2016 general election, the 2018 midterm represented a reversion to a pattern that is common throughout recent American history – divided government. In fact, over the past 50 years, there have been only seven Congresses, representing a two-year governing rule, in which the federal government was not divided. In the current 116<sup>th</sup> Congress, Democrats are in control of

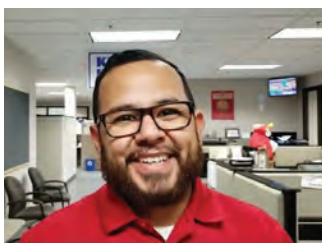
the House and Republicans control the Senate.

Voters in contested congressional districts – the key districts that make or break a House majority – clearly broke for Democrats, propelling them back into the majority. Democrats won 21 of the 30 races deemed “toss ups” by election analysts and also made gains in congressional districts that were held by Republicans but broke for Hillary Clinton in the 2016 election. In total, Democrats flipped 43 GOP-held districts, netting 40 seats, and began the 116<sup>th</sup> Congress with a 235 to 199 seat majority in the House. With 218 being the magic number in the House, Speaker Pelosi is effectively working with a narrow majority.

There are more than 100 new members of Congress, meaning approximately 20 percent of the 116<sup>th</sup> Congress is new. The new Congress also includes a record number of female lawmakers, 127, and reflects one of the youngest freshmen classes, by average age, in recent years.

As we commence the 2019 Legislative Conference, forging and maintaining relationships with this new generation of congressional leaders will be imperative to future successes. Many of these new legislators have backgrounds from outside of politics, and it will be critical that we, in our capacity as advocates for our industry, educate them about the merits and successes of alcohol regulation both at the federal and state level. The beer industry has a great story to share, one which is evidenced by unprecedented choice, variety and access in the marketplace. It is up to us to convey this important message!

Following the successes of the previous Congress, there will be new opportunities and challenges that we will face this year. NBWA's Federal Affairs team looks forward to the challenge and is excited to once again be hosting all of our visiting distributors for an informative and productive conference. Cheers!



## Meet Our Share Your Story Winner

**N**BWA has chosen Gerardo Carrillo of the Silver Eagle Distributors in Houston as the winner of this year's Share Your Story Contest.

Gerardo's video entry stood out by demonstrating passion for his work, care for his coworkers and pride in his organization. It was one of many videos submitted by industry employees, including truck drivers, graphic designers and administrative personnel, explaining what they love about their jobs.

“Hearing Gerardo's story and the stories of the men and women of the beer distribution industry shows the enthusiasm and dedication our employees have for their jobs and their communities,” said NBWA's Vice President of Communications Lauren Kane. “It's also a reminder that this industry has some of the best jobs in the world.”

Carrillo joined Silver Eagle Distributors as a driver in November 2014 and is now a sales and marketing administrator.

As this year's winner, Carrillo has received a complimentary trip to the 2019 NBWA Legislative Conference where he will learn more about policy issues impacting the beer industry and help educate congressional staff on the role beer distributors play in communities nationwide.

# Cheers to the First 85 Years

By: Craig Purser, NBWA President & CEO

In December we celebrated the 85<sup>th</sup> anniversary of the 21<sup>st</sup> Amendment, which repealed Prohibition.

For 81 of those years, NBWA has proudly represented one of America's great industries – independent beer distributors.

Most people credit the 21<sup>st</sup> Amendment with ending the 13 long, dry years it was illegal to sell beer in America. However, this celebrated amendment to the Constitution also gave regulatory powers over alcohol to the states

and paved the way for today's modern distribution network, which continues to provide checks and balances on the alcohol marketplace.

This milestone gives us an opportunity to reflect on how our nation's alcohol delivery system network continues to evolve and provide the most efficient, safe and diverse alcohol delivery system in the world.

Distributors are at the very heart of the beer industry, promoting competition, consumer choice and entrepreneurship—so much so that over the last three decades, the craft beer industry has exploded. In the 1980's there were only 49 brewers nationwide. Now, there are over 10,000 permitted breweries. Clearly, this is a strong testament to the relationships that distributors have fostered with industry partners.

It is because of these relationships and distributors' commitment to supplier and retail partners that American beer drinkers can enjoy household names like Miller, Coors and Bud, as well as artisanal brews from across the country and imports from around the globe.



Distributors also create countless opportunities in their communities. And quite simply, we know that beer distributors are part of the backbone of many cities and towns. Across America, more than 3,000 local, family-owned independent beer distributors employ 141,000 men and women with good-paying, career-track jobs in every community. Beyond wages and salaries, distributors contribute hundreds of millions of dollars through support for local charities, events and economic development.

