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|  | e - NEWS |
| **April 28, 2006** | |

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**1. Wineries Invite Tasters on Tour**

By Bill Reiter, Staff Writer, *Des Moines Register*

April 27, 2006

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| http://www.desmoinesregister.com/graphics/spacer.gif  http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20060427&Category=ENT02&ArtNo=604270374&Ref=AR&maxw=250 HARRY BAUMERT/REGISTER PHOTOS Melody Wallace admires a glass of Iowa Barn Red in a tasting room that overlooks the vineyard at Wallace Winery in West Branch.  http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20060427&Category=ENT02&ArtNo=604270374&Ref=V4&maxw=250  Visitors enjoy pleasant surroundings while sampling wine for free inside the tasting room at Wallace Winery.   |  |  |  | | --- | --- | --- | |  |  | **WHAT:** Seven wineries from the Upper Mississippi Valley wine region in northeastern Iowa are open for tastings, tapas and desserts **WHEN:** 10a.m.-5p.m. Saturday and Sunday **TICKETS:** $25; must be purchased in advance **INFORMATION:** [**iowawinetrail.com**](http://www.iowawinetrail.com) or (563) 557-3727. |   http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20060427&Category=ENT02&ArtNo=604270374&Ref=V6&maxw=250  http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20060427&Category=ENT02&ArtNo=604270374&Ref=V7&maxw=250 |  |  |  |
| **West Branch, Ia**. — Melody Wallace walked through her vineyard, stroking the bare grape stalks with her fingers.  "This is just starting to blossom," she said softly, bending over to look at the faint spot of green.  Like the Wallace Winery she runs in West Branch with her husband and two friends, the blooming buds have just begun their lives.  If things go well for them — there are frosts that kill, birds that steal and the other unknowns of growing grapes in eastern Iowa — the grapes will be turned into wines with names such as Iowa Barn Red, Moon Light White and Harmony.  "We're a small operation," said Wallace, who opened the winery in November with her partners.  They're hoping this weekend's Iowa Wine Trail, a tour of northeastern Iowa wineries, will draw wine drinkers willing to give boutique wineries a chance.  The Iowa Wine Trail includes seven wineries (one is actually a cider company) from the Upper Mississippi Valley wine region. All are open Saturday and Sunday from 10a.m. to 5p.m. for tastings, tapas and desserts.  The Wallaces know making and selling wine made from Iowa-grown grapes are tough tasks.  "We see a range of responses," said John McNutt, one of the owners. "Some people are really pleased to see wineries in the state. We hope people will realize really good wine can be made in Iowa.”  Like coaxing grapes from the soil and turning them into fine wine, convincing folks that local wines can compete with their French and Californian counterparts requires time, love and a little luck.  "People have to find out about you," John said. "That's tough. We really count on word of mouth, and that's been building”.  They also count on the 2-acre vineyard, the source of the wine. It is in the Wallaces' backyard, near their barn and home. The tasting room looks out on the grapes.  "It started out small," Melody said. "It was a hobby. Then it got big. Then it got *real* big.”  Melody and her husband, Ed, talked for 13 years about going from casual grape growers to the owners of a full-time winery.  Then one day they mentioned their idea to Ilene Lande and McNutt, family friends whose son is now engaged to the Wallaces' daughter.  "We dreamt about this for a long time and we told them about it," Melody said. "They both went, 'Hey, why don't we do this!' We said, 'Cool, let's do it!’”  They traveled, looking at local and regional wineries, mining ideas. They tasted various grapes they would buy to blend with those they'd grow on their vines.  They already had years of trial and error to identify grapes that would grow in Iowa.  "We used the vineyard to experiment," Melody said. "We didn't want to grow only what people said would grow. We wanted what we liked.  "Some have grown, some haven't.”  In all, they found 28 varieties of grapes that took to the earth. They've focused on producing 10 wines, using a mix of their grapes and those they buy from vineyards in Illinois and Michigan.  Using stainless-steel tanks and oak barrels underneath the winery's tasting room, they allow the grapes three months to a year to become Wallace Winery wines.  "We don't have many really sweet wines," she said. "We're dry wine people.”  Among their selections are Harmony, a peppery red with a spicy taste that goes well with Italian food.  The Iowa Barn Red is dry and smooth, and the Moonlight White has a nice fruit taste without being overpowering.  They're good enough so people smile with surprise the first time they try then.  "People can be surprised," Melody said with a laugh. "There's good wine being made in Iowa.”  Now, they're counting on teaching others that this small winery in Iowa is worth the drive.  The Wallaces hope the Iowa Wine Trail this weekend will be a good start by helping to beat a path to their door.  "There are six other wineries involved in the trail," Melody said. "We gave them a call, and they let us in." |  |  |



