



NABCA DAILY NEWS UPDATE

March 15, 2023

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86th Annual Conference (Members Only)

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NABCA News

Session Highlights from the NABCA 30th Annual Legal Symposium

[NABCA](#)

March 14, 2023

Three robust sessions concluded the Legal Symposium on Tuesday. To follow are summaries of these presentations.

ULC & Alcohol Delivery

Panelists for this session discussed Uniform Law Commission (ULC) and Alcohol Direct-Shipping across the U.S. They included NABCA's Buddy Buckner, Associate General Counsel; Steve Gross, Vice President, State Relations at Wine Institute; Dave Albo, Government Relations Attorney at Williams Mullen; and Jake Hegeman, Assistant General Counsel, at Wine and Spirits Wholesalers of America.

Buckner drove the conversation for the audience to understand the complexity of direct-to-consumer (DTC), which involves many intricacies of alcohol laws. During the beginning of Covid, many states introduced new laws to keep businesses open and allowed customers to receive alcohol using different delivery methods. With some of the laws reaching sunset, many states must decide to keep or let them expire.

The panelists discussed the challenge of DTC shipments and the new expectations of the convenience of having alcohol delivered to homes. ULC entered the political fray of direct-to-consumer shipping in January 2020. For two years, their focus shifted to fulfilling house licenses and direct wine shipments. Gross said 47 states permit DTC wine shipments by wineries. This act gave the states a new tool to detect illegal shipments into the state. It also allows them to take the appropriate action.

The panel briefly discussed the newly introduced [Illinois HB2399](#). According to the bill, it "provides for the registration of third-party providers that ship wine to residents of this state on behalf of winery shippers."

The big takeaway is that many people have discussed having a unified rule. However, one must remember states' authority under the 21st Amendment gives them the right to regulate alcohol as they see fit for their citizens.

Metaverse, NFTs, & Crypto Revisited

The internet has changed life in many ways. What was Web 1, the ability to send and receive an email or a chat for example, became Web 2, which allowed for sharing data in real time through Zoom, for example. We are now in Web 3, the Metaverse, which allows for sharing 3D virtual experiences in real time using the internet.

Panelists for this presentation addressed the Metaverse, NFT's and Cryptocurrency, all of which have been around for a while and all of which are becoming more mainstream.

Elizabeth DeConti, GrayRobinson, P.A., was co-panelist for this presentation along with Mayme Donahue, Hunton, Andrews, Kurth, and Teresa Goody Guillen, Baker Hostetler.

The discussion centered around issues one might encounter in the Metaverse, such as protecting personal information and data, brand protection, purchasing real estate in the Metaverse and special insurance coverage for digital assets, to list a few. Donahue defined a block chain as record transactions arranged in blocks and chained together. The block chain can be replicated across a peer-to-peer network in real time, it uses cryptography to prove identity and control access, and it is difficult to change historical records.

Cryptocurrency, otherwise known as digital currency or virtual currency is defined by the IRS as a digital representation of value that functions as payment for goods and services, digitally traded between users, and exchanged for or into real currencies or digital assets. Bitcoin is an example of virtual currency.

The IRS defines non fungible tokens as a digital asset. This can be tokenized using blockchain technology and individuals can trade uniquely identifiable digital assets, not copies of digital assets.

The panelists then discussed industry members living in Web 3 who use the Metaverse as another platform for product advertising and offer virtual parties and experiences as well as product education. They also likened the Metaverse to a possible storefront for industry members who use the

digital marketplace as a chute for real world sales, a place for auctions or a place for person-to-person transactions and gifts.

The Metaverse can be a new way to reach a new generation of digital savvy consumers who do not engage in traditional media on a significant level. It also expands the space for unresolved legal issues such as advertising rules and mandatory statements, tide house and unlicensed sales of alcoholic beverages.

The panelists also covered the legal context of Web 3 regarding regulating and enforcing difficulties in this evolving market.

How to Go Green Without Going to Court

With more and more focus on Environmental and Social Governance (ESG) in the labor climate today, this final session explored ESG claims in marketing and the legal risks that such claims may pose in both alcohol and other promotional endeavors. Led by Maggie Lu, Diageo Americas Inc., the panel of speakers included Megan Krebbeks of Constellation Brands, Inc., and Alan Pryor and Sam Jockel of Alston & Bird.

Pryor introduced ESG in the corporate landscape and explained how it has become more relevant over time. Krebbeks talked about how marketers have to be careful when catering to those goals in their advertising, citing the responsibility of advertisers over both expressed and implied claims.

The panelists discussed considerations companies will need to consider, to protect themselves while maintaining aspirational goals for ESG. The considerations include documenting tangible and quantifiable accomplishments and ensuring close collaboration between marketing and legal teams to remain compliant with regulations.

Jockel introduced the Green Guides, a set of resources that explain what certain claims are understood to mean by the Federal Trade Commission (FTC) and what requirements must be satisfied to make them. Pryor and Krebbeks closed the session with a back-and-forth discussion about the litigation landscape and the importance of relying on both substantiated statements and clear understanding of the regulations to proceed in marketing ESG accomplishments without running afoul of the law.

Given the popularity of ESG and consumer demand regarding sustainability, many corporations have leaned-into highlighting their conscientiousness on these fronts. While well-intended, these claims can present significant legal risk due to various consumer protection statutes. They can also present potentially catastrophic risk if complaints are successfully brought as a class action. And when coupled with health claims, the likelihood of such action can increase significantly. In this session, attorneys will discuss how to legally traverse health and environmental marketing claims without creating excessive legal risk.

As NABCA's 30th Annual Legal Symposium on Alcohol Beverage Law & Regulation concluded, representatives from control systems, licensed states, the federal government as well as regulators, attorneys and industry members participated in valuable and useful learning opportunities.

The sessions for the Legal Symposium were developed by a cross section of volunteers who help to brainstorm ideas that are relevant for those involved in the beverage alcohol industry. NABCA's CEO Neal Insley recognized all who served to develop this year's sessions and invited those interested in developing next year's event to contact the Association.