What's more, distributors are paramount to consumer safety in the beer market. We've all heard the tragic stories of tainted alcohol around the world, including recent incidents in India and Mexico. But, that doesn't happen in the U.S. We have the safest

alcohol market in the world, and that is directly tied to the independent distribution system and the safeguards distributors help put in place. Consumers don't even think twice when heading to their local watering hole or retail store. They know that the beer and alcohol they purchase is reputable and safe—not to mention delicious!

During these 85 years, we have seen dramatic shifts in the marketplace and the economy, but through it all independent beer distributors have remained dedicated to our employees, to our communities and to the greater beer industry. We look forward to working alongside you to help this uniquely American industry grow and prosper for the next 85 years and beyond!

## YOUR SITUATION IS UNIQUE. SO IS OUR SOLUTION.



As an independent consulting firm, our business depends exclusively on satisfied clients. We specialize in tailored, engineered solutions for facility sizing and location, warehouse layout and storage plans, pay for performance programs and delivery optimization – from conceptual design to implementation and training. For over 600 beverage clients worldwide, we create unique and customized solutions based on empirical analysis and operational expertise.

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# Celebrating the Everyday Heroes of Our Industry

During the 81<sup>st</sup> Annual Convention in San Diego, Calif., NBWA recognized five local beer distribution employees as Everyday Heroes for their heroic acts while on the job. Each of the employees honored exemplify the extraordinary spirit of the beer industry and the dedication distributors show each day in communities nationwide.

Minnesota's Breakthru Beverage employees Kwame Anderson and Jason Gaeble were out making routine deliveries when they noticed a man clinging to the outside of a highway bridge fence, his body leaning toward the busy road below. The men stopped the truck and called 9-1-1. As Anderson and Gaeble waited for the police to arrive, they began talking to the man, trying to convince him to back away from the edge. Anderson asked the man if he would



like to talk over a beer and pulled a 12-pack of Coors Light out of the truck. The man agreed and brought himself back to safety.

Brian Berry of Inco Beverage, Inc. in Pennsylvania was driving down a highway when he noticed the SUV behind him was swerving erratically. As he looked closer in his rearview mirror, he saw the driver was completely incapacitated. Berry pulled his truck to the shoulder of the road and began chasing the SUV. When he finally reached the vehicle, he opened the drivers-side door and stopped the car. Berry stayed with the woman until help arrived.

Filipe Reyes and Tony Orton, both truck drivers with Carlson Distributing in Utah, were leaving a convenience store when they heard a scream from inside. The men ran back into the building where they found the store clerk being held hostage by a man. She had also suffered multiple stab wounds. Reyes and Orton sprang into action, pulling the woman to safety. After helping her escape, the men kept the attacker inside the store until the police arrived.

To recognize the everyday heroes, NBWA created a video to highlight each employee and their acts of heroism. We are proud to announce that this video was a finalist for the PR News' Nonprofit Award in the category of Video and/or Podcast Program.

These dedicated beer distribution employees are proof that behind the beer trucks and warehouses are individuals who are committed to helping their communities. We encourage you to share the stories of your heroic employees as well. We are truly proud to call them colleagues.



# NBWA Next Generation Instagram Contest

During the holidays, NBWA held the 2018 Next Gen Holiday Instagram Photo Contest, where we encouraged our Next Generation Group to show their spirit for the holidays and beer on Instagram.

Our members posted and our followers voted. NBWA is pleased to congratulate Eva Connors McMullin, Assistant General Manager of S.R. Perrott, Inc., in Ormond Beach, Fla., for winning the photo contest. Not only does she have a Next Generation VIP title at this year's Legislative Conference, Eva will be taking over NBWA's Instagram account this week. We invite you to follow along at @followyourbeer!

Eva got creative over the holidays and shared a photo of an ice-cold beer with a beautifully lit Christmas tree and a breathtaking Florida sunset in the background. Talk about paradise.

Through the NBWA Next Generation Group, we are working to inspire and prepare the next generation of leaders in the beer distribution industry. We have over 500 members, and we are looking forward to seeing many this week at our Legislative Conference.



# Register Now For NBWA's Seventh Annual Next Gen Success In Leadership Conference

**N**BWA's Seventh Annual Next Generation Success in Leadership Conference will take place Nov. 6-8, 2019, in New Orleans, La. Based on distributor member feedback, we understand that August is a difficult time for Next Generation leaders to be out of their market, so we are moving the conference to November to better meet members' needs and continue to grow the Next Generation Group.

The NBWA Next Generation Group – which includes over 550 leaders – connects future leaders in the beer distribution industry and helps members learn more about the beer business, get more involved with the association and network with other distributors from all areas of the country representing all brands. It is also an opportunity for group members to hear from leaders outside of the beer industry on what it takes to make a company successful and how to grow in their careers.