**2. ABD Trucks Serve Their Purpose**

Editorial - *Clinton Herald*

April 18, 2006

What has 18 wheels, logs 48,000 miles a year in central and southeast Iowa and is worth an equivalent of $1.26 million to the Clinton community?

By now, you should know the answer: An Iowa Alcoholic Beverages Division truck featuring a design promoting Clinton as one of Iowa’s three Great Places. The truck was unveiled last week at the state Capitol and was on display Monday afternoon near Main Avenue.

The former site of McEleney Autocenter was a fitting place to display the beautiful design. The truck highlights scenes of Clinton’s riverfront and Eagle Point Park, the prime targets of the local Great Places project “Even More Things to Do With A River View.” The project calls for several upgrades to both areas aimed at increasing their use and appeal while maintaining both as public spaces that can be enjoyed by the average Clinton citizen.

We think the truck is fantastic. The artwork and graphic design by Liesl Mensinger and Connor Anderson are spectacular. The use of ABD trucks exemplifies what Great Places is all about: Finding ways to use the state’s resources to help individual communities trumpet their accomplishments and unique qualities.

Hopefully local companies with blank canvass trailers will be able to use the design on their vehicles as well. The concept of rolling billboards is interesting. They trucks may not have any tangible benefit, but they will serve their main purpose, getting the word out that Clinton truly is a great place.

<http://www.clintonherald.com/opinion/local_story_108093933.html?keyword=secondarystory>



**3. Costco Wins Beer, Wine Suit Judge's Ruling Could Lead to Lower Prices Across State**

**By Kristen Millares Bolt, Reporter – *Seattle Post*** *Intelligencer*

April 22, 2006

Costco Wholesale Corp. won a landmark legal battle Friday that could lead to lower beer and wine prices in Washington -- and across the nation, if other states use the case's precedent to knock down their distribution laws.

The Issaquah company brought the case against the Washington State Liquor Control Board because it said Washington's three-tier system for distributing beer and wine was hurting its ability to do business, in violation of federal antitrust law.

The state tried to defend the system with the 21st Amendment, which repealed Prohibition in 1933 and gave states the right to control distribution of alcohol within their borders.

The judge didn't buy it.

Unless it is overturned on appeal, Friday's ruling means Washington state can no longer:

Force producers and distributors to each mark up their products by 10 percent.

Ban high-volume discounts to retailers on beer and wine.

Ban credit sales to retailers.

Ban central warehousing of beer and wine by retailers.

Require that beer and wine distributors and producers post and hold prices for a month.

Require wholesalers to charge uniform prices to all retailers.

Require wholesalers to charge the same "delivered" price to all retailers, no matter what the actual delivery cost.

"There is little evidence that the restraints are effective in advancing the state's interests in promoting temperance, ensuring orderly market conditions, or raising revenue," wrote U.S. District Judge Marsha Pechman.

"These restraints," she added, "must yield to the national goals of a competitive, free-market economy."

Were each regulation to stand alone, the effect might not have been so marked. Taken together, they form a system that the judge says clearly raises the price of beer and wine in Washington. But, Pechman said, the state is not powerless:

"The state may raise revenue through the sale of alcohol and the collection of taxes, control who is selling alcohol by enforcement of licensing and educate the public on the social costs of abusive alcohol consumption."