NABCA has received Mandatory Continuing Legal Education (MCLE) accreditation from a limited number of states for the Legal Symposium programs. Each state has its own rules detailing what qualifies for MCLE and Ethics credits. As a result, the number of approved hours may vary by state.

Mark your calendar for the 31st Annual Legal Symposium, set for March 10-12, 2024, at The Ritz-Carlton, Pentagon City, Arlington VA.

[TOP](#)

Control State News

OH: Division of Liquor Control announces new technology creating faster on-ramp for new products

[The Highland County Press](#)

Source: Ohio Division of Liquor Control, Press Release

March 14, 2023

The Ohio Division of Liquor Control is rolling out an online system for manufacturers and suppliers of beer, wine, seltzers and mixed beverages to register product labels.

The Division's Product Registration Online system will expedite the approval process those products need to undergo before they can enter the market in Ohio, allowing consumers to sample new products more quickly.

"Labels help inform consumers about the beer and wine products, including information about where they were made and their alcohol content," said DOLC Superintendent Jim Canepa. "The transition from paper to online registrations will help decrease the approval times for labels from months and weeks to days and hours. This is another example of the Division's efforts to provide modern and efficient customer service."

On the e-file service (powered by third-party vendor Sovos ShipCompliant), for each application, businesses can upload label images, communicate directly with the Division, securely sign and pay for them, and manage the history of all pending and approved or denied product registration applications. It is convenient for returning stakeholders who can reuse their information stored in the system for multiple label registrations. This will ensure that the client meets the required criteria and help internal staff move more efficiently.

Many product labels require approval from the Alcohol and Tobacco Tax and Trade Bureau, too. The e-file service is integrated with the Bureau's label database allowing applicants to transfer all federal approvals and relevant information to their application with the Division seamlessly.

From 2017 to 2022, the Division processed an average of 13,280 label registrations each year.

"The transition the federal government made to online registration dramatically improved service and timeliness of the label approval process.

We are excited that the State of Ohio will be offering the same option to our wineries,” said Donniella Winchell, executive director of the Ohio Wine Producers Association.

“We’re excited at the opportunity for our wineries to experience quicker turnaround times for the labeling registration,” said Christy Eckstein, executive director of the Ohio Grape Industries Committee.

“Consumers have supported the growth of Ohio’s craft brewing industry in large part because of the wide variety of beers available at each of the more than 400 breweries located in our state. Thousands of new beer products are formulated, brewed, distributed, and sold in Ohio every year to the delight of craft beer fans,” said Justin Hemminger, deputy director of Ohio Craft Brewers Association. “The state of Ohio’s alcohol product registration and labeling system took a big technological leap forward to keep up with this continually growing market. Ohio’s independent craft breweries rely on effective and efficient regulatory oversight to ensure that consumers can continue to enjoy fresh, trend-setting and world-class beers made here in the Buckeye State.”

The Division will offer training for beer and wine producers and wholesalers to use the online system in the coming weeks. Details will be forthcoming. Licensees are encouraged to sign up for updates from the Division at com.ohio.gov/StayInformed.

[TOP](#)

ID: Idaho Senate passes liquor license reform

[Boise Dev](#)

By Margaret Carmel – Boise Dev Sr. Reporter
March 14, 2023

The Idaho Senate gave its seal of approval on a bill to reform Idaho’s fraught, quota-based liquor license system.

A fast-moving bill from Sen. Jim Guthrie, R-McCammon, first cleared committee earlier this week after weeks of negotiations between bar

owners, liquor license hopefuls and other stakeholders to try and come to a deal to reform [Idaho's population-based liquor license system](#) and the speculation in the market pushing license costs to six figures.

SB 1120 would [end the sale of new private liquor licenses](#) on the private market and limit current liquor license holders to one sale. It would also end the historic license where businesses in continual operation for 75 years can receive an automatic license, no matter what kind of business they've been operating.

It passed 27-8, with some legislators voting against it because they felt it didn't do enough to compensate liquor license holders who had paid into the system with the expectation they could sell their license as they had in the past.

A 'hostile' amendment goes down

Sen. Tammy Nichols, R-Middleton, opposed the bill and tried to have it amended so existing liquor license holders could sell their licenses to someone who could then sell it again later in perpetuity. She said Guthrie's bill didn't do enough to prevent any harm from liquor license holders losing out on future revenue.

Her argument, and those of others opposed to the bill, is that if a liquor license can only be sold once and won't be available for another sale they won't sell for as much as the original license holder bought it for.

"It's not the business owners' fault that the state of Idaho set up this system to allow these liquor licenses to be bought and sold for several decades," she said. "They shouldn't be forced to lose the revenue they could gain from selling their license that they've worked so hard to pay for and maintain."

Guthrie said the changes don't mean the licenses available for sale would lose value because there still would be not enough licenses as there is demand in the market. And if the system prevents people from buying and selling their licenses they land off of the state's waiting list, it would mean there are fewer licenses available for sale at any given time and the value of these existing licenses could go up.

He called Nichols' motion "hostile".

"If someone comes into town to start a bar or a restaurant and they need a liquor license, the quota is still there," he said. "They can't get any more. There's no more available. They'll be able to go and purchase a license from someone who has this opportunity to transfer and as more licenses come off the list that can't be transferred, more and more people come off the list creating more and more available."

Other legislators speak in support

Alcohol might not be everyone's favorite business, but it earned the support from the vast majority of legislators.

Sen. Van Burtenshaw, R-Terreton, said he despises alcohol "from the bottom of my heart", but he thought it was important to stand up for a bill that would try and make the system fairer.

"I hate how this licensing has gone," he said. "It's been entrepreneurial for many people. I hate it. I hate it all. But, I am going to vote for this because it gives a semblance that we can understand and puts sanity back into an insane thing that we've done in this legislature."

Sen. Dan Foreman, R-Moscow, also opted to support the bill. He said it will bring "common sense and stability" to the liquor licensing system and moves toward a fairer outcome for all business owners.

"I think we all realize that some of our liquor laws are in need of repair, but this is a step in the right direction and I fully understand the concern from some of the current license holders, but the safeguards are there and the balance is there."

[TOP](#)

NC: State liquor distribution system sends limited bourbons to large areas; ABC manager thinks it breaks state law

[Hickory Daily Record](#)

By Virginia Annable

March 15, 2023

As a young man, Tom Papas bonded with his father over whiskey. When he visited, the pair shared drinks. Papas enjoyed bourbon while his father preferred scotch.

Through the ritual, Papas acquired an interest in whiskey. When he retired and moved to Asheboro, North Carolina, he decided to turn that passion into a business.

Papas opened Leo's Whiskey Bar in 2020 in downtown Asheboro, a town of about 27,000 people just south of Greensboro. His intent was to offer a wide selection of whiskeys, such as bourbons and scotch. Papas hoped to give people the chance to bond over a drink and even try limited liquors they might not be able to find elsewhere. He soon ran into a problem. By law, he has to purchase liquor through the local Asheboro Alcohol Beverage Control Board. The rule limited what he could stock. His offerings depended on what the local board could get in stock from the state.

Papas said he can put in an order for liquor, but if the ABC board can't get it, he can't either. He has standing orders for a lot of the whiskey the bar sells.

"We get what we get when we get it, and we never know what's coming, which is kind of a dangerous business model," Papas said. "People are coming here and getting to know we have the best stuff in town, and sometimes we can't get it."

Papas learned to take whatever limited whiskey the ABC stores can get in. That might be Blanton's bourbon one week or a few bottles of E.H. Taylor the next.

A recent change to the way the state distributes liquor means the biggest ABC boards in the state get the first pick of limited liquors, making it difficult for smaller boards to get those bottles, Asheboro ABC Manager Rodney Johnson said. He says the distribution policy violates state law.

Typically, the state-run warehouse that provides liquor for North Carolina's 174 alcoholic beverage control boards' retail stores has enough liquor to go around. But in some cases, the state only receives a small number of cases of certain limited liquors. Those include bourbon brands such as Eagle Rare, Buffalo Trace, Widow Jane, E.H. Taylor and W.L. Weller.

This summer, the North Carolina Alcoholic Beverage Control Commission changed the way those limited liquors are distributed to the 174 local ABC boards across the state that sell liquor in retail stores, said Brantley Uzzell, general manager of the Lenoir County ABC Board and vice president of both the North Carolina Association of ABC Boards and a state advisory committee for the NC ABC Commission.

Before the change, the liquor was distributed on a first-come, first-served basis through the online ordering system. Now, the state commission offers 75% of limited liquors to the 30 boards that sell the most alcohol throughout the year. The remaining 25% is opened up to the other 141 boards, Uzzell said.

Uzzell said the change was made after suppliers said they wanted to see more liquor being sold in restaurants and bars, rather than to individuals by the bottle in retail shops.

"Suppliers came in and said, 'We'd prefer to see the stuff going to the bars and restaurants so more people can try it, and if you do that, we'll send in more product,'" Uzzell said.

[TOP](#)

ME: Beer Industry Analyst on Keeping Maine Breweries Profitable

[American Craft Beer](#)

March 15, 2023

Bump Williams is like the Warren Buffett of beer, and he recently took to the stage at a conference in Portland to wax wise on how Maine brewers

can maintain market dominance in an increasingly competitive environment.

According to a recent survey by the Maine Brewers' Guild, 43 percent of brewers reported that in spite of the pandemic, business was better than expected in 2021, and 87 percent reported optimism about their future.

A total of 143 craft breweries were operating in Maine in 2021, according to the [Press Herald](#) who covered beer industry analyst Bump William's presentation at the New England Craft Brew Summit in Portland last week. "The state ranked No. 2 in the number of breweries per capita, and Maine's beer production – totaling 364,000 barrels in 2021 – ranked No. 3 per capita."

Overall Williams was positive about the health of Maine's craft beer scene telling "You own the backyard." told attendees at the Summit, noting that Maine brewers had adapted quickly to craft beer's increasingly fragmented environment and proved agile in keeping up with "rapidly changing consumer preferences."

Williams pointed to the profits generated by the state's outstanding network of brewpubs and tasting rooms emphasizing that Maine brewers have are their brewpubs and tasting rooms had done a masterful job of getting people to stop by to taste the latest offerings. "We don't really see that anywhere else."

After congratulating Maine brewers for their ability to navigate a post-pandemic economic landscape Williams went on to make a number of suggestions as to ways breweries could extend that dominance.

He said that Hazy IPA trend will continue to grow and that breweries need to pay attention to that. "Brewers don't like them, but people will wait in line for them," Williams added.

He told the audience of more than 500 professionals to expect further turbulence at retail and suggested that brewers should consider larger single-serve 19.2 cans as an alternative to the traditional 6-pack, being better positioned to secure shelf space especially at convenience stores.

The New England Craft Brew Summit featured more than 20 in-depth workshops surrounding this year's theme of "Focusing on What You Can Control," exploring technical and business topics to engage brewers in thinking about where their businesses will be in five, ten, and twenty years.

[TOP](#)

License State News

FL: Vaping, alcohol use amongst Northwest Florida teens on the rise

[WEAR News 3](#)

By Kelsey Coffey

March 14, 2023

PENSACOLA, Fla. -- Vaping and alcohol use among teenagers in Northwest Florida is on the rise, according to Denise Manassa, the Director of Community Prevention at CDAC Behavioral Healthcare.

The Florida Youth Substance Abuse Survey shows the percentage of how many high schoolers have used drugs at some point in their lifetime across the state. Vaping and alcohol were at the top of the list.

More than 40 percent of Santa Rosa County high school students reported they drank alcohol.

Manassa says more students are vaping and smoking marijuana, because they're receiving mixed messages from television and social media.

"We get a lot of mixed messages in the media, especially for adolescents, about it's not harmful. It's medicine. It's good for you. Take it if you have anxiety or depression," said Manassa.

Manassa's advices parents to create a safe space for their children to start talking about their problems at a young age.

She says students use drugs to cope with anxiety, depression or other mental health struggles.

She recommends that parents start conversations with their children about substance abuse by asking questions and allowing them to share their thoughts.

Below are signs that your child may be struggling with substance abuse:

- Extreme mood swings
- Poor hygiene
- Poor academic performance
- A change in peer group
- Obsessed with money

For more information on CDAC, [click here](#).

[TOP](#)

CO: Bill could enforce ‘substance-free seating’ at Colorado entertainment venues

[KDVR Fox 32](#)

By: Morgan Whitley

March 14, 2023

DENVER ([KDVR](#)) — A new bill is being considered in the Senate, and if passed it would require “substance-free seating” at large Colorado concert, sports and entertainment venues.

[SB23-171](#) is also known as the “Large Entertainment Facility Substance-free Seating Requirement” bill and was introduced by Democratic [Sen. Kevin Priola](#) and Democratic [Rep. Chris deGruy Kennedy](#) on Feb. 27.

According to the bill, if passed it would require an entertainment facility with a seating capacity of 7,000 or more to designate and enforce at least 4% of that seating as a substance-free area. The area cannot be limited to seats that are either higher or farther away from the activity.

This means that places like Ball Arena, Coors Field and Red Rocks would have to make 4% of their seating substance-free.

The bill defines substance-free as a seating area where the use of alcohol, electronic smoking, marijuana, tobacco and prohibited substances are banned.

“It will give people in recovery, people who don’t drink, and people who don’t want to be around others who are drinking a space to feel safe and comfortable and not alone in their sobriety,” according to section one of the bill.

If an entertainment facility fails to comply with the requirement, it could face license-related discipline, suspension, or fines.

According to the bill, in 2021 the per capita alcohol consumption and percentage of adults who reported binge drinking in the past 30 days was higher in Colorado than the national average.

If passed, this bill would be the first of its kind in the country. SB23-171 will be voted on by the finance committee on Thursday.

[TOP](#)

CO: With wine in the grocery aisles, some liquor stores may have to specialize to survive

[KUNC, NPR for Northern Colorado](#)

By Beau Baker

March 14, 2023

A customer walks past a sign advertising Corona beer while exiting a liquor store Friday, March 27, 2020, in Bergen Park, Colo. The newly passed Proposition 125, which allows grocery stores to sell wine has many independent liquor stores wondering how their sales will be impacted.

As a result of voters passing last year's Proposition 125, Colorado grocery stores started selling wine this month. Many independent liquor stores

considered the ballot initiative a big threat to their business and store owners and researchers are watching trends to see what kind of impact the law could have on customer behaviors and business' bottom lines.

[A recent study](#) out of Colorado State University looked at how beer sales in grocery stores in Colorado and Kansas impacted liquor sellers a few years ago. Researchers used cellphone data to look at customer movement. Overall, the damage appeared minimal. There was a 5% decrease in foot traffic in liquor stores.

Professor Marco Costanigro co-authored a CSU study that looked at how allowing beer and wine sales in grocery stores affected independent liquor sellers.

The study also looked at Oklahoma, which gave grocers the green light to sell wine in 2019. In Oklahoma the study showed that foot traffic to liquor stores dropped 10% in urban and rural areas. With this in mind, many believe Colorado's new liquor law might make the landscape tougher for small businesses and could possibly even force some stores to close.

"It's gonna be the ones [stores] that are located very close to grocery stores, they're smaller, and they're just selling the same type of macro product that the grocery stores are selling, and to survive, they will have to specialize in providing a wider variety of product," said study co-author Marco Costanigro, a professor of agricultural and resource economics at CSU.

Costanigro said he expects Colorado will see a similar trend of urban and rural customers buying more wine and beer at the grocery store instead of visiting a stand alone liquor store.

"They are going to have a hard time following the grocery stores in price for the simple reason that the grocery stores have the scale of operations - economy of scale - that allow them to charge lower prices," said Costanigro.

Some liquor stores can probably weather a drop in foot traffic because they have good locations, a loyal customer base, or sell specialty products that aren't widely distributed.

"If you want to survive you just have to offer something that grocery stores can't," he said.

Costanigro is working on new research to highlight what types of stores survive after these liquor law changes.

[TOP](#)

MN: How a Cannabis Law Loophole Saved the Craft Beer Industry in Minnesota

[Green State](#)

By Dustin Luke Nelson

March 14, 2023

Raul Julia's voice erupts from the Addams Family pinball machine, cutting through the din at TLT Pinball Bar. It's league night at the Minneapolis bar. It's packed. Godzilla's shriek mingles with *Ghostbusters* catchphrases and laughter at the bar. What stands out – especially if you're from out of state – is the shocking number of players sipping [THC Seltzers](#), most made by local breweries.

While marijuana is still not legal in the state, Minnesota legalized the recreational use of low-dose THC edibles in 2022. It was a strange process that prompted some to ask if Minnesota "[accidentally](#)" legalized weed. That "accident" has been a boon for the state's breweries.

How Minnesota opened a weed leaf-sized loophole

The 2022 provisional law loosened regulations despite the then-GOP-controlled Senate's objections. Republican Senator Jim Abeler told the [Star Tribune](#) at the time that he thought the law in question was designed to regulate the Delta-8 THC market – products made from this less potent strain of THC were already being sold in Minnesota – but didn't realize the law would simultaneously legalize edibles containing more potent Delta-9 THC. The paper reported that it was "unclear" if Republicans actually knew what the result of this provision might be.

And while the new law didn't necessarily open the floodgates, there was plenty of room for new products to trickle into the marketplace – even though the specifications on what can be sold were still narrow. Edibles can only contain hemp-derived Delta-9 THC with a maximum of 5mg of THC per serving and 50mg per package. Though workarounds have been discovered, most notably by Minnesota producers of THC seltzers. [Lupulin Brewing's website](#) says its 12mg [Smazey THC](#) seltzer has “four 3mg servings per can.” It approaches that 50mg limit in a four-pack of cans.

