

SAYING NO TO WAR: BOYCOTTING RUSSIAN ALCOHOL PRODUCTS



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As the Russian Federation's invasion of neighboring Ukraine continues, United States opposition is taking many forms. In addition to providing the Ukrainians with military and humanitarian aid, Washington D.C. has imposed massive economic sanctions nationally against Russia, as well as personally against Russian President Vladimir Putin and the so-called "Russian Oligarchs" who are his closest political and economic allies.

New Presidential Executive Order

Additionally, President Biden today issued a new Executive Order banning the export of luxury goods to Russia. The new order ends the exportation of luxury items, including alcohol beverages, to any person located in the Russian Federation.



President Biden's new executive order also bans U.S. imports of goods from several signature sectors of Russia's economy, prohibiting importation to the U.S. of spirits and vodka, as well as seafood (think sturgeon and caviar) and non-industrial diamonds. The order's objective is to deny Russia more than \$1 billion in export revenues and ensure U.S. citizens are not underwriting President Putin's war against Ukraine. White House officials have emphasized that the U.S. retains the authority to impose additional import bans against Russia as circumstances warrant.

State Actions

At the state level, there are far fewer opportunities to become involved. However, in the so-called “Control States” where alcohol regulatory agencies not only oversee the alcohol industry but are active players in the business, states are joining the fight.

Specifically, alcohol officials in states such as Alabama, Ohio, Oregon, New Hampshire, North Carolina, Pennsylvania, Utah, and Virginia already have taken action to delist or remove Russian alcohol beverages from their inventories. Even private license states like Colorado, Georgia, and Indiana have stepped into the fray, with legislators seeking to have their state treasuries divest from Russian investments, while New York Governor Kathy Hochul signed an executive order forbidding state agencies from doing any business with Russia, including mandatory divestment of funds and assets from companies or institutions aiding Russia in its war against Ukraine.

Industry Actions

Outside the ambit of federal or state government action, private industry also is engaging in the effort to protest Russian aggression. Tech companies such as Apple, IBM, and Microsoft; entertainment companies like Netflix, Sony, and Walt Disney; credit merchants including American Express, VISA, and MasterCard; and consumer goods companies like McDonalds, Starbucks, and Mars, all have announced plans to disengage from business in Russia so long as the attack on Ukraine continues. Even The Coca-Cola Company and PepsiCo – two beverage competitors who rarely agree on anything – have both agreed to suspend their operations in Russia.

Not surprisingly, the alcohol industry is doing its part to “say NO to war.” Kroger, America’s largest supermarket chain, [announced via Twitter](#) on March 1 that it would “show support and solidarity with Ukraine” by removing Russian-produced vodka from all of its stores’ shelves, while also sending emergency food assistance to support refugees through a specially designed grant.



Other prominent retail chains announcing that Russian-origin products would be pulled from their shelves include Publix Supermarkets, the Hy-Vee grocery chain, Total Wines & More, and Liquor Barn.

Alcohol manufacturers are boycotting Russia as well. Heineken, the largest beer brewer in Europe, has halted the production, advertising, and sale of Heineken products in Russia as a response to the ongoing conflict in Ukraine. Danish brewer Carlsberg announced on March 4 that it would halt new investments into Russia and

suspend exports of beer and other beverages to the country as a result of its invasion of Ukraine. Luxembourg-based Stoli Group, the manufacturer of the venerable

Stolichnaya vodka, went so far as to change the name of its product to just “Stoli” in protest against the Ukrainian invasion.

However, in a globalized economy, it’s a fair question to ask *What is a Russian vodka?* Stoli presents a good example of the conundrum facing state agencies as well as industry retailers. The company notes that its *Stolichnaya* vodka has been produced and bottled in Latvia for the past 20 years.

For those wishing to boycott Russian liquor, consider passing on these brands:

- Beluga,
- Hammer & Sickle,
- Imperia,
- Mamont,
- Organika,
- Russian Standard (the brand selling the most in the U.S. market), and
- ZYR.

For those consumers interested in directly supporting Ukrainian distillers, look for the [Khor](#) brand. The Khortytsa Distillery produces three distinct brands of Ukrainian vodka, and in the U.S. the company has partnered with delivery company [Drizly](#).

The war between Russia and Ukraine, as well as the reactions of the global community to Russia’s aggression, remains a situation in flux. For more information and retail updates regarding the impact on and reactions by America’s alcohol industry, please continue to visit **GrayRobinson’s Nationwide Alcohol Industry Group** at: <https://www.gray-robinson.com/alcohol-beverage-practice>



Richard M. Blau leads GrayRobinson’s Nationwide Alcohol Beverage and Food Law Department, focusing on the laws that govern the manufacture, importation, distribution, marketing, sale and consumption of beer, wine, distilled spirits and other licensed beverages. Richard devotes a substantial portion of his practice to trade regulation, importation and distribution, brand development and protection, M & A compliance guidance, litigation, and mediation involving the members of the alcohol industry.