The judge upheld a Washington law preventing retailers from selling to other retailers, saying retailers cannot also be distributors, though producers can.

The case has drawn the attention of producers and wholesalers in the state and throughout the nation, where other, similarly archaic systems exist.

"It's a precedent," said R. Corbin Houchins, the senior beverage counsel at Seattle-based Graham & Dunn, which represents wineries as large as Gallo and as small as Quilceda Creek.

"Fundamental antitrust laws of far-reaching import are decided in this case," Houchins said. "It is not unlikely that it could be appealed all the way up the Supreme Court, because there are some other courts that take contrary views."

Even if the Liquor Control Board decides not to appeal, the decision could be appealed by the Washington Beer & Wine Wholesalers Association, a private group that has taken up the case as intervener defendant.

Costco, though optimistic, is cautious.

"Obviously, we are happy that we won," Costco Chief Executive Jim Sinegal said. "It has to roll through some more process ... it could quite possibly be appealed."

The Liquor Control Board said its attorneys and members are studying the decision before meeting Monday to determine the next step. They have 30 days to appeal; Pechman stayed her decision until then.

The distribution association was not available for comment Friday, but it has a powerful interest in keeping the status quo.

Houchins said the ruling "won't render wholesalers irrelevant, but it will improve efficiency."

Sinegal takes a slightly different view. "We're essentially eliminating the necessity of a costly extra step in the distribution of beer and wine," he said. "In my mind, the consumer is the winner."

That may be true with regard to prices, said Sal Leone, the president and chief executive of Silver Lake Winery. But with regard to choice, Leone believes that Friday's ruling could lead to less variety on the shelves as midrange wineries cave to the competitive pressures.

"You should see lower prices to consumers, but it will benefit those companies that can support that," said Leone, who estimated his sales at between 60,000 and 70,000 cases per year. "We are in a global economy here -- how does a young wine industry like Washington's compete with the Gallos and other large conglomerates?"

He said he would continue to use his distributors, because "it is all about volume and service to the retailer: We depend on distributors in all of our markets to deliver to stores."

A very small winery may not have to worry about those pressures as directly, he said, because they don't have enough inventory to compete on price in the first place.

"It's the medium-sized guys who will have to fight it out," he said. "This is, without a doubt, going to benefit the largest wineries, the largest suppliers and the largest retailers."

The ruling leaves unclear how an overhauled distribution system would work.

That is up to the Legislature, to whom the judge is sending her decision in a month. Powerful lobbies should be jousting over the outcome until well after the next session begins in January.

<http://seattlepi.nwsource.com/business/267714_costco22.html>



**4. The Wallaby That Roared Across the Wine Industry**

By Frank J. Prial - *New York Times*

WILLIAM J. DEUTSCH was apprehensive when he first agreed to import an unknown Australian wine called Yellow Tail into the United States in 2001. Its handsome black-and-yellow label featured what looked like a kangaroo, and he felt that animals had no place on wine labels. But he liked the wine. "So," he said recently, "I agreed to take 25,000 cases."

His son Peter disagreed about the animal, which actually was a rock wallaby. "That label is fabulous," he told his dad.

"O.K.," said the elder Mr. Deutsch. "60,000 cases." Their wine-and-spirits importing company, William J. Deutsch & Sons, paid about $2 million for that first shipment; it arrived in June 2001. By the end of that year, 225,000 cases of Yellow Tail had been sold to retailers. In 2002, 1.2 million cases were sold. The figure climbed to 4.2 million in 2003 — including a million in October alone — and to 6.5 million in 2004. And, last year, sales surpassed 7.5 million — all for a wine that no one had heard of just five years earlier.

John Casella, whose winery in southeastern Australia produces Yellow Tail, is predicting sales of 8 million or 8.5 million cases in the United States this year, and he says that sales in Europe, Canada and Asia — which started only recently — could add 3.5 million to the total.

Nothing like this has ever happened before in the American wine business. The breakneck success of Yellow Tail has lifted the Deutsches, or, more precisely, their business, into the top ranks of the American wine trade. (The elder Mr. Deutsch is chairman of the company, and Peter is the president.) In addition, the Deutsches stand to profit handsomely from the wine's success. As part of their arrangement with the Casellas, they own 50 percent of the Yellow Tail brand.

At the same time, the brand has transformed Mr. Casella's company, Casella Wines Ltd., from a modest enterprise into a major wine producer with a huge, Gallo-like winery. What had been a modest farmhouse has, in a brief time, become an immense wine-making complex with some 600 wine holding tanks, 48 of which hold a million liters each.

The Yellow Tail phenomenon took everyone in the wine business by surprise. In retrospect, however, it was probably inevitable. Interest in wine had been growing steadily in the United States for two decades, but the domestic industry had never had much success in meeting the need for a good, inexpensive wine to attract all these newcomers. "There were good wines at $15 and up, but nothing between those wines and the jug wines at the bottom of the scale," said Rich Cartiere, editor of The Wine Market Report. "Yellow Tail, at $6, was and remains better than most American wines at $8.99 and $10.99.

"When I think of Australian wines, I think of a big, juicy, red apple," he added, "and that's what the American wine consumer looks for, too, even if he can't say why. Couple that with a label that's friendly — not a joke, like so many now — and excellent distribution, and you have an unbeatable package."

THE Yellow Tail story began in the late 1990's. Casella Wines, in the Riverina district of New South Wales, west of Sydney, was seeking to expand. It had been started in 1969 by Filippo Casella, a Sicilian immigrant who arrived in Australia in the 1950's — after seven years as a war prisoner in Italy during World War II — and worked as an itinerant farmhand until he could afford to buy some vineyard land of his own. In 1994, his oldest son, John, joined the business and began to look for new markets, particularly in the United States. He enlisted the Australian Trade Commission to help him find an American distributor.

About the same time, 12,000 miles away in White Plains, Bill Deutsch was looking to expand his portfolio. He marketed a variety of products, but his most important client was Georges Duboeuf, a prominent producer of Beaujolais. After having considerable success in the United States during the 1980's and early 1990's, Beaujolais had fallen into a slump, partly because the "nouveau" phenomenon — selling the new vintage in November, a few months after the harvest — had grown stale and partly because of the burgeoning American disenchantment with French wines in general.

Meeting for the first time at a trade show in San Francisco in 1997, Mr. Deutsch and Mr. Casella agreed to team up. "It was a perfect match," Mr. Deutsch said. "Two smallish, family-owned businesses looking for new business." They agreed that in exchange for half-ownership of the label, the Deutsch company would market a line of Casella wines in the United States.

That line, introduced in 1999, was called Carramar Estate, and it was a flop, in part because it could not compete with established brands in the same price category. "John was distraught," Bill Deutsch said recently. "He said he felt he had let me down. He said he would buy back the wine and that he was ready to dissolve the partnership. I told him to forget it. It was only 30,000 cases and there were other things we could do.

"He said: 'Good. I know I can make better wine.' "

Back in Australia, Mr. Casella and his marketing director, John Soutter, came up with a new wine and a new package. They had found a graphic artist in Adelaide, Barbara Harkness, who offered them a design of a black and yellow rendering of a yellow-tailed marsupial styled to emulate Australian aboriginal art; the image was seen as friendly and typically Australian. The Casella company paid her $4,800 for the design and a marketing program based on it.

Sometime late in 2000, Mr. Soutter came to the United States with the new Yellow Tail wine — a chardonnay and a shiraz.

Though William and Peter Deutsch, the importers, would initially disagree about the packaging, they always agreed about the wine. "It was — it still is — delicious," the elder Mr. Deutsch said. "It's an easygoing wine, uncomplicated, fun to drink. In fact, it's better tasting and a better value than the price would indicate. I have to say it: with this one, the Casellas overachieved."

Jon Fredrikson, a California wine industry consultant, calls it "the perfect wine for a public grown up on soft drinks." Yellow Tail, Mr. Fredrikson said, is "round, fruity and user-friendly, and it's immediately drinkable." Even more important, he said, is the consistency of the wine's high quality. "With a lot of wines," he said, "the first batch is great and the second and third are disappointing. Yellow Tail has been consistently good since the first shipment arrived five years ago."

American wine writers — including the dean of wine critics, Robert M. Parker Jr. — have been consistently enthusiastic about Yellow Tail. "In some wine circles, it is fashionable to criticize wine of this genre," Mr. Parker wrote, "but if the truth be known, these are surprisingly well-made offerings."

Yellow Tail is an uncomplicated wine meant for undemanding wine drinkers. But Mr. Casella says that in tastings, experts often identify it as a $60 or $70 bottle. "We've found that some knowledgeable people prefer it to more expensive wines," he said in a telephone interview.

Building on the original two wines, chardonnay and shiraz (or syrah, another name for the same red-wine grape), the Casellas have expanded the line to include merlot, cabernet sauvignon, pinot grigio, riesling and three blends: shiraz-cabernet, cabernet-merlot and shiraz-grenache. In 2003, the Casellas introduced a reserve line of Yellow Tail, which includes merlot, cabernet, chardonnay and pinot grigio. The reserve wines, which sell for $2 or $3 more per bottle, undergo a longer fermentation than the regular wines and are aged in oak barrels.

The wines are all bottled in Bordeaux-style bottles, in both the standard 75-centiliter and 1.5-liter sizes. The Casellas buy about 80 percent of their grapes from other growers.

Yellow Tail was introduced in a number of United States markets with almost less fanfare than had accompanied the ill-fated Carramar Estate line. "We had some point-of-purchase materials," Mr. Deutsch said, referring to displays in stores, "but that was it."

No longer. The Deutsches have scheduled some $24 million for promotions this year, up from $4 million in 2005. Billboards featuring yellow tails on a bird, an airplane and a mermaid, as well as a yellow ponytail on a pretty girl, have become familiar sights in some cities.

Perhaps more important, Mr. Cartiere and others in the industry say, the Deutsches provided Yellow Tail with almost instant access to the American market, using the distribution network they had built over two decades for Duboeuf wines.

The increasingly familiar Yellow Tail label is loosely meant to depict the brand's namesake, a yellow-footed rock wallaby, a smaller cousin to the kangaroo. The bottle labels and in-store advertisements always put the brand name in lower case and within brackets: [yellow tail].

As for those brackets, the story is that the Casellas were looking up "kangaroo" in a textbook when they came upon a technical description of a wallaby. In the margin, alongside the Latin derivation of the name, was the Australian version, in brackets: [yellow tail]. They decided to keep the brackets "to set the wine apart" and to retain the lower-case lettering "to underscore the wine's lack of pretension," John Casella said.

Yellow Tail's success is a hot topic in the wine trade, but so is its future. The history of popular wines is replete with labels that were once wildly popular but no longer are. Blue Nun, Reunite, Lancers and various brands of cold duck are sobering examples. Charles Shaw wines — better known as Two-Buck Chuck — were a sensation a couple of seasons back, and while "Chuck" still sells well, it is no longer the marketing marvel it briefly was.

Two-Buck Chuck, which was created as a way to drain off some of California's last wine surplus, is carried only by stores in the Trader Joe chain. It sells for about $2 in California and $3 elsewhere. Yellow Tail sells for $5 to $7. An attempt to move up the price of Yellow Tail by a dollar in some markets was unsuccessful, Mr. Cartiere said.

FOR the fiscal year ended last June 30, Casella Wines reported an after-tax profit of $77 million on revenue of $255 million, up from $61 million on $230 million in revenue in fiscal 2004. The profit was based almost entirely on sales of Yellow Tail in the United States, the company said.

The wine is now sold in Europe and Canada, and throughout Southeast Asia. Less than 2 percent of production is sold in Australia.

Mr. Casella acknowledged that Yellow Tail's recent growth was unsustainable, and Mr. Cartiere agreed. "It will plateau out, maybe in 2006," he said, adding that competition would stiffen when American winemakers moved successfully into Yellow Tail's price category. "The question is when."

Yellow Tail's impact has not gone unnoticed among bankers. A report issued earlier this month by Silicon Valley Bank, a major wine-industry lender based in Santa Clara, Calif., blames the United States wine industry for allowing wines like Yellow Tail to grab so much of the market. What's more, it questions the very future of vast portions of California's Central Valley, the source of most of the inexpensive domestic wine sold in jugs and boxes, the wine meant to compete with Yellow Tail and brands like it. Criticizing the region's production and marketing methods as obsolete, the report notes that imports have doubled, to 27 percent of the United States market recently from 13.2 percent in 1990.

"Are American vintners starting to look like Detroit in the 70's, when gas prices soared and automakers kept putting out big gas guzzlers?," the report asked. Mentioning the success of Yellow Tail along with that of Italian pinot grigio, the report warns that "the U.S. will no longer be able to ignore the depth of the world glut (which keeps import prices low), or the high cost of American production for lower price-point wines."

Mr. Fredrikson, the wine consultant, predicted that Yellow Tail could enjoy a relatively long run so long as it remained consistent in price and quality. "Yellow Tail caught the wave," he said. "It's perfect for the newest generation of wine drinkers and potential wine drinkers." Furthermore, "the label is subtle," he said. "My daughter pointed it out to me. With the brackets and lower case, it looks just like e-mail."

This kind of techno touch, he said, will resonate, probably unconsciously, with new, young wine buyers. "It's the biggest achievement in the history of wine," he said.



**5. ISU Class Says Limit Number of Bars**

By Lisa Rossi, *Register Ames Bureau*  
April 28, 2006

### Students studying regional planning say the area needs a more diverse selection of businesses.

Ames, Ia. — Some students in an Iowa State University regional planning class are recommending that one way to improve Campustown is to limit the number of bars in the area.

Undergraduate seniors participating in Community and Regional Planning Studio also suggested Campustown would benefit from increased cooperation between business owners and local leaders, according to a study released Thursday.

Students interviewed more than 70 people with an interest in the area for the study.

Andy Meessmann , a senior in community and regional planning, called the lack of open space in the neighborhood one of its biggest weaknesses.

"Having a gas station as your hub is sad," Meessmann said.

The students studied the four-block area in Ames bordered by Lincoln Way, Knapp Street, Sheldon Avenue and Lynn Avenue across the street from ISU's main campus, which some students said has declined since past Veishea riots in that area.

The students, about a dozen, will ask community leaders to form a Campustown revitalization advisory committee made up of university and city leaders, students, neighbors, and property and business owners to further push for improvements in the area.

Andrew Stewart, a senior in community and regional planning, said the number of bars in Campustown should be limited to showcase the other eclectic businesses in the area, such as ethnic restaurants that offer good, cheap food, but seem to be lacking customers.

Marco Alvarez , a senior in landscape architecture, said he is unsure about student support over such an idea. Right now, lines form at bars around the neighborhood on weekends.

"Students will be going to drink and nothing's going to stop them," Alvarez said.

In 2005, 25 Campustown business had liquor licenses, city staff said.

There are no restrictions on the number of such licenses that can be issued.

Tom Northrop, part owner of the Campustown bar Welch Ave. Station, said the "government wouldn't need to get involved" in limiting liquor licenses.

<http://www.dmregister.com/apps/pbcs.dll/article?AID=/20060428/NEWS02/604280373/1001>



**6. Miller Moves Quickly to Exploit Rival's Revelation**

ByJeremy Mullman – *AdAge.com*   
April 27, 2006

### Seeks Promotional Windfall in Anheuser-Busch's Beer Recipe Change

CHICAGO (AdAge.com) -- SAB Miller is wasting little time in trumpeting rival Anheuser-Busch's admission in yesterday's *Wall Street Journal* that it has changed the recipe of Budweiser and Bud Light.



Miller is preparing attack ads focused on Anheuser-Busch's admission that it changed its beer recipe.

The brewer has put Miller Light's agency of record, Crispin Porter & Bogusky, Miami, to work creating print ads about A-B's admission that could run nationally as soon as tomorrow, a Miller spokesman said. Creative was not available at press time. Miller said it did not know where the ads would run.

**'The king has come clean'**

"We're glad the king has come clean and admitted their long-term strategy is to get bigger and bigger by making Bud Light taste smaller and smaller," the spokesman said. "We'll be engaging in specific actions around this issue."

Crispin was already prepping a series of comparative TV spots -- scheduled to air in May -- called "Demonstrations." Details on that campaign were unavailable.

*The Journal's* report said that, in August 2003, A-B Chairman August Busch III told hops growers in the Pacific Northwest he intended to increase the proportion of hops used in A-B's beers in order to give the beers more taste after decades of gradually lightening their flavor to adjust to changing consumer tastes. "I told the growers of our desire to use more hops in our brewing for the purpose of delivering more amplitude and hop flavor in Budweiser," Mr. Busch told the paper.

While brewers tweak their beers all the time, that admission provides significant marketing ammunition for Miller, the No. 2 brewer behind A-B. Miller ran ads in November 2005 saying it detected a "changed" Bud Light, citing increases in bitterness and carbonation. That attack followed a 2004 campaign by Miller claiming its beers had "more taste" than A-B's.

**Denounced Miller's ads**

At the time, A-B denounced the ads as "another marketing ploy."

"Bud Light is the No. 1 selling light beer in the world, and it has been for more than a decade," A-B Vice President of Brewing Operations Douglas J. Muhleman said in a statement last November. "It's a winning formula and we haven't changed it." He did, however, acknowledge "small adjustments to address seasonal changes in raw ingredients."

In yesterday's *Journal* account, Mr. Muhleman acknowledged tinkering with hops levels in the beer.

A-B declined to comment.

**Beer vs. spirits**

The move by the St. Louis brewer to add more hops comes as beer is incrementally losing market share to wine and spirits. And, within the category, the greatest growth is being seen by craft brewers with more distinctive-tasting brews. A-B remains the largest brewer by a wide margin, but its market share fell last year, to 48.6% from 49.4%.

<http://adage.com/article?article_id=108841>



**7. Red Wine Headaches**

By *Harvard Health Publications*

Here’s a toast to the good tidings that the occasional glass of wine is something of a health drink. May your favorite Merlot, Cabernet Sauvignon, or Pinot Noir keep your heart strong, your HDL cholesterol high, and, possibly, your brain cells active and well connected! Alas, for some, that toast would be a preamble to a throbbing headache, especially if the wine is red. The red wine headache is a real—if poorly understood—phenomenon.

**The Sulfite Story**

Sulfites are possibly to blame. They are compounds that contain sulfur and a less-than-optimal number of oxygen atoms. Consequently, they “grab” oxygen before it can react with food and spoil it. In wine, sulfites also control bacteria that might otherwise digest the alcohol content, turning a $50 bottle into some very expensive vinegar. Some sulfites are created naturally during fermentation, as the yeast breaks down sugars in the grape juice into alcohol and carbon dioxide. But wine makers often add more as a preservative.

Sulfites were once considered harmless, but in the 1980s, studies started to show that a small number of people (about 1%, according to the FDA) are sensitive to them. The FDA, therefore, prohibits the use of sulfites on fruit and vegetables intended to be eaten raw, so salad bars and your supermarket’s produce section should be sulfite-free. Depending on their concentration levels and other factors, the sulfite compounds must be included in a food’s list of ingredients. Most wines are emblazoned with a “contains sulfites” warning.

But many experts question whether sulfites are the source of red wine headaches for several reasons. First, breathