Welcome to NBWA’s 79th Annual Convention! We hope you will enjoy this newsletter’s look at the activities of your association and accomplishments of beer distributors from coast to coast.

While we are gathered in Chicago, NBWA is excited to bring you a program packed with great speakers, 18 education seminars and an expanded, two-day Product Demonstration Showcase filled with more than 150 exhibitors featuring innovative products and services to help your business grow.

During our time together, we’ll dive into the hottest topics facing the industry – including distributor independence, trade practice enforcement, new products, emerging technologies, changing demographics and the next generation. We’ll hear from brewery leaders, distributors from across the country and other industry insiders. We’ll find out what we can expect from the November elections, as CNN’s Bill Press and Fox News Channel’s Tucker Carlson share their take on the political landscape and the presidential race with bipartisan perspective. We’ll also get inspired by NFL great Joe Theismann, who will explain how passion, leadership and teamwork can all combine to create a comprehensive game plan for success.

We encourage you to take full advantage of all this convention has to offer. Be sure to stay connected and engaged. Download NBWA’s convention app and join the conversation on social media using #NBWAChicago.

Thanks for being a part of this convention and all you do for this great industry. We look forward to joining you for a cold beer!

Travis Markstein
2015-2016 NBWA President & CEO
Craig Purser
Chairman of the Board

#NBWAChicago
Message From NBWA’s Incoming Chairman of the Board

Paul J. Bertucci
Executive Vice President
F.E.B. Distributing Co., Inc. & Capital City Beverages
Gulfport & Jackson, Mississippi

It’s such an honor to be the incoming chairman of the National Beer Wholesalers Association, following in the footsteps of great distributors like Travis Markstein, Eric Best, Greg LaMantia, Bob Archer and many others.

I also am following in the footsteps of talented family members. I’m the third generation in our businesses, F.E.B. Distributing in Gulfport, Mississippi, and Capital City Beverages in Jackson, Mississippi. And the fourth generation is now involved, too. I’ve enjoyed watching my nephews dive into the business, and I’ve even joined them at the Next Generation Group’s annual conference.

My grandfather, Salvadore J. Bertucci, began the first business soon after Prohibition ended. He had one truck and distributed one brand of beer, Jax from New Orleans. Over the years, the businesses have grown to include a few more trucks, 200 employees and 100 brands of beer.

Many of us have similar stories, but all of us represent different marketplaces, work with a wide range of suppliers and sell to retailers of all types.

Through NBWA, I have established relationships with distributors from around the country, with differing experiences and a wide range of viewpoints. I have learned from these same people, and I have formed strong friendships. I also have learned more about this system and have become a stronger advocate for it.

That’s why I have one simple goal this year: get distributors more engaged in NBWA. I invite you to do one thing for NBWA that you haven’t done before. Perhaps it’s hosting a warehouse tour for a member of Congress or a reporter, or attending the Next Generation Conference or recruiting a new member. If you do just one new thing, you will become a more engaged member and will build a stronger relationship with NBWA. When NBWA is stronger, our industry is stronger and our future is stronger. Thank you for your investment in this association and in tomorrow’s industry.

Download the NBWA Convention App!

Navigate the NBWA Annual Convention like a pro with the 2016 NBWA Convention mobile app! Use the app to:

• Build a personalized schedule
• Bookmark exhibitors with the Quick List
• See what sessions are happening with “What’s on Now”
• Take notes and send yourself a summary
• Join the conversation on social media
• Connect with friends and colleagues

Search the App Store or Google Play for “2016 NBWA Annual Convention” or visit m.core-apps.com/nbwa2016 on your smartphone. Or scan the QR code to the right!
An Affirming Year for America’s Independent Beer Distribution System

It’s been quite a year for the beer industry. From news headlines to the halls of Congress, the American system of beer distribution has received unprecedented attention over the past several months as Anheuser-Busch InBev (ABI) seeks to purchase SABMiller, one of the largest deals in history and the largest merger ever in the beer industry.

This deal has been subject to a comprehensive review by the United States Department of Justice (DOJ) as the government seeks to ensure competition is preserved in the American beer industry. Throughout the process, NBWA responded to requests from decision makers and worked strategically to ensure that distributor independence is maintained, marketplace competition is sustained and consumer choice is preserved, consistent with a Board resolution passed in October 2015.

The Senate Antitrust Subcommittee held a hearing in December 2015, and the DOJ is completing its exhaustive review of the proposed merger. A wide range of people were contacted as part of the DOJ’s examination. In the end, the DOJ issued a proposed final judgement and a competitive impact statement – a result of negotiations between the DOJ, ABI and Molson Coors – which recognized that the American independent distribution system is essential to a competitive marketplace and to providing the vast choice of beer available to consumers.

NBWA President and CEO Craig Purser said, “The DOJ’s actions go toward ensuring that the U.S. market can remain a ‘consumer pull’ market through independent distribution, where consumer demand is what determines product choice and variety, and to prevent a ‘supplier push’ model where consumer choice is reduced.”

“The U.S. beer market is thriving today because of a robust and competitive system of independent distribution that reduces barriers to entry, reduces brewer and consumer costs, and fosters the explosion of choice and variety desired by consumers,” Purser continued. “America is enjoying a new golden age for beer, with unprecedented variety and quality offered by more than 4,000 breweries, compared to less than 50 breweries in the 1980s. It’s difficult to identify another industry that has experienced the same explosive growth in such a relatively short period of time.”

“The winner is the American consumer, who now enjoys an incredibly broad spectrum of innovative, independently produced beer products for every taste,” Purser said. “All of this consumer choice is possible because of a robust and competitive system of independent distribution, which reduces barriers to market for brewers of all sizes, creates a competitive playing field for brewers of all sizes and keeps pricing competitive for consumers.”

Sign Up for Legal Updates From Alcohol Law Review


Read about important legal developments impacting the alcohol industry and access legal decisions and analysis. And sign up on the website to receive email alerts when legal news breaks!
NBWA’s Next Generation Group keeps engaging more people and adding excitement. The enthusiasm of nearly 150 “next generation” beer distributors was on display at NBWA’s Fourth Annual Next Generation Success in Leadership Conference August 7 – 9 in Nashville, Tennessee.