In addition to hearing from beer industry experts and NBWA leaders, the group will hear from two keynote speakers.



**Brent Schutte,**  
**Chief Investment**  
**Strategist,**  
**Northwestern**  
**Mutual Wealth**  
**Management**  
**Company**

Brent Schutte, chief investment strategist of Northwestern Mutual Wealth Management Company, will deliver a keynote speech during our Next Generation Success in Leadership Conference. His talk will provide an economic update and market outlook. Schutte



is a frequent expert commentator on national news outlets including CNBC, *The Wall Street Journal*, Cheddar TV and *Bloomberg*.

Schutte oversees the company's retail investment strategy, which represents more than \$118 billion in assets under management. Schutte

is also responsible for Northwestern Mutual's retail investment philosophy through investment policy, asset allocation and research. He communicates the company's investment perspectives to Northwestern Mutual's field members, clients and the public.

Schutte's innate sense of curiosity, natural skepticism and more than 20 years of investment experience help guide his ability to uphold Northwestern Mutual's retail investment philosophy — keeping clients focused on their long-term investment plan and financial goals.

Schutte holds the CFA® designation, a bachelor's degree in finance from University of Illinois at Urbana-Champaign and an MBA with high honors from the University of Chicago Booth School of Business.





**Beth Cabrera, Ph.D.**  
**Senior Scholar,**  
**Center for the**  
**Advancement**  
**of Well-Being,**  
**George Mason**  
**University**

Dr. Beth Cabrera will also deliver a keynote address at this year's Next Generation Success in Leadership Conference, and she will speak to female business leaders during a breakfast. Dr. Cabrera is the author of *Beyond Happy: Women, Work, and Well-Being* and a senior scholar at George Mason University's Center for the Advancement of Well-Being. In her role, she works with companies to help them create positive work environments where people thrive. Her approach, based on the latest research from the field of positive psychology, is extremely effective in developing leaders, building teams and advancing careers.

Dr. Cabrera's expertise was gained through years of experience teaching, conducting research and advising organizations on how to maximize employee engagement and performance. Her research has been published in over 30 articles in some of the world's leading academic and professional journals.

After receiving her Ph.D. in Industrial/Organizational Psychology from the Georgia Institute of Technology, she earned tenure as a management professor at Universidad Carlos III in Madrid, Spain.

### **Mindfulness At Work**

Our minds have a natural tendency to wander. They are wired to notice novelty and seek out new information. This makes focusing difficult, but modern-day technological distractions have made it exponentially harder. Mindfulness at work can improve decision making and enhance focus.

It also promotes greater emotional intelligence and reduces stress. Dr. Cabrera will explore the benefits of mindfulness and practical techniques for creating a work environment where everyone can be more mindful.

### **Kick Off The Conference With The First Ever Female Leadership Breakfast: Women, Work, And Well-Being**

Despite the strides women have made toward equality in the workplace, they are less happy today than they were 40 years ago. The difficulties of fulfilling their multiple, often conflicting roles, negatively impacts women's well-being. Dr. Cabrera will look at the challenges that women face and will discuss the two critical dimensions of well-being. Specific strategies for improving well-being in order to increase confidence, reduce stress, boost resilience and enhance leadership success will be outlined.

### **What You'll Gain**

There will be plenty of opportunities for networking with other Next Generation leaders and education breakout sessions that will address top issues in our industry. Additionally, there will be operational roundtables where attendees can learn from experts and share best practices. Be on the lookout for the opportunity to present your best practice!

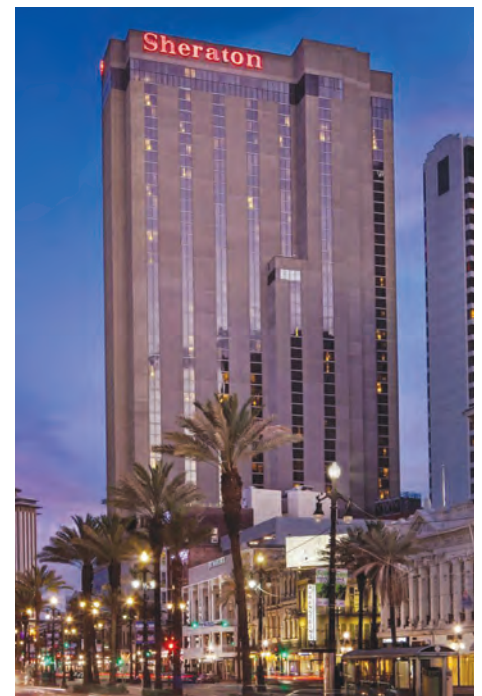
### **The Venue**

Experience the best of New Orleans when you stay at downtown's Sheraton New Orleans Hotel. Ideally set in the vibrant French Quarter, hotel guests are within walking distance of



Bourbon Street. Relax and recharge in spacious accommodations that feature floor-to-ceiling windows, Wi-Fi and views of the Mississippi River and the city. Guests can take advantage of the rooftop pool, sun deck and modern fitness center.

Visit the NBWA website to register for the conference and for details on hotel reservations at the Sheraton New Orleans Hotel. For more information or to join the Next Generation Group, please contact NBWA Manager, Member Programs and Meetings, Maggie Moreland at [mmoreland@nbwa.org](mailto:mmoreland@nbwa.org).





# 2018 Beer Industry Review

By: Lester Jones, NBWA Chief Economist

## March Beer Purchasers' Index Results

While there is a great deal of speculation about how the beer industry is performing, NBWA analytics indicate many bright spots. Using member-reported purchasing data, NBWA's Beer Purchasers' Index is one tool the organization uses to track industry trends across different segments. Each month, this data is compared to the same time frame in previous years. A reading greater than 50 indicates the segment is expanding, while a reading below 50 indicates the segment is contracting.



March 2019 BPI results show total beer index rose to 53.8 for a third month above 50. See figure 1.

Imports continue to expand with this month's reading at 63 only slightly below the 2018 reading of 65. Imports continue to post readings between the 60 and 70 range having dipped below 60 only three times since 2015.

The craft segment remains above the 50 mark for the fifth consecutive month, posting a 55 reading significantly higher than the 2018 reading of 46.

The flavored malt beverage/progressive adult beverage (FMB/PAB) segment – which includes hard seltzers – also had another stellar month posting a 78 index, well above the March 2018 index of 61. For a second month, this month's reading at 78 marks the highest reading ever recorded for this segment.

Cider took a step back from expansion territory for the

first time in six months with a 48 index.

NBWA members who sign up to participate in the BPI get advance release of results. Visit [NBWA.org/BPI](http://NBWA.org/BPI) to sign up today.

## More Products, More Occasions, More Outlets

While there is a lot of discussion from outside the alcohol category about people consuming less and the negative impacts on consumer demand, the data seems to indicate otherwise. Overall, demand for alcohol remains strong among consumers with more suppliers, many more products, more occasions, more outlets and even more innovations in the pipeline.

While case volumes are down, the venues to buy and consume alcohol continue to grow. Over the past ten years, the industry has seen consistent growth in the number of retail establishments that sell alcohol beverages, both brick and mortar outlets as well as virtual (e-commerce) outlets.

According to data from Neilson TDLinks™, total alcohol selling establishments have grown to from 530,000 in 2008 to over 640,000 in 2018. New occasion opportunities from movie theaters and barber shops, to laundry mats and even libraries – primarily experience-focused outings – are on the rise as well.

In addition, the continued growth in the number of small brewers, vintners and distillers around the country has doubled in the past ten years. Today there are now more than 25,000 permitted alcohol manufacturers in the country. Breweries alone accounted for 10,115 permits at the end of 2018 and most of the new brewers are operating as retail brewers selling direct to consumers.

As the alcohol beverage industry fragments, it becomes more difficult to reliably and accurately track. The data in the table (figure 2) show domestic and imported malt beverages as reported by the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Department of Commerce.

In addition to the malt beverage volumes, cider, perry and mead, an alcohol beverage segment category called “Not Elsewhere Specified or Included” (NESOI) has been added. *NESOI beverages are the fermented alcohol beverages that simply do not fit into any traditional category and are lumped together into an obscure import account reported out by the Department of Commerce. This category is a small share of total industry, but just*

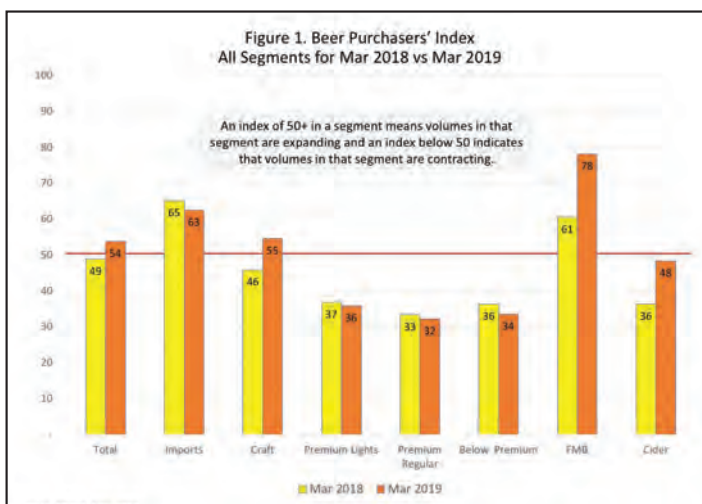


Figure 2. Industry Estimates

Segment / Year (1,000 CEs)	CY 2017	CY 2018	Change	% Change	Share
Domestic Beer	2,315,221	2,279,299	-35,923	-1.6%	80.1%
Tax Determined (Brewpubs)	36,470	42,449	5,979	16.4%	1.5%
Imports Beer	474,197	490,989	16,793	3.5%	17.3%
<b>Total Beer</b>	<b>2,825,888</b>	<b>2,812,737</b>	<b>-13,151</b>	<b>-0.5%</b>	<b>98.9%</b>
Domestic Cider	20,448	22,512	2,064	10.1%	0.8%
Import Cider	3,592	3,373	-219	-6.1%	0.1%
Imported Perry, Mead, NESOI	5,441	6,272	831	15.3%	0.2%
<b>Total Cider, Perry, Mead</b>	<b>29,480</b>	<b>32,157</b>	<b>2,677</b>	<b>9.1%</b>	<b>1.1%</b>
<b>Total Industry</b>	<b>2,855,369</b>	<b>2,844,895</b>	<b>-10,474</b>	<b>-0.4%</b>	<b>100%</b>

*like every other disruptive beverage, it will invade the core beer space and grow faster than the balance of the industry.*

Despite all this activity across the entire alcohol beverage industry, beer industry volumes continue to trend slightly downward.

In figure 2, core domestic beer business fell by 1.6 percent losing 36.5 million cases. Imports grew by 3.5 percent adding 16.8 million cases. And, tax determined (brewpubs) grew at 15.3 percent and added 5.6 million cases.

In the cider category, total volumes grew by almost 10 percent adding 2.6 million cases to the market. The shift to specialty domestic brands and specialty imports is driving growth in the cider segment. Overall, industry volumes fell by roughly 0.4 percent in 2018.

### Growing the High-End

The push to grow the high-end beer market is also not letting up any time soon. The U.S. economy is entering its 119<sup>th</sup> month of economic expansion that started in June 2009. This current expansion will soon pass the 120-month record set during the March 1991 to March 2001 business cycle.

Alongside the growing economy, the push to create a

high-end beer market, where over 40 percent of product currently sits in the premium plus category, has not been lost on consumers. Data from the Bureau of Labor Statistics Consumer Price Index shows how dramatic the increase in high-end beer has been relative to wine and liquor.

In figure 3, the Consumer Price Index for beer for take home consumption was 197 in June of

2009 compared to 230 in February 2019. This represents a 17 percent increase over 117 months of the economic expansion. By comparison, over the same time period, the price index for take-home liquor category rose by 4 percent and the price index for take-home wine remains virtually the same as in June 2009.

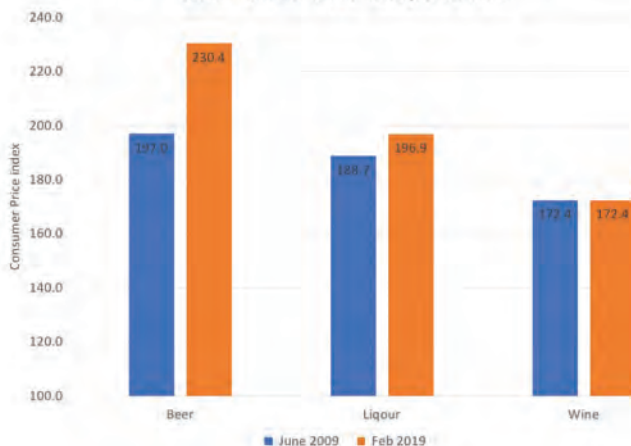
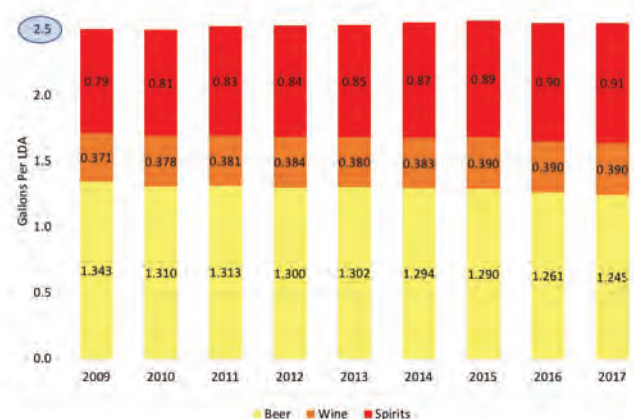
### Total Alcohol Consumption Remains the Same

The past ten years may have seen significant change in who, what and where alcohol beverages are consumed. But how much the country drinks has remained relatively the same each year during the current economic expansion.

The data in figure 4 shows the total amount of alcohol the country consumes each year has remained relatively steady at 2.5 gallons per person per year from 2009 to 2018.

The total alcohol estimate is calculated by taking the average weighted alcohol by volume (ABV) for beer, cider, wine and liquor in each year and dividing by the legal drinking age population. After accounting for an increasing ABV across the segments and more legal drinking age adults overall, the final estimates remain the same each year.

Cheers!

Figure 3. Consumer Price Index June 2009 vs February 2019  
BLS-CPI Take Home Beer vs. Liquor vs. WineFigure 4. Total U.S. Ethanol Per Capita  
2009 to 2018

Source: Compiled by NAWA from TTB, Census and BLS, 2018 (2017 wine volumes estimated by NAWA)

# Fintech, NBWA Partnership Continues to Grow

By: Anne Marie Pollitt, Fintech Lead Marketing Specialist

Fintech is honored to announce the continuation and growth of its partnership with NBWA. Since 2014, both organizations have worked together diligently to further their strategic support of the beer distribution industry.

In 2007, NBWA identified the electronic funds transfer (EFT) process as an essential way to improve distributor efficiencies, reduce costs and help meet the needs of retailer partners. Fintech has remained a steadfast partner of NBWA, expanding beyond EFT services to provide actionable data insights for its members. For example, NBWA Chief Economist Lester Jones utilizes Fintech's InfoSource valuable retailer purchase data to provide market trends for the NBWA distributor community. Lester's Beer Industry Data can be found at [www.nbwa.org/data-insights](http://www.nbwa.org/data-insights).

As the leading service provider for alcohol data and payments, Fintech is proud to introduce to the NBWA partnership a revolutionary pricing communication platform, built exclusively for distributors.



After working with distributor members, Fintech has learned the difficulties distributors experience when completing, managing and communicating pricing sheets to retailers and suppliers. The demand for accurate pricing information provided to retailers in their specific spreadsheet format, portal or time frame continues to grow, costing distributors additional money and man hours.

Fintech has been able to transform this inefficient and time-consuming process by developing a tool that standardizes the collection and communication of pricing information. This is a best-practice example of NBWA distributors working with partners to solve complex issues with retailer price requirements.

Fintech PriceSource™ is designed to get distributorships completely out of the retailer pricing spreadsheet business. This tool will provide retailers with

real-time, accurate pricing and promotion information in the format they require, retrieved directly from distributors' Route Accounting System.

PriceSource provides distributors the ability to easily manage and communicate future case pricing, new items, price changes, promotions and discounts for all retailers. The overall goal of PriceSource is to automate the pricing and promotion communication process, further increasing the operating efficiencies provided by the Fintech OneSource®

platform.

Fintech is excited to announce that we have now launched this product and are more than happy to conduct a personal demo with any distributor across the country. Please contact Walter Pickel, Vice President, Product Development ([wpickel@fintech.net](mailto:wpickel@fintech.net)), or Eric Kiser, Vice President, Distributor Strategy ([ekiser@fintech.net](mailto:ekiser@fintech.net)), to arrange a PriceSource demo. All NBWA distributors can benefit from this innovative method to communicate pricing to their retailers.

"Whether it's providing NBWA members with discounts and rebates on their EFT services or providing real-time data to NBWA's economic team, Fintech has been a great partner to NBWA and its members," said NBWA President and CEO Craig Purser. "While Fintech continues to grow its core business, they've also been innovators who work to create solutions to challenges distributors face all across the country. We look forward to continuing our partnership for years to come."



# Drink Like a Local #FollowYourBeer in D.C.

Welcome to Washington, D.C.! Whether you're new to the city or looking to live like a local this week, we've compiled a list of some of our staff's favorite spots for a cold one in the nation's capital. From old Irish pubs to outdoor beer gardens, we hope this list helps you #followyourbeer... throughout Washington!



## **Lauren Kane:**

The Brig, which is a German-style outdoor beer garden on Capitol Hill. There's nothing like enjoying a

cold beer outside with your friends on a warm, sunny day!



## **Craig Purser:**

Virtue Feed & Grain is just one of those bars with a great beer selection and a very cool, high energy vibe. It is

right on the Potomac River in Old Town Alexandria, not far from NBWA, and the perfect place to start or finish any occasion.



## **David**

**Christman:** This year the Legislative Conference happens to fall at the same time as the NCAA Men's

Basketball National Championship game, so I plan to head from the Charlie Palmer's event to the basement of Penn Quarter Sports Tavern on Monday night. They've got a nice beer selection, more TVs than most BestBuy stores and some fun bar games to keep things entertaining. Hope to see you there!



## **Jackie Furdyna:**

Ever since studying abroad in Dublin back in college, I've had a soft spot for a classic, no frills

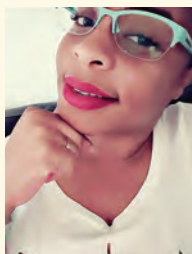
Irish pubs... so my favorite spot for a cold beer in D.C. will always be Nanny O'Brien's in Cleveland Park. It's a great neighborhood bar, with a focus on rotating local beers from D.C., Maryland and Virginia, but they can still pour a great Guinness.



## **Eric Bunning:**

My favorite place to grab a beer is Biergarten Haus on H Street - they always have a good game on and I love

consuming beer by the liter!



## **Tiffany Bennett:**

I enjoy having a nice cold beer with some good buffalo wings at Friday's.

# 2019 Brewer Partner of the Year Awards Nominations Open

Now in its fifth year, NBWA is seeking nominations for the Annual Brewer Partner of the Year Awards. This opportunity to



recognize local brewers on a national level is designed to highlight brewers who produce great beer, build strong partner-

ships, provide valuable education and offer support to their distributor customers who deliver beers to their market.

In all, NBWA will present three Brewer Partner of the Year prizes naming a winner at the Gold, Silver and Bronze level respectively.

NBWA distributor members and brewers are encouraged to nominate any brewer they believe is deserving of an award. Nominations will be accepted until June 28, 2019. The awards will be presented during NBWA's 82<sup>nd</sup> Annual Convention in September.

"America's independent beer distributors are fortunate to work alongside the more than 7,500 brewers in operation throughout the nation," said NBWA President and CEO Craig Purser. "Whether providing valuable sales and marketing assistance or working arm and arm with their distributor partners, America's brewers play a prominent and crucial role in the beer distribution industry and we want to make sure and recognize them every chance we can get."

# Guiding Alcohol Law: Center for Alcohol Policy Weighs In on Pending U.S. Supreme Court Case

By: Mike Lashbrook, Center for Alcohol Policy Executive Director

The Center for Alcohol Policy continues to remain active and engaged in the legal and policy fronts of the industry. In the fall, we learned that the Supreme Court of the United States would hear a case involving alcohol regulation – *Tennessee Wine and Spirits Retailers Association v. Russell Thomas* – the first in over a decade.



The Center aggressively dove in and proved to be an integral part of the debate, filing an amicus brief in support of state-based alcohol regulation and the historic value of licensing systems. Former Justice Kennedy clerk John Neiman of Maynard, Cooper and Gale authored the brief.

Including the Center's brief, 14 briefs were filed in support of the petitioner. Eight of these briefs cite the Center's republished book *Toward Liquor Control*, and several more cite other studies funded by or associated with the Center. And finally, many of the organizations and individuals involved with the legal effort are frequent attendees/participants in the Center's Annual Law and Policy Conference.

The oral argument was heard by the Supreme Court on January 16, with NBWA Chairman Michael Schilleci, Legal Committee Chairman Brian Drennan and members of the NBWA legal team in attendance. The Court is set to announce its decision later this spring.

Future legal advocacy through amicus briefs educating courts on state-based alcohol regulation, the

licensed three-tier system and tied-house regulation is an area of growing importance for the Center and brings value to NBWA distributor members and the regulated alcohol community.



## Annual Leadership in Alcohol Regulation Award

The Center for Alcohol Policy is now accepting nominations for the Seventh Annual Leadership in Alcohol Regulation Award to be presented at the Center's annual Alcohol Law and Policy Conference in August.

The award recognizes the work of alcohol regulators who oversee the alcohol industry and promote public safety. Any governmental agency or its employees working to promote and enforce alcohol laws and regulations are eligible for the award. A specific program that has achieved positive results or an individual within an agency going above and beyond the call of duty are examples of potential nominees.

Nominations should provide information on how the nominee serves as an example to others in alcohol regulation. Consideration will be given to how the actions of this nominee are helpful to other agencies or employees, achieve desired results and engage or impact a broad coalition of stakeholders. Self-nominations are permitted, and letters of support are encouraged.

In 2018, Deputy Secretary to the Board of the Virginia Alcoholic Beverage Control Authority Chris

Curtis was honored with the Sixth Annual Leadership in Alcohol Regulation Award. Throughout his distinguished career, Curtis became known for his mentorship, proactive efforts in enforcement and public health, promoting and implementing innovative strategies and a fair and balanced approach to alcohol regulation.

You can visit the Center website, [www.centerforalcoholpolicy.org](http://www.centerforalcoholpolicy.org), for the nomination form and details on how to submit a nomination. The deadline for nominations is July 17, 2019. Please contact us at [info@centerforalcoholpolicy.org](mailto:info@centerforalcoholpolicy.org) or at 703.519.3090 for more information.



## Save the Date: 12<sup>th</sup> Annual Alcohol Law and Policy Conference

The Center for Alcohol Policy's 12<sup>th</sup> Annual Alcohol Law and Policy Conference will be held Aug. 25 - 27, 2019, in Boston, Mass.

All distributors are encouraged to attend to learn more about important developments in alcohol regulation and to experience first-hand the Center's flagship conference. Mark the date on your calendars and look for updates on programming and speakers.

Please visit the Center's website for more information on the hotel and online registration.

# NBWA's 82<sup>nd</sup> Annual Convention and Trade Show

**W**e hope you will save the date to be a part of NBWA's 82<sup>nd</sup> Annual Convention and Trade Show in Las Vegas, Nev., Sept. 22-25, 2019!

Nearly 4,000 distributors, brewers and associate members are expected to attend this exciting event. The NBWA Trade Show offers a great opportunity for associate members to meet potential new customers and demonstrate their company's product or service. The trade show will be open Monday, Sept. 23 and Tuesday, Sept. 24 from 12:00 – 4:30 p.m. To find out more about exhibiting as well as the many sponsorship opportunities, please contact Kristy Wagner, NBWA's Trade Show Manager, at 312-265-9667 or [kristy@corcexpo.com](mailto:kristy@corcexpo.com) to learn more.



## Exhibitor List as of March 22, 2019

AC Tech, Inc.	DraftLine Technologies	KD Kanopy, Inc.	ROC House Brands
AFCO/ZEP	DropRippleWave Corp.	Kegstar	Rutherford & Associates
Aim Leasing Company	DSDLink	KION/Dematic Corp.	Safety Vision, L.P.
Anheuser-Busch	Eclipse Fleet Services	Lantech	Salient Management Company
Anthony Liftgates, Inc.	Encompass Technologies, Inc.	Lincoln Motor Company	Samsara
ARCO National Construction Beverage Group	enVista	Liquid Ice Energy Drink	Scotto Cellars
B & P Manufacturing	EPIC Worldwide LLC	Lost Vineyards	SevenFifty Technologies
Beer Tubes	Essentia Water	Lucas Systems	SLO Brew
Betten Trucks LLC	Evamor Products, Inc.	Michele & Group Modeling & Talent Agency	Softeon, Inc.
BevCap Management, LLC	Evil Genius Beer Company	Mickey Truck Bodies, Inc.	S-One (Lexjet)
Big Systems, Inc.	Fintech	Micro Matic USA, Inc.	Stran Promotional Solutions
Boelter Beverage	Freightliner Trucks	MillerCoors	Talbott's Cider Company
Boochcraft	Geloso Beverage Group, LLC	Minhas Craft Brewery	Taphandles LLC
Bootlegger's Brewery	Go GPS	Mother Earth Brew Co.	Team Image Marketing
BrandMuscle	GP Analytics	Motus	Tennant Company
Brew Dr. Kombucha	GreenMile	New Age Industrial	Thermomass
Brewers Association	Hackney	Northern Lists Technology Consulting LLC	Toyota Material Handling
Chilart	HC Foods	Novo Brazil Brewery	Trex Company
Cicerone Certification Program	HDA Architects	Omnitracs	Twinlode Corporation
Cirrus Tech, Inc.	Heineken USA Inc.	OnTrak Software	UBC Group
Coast to Coast Printing Supplies, LLC	Hino Trucks	Orion Packaging	UNEX Manufacturing
Coldbreak Brewing Equipment	iControl Regulated Commerce	Pabst Brewing Company	United States Association of Cider Makers
Common Cider	Innovative Marketing Consultants	Parallel Products	Uplifter Dolly LLC
Copa di Vino	Integrated Communications	Penske Truck Leasing	Vermont Information Processing, Inc.
Copper Mountain Beverage	Interstate Graphics Inc.	Peterbilt Motors Company	Vertique – System Logistics
Craft Beers of Canada	Iowa Rotocast Plastics, Inc.	Polar Beverages	Waymatic, Inc.
Craftsmen Utility Trailer	Ippolito Christon & Co.	PolyWrap Recycling LLC	Western Son Vodka
Digital Media Warehouse	Jack Ripper & Associates	Provi	Wise Systems
Displays by Martin Paul Inc.	Jack's Hard Cider	Rehrig Pacific Company	Zone Defense LLC
	Karma Culture LLC		

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