The 5mg serving is considered “low dose,” but brewers say they tell customers that a 5mg dose will get the consumer high, particularly if they are a new or light user of marijuana. Regular weed consumers say that a 5mg dose doesn't do a whole lot. They require more to feel the desired effects. Nonetheless, “low dose” can feel like a misnomer for many since a can of THC seltzer with 10mg can be a lot for casual imbibers.

Easy to find...and easy to imbibe

One of the more unique details in Minnesota's new market is that you can find THC edibles in places you won't in other states. Edibles – including THC beverages – are sold at concert venues, [restaurants](#), a non-alcoholic bottle shop in Minneapolis, tobacco stores and bars like TLT. Importantly, those regulations have also meant that the barrier to entry for businesses is lower than in other states, allowing small businesses like local breweries to dip their toes in those THC-infused waters.

The legalization may be limited to low-dose and hemp-derived products, but it has not been small business. TLT tells InsideHook that THC drinks accounted for 13% of bar revenue over the last month. [Fair State Brewing Co-Op says](#) Chill State THC seltzer has become the northeast Minneapolis brewery's best-selling beverage. It also [told Racket](#) that THC drinks represented 45% of its taproom's to-go revenue in October and November 2022.

Modist Brewing, also based in Minneapolis, tells InsideHook that 40% of its taproom sales are THC drinks, according to Andy Herzog, THC Brand Manager at Modist. Moreover, in municipalities where the sale of edibles is allowed, they have accounted for up to 40% of the brewery's total sales at times. (A handful of cities, like Richfield, Minnesota, have put a [moratorium](#)

[on THC sales](#), so those figures do not include the limited areas where the sale of edibles is not permitted.)

Even the profits are getting high

The numbers vary, but it is nonetheless significant for breweries coming out of a few tough years around the pandemic. Craft brewing as a whole saw a [9% production decline in 2020](#), according to the Brewers Association, a not-for-profit trade group. That's the first production decline in the modern era of craft beer, something which has been at least partially attributed to the pandemic. Those issues continued in 2021 and 2022 to a lesser extent as brewers contended with the ongoing pandemic, supply chain issues, and rising prices. Though, [strong retail sales](#) balanced out significant slowdowns in taproom and bar sales for some in the industry.

Despite the broader industry struggles, Herzog says THC didn't save Modist from closing its doors. "Without THC, we would have wrapped 2022 a hair under where we wanted, but we set our goals ambitiously," he says. "We have gone from doing fine to, wow, we can take on some other projects. We can get around to some other stuff that we've maybe been putting off."

Modist says it looks at its growing THC sales as "gravy" on top of usual revenue, but others have said that THC beverages are more than gravy. Fair State CEO Evan Sallee has called it a "lifeline" and, speaking about legislation that would cut breweries out of future THC products, [told the Star Tribune](#) he wouldn't be surprised if some breweries go out of business without these drinks.

"We actually just finished our brewhouse expansion," Ryan Pitman, Owner and Brewer at Eastlake Craft Brewery says. "It's all the same equipment that we can use to make the seltzers and the beers. So, it basically doubles our capacity at the exact right time." He says that the expansion was planned before the THC gold rush, but that it helped the brewery push plans along as it sells THC seltzers – they deliver THC drinks to your door – just about as fast as it can make them.

Being able to make the drinks on the equipment already in place has made it a smooth transition for breweries. Though, having the equipment already

in place may wind up being a problem for breweries in the not-too-distant future.

[TOP](#)

International News

Asia: Drinking inflation highest at restaurants, lower at stores

[Korea JoongAng Daily](#)

By Kim Ki-Hwan, Lee Jae-Lim

March 15, 2023

Drinking at restaurants has become more expensive faster than buying booze from retailers.

It's proven in numbers, and the government is attempting to control the beverage price — although experts question how effective its measures will be.

For the last three years, soju and beer inflation at restaurant is higher than it is for the same alcohol bought at convenience stores and retailers, according to data released by Statistics Korea on Monday. The price for alcoholic beverages overall rose 5.7 percent in 2022, the biggest increase since the 11.8 percent rise in 1998 following the 1997 Asian Financial Crisis.

In particular, the price of soju while dining out rose 11.2 percent, while the price at retailers rose by 8.6 percent.

The gap is stark in comparison to February 2022, when the inflation rate for dining-out and store-bought alcoholic beverages was same — 0.9 percent.

For beer, the price rose 10.5 percent for restaurants, while beer sold by retailers rose by 5.9 percent. The price of *makgeolli* (Korean traditional rice wine) at restaurants rose by 5.1 percent, while the price for makgeolli sold on retailers rose by 1.6 percent.

It's the butterfly effect, as producers raised the factory price and retailers followed suit, then so did the restaurants.

The Ministry of Strategy and Finance plans to address some of the factors that are driving up prices.

Taxes for beer and takju were set proportional to the amount of alcohol within the beverage from 2020. Since 2021, they have been taxed by price.

Taxing proportionately to the alcohol amount allowed the tax to remain unchanged for the liquor manufacturers even if the factory price went up, in an aim to protect the domestic industry from imported beers, which were tariffed.

The government implemented a policy for the taxing based on the consumer price from 2021, not anticipating a huge hike in consumer prices from the following year. As the tax rose along with rising inflation, and the business upped the factory price, the price to the consumer rose quickly.

The 2021 implementation was abandoned.

This has left the authorities in a quandary, needing to increase the tax with the change in price in some way and also to be fair to soju makers, which are still taxed ad valorem proportionate to the factory price.

It's inconsistent to up the liquor price reflecting inflation, and when the actual consumer price rose, to lower the beverage price again," said Ahn Chang-nam, taxation and finance professor, Kangnam University.

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Canada: Privatizing liquor sales not a good idea

[Winnipeg Free Press](#)

By: Malaya Marcelino

March 15, 2023

The Progressive Conservative government has once again brought legislation forward to privatize liquor in Manitoba with the introduction of Bill 9.

Privatizing the sale of liquor, increasing locations where it can be sold and putting no limits on what kind of liquor can be sold is bad news for our province as a whole and especially for our Notre Dame community.

First, this new law would allow beer vendors in our community to sell hard liquor, which raises security issues. After a string of assaults and thefts, public Liquor Marts implemented safety measures, such as secured entrances and photo-ID requirements. These steps dramatically reduced thefts and assaults in public liquor stores. Unfortunately, private beer vendors in Notre Dame saw no such security requirements, despite the fact that over this past year we have seen plenty of violence at these locations, including thefts, assaults and the killing of a young beer-vendor worker and customer. Allowing beer vendors to sell hard liquor will only further incentivize theft and crime.

In other provinces where liquor has been privatized, we can track the evidence of increased social harms. For instance, addiction experts say that a readily available supply of liquor contributes to more substance-abuse issues, meaning that more locations result in worse outcomes. In places where liquor sales are privatized, there is evidence of more sales to underage youth and people with substance-abuse issues.

Manitoba Liquor and Lotteries employs over 2,000 workers with good-paying jobs and benefits that support families and communities across the province. Privatization will put these jobs at great risk. Other jurisdictions saw workers lose on average of one-third of their income when working at private liquor stores.

In addition, Manitoba Liquor and Lotteries contributes \$322 million to our province to help pay for hospitals, schools and roads. Currently, 11 cents from every bottle sold in a public liquor store goes to pay for the services we rely on. The PCs move to privatize the sale of liquor will remove that funding from our health-care, education and infrastructure systems while increasing social harms in our communities.

For more information on the campaign to stop the privatization of liquor stores, please see the Manitoba Government Employees Union website: keepingliquorpublic.ca

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India: How Much Liquor Can You Keep At Home In India? Here's Everything You Need To Know About The Rule In Major States!

[Curly Tales](#)

By Mallika Khurana

March 14, 2023

Alcoholic beverages cannot be sold without a licence and that is common knowledge. Even if you keep alcohol in your home, you still need to follow several regulations. You are not allowed to keep liquor in your home after a certain point. Given that they are predicated on each state's excise policy, it is crucial in this situation to be aware of your city's laws on keeping alcohol in your house. Read on for rules in major states!

Limit For Liquor at Home

State-Wise Limit

Andhra Pradesh

Just three bottles of IMFL, or foreign liquor, and up to six bottles of beer may be kept without a permit in Andhra Pradesh.

Arunachal Pradesh

Without a valid liquor licence, it is prohibited to possess more than 18 litres of Indian Made Foreign Liquor (IMFL) or Country Liquor, according to the Arunachal Pradesh Excise Act.

Assam

In Assam, retail sales are limited to 12 bottles of IMFL, 1 gallon or 4.5 litres of rectified or denatured spirit, and 3 bottles of 750 ml of "reputed" country spirit per person every day. There are no extra arrangements for more stockpiles.

West Bengal

In West Bengal, every individual over the age of 21 may buy and keep up to six bottles (each 750 ml) of Indian Manufactured Foreign Liquor. Also, you are allowed to keep up to 18 beer bottles without a licence.

Goa

Goa residents are only permitted to have a maximum of 12 IMFL bottles, 24 bottles of beer, 18 bottles of country liquor, and 6 bottles each of rectified and denatured spirit.

Haryana

In Haryana, you can stock up on 6 bottles of local liquor (750 ml each), and 18 bottles of IMFL (750 ml each), of which no more than 6 bottles may be of imported foreign liquor. You can also store 12 bottles of beer (650 ml), 6 bottles of rum (750 ml), 6 bottles of vodka//cider/gin (750 ml), and 12 bottles of wine.

Himachal Pradesh

In Himachal Pradesh, a person is allowed to possess 48 bottles of beer and 36 bottles of whisky.

Kerala

The maximum permitted alcohol consumption in Kerala is 3 litres of IMFL and 6 litres of beer.

Madhya Pradesh

For a steep annual fee of Rs. 10,000, the government in Madhya Pradesh allows people with monthly incomes exceeding Rs. 10 lakhs (\$1 million) to keep up to 100 “expensive” alcohol bottles in their houses.

Maharashtra

In Maharashtra, You need a licence to consume alcohol in Maharashtra if your age permits it. For the purchase, transportation, and consumption of both domestic and imported alcoholic beverages, a permit is necessary.

Punjab

You are allowed to stock two bottles of IMFL, one case of beer (650 ml per bottle), two bottles of any amount of foreign liquor (1 or 5 litres), two domestic liquor bottles, and one bottle of brandy in Punjab.

Rajasthan

Citizens of Rajasthan are permitted to carry 12 bottles, or nine litres, of IMFL.

Uttar Pradesh

In Uttar Pradesh, 1.5 litres of foreign alcoholic beverages—both those created in India and those that are imported—are the legal limit. The permitted limit for wine is 2 litres of both Indian-made and imported wine, while the permitted maximum for beer is 6 litres of beer.

UT-Wise Limit

Delhi

In Delhi, you are not allowed to keep more than 18 litres of liquor in your home, including beer, wine, and alcohol. At the same time, they are not permitted to have more than 9 litres of rum, whisky, vodka, or gin in their home. You are also only permitted to bring one litre of alcohol outside of Delhi.

Jammu & Kashmir

You are permitted to store 12 bottles of IMFL, including 750ML bottles of JK Desi Whisky, in Jammu and Kashmir. Moreover, 12 beer bottles with a capacity of 650ML each can be kept on hand.

Dry States In India

Currently, India also has some dry states where liquor is completely banned. Mizoram, Gujarat, Bihar, Nagaland, and Lakshadweep have been declared dry states. Consuming alcohol in these states is illegal and is a punishable offence. If you are caught storing alcohol in these states, serious action will be taken against you.

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Industry News

Tim Norris Joins Folio Fine Wine Partners as CEO

[Wine Industry Network](#)

By Press Release

March 14, 2023

NAPA, Calif. (Tuesday March 14, 2023) — Folio Fine Wine Partners, a leading luxury wine importer and sales agency, today announced the appointment of Tim Norris as chief executive officer (CEO), effective Monday April 3, 2023.

Norris joins Folio from Moët Hennessy USA (MHUSA), where he held a range of sales, marketing, and leadership positions over his 23-year tenure. Most recently, he served as Managing Director and Senior Vice President, Estates and Wines, leading the integration of Chateau d'Esclans and Joseph Phelps from private ownership into the MHUSA portfolio.

In his role, Tim will be responsible for leading the Folio business into its next stage of growth and continuing to build upon the importer's success in the highly competitive three-tier market.

Folio Founder and Chairman, Michael Mondavi is thrilled with the appointment, stating:

“Tim’s wine business expertise, deep knowledge of the luxury wine category, and demonstrated success building brands in the highly competitive and complex three-tier system, is clear. His ability to build, motivate and lead teams, and harness new business opportunities in a

dynamic and changing market, makes Tim the ideal candidate to lead and propel Folio to the next stage of growth,” he said.

For Damien Lafaurie, President of EPI Wine and Champagne, Norris’ appointment is in line with the group’s ambitions for the US market:

“Tim’s appointment as CEO of Folio is an important milestone in the development of our business in the US. While Folio has experienced outstanding growth over the past two years, we believe that Tim’s experience, business acumen, and proven success will help us achieve our vision of becoming an undisputed leader in fine and luxury wine.”

For Norris, the appointment comes at an important stage of his wine leadership career:

“After more than two decades of building, growing, and leading teams across sales, marketing and business operations at Moët Hennessy, the opportunity to join Folio in a leadership role was too good to pass up. Building upon Michael Mondavi’s vision, and the long-term strategy and aspirations set out by Groupe EPI, is a challenge I am looking forward to taking on. I am grateful for the growth opportunities offered to me at MHUSA and I hope to bring my learnings and energy to the Folio team,” he said.

Tim Norris brings more than 30 years of experience in sales, marketing, and distributor experience to Folio. Starting with Republic Beverage Company (now RND) in 1992, Norris joined Moët Hennessy in 1999 as Regional Marketing Manager before transitioning to sales with the company in 2007. Over the last 16 years, Norris has held various senior sales roles, and was responsible for the two largest regions of Central and Northeast, managing 54 employees, generating sales of more than 1.7 million cases per year.

In 2020, Norris was appointed Managing Director and Senior Vice President Estates and Wines and Chateau d’Esclans and served on Moët Hennessy USA’s Mergers and Acquisitions team for Joseph Phelps, integrating both businesses into the MHUSA portfolio.

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What Happens When a Favorite Bank for the Wine Industry Collapses?

The U.S. government has stepped in to safeguard Silicon Valley Bank customers' money, but the financial headache isn't over and something more has been lost

[Wine Spectator](#)

By Mitch Frank

March 14, 2023

Have you ever felt the momentary panic of being told your credit card was declined or your check bounced? A huge portion of California winemakers felt that terror, but much, much worse this past weekend, after Silicon Valley Bank (SVB) collapsed Friday morning. The bank, which had been America's 16th largest, is now the second largest to fail in U.S. history, and while it was primarily known for being a favored partner with the tech industry, it was also a leading player in California wine, providing loans, financial advice and industry support to more than 400 winery clients.

When the bank went under, winemakers with accounts there suddenly found their SVB credit cards no longer worked, their checks would no longer clear and the bank's app wouldn't even let them log on. One winemaker told me she spent Friday morning contacting her distributors, telling them not to pay her for any of the wines they had ordered—a request she never thought she'd make—because she had no idea if she'd ever be able to access that money again once it entered her account.

Most people started breathing again on Sunday night, as the federal government announced that bank customers' deposits would be completely covered, even funds over \$250,000, which is usually the limit to FDIC coverage. They were able to begin withdrawing their money Monday morning. The Feds are actively looking for a bank or banks to buy SVB's assets and take over its operations.

But the panic is not completely over, and for the wine industry, SVB's collapse brings both short and long-term concerns. And the news is confusing. So here are a few answers.

How exactly did this happen?

While there will be months if not years of investigations into how a bank with \$200 billion in assets at the start of the year could collapse in 48 hours, the early reports suggest SVB was not the victim of crooked dealing. And it appears the bank's wine division had no responsibility. Wine division employees told me they were completely blindsided by this. (Since most held large amounts of SVB stock, they have also lost a lot of their personal net worth and face unemployment in 45 days.)

Back in 2021, when the stock market was healthy and the tech sector that is SVB's bread-and-butter was booming, the bank took tech firms' money and invested it in long-dated bonds. These looked like safe investments. But when the Fed began raising interest rates last year, those bonds became less valuable. Then the tech industry began to slow, and firms began to withdraw money from SVB to pay their bills. SVB had to sell the bonds—at a loss—and found they were losing about \$1.8 billion.

Could the bank have survived? It's possible. But when executives explained this to their customers, it triggered a panic. Venture capitalist firms told their clients to pull their money from the bank. SVB's stock price cratered, and soon there was a full-scale bank run—only digital and without George Bailey.

What does this have to do with wineries?

SVB founded its wine division in 1994, looking for industries with growth potential. Rob McMillan, who heads the division, explained to his bosses at the time that there was an entire industry that wasn't getting specialized service by traditional banks. As of last week, SVB had more than 400 winery clients and more than \$1.2 billion in outstanding loans to the industry. While wineries weren't as big of clients as tech firms like Roku and Etsy, the bank was a big player in the industry and [McMillan built a reputation for wine business knowledge](#).

Wine is not your typical business. Think about it—you want to start a winery. You might want to plant a vineyard, which will require land and vines that won't start delivering grapes for three to five years. Or perhaps you want to buy fruit—top-quality grapes cost four figures a ton or more.

Plus, you'll either need winemaking equipment or to work with a custom-crush facility and you'll need barrels, bottles, and a whole lot more. Once you make your product, you let it sit in a cellar for months or years. Then you need to sell it. Will you rely on the three-tier system or sell direct? Target restaurants or retailers or both? It's a complex, long-term business that many financial advisers would tell you you're crazy to join.

Winemakers tell me that SVB was more than a lender. Bank staff sat down with them, shared recent market research and helped them decide what was best for them, both short and long-term. Adam Lee of Clarice Wine Company told me about the early days of [his first winery, Siduri](#), when he had been paying the bills with loans from his mom. An SVB banker sat down, tasted his wines with him, asked him about his goals and helped him develop a plan to reach them.

"We've come up with financial tools to help wineries specifically. This is all we do. It allows us to focus on this," McMillan told me yesterday. He's spent the past 72 hours in shock, but also fielding calls from clients and trying to keep operations running. "We've made \$4 billion in loans in three decades and we've lost \$4 million in all that time. And it's not because we're cautious. It's because we understand risk and we know how to help clients succeed. We know how to be patient."

McMillan grew a bit emotional mentioning how many clients, while checking on their own finances, have been asking how he's holding up. Then he returned to what he saw his job as. "Everyone can give you a line of credit. But how do you support that business? That's what we tried to do."

Will wineries lose their money? And will the panic spread?

Unfortunately, the slow recovery from the pandemic, inflation and the Federal Reserve's efforts to combat that inflation are undoubtedly going to create more financial insecurity in the months to come. The Feds stepped in so quickly to guarantee SVB account holders' money in order to stop customers at other banks from panicking. (Investors in the bank are out of luck.) Stock prices have dipped at other regional banks, but several of those have taken steps to shore up their bottom lines.

Wineries will be fine when it comes to their checking and savings accounts. What happens to SVB loans, lines of credit and other financial accounts will likely depend on if the bank finds a buyer and what parts of the company that buyer takes on. Like a lot of other businesses, wineries may find it harder to get credit and affordable loans in our current economy.

And regardless of the short-term loss, there's the loss of SVB's wine-specific knowledge. Hopefully the staff will find new homes and someone else will realize the benefits of being the preferred bank of wine country. But that will not be fixed overnight. Trust cannot be built as quickly as it can collapse.

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Education News

Greeks weigh new drug and alcohol trainings

[Sonoma State Star](#)

By Mariah Forster, Staff Writer

March 14, 2023

Greek organizations are required to complete multiple trainings, one of which is on drugs and alcohol education. However this semester, many organizations are veering from their usual training and opting for an alternative option.

Drug and alcohol training is nothing new on college campuses. Sonoma State is just one of many schools that have implemented prevention programs to educate students on the dangers of abusing drugs and alcohol. An example is the Drug and Alcohol Prevention Program, the DAAPP. This alternative option has been perceived as additional training which has raised concerns for some students.

According to the Division of Student Affairs, DAAPP is “intended to support student and employee health, safety and security by increasing awareness, preventing abuse, and decreasing potential drug and alcohol related crime.”

“With Greek life being associated with partying across the country, it’s good to learn these things though the [view that] Greek life is not [just about] partying,” said third year kinesiology major, Libby Sarto.

Abbie Page, who is the advisor for Sorority and Fraternity life clears the confusion stating, “Usually, chapters complete the alcohol and drug training in their chapter meeting with a guest speaker or representative from their headquarters, however, this semester we have so many on campus opportunities that may fulfill the requirement as well.”

Save a Seawolf was a program created at SSU to spread awareness about drug and alcohol abuse. Sororities and fraternities have the option to attend one of these events as training in their chapter. The most recent event from the program centered around fentanyl.

“I think it’s worth that extra hour if it could save lives,” stated Sarto. “The point of these programs is not to shame people...rather it is teaching us how to be safe and smart.”

What is being offered to greek life organizations is a different way of completing their training rather than adding to it.

Sarto discusses the difference between the normal chapter training and the alternative of attending an event on campus. “Chapter training is usually a general overview of drug and alcohol safety, don’t post underage drinking, be smart, what to do in an emergency...Alternative training tends to focus more on one or two things,” said Sarto.

Piper Collins, fourth year business student thinks that the alternative training comes in handy when someone is unable to attend training during chapter meetings. “Attending chapter (meetings) is mandatory, but if someone missed a meeting, it's nice they can make it up another way instead of trying to schedule a meeting with our standard chair,” said Collins.

Although different, students, a part of Greek life, value the training they complete in their chapters on drug and alcohol prevention. “These alternatives teach something new that is just as important,” said Sarto.

Sarto believes that with substance use being common on campuses, it's important to know the signs of addiction and recognize when someone is not using safely. The drug and alcohol prevention program events are for all Seawolves to learn about resources to help themselves and other students.

While some may view the training as redundant, there are students who appreciate the prevention programs and understand the purpose. "It can be seen as repetitive but you never know when it could come in handy one day," said Collins.

"You can never stop people from partying but you can teach them how to party safely," stated Collins.

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Daily News

EMSA Sharing Tips on How to Spot Alcohol Poisoning

[News 9](#)

By Addie Crawford

March 15, 2023

With many planning to celebrate spring break and St. Patrick's Day, it's going to be a busy stretch for both bars and [EMSA](#).

EMSA said paramedics usually sees a spike in alcohol poisoning reports, but that there are a few big signs of alcohol poisoning to look out for.

Some of those signs are increased confusion and the inability to stay awake or focus.

EMSA said if you see those signs in yourself or others, to call for medical help.

Those signs stem from drinking to the point where you can no longer function, and being well beyond the standard intoxicated feeling.

EMSA said they encourage those going out to know their limits and to bring a responsible person along who can keep an eye out.

As alcohol relaxes a persons muscles, first responders said it could put the ability to breathe in jeopardy as someone falls asleep.

"It's actually really dangerous, a great amount of drinking-related deaths happen because they were simply going to sleep it off," EMSA's [Michael Wilson](#) said. "They have a diminished airway, and they end up vomiting while they are sleeping. They can't control it and they end up choking and dying because of that."

EMSA also said it's so important for anyone who is heavily intoxicated, no matter what age, to call for medical help when needed.

[TOP](#)

[The Collection: An Alcohol Research Summary](#) (formerly Annotated Bibliography)

A comprehensive overview of the latest scientific evidence on important topics related to alcohol policy.

[Control State Results](#) - June 2022 - September 2022 Control State Results.

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