NBWA’s Next Generation Group brings together future beer distribution industry leaders to help them learn more about the beer business, get more involved with the association and build relationships with other distributors from all areas of the country representing all brands.

“Our group’s success has grown out of the personal relationships we have built together, and we need to keep that going,” said Next Generation Group Chairman Bud Dunn.

Jeff Quasarano of Eastown Distributors in Highland Park, Michigan, noted that, beyond what he learned in seminars, networking with peers is part of the reason he returned to the conference for a second year.

“Everyone here is in a similar boat to you,” he said. “They’re dealing with the same challenges in a different a city or a different state. Just bouncing ideas off of each other … it’s an amazing wealth of information.”

Haydn Shaw, a senior consultant for FranklinCovey and leading researcher on generational differences, was the keynote speaker. Because the beer business is demanding, and trying to excel in a family-owned business adds its own challenges, he discussed tactics that next generation leaders can employ to excel at work and still have time for life outside of work.

Stephanie Brun de Pontet of The Family Business Consulting Group, Inc., an expert advisor to family enterprises, led a workshop on “Five Characteristics of a Dysfunctional Team and How to Resolve Them.” She also presented a session, “It’s All Relative: Siblings, Cousins and the Family Business,” which addressed the power of effective governance and fun family interactions.

The conference also offered sessions on practical issues beer distributors face in their businesses. Greg Ellis of PDC tackled warehousing issues, while Wendy Turk of Fintech led a panel of next generation distributors who discussed meeting the payment and data needs of customers. Katie LaMantia of BevCap Management discussed insurance practices that can improve safety and cut costs, while Heather Burnett of Vermont Information Processing led a panel of distributors who shared solutions they have implemented to take their warehouses to the next level.

Mary Jones of Wandering Boots Beverage Distribution in Houston, Texas, was a first-time attendee representing a company that has been in business less than a year. As a new distributor, she said learning about best practices and issues that affect warehouses was especially valuable.

“Seeing some of the challenges around racking and refrigeration and laying out your facility, I’m in that position where we’re still early enough on that we can make some informed and intelligent decisions and hopefully avoid some of that cost down the road,” Jones said.
Next Generation Group member Mike Hopkins, Jr. of Mike Hopkins Distributing Co. in Brenham, Texas, led a session describing lessons he’s learned about establishing contact with elected leaders and the value of building meaningful relationships with them over time. He shared practical tips for preparing for meetings with legislators and candidates, as well as different types of events distributors can host for elected officials.

NBWA CFO Kim McKinnish led a panel discussion with next generation beer distributors about their experiences serving on the Board of Directors for NBWA, as well as their respective state associations.

The conference also featured presentations led by NBWA senior staff and association leaders on working with the media; advocacy; political participation; strengthening alcohol regulation at the state level; antitrust laws relevant to beer distribution businesses; and utilizing NBWA’s "Compensations & Benefits Study" and "Distributor Productivity Report" to better understand the dynamics of the beer market.

First-time attendee Madalyn Martin of Martin Distributing Company in Martinsburg, West Virginia, said she appreciated hearing from other leaders in the industry. “It makes me a better leader because I’m able to speak with other leaders and see how they lead … education is key,” Martin said.

The conference wrapped up in Music City on a high note, with the first-ever performance of the “Next Gen Jam Band.” After a full day of educational sessions, Next Gen leaders got together to play some country, blues and rock.

For more information or to join the Next Generation Group, please contact NBWA Coordinator, Member Programs and Meetings Maggie Moreland at mmoreland@nbwa.org.
What’s on Tap on Capitol Hill

By: Laurie Knight
NBWA Executive Vice President, Government Affairs

As we head into the final stretch of the 114th Congress, the issue of funding the federal government is on the front burner. Current federal funding expires September 30, and lawmakers will have to determine the parameters and length of a continuing resolution. Our expectation is that there will be agreement on a continuing resolution that will carry into mid-December. The House is scheduled to adjourn at the end of September, and the Senate will stay in Washington through the first week of October. Neither chamber is expected to return until mid-December for the lame duck, year-end wrap up.

For the remainder of the year and into next year, NBWA’s legislative team will be focused on tax issues. In addition to our engagement on comprehensive tax reform, we will be working specifically on two proposed regulations that were recently released by the U.S. Department of the Treasury. One proposal pertains to estate, gift and generation-skipping taxes; and the other proposal would affect debt-equity and S corporations.

The first proposed regulation, which was released days after Congress left Washington for its summer recess, would increase valuations on family businesses that are transferred as part of an estate. NBWA has expressed concern to key congressional staff and is working with like-minded groups, including the Family Business Estate Tax Coalition, the U.S. Chamber of Commerce, the S Corporation Association and the Policy and Taxation Group, on a joint letter of opposition. Legislation to thwart the proposed rules is being considered.

The second proposed regulation that was released by the Department of the Treasury could potentially terminate S corporation status for some businesses. The regulation could recharacterize certain debt as equity, resulting in a second class of stock and triggering the termination of S corporation status. NBWA has met with key congressional leaders to discuss the negative impact this could have on S corporations and also submitted a letter to the Department of the Treasury.

As we look to 2017, tax reform is expected to be a front-and-center issue and will receive robust discussion. House Speaker Paul Ryan (R-WI), Ways and Means Committee Chairman Kevin Brady (R-TX) and Senate Finance Committee Chairman Orrin Hatch (R-UT) have all identified tax reform as a priority for 2017. Additionally, Chairman Brady has released a tax reform “blueprint” that could serve as a foundation for tax reform legislation. Under the proposed blueprint, the individual tax system would have three rate brackets – 12 percent, 25 percent and 33 percent. Income from pass-through business entities that is taxed on individual returns would pay a maximum rate of 25 percent.

The legislative activity on tax reform and other issues in 2017 will be predicated on the outcome of the November elections. Regardless of which party claims victory, NBWA will be well-positioned to work with Congress to ensure that members understand the contributions that beer distributors make to their communities, the jobs they provide and their overall impact on the economy.

Download NBWA’s Upgraded Advocacy App!

This spring, NBWA launched an upgraded version of the NBWA Advocacy App to provide distributors with a new and improved way to access advocacy resources on the go. The new app offers all you need to be your own best advocate. NBWA Advocacy App resources include:

- Talking Points
- State Economic Data
- Videos
- Warehouse Visit Tips
- Brochures
- Congressional Directory

Visit the App Store or Play Store on your phone and search “NBWA Advocacy” to download the app today!
After meeting with beer distributors for years in Washington, D.C., Sen. Patrick Leahy took time to visit Farrell Distributing in South Burlington, Vermont. The senator toured the warehouse and met more than a dozen warehouse employees along the way. Along with seeing the wide variety of beer brands the company distributes, Sen. Leahy learned about the benefits that an independent three-tier distribution system offers consumers, retailers and brewery partners.

Hunterdon Brewing Company, LLC in Whitehouse Station, New Jersey, hosted Rep. Leonard Lance for a constructive visit. While at the warehouse, the congressman had the opportunity to hear about the company’s job growth and expansion over the past few years. Following the tour, Rep. Lance enjoyed a beer tasting that showcased some of the brands distributed by the company.

Rep. Linda Sanchez had the opportunity to visit Triangle Distributing Co. in Santa Fe Springs, California. She took part in a meet and greet with employees and discussed tax issues impacting beer distributors and consumers, including a conversation about federal beer excise taxes.

NBWA encourages you to keep scheduling warehouse tours and remember to keep NBWA in the loop! This year, the month of October will be another great time to host your member of Congress. Legislators will be home campaigning before the November election, which means more time to educate candidates and incumbents alike.

Wil Fischer Distributing in Kansas City, Kansas, hosted Rep. Kevin Yoder for his first visit to a beer distribution warehouse. The congressman enjoyed his first walkthrough of a warehouse and met many employees along the way. Wil Fischer employees did a great job articulating tax and transportation policy issues that are important to beer distributors.

Rep. Ann Kuster visited Bellavance Beverage Co., Inc. in Nashua, New Hampshire. During the visit, the congresswoman toured the training center and took photos with employees. Topics discussed included transportation issues, the Craft Beverage Modernization Act, TTB funding, tax reform, overtime regulations and state development efforts. The congresswoman also tasted some local New Hampshire brews.

Rep. Trent Kelly visited Better Brands Distributing Co. in West Point, Mississippi. The congressman toured the facility and conducted a question and answer session with Better Brands employees. They discussed the benefits of the three-tier system, how independent distributors deliver great choice and value in the beer market, political issues and the November elections.

After you host your senators and representatives for a warehouse tour, remember to engage! Send them a note, and keep the conversation going on social media. Tag them on Facebook and Twitter to thank them for their time.
Economic and Demographic Industry Update

By: Lester Jones
NBWA Chief Economist

Industry Trends

The U.S. malt beverage industry grew by an estimated 14.4 million cases in the first half of 2016, for a solid 1 percent increase. Growth was driven by imports from Mexico and marginal improvement in domestic trends from increasing share of high-end specialty beverages. Domestic volumes were up against easy 2015 first half comps when domestic tax paid fell almost 1.5 percent. For year-to-date June 2016, the domestic trend is running down less than 3 million cases for a 0.2 percent drop. This is a marked improvement over past years and a good sign moving into the second half of 2016.

From a beer package perspective, canned beer continues to drive industry growth, posting a 2.7 percent increase. Both imports and domestic can volumes grew in the first half of 2016, pushing this segment's share to 56 percent. Note that the volume added by domestic can business was more than three times greater than imports. Craft and other specialty beverages have successfully adopted the can package in the high-end segment – even the wine industry is hopping on board and finding opportunities. Total bottle volume was down 0.8 percent to 43 percent share. Import volumes grew by 9.1 percent but could not compensate for the larger domestic bottle share decline of 5 percent. Draft beer in both domestic and imported segments reported less volume but continues to maintain the 10 percent share.

Overall, there are continued signs of progress. The six-month trend at 1 percent is slightly higher than the running 12-month moving average of 0.8 percent. In both cases, these trends indicate the industry can maintain per capita consumption against wine and liquor in 2016. The second half comps may prove a challenge with July domestic data from the Beer Institute and import data from the U.S. Department of Commerce reporting slower trends that bring the seven-month year-to-date trend closer to 0.5 percent. However, a positive full year for volume growth is still likely and macro-economic conditions continue to show growth that will drive industry volumes higher in 2016.

Macro-Economic Trends – Employment and Wages

The current business cycle continues into its seventh year of expansion, and the U.S. economy continues to add jobs. Growth is at a much slower pace than anticipated, and there is very little upward pressure on wages. However, the economy has added more than 1.3 million jobs in the past seven months.

With growth there has come a structural shift. Over the past six years, more than 90 percent of new jobs have been in the service sector, and, more importantly, around the country job creation in metropolitan areas continues to outpace rural areas. This has left traditional good producing areas and their beer drinkers in many rural parts of the country on the sidelines of 2016, pushing this segment’s share to 56 percent. Note that the volume added by domestic can business was more than three times greater than imports. Craft and other specialty beverages have successfully adopted the can package in the high-end segment – even the wine industry is hopping on board and finding opportunities. Total bottle volume was down 0.8 percent to 43 percent share. Import volumes grew by 9.1 percent but could not compensate for the larger domestic bottle share decline of 5 percent. Draft beer in both domestic and imported segments reported less volume but continues to maintain the 10 percent share.

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of the economic recovery. On the wage front, nominal average weekly wages of $876 per week has increased 1.3 percent in 2016. This is only slightly ahead of the Consumer Price Index inflation measure, currently running at 0.8 percent on a 12-month seasonally adjusted basis. On a year-over-year basis, since the end of the recession, wage earners and employers have experienced little upward pressure from a slowly expanding economy and growing employment.

**Demographic Shifts Transform the Industry**

Demographics are changing the U.S. beer business in many ways. More than 73 percent of the population is now over 21 years of age, and the majority of the millennial population (defined as 18 to 35 year-olds) have now turned 21. At the same time, average household size and birth rates are at all-time lows. Even home ownership rates are at all-time lows despite historically low mortgage rates. According to recent U.S. Census data, home ownership rates are now below 63 percent and are at the lowest recorded rates since 1995. The beer industry is in fact facing a very different demographic than just a few years ago. When, where and how consumers purchase alcohol beverages is transforming the marketplace. This shift is creating challenges and great opportunities for brewers, distributors and retailers.

These demographic impacts are most evident in traditional on-premise accounts. Data from the Bureau of Labor Statistics show that the number of “drinking establishments” – bars and taverns that primarily serve alcohol for their revenue – has fallen consistently since 2010, and there are now absolutely fewer establishments in this category despite a growing economy. However, over the same period of time, there has been a marked increase in the number of nontraditional (blended on- and off-premise) establishments where people can purchase and/or consume alcohol. For example, in California, recent legislation will allow more than 40,000 barbershops and beauty salons to serve limited amounts of alcohol beverages without an alcohol license. Additionally, grocery stores around the country (where permitted) have added on-premise alcohol beverage sales that also may include take-home growler (draft) sales. Even the zoo industry is getting into the business. The “Watering Hole” at the Philadelphia Zoo and “Zoo Brew” at the San Diego Zoo now offer patrons on-premise alcohol beverage options. This trend continues into farmer’s markets and open-air festivals around the country now including on-premise consumption, with some offering take-home purchases as well.

Within the industry, brewery beer gardens, taprooms and brewpubs all function as blended on-off premise establishments and are now part of many small, medium, large and even globally owned breweries’ business plans. In fact, the brewers’ tax determined beer business is the fastest growing measured segment in the beer industry. Tax determined is a little known segment in the industry that includes beer brewed and served directly to consumers from serving tanks. Historically, this segment accounted for less than 0.5 percent of total industry volumes; however, in late 2014, this segment took off on an exponential growth curve and has quadrupled its reported quarterly volumes in just a few years. With continued trends, the tax determined segment will soon be a significant part of industry volumes.

With evolving demographics and a redefined economy, many new opportunities are in the future for brewers, distributors, retailers and beer consumers. More importantly, a new and vibrant direct-to-consumer segment is rapidly growing within the industry and creating a retail channel that will prove difficult to measure and track. Remember that this is a blended, on- and off-premise retail channel that is not tracked in the syndicated data services and not typically part of the three-tier system. Locally oriented beer distributors, with frontline market insights, will be best suited to work with their brewer and retailer partners to succeed in tomorrow’s rapidly changing beer industry.
NBWA to Honor Brewer Partners

NBWA will present the Second Annual Brewer Partner of the Year Award during the general session on Monday, September 26. The award recognizes the brewer who does the best job in the marketplace producing great beer; building strong partnerships; providing valuable education; and offering support to their distributor customers who bring their beer to market. Two runner-up awards, the Brewer Partner Sales Execution Award and the Brewer Partner Marketing Innovation Award, also will be presented.

Here is a look at the companies that will be honored this year.

**Allagash Brewing Company – Portland, Maine**

Allagash Brewing Company has been brewing Belgian-inspired beers since 1995 and produced 93,000 barrels of beer in 2015. For new and existing products, they provide their distributors with posters, videos, artwork and sales sheets about the brand. Allagash also has created a custom profit calculator app that allows distributors to calculate how much money each product can make at retail compared to competing brands. This information can then be shared with retail buyers.

Allagash partners with their distributors to host “Saison Day” each March where they focus on educating consumers about the Saison style of beer. Allagash also recognizes each distributor partner who sells more than 100,000 case equivalents per year by having management fly in to the market and hand deliver a custom-made sign recognizing the accomplishment.

Joey Waraskevich of Pine State Beverage said, “To many around the country, it is no mystery that Allagash makes great beer and is on the forefront of innovation. What may not be so obvious to some is the support and quality of people they provide to their wholesaler partners.”

When the brewery made the decision to sell its products in cans, it was through feedback from their local distributor that they decided to use 16-ounce cans instead of traditional 12-ounce units so they could be used as single-serve packages to introduce new customers to the brand at more outlets.

In recalling a conversation with a prospective distributor, O’Leary explained, “Our job is to make theirs easier because we know how hard the logistics are for getting our product to market. We know that in this point-and-click world we now live in, relationships still sell beer. Our distributors have spent decades building relationships, and we do not want to screw that up.”

**KettleHouse Brewing Co. – Missoula, Montana**

KettleHouse Brewing Co. was founded in 1995 by Tim O’Leary and Suzy Rizza and produced 15,000 barrels of beer in 2015.

When conducting tap takeovers, pub crawls or other promotions, Port City goes out of their way to collaborate with their distributor and retail partners. Supplier reps work with distributor sales teams so they can educate their retailers in advance of any new events or promotions, and collective social media campaigns grow the business of all three tiers.

**Port City Brewing Company – Alexandria, Virginia**

Port City was founded in 2011 by Bill Butcher and has grown to employ more than 30 people. The brewery has experienced at least 40 percent growth each year since its founding and produced 15,000 barrels of beer in 2015.

Along with providing their distributors with the standard sales sheets and the stories and awards won by their various products, Port City also offers an online digital library of images, logos and graphics for distributors to use.
Highlighting Quality Jobs in America’s Beer Distribution Industry

This Labor Day, NBWA highlighted data from an updated economic impact report that explains how the work of beer distribution industry employees positively impacts the nation’s economy.

“Labor Day is a great time to highlight the economic value that independent distributors deliver and to put a face on the 135,000 quality jobs in the beer distribution industry,” said NBWA Senior Vice President, Communications and Public Affairs Rebecca Spicer.

In addition to providing media pitches and suggestions for social media posts to members of NBWA’s Communicators Group, NBWA worked to generate local news coverage in all 50 states by sending customized press releases highlighting distributor jobs data in each state. These efforts resulted in earned media coverage across the country and increased social media engagement with consumers and policymakers, including a social media post highlighting beer distribution jobs that was shared by the Montana governor’s office for “Fun Fact Friday.”

NBWA President and CEO Craig Purser said, “From truck drivers to forklift operators, and from graphic artists to sales representatives, America’s beer distribution employees work day in and day out to make this the best beer market in the world for everyone.”

The economic impact report, produced by Dr. Bill Latham and Dr. Ken Lewis of the Center for Applied Business & Economic Research at the University of Delaware, provides a comprehensive look at beer distribution companies’ total impact on national and state economies. In addition to the impact of distributor operations, the report also accounts for the amount of resources contributed by beer distributors in supporting community events and local economic development, contributing to charitable causes and promoting responsible alcohol use.

Key findings of the study include:

- The beer distribution industry directly employs more than 135,000 people in the United States.
- Beer distributors add $70 billion to the nation’s gross domestic product.
- Beer distributor activities contribute nearly $13 billion to the federal, state and local tax bases. This does not include the nearly $11 billion in federal, state and local alcohol excise and consumption taxes.
- The beer distribution industry contributes more than $23 billion in transportation efficiencies for the beer industry each year.
- Beer distributor activities result in nearly $178 million in economic impacts to communities through support of charities, local events and economic development.

To view the full report and state by state data, visit www.nbwa.org/resources/economic-impact.

NBWA Employee Spotlight: Showcase Your Employees!

Help NBWA showcase the quality jobs in the beer distribution industry and your standout employees!

Simply submit your nomination using the form on the employee spotlight page of the NBWA website. Or you can send a high-resolution photo along with the employee’s name, title, first job at the company and a manager’s quote about what makes this employee special to NBWA Communications Director Kathleen Joyce at kjoyce@nbwa.org.
Each year, NBWA recognizes a company that effectively uses communications and public affairs initiatives to advocate for and promote the beer distribution industry. This year’s recipient of the NBWA Public Affairs Award is 7G Distributing of Eastern Iowa.

“7G stands out when it comes to promoting the value that beer distributors bring to Iowa’s communities and consumers,” said Rebecca Spicer, NBWA senior vice president, communications and public affairs. “While most distributors work closely with brewers and retailers to promote new brands through point-of-sale promotional efforts and marketing efforts, 7G also works to build brands through creative public relations projects and media initiatives.”

7G represents 45 different suppliers and more than 500 different brands. The company works to build these brands – of all sizes – through powerful PR and digital media strategies. 7G consistently updates their social media platforms with posts about the company’s community service efforts, charitable donations, visits with members of Congress and, of course, beer! From their vibrant, user-friendly website to their strong social media presence, 7G has invested in communicating the best of what America’s beer industry and the independent distribution system have to offer.

As a member of NBWA’s Communicators Group, 7G takes advantage of media outreach ideas and social media examples that NBWA provides its group members.

“With holidays being some of the busiest times for beer distributors, we don’t always have the extra time to develop a new media strategy and plan multiple social media posts,” said Liz Stith, 7G’s marketing manager. “The NBWA Communicators Group provides us with additional resources, so we can focus on getting the beer out to our customers.”

As part of an NBWA Communicators Group effort to reach out to media around the Fourth of July holiday, 7G invited local news station KWQC to visit their warehouse and tag along on a few beer deliveries. The result was a spot on the evening news that illustrated the role beer distributors play in getting cold beer into viewers’ hands and the wide variety of beer they provide to retailers.

And 7G doesn’t stop there. 7G understands the importance of communicating the value of beer distributors to policymakers. Each year, the company invites their members of Congress to tour their facilities, showcasing the quality jobs beer distributors provide, the variety of products distributors bring to market and the value of the independent beer distribution system. A congressional visit doesn’t end without a 7G social media post sharing a photo of the member touring their facilities and posing with employees.

7G also finds value in using creative PR initiatives to build brands and build relationships with brewer partners and their community. In order to support and grow the brands of their brewer partners, 7G has implemented innovative marketing efforts, such as supporting a sponsorship effort to create a local craft beer area called “Ole Brew Haus” in Veterans Memorial Stadium – home of the Cedar Rapids Kernels. 7G Distributing also hosted an event at a local movie theater during American Craft Beer Week, serving craft beers and showing Beer Hunter the Movie to help expand consumers’ knowledge of craft beer.

Be Part of the NBWA Communicators Group!

Are you a public relations or communications professional in the beer distribution industry? The NBWA Communicators Group shares best practices and helps drill down effective message points.

To join, please send your name and contact information – along with the names and contact information for any PR professionals who work with your business or state association – to NBWA Editorial Assistant Sara Neiman at sneiman@nbwa.org.
Beer Distributors, Brewers and Bloggers Share Stories at Writers Conference

Beer bloggers, journalists and beer industry writers gathered at the 2016 Beer Bloggers and Writers Conference July 8-10 in Tampa Bay, Florida.

NBWA served as a sponsor of the seventh annual conference, with NBWA staff on hand to interact with nearly 150 beer writers and communicate the role of independent distributors in delivering their favorite beers to store shelves and bar taps.

Beer Economics With NBWA’s Lester Jones

NBWA Chief Economist Lester Jones set the stage for industry discussions the first day of the conference with a crash course on beer economics.

“The U.S. beer market is actually a great mirror of what’s going on in the U.S. economy,” Jones said. “The demographics of our country are changing rapidly, and the story of the beer industry will be written as demographics change over time.”

Jones explained how population changes and the increase in the number of people in the upper middle-class income group has contributed to high-end growth in the beer industry.

Jones talked about consumer interest in local products and explained how new breweries are opening across the United States in response. According to the U.S. Tax and Trade Bureau, there were more than 6,000 permitted breweries as of December 2015.

With more and more breweries entering the market, the beer distribution business has become increasingly complex, Jones said. While independent beer distributors managed an average of around 200 different SKUs, or individual products and packages, in 2006, today’s independent beer distributors now manage nearly 1,000 different SKUs, according to NBWA’s Distributor Productivity Report.

Jones explained that today’s unprecedented choice and selection for consumers and thousands of breweries with great brands means that competition among brewers is more intense, the logistics are more complex for beer distributors, inventory turn is slower and retailers are managing new types of inventory and packages.

Around seven out of 10 beer distribution employees work in sales and operations, according to the NBWA Compensation & Benefits Study, Jones said.

“You need the people out on the street selling the beer to move it,” Jones said, especially as the business has become incredibly more complicated and sales-focused than in the past.

Jones encouraged beer writers to take advantage of all the data at their disposal to help tell great stories about the people that are impacting the beer industry.

Behind the Scenes of Independent Distribution at J. J. Taylor

Conference attendees got a first-hand look at the wide variety of brands that independent distributors get to market during a visit to J.J. Taylor Distributing Florida in Tampa, Florida.

The company hosted a live beer blogging session, with bloggers sampling and writing about 10 different beers from some of the breweries distributed by J.J. Taylor Distributing Florida. The distributor represents more than 1,600 brands from more than 85 domestic, craft and import suppliers.

Beer bloggers and writers were greeted at the warehouse with a view of thousands of cases of beer, row upon row of cases stacked to the rafters. According to the company, 76,000 cases of beer are shipped out of its Tampa warehouse daily, on their way to some of the 10,000 retail customers the distributor services every month.

Many of the beer industry bloggers and writers had never seen the inside of a beer distribution warehouse before, so the visit was a welcome opportunity to go behind the scenes and learn about a tier of the industry that most consumers never see.
Enforcement Emphasized at Ninth Annual Alcohol Law and Policy Conference

Enforcement of alcohol regulations and policies was a recurring theme during the Center for Alcohol Policy’s Ninth Annual Law and Policy Conference held August 28 – 30 in Dallas, Texas. The conference brought together a diverse group of state and federal alcohol regulators, law enforcement, legislators, public health advocates and alcohol beverage industry representatives to review trends in the field of alcohol regulation and learn from best practices around the country.

The conference began with a presentation by staff of the Substance Abuse and Mental Health Services Administration (SAMHSA), the lead federal agency charged with coordinating the federal response to underage drinking. SAMHSA Chief of Staff Tom Coderre and Public Health Analyst Rob Vincent reviewed data, trends and prevention strategies. While progress has been made in this fight, especially with regard to episodic drinking by 12-17 year olds, the SAMHSA officials pointed out that progress seems to have stalled with the 18-20 age group.

Rhode Island Attorney General Peter Kilmartin delivered a keynote address on the role state attorneys general play in policy debates about alcohol; a state’s role under the 21st Amendment; and the importance of policies that safeguard against the abuse of alcohol.

During the session “Legislators and Regulators Working Together,” Jerry Oliver, a member of the Center’s Advisory Council and former regulator and chief of police, made a passionate plea to a panel of state regulators and legislators to provide the resources to properly staff and enforce the licensing and trade practice regulations that are so important to protect public safety. Oliver cited the past trends of budget cuts and staff reductions in alcohol regulatory agencies that have created a situation where a mere handful of alcohol enforcement agents are responsible for overseeing an entire state and tens of thousands of licensees.

During the session “Trade Practices in the Headlines,” Shawn Walker, deputy chief for the Bureau of Law Enforcement of the Virginia Department of Alcohol Beverage Control, reviewed his agency’s recent efforts to increase trade practice enforcement in their state. Rather than a few well-publicized stings for those breaking trade practice rules, the Virginia initiative starts with an educational effort with the industry to review market practice rules and notify the industry that the agency’s special investigations unit will soon begin a much more aggressive approach to enforcement. The goal is to achieve voluntary compliance through education.

Other topics covered at the conference included an update on alcohol litigation; intellectual property and alcohol law; international trade and alcohol; and issues in private label alcohol.

The Center presented the Fourth Annual Leadership in Alcohol Regulation Award to Sherry Cook, executive director of the Texas Alcoholic Beverage Commission (TABC).

“This award highlights effective best practices that may serve as examples to alcohol regulators in other states,” said Oliver. “One of the most impressive facets of Director Cook’s work is her tireless dedication to improve the state standard for liquor regulation by spearheading innovative programs and initiatives aimed at protecting the public and increasing the efficiency and effectiveness of the commission. Since joining the commission in 2006, she has made giant strides to modernize TABC’s business practices and initiated programs that focus on education and training.”
If you haven’t visited NBWA’s library of distributor safety training videos, be sure to visit the membership section on NBWA’s website. There are now five safety training videos featuring real-life scenarios for employees in NBWA member warehouses.

The videos are available to distributor members on-demand 24/7 and accompanied by a downloadable quiz. Employers can use the quizzes to verify that an employee watched the video and to document the training for human resources.

“A mark of an outstanding national trade association is not only that it is an effective advocate for our industry in Washington, but that it also provides great services that allow us to be the best we can as independent beer distributors and family businesses,” said Bob Archer, president of Blue Ridge Beverage in Salem, Virginia. “As an example, NBWA is working hard to provide useful and meaningful safety training videos for our companies.”

To select video topics, NBWA sought the advice of distributor members and industry experts to determine areas where beer distributors experience the highest insurance claims rates.

Each video focuses on safety training for areas where frequent and expensive insurance claims plague the association’s distributor members. Here is a look at the available videos:

**Forklift Safety:** According to government statistics, powered industrial truck accidents happen every 15 minutes. Before operating a forklift in a warehouse, operators are certified in basic forklift operating procedures applicable to all environments. This video teaches viewers how to operate a forklift safely in a beer warehouse. Viewers will learn basic stretches; step-by-step lifting techniques; hand truck tips; and the best way to enter and exit a truck.

**Pallet Jack Safety:** The pallet jack is a common tool used in the beer industry. This video demonstrates safe operating procedures for both the walkie and walkie-rider style pallet jacks. Viewers will learn specific safety techniques to employ when using a pallet jack in conjunction with the lift gate on a delivery vehicle.

**Safe Backing:** Safe backing … is there such a thing? Unfortunately, there are times when drivers are required to back up. But just because there are hazards, there is no reason to have an accident. Viewers will learn safe backing techniques and the “GOAL – Get Out And Look” basics.

**Safe Postures and Ergonomics:** Back injuries caused by improper lifting are the most common disabling injuries in the workplace. Proper ergonomics can prevent most issues. This video teaches safe postures and proper lifting techniques for distributor employees handling cases and kegs of beer.

**Distracted Driving: A Choice You Make:** Nearly 6,000 people die annually in crashes involving a distracted driver and more than half a million are injured. This video covers a host of possible distractions drivers face and how to avoid them through planning and knowing how to handle everyday driving hazards on the job. Viewers are introduced to potentially dangerous situations and given information to minimize the risk.

Since their launch, distributors across the county have reported using the videos to train new and existing employees. Al Zachry, president of LaGrange Grocer Co. in LaGrange, Georgia, said, “We show the NBWA safety videos to all of our employees, and we document it in their training files.”

Tony Watkins, vice president of Watkins Distributing in Idaho Falls, Idaho, said his company has played the videos at all-company meetings. “Our people need constant reminders to safely work in this industry, and our people can relate to the messages that NBWA has put into these training videos,” Watkins said.
Cheers to Beer Distributors Celebrating Business Anniversaries!

**Greenco Beverage** was founded in 1916 by W.W. Woodruff in Greenville, South Carolina. At that time, the company was named Chero Bottling and Distribution. In 1926, it was sold to Robert A. Jolly, who changed the company’s name to Greenco Beverage, standing for Greenville County. In 1965, Judd Farr purchased Greenco, and his son, Russell, has operated the business the past decade. Since 2006, Greenco has grown 400 percent and currently distributes 120 beer brands, 40 soft drink brands and employs 110 people, up from 40 in 2006. Many employees have been with the company for more than 10 years. Greenco is a proud supporter of the Greenville community and is passionate about giving back to its people, causes and organizations.

**Ben E. Keith Company**, rich in history and culture, began as a small wholesaler of groceries and sundries in Fort Worth, Texas, and has been delivering quality products ever since. Over the past 110 years, the company has grown to be the fourth largest beer and wine distributor, and the largest food distributor in the state of Texas. Family-owned and operated by Robert Hallam, Sr., Howard Hallam, John Hallam and Robert Hallam, Jr., Ben E. Keith continues to flourish under their visionary leadership. The family believes in employing the best talent and delivering the best products and services to the best customers.

**B&B Beverage** was founded in 1946 in Columbus, Georgia, and has been a local family-owned and operated business for two generations after David Lewis, Jr. purchased B&B in March 1962. Today, B&B delivers approximately 1.5 million cases of product per year, and their portfolio consists of more than 250 products. B&B Beverage Co. proudly serves the Columbus, Georgia, area and surrounding communities by servicing more than 438 bars, restaurants, package stores and convenience stores. The company has sponsored Safety Cab programs throughout the years, and B&B Beverage Co. also participates in community projects, such as Clean The Hooch, Habitat for Humanity, community recycling programs and others. Each year, B&B Beverage Co. contributes approximately $10,000 to support the Folds of Honor Foundation and its mission to give back to the spouses and children of soldiers killed or disabled in service to our country.

**Fargo, North Dakota-based Bergseth Bros. Co., Inc.** is a family-owned business, founded in 1946 by brothers Milton and Arno Bergseth. The family-owned, third generation company has a beer portfolio of more than 100 brands and distributes to 650 North Dakota and Minnesota restaurants, retailers and bars. With 43 employees, the family ties at Bergseth don’t just end at the top. The inventory controller at the company is one of many with his own generational history at the company. His father worked at Bergseth, and his son currently does as well.
Chris J. Yahnis founded The Yahnis Company in 1966 in Florence, South Carolina. Over the past 50 years, The Yahnis Company has grown to service 12 South Carolina counties, representing 25 beer suppliers and selling more than 200 brands. The company employs between 180-240 people, depending upon seasonality. The Yahnis Company donates to more than 20 local charities, including the American Heart Association, Habitat for Humanity, United Way and Coastal Conservation Association. Company owners also serve on the Myrtle Beach Economic Development Board and the boards of Coastal Carolina University and Francis Marion University.

Supreme Beverage Company, Inc. was founded in 1946 by Joseph B. Schilleci, Sr. in Birmingham, Alabama. The third generation, family-owned and -operated beverage distributor employs nearly 400 people and services 5,000 accounts to retailers in North Central Alabama. Supreme Beverage supports nearly 20 different local and regional charities, including the American Red Cross.

In 1976, Rich Mussetter and his wife, Kim, sold everything they owned to start Mussetter Distributing as a two-person operation in Auburn, California. Through hard work, excellent customer service and great employees, the now 26-employee company serves 40 suppliers operating out of a 58,000 square-foot warehouse. Presently in the second generation of leadership, Mussetter Distributing represents local craft beer and cider brands in the Greater Sacramento area as well as some of the top-rated craft beers and ciders in the region. In 2013, the company was honored by the Brewers Association and NBWA with the Craft Beer Distributor Recognition Award.

Northern Eagle Beverages, located in Oneonta, New York, was founded in 1986 by Lou Hager Jr. The company began with 28 employees and now employs more than 40 people and sells nearly one million cases of beer annually. In May 2016, the company moved into a new, state-of-the-art facility. In 2010, Northern Eagle was named NBT Bank Distinguished Business by the Otsego County Chamber of Commerce. The company supports numerous local charities and not-for- profits including The United Way of Delaware and Otsego Counties, Catskill-Area Hospice and Foothills Performing Arts Center, among others.

Tune in to NBWA-TV!

Tune in to Channel 70 in the Hyatt Regency Chicago and watch NBWA-TV stories highlighting beer distributors’ economic, regulatory and commercial value. All of the videos are available through the NBWA convention mobile app and NBWA's YouTube channel.

Tune in to see interviews with beer distributors from around the country, and see how distributors partner with brewers and retailers to deliver choice and variety to consumers!
Chicago’s Best Beer Bars

Each year, DRAFT Magazine publishes a list of “America’s 100 Best Beer Bars” from coast to coast. While in Chicago for the NBWA Annual Convention, consider a visit to a few of the Chicago bars that made the 2016 list:

**Bangers & Lace**

Bangers & Lace is Wicker Park’s home for craft beer and sausage. A bar/restaurant with the feel of a Midwestern lodge, Bangers & Lace offers 32 draft beers from around the world, in addition to an extensive bottle selection.

Why the name? “Bangers” is the British term for sausage, & “lace” stands for Brussels lace, the intricate veil of beer foam that clings to the side of the glass as it is consumed, indicating a well-crafted beer and a clean glass.

_Wicker Park: 1670 W. Division, bangersandlacebar.com_

**Fountainhead**

This bar boasts one of the greatest rooftops in Chicago and focuses on the source of good food and drink – understanding where the food and drink comes from and getting to know the places and personalities that produce them. Whether ordering a rare gem from the extensive beer cellar or a one-off from visiting breweries, expect beer appropriate for the season and served in a proper glass. The rooftop bar has picked up fun brews from hometown favorites Spiteful and Pipeworks. The new chef, Sean Sanders, is a five-time recipient of Michelin’s Bib Gourmand designation.

_Wicker Park: 1670 W. Division, fountainheadchicago.com_

**Hopleaf**

This Belgian haven offers mussels and frites, along with a quality list of Belgian and American craft drafts and bottles served in proper glassware. You’ll also want to check out the vintage European beer advertisements that line the walls. Even with an expanded kitchen and the purchase of the neighboring building for additional room, this local favorite remains perpetually packed.

_Andersonville: 5148 N. Clark St., hopleafbar.com_

**Local Option**

With its skull logo and punk aesthetic, this serious beer bar might be an unexpected find on a sleepy, tree-lined street in Lincoln Park. Peruse the Cajun-leaning food menu and choose from among 31 beers on draft. There’s also an impressive bottle selection, including rarer large-format options.

_Lincoln Park: 1102 W. Webster, localoptionbier.com_

**Map Room**

This bar with a travelers’ theme is a good fit for locals and visiting beer geeks alike. In business since 1992, the owners have aimed to make the bar “a place where people from all walks of life come together, hoist a pint and make friends.” The bar has no kitchen or flashy décor, but you can enjoy a selection of 26 drafts and one cask that span classics like Allagash White and St. Bernardus 12 to pours from Central State Brewing, Three Floyds and Surly.

_Bucktown: 1949 N. Hoyne Ave., maproom.com_

**Maria’s Packaged Goods & Community Bar**

Maria’s Packaged Goods & Community Bar has been operating in Bridgeport since 1986 as a classic “slashie”—half package store, half neighborhood tavern. It was formerly known as Kaplan’s Liquors in homage to the original owners who founded it in 1939. But everyone in the neighborhood calls it Maria’s, named after its owner, Mrs. Marszewski. In the summer of 2010 Maria handed over the reins of the business to her two sons, Ed and Mike, who reopened the bar and officially dubbed it Maria’s to honor their mother.

A destination for beer seekers in the know, Maria’s recently added a second bar and doubled its draft beer lines to more than 40. Its revamped beverage program features more Belgian offerings and rare beers.

_Bridgeport: 960 W. 31st Street, community-bar.com_

**Sheffield’s**

This iconic, 50-tap Lakeview bar is back on DRAFT’s list thanks to a reinvigorated beer and events program that has included a launch party for Short’s Brewing’s Illinois arrival, a Founders KBS release and a Chicago Craft Beer Week event that included pours of Surly Darkness, Goose Island Proprietor’s Bourbon County Brand Stout and barrel-aged Ballast Point goodies. And Sheffield’s is now a BBQ restaurant, so guests can relax at picnic tables in the beer garden, while enjoying smoked pork, brisket and ribs.

_Lakeview: 3258 North Sheffield, sheffieldschicago.com_
Take Advantage of Valuable NBWA Member Services!

NBWA continues to add member benefits to provide you with exclusive industry data and new educational resources. Take advantage of the programs and services that your association provides to help improve and grow your business and save you money!

Compensation and Benefits Study

The Compensation & Benefits Study allows NBWA members to easily compare their compensation levels and benefits policies with similar distributors. Be on the lookout for the 2016 edition coming soon!

Distributor Productivity Report

The NBWA Distributor Productivity Report is the result of distributor responses to a survey on distributor business operations and provides the most comprehensive beer distribution industry available. This industry-wide research effort enables NBWA member companies to evaluate their operating results in order to pinpoint strengths, weaknesses and improvement opportunities. It includes valuable data on sales, marketing and operational details that distributors can use to benchmark their company to industry standards. It also provides NBWA with quality data that can be used to educate policymakers, the media and the public about the dynamics of the beer distribution industry. Published every other year, the 2015 edition is available for purchase. Order your copy today!

Webinars

To provide distributors with additional educational resources and training opportunities, NBWA began offering webinars as an exclusive membership benefit. Visit the membership section of the NBWA website to access webinars on the Department of Labor’s new overtime regulations; trade practice laws; OSHA compliance; distributor employee handbooks and rules and disciplinary processes. Distributor members also can access NBWA Communicators Group webinars on the Media Toolkit for Beer Distributors section of the membership page.

Insurance Programs

BevCap Management LLC offers property and casualty insurance with key coverage enhancements designed specifically for NBWA distributor members, including limited product recall coverage, employment practices liability insurance, liquor liability and hired auto physical damage. Limited benefit medical plans also are available. In addition, NBWA members have access to BevCap Health, an opportunity for employers to aggregate, share best practices, mitigate risk and reduce the long-term cost of health care benefits through a self-funded health plan with group risk sharing.

Energy Buyer’s Program

NBWA members have access to the Affiliated Power Purchasers International (APPI) Saving Solutions Program, which assists beer distributors with identifying and implementing business options that reduce energy and utility costs. To learn more, contact APPI at (800) 520-6685 or info@appienergy.com.

Go-to-Guide for Beer Distributors

Looking for products and services to meet your business needs? NBWA helps beer distributors cut through the clutter of traditional search engine results with the Go-to-Guide for Beer Distributors. This online buyer’s guide offers an efficient resource for beer distributors with a user-friendly format and targeted searches using either a keyword or a directory search by product category.

Who’s Who in Beer Distributing

NBWA publishes its official membership directory annually, providing the industry with comprehensive information about distributorships across the United States, NBWA associate members, state associations and more. The directory lists more than 3,000 beer distributors and suppliers to the industry.

To learn more about NBWA membership services and programs, or to order any of the above studies or reports, please contact NBWA Membership and Meetings Assistant Emily Brockway at ebrockway@nbwa.org.

SAVE THE DATE

Mark your calendars for NBWA’s 80th Annual Convention and Trade Show in Las Vegas, Nevada, October 8-11, 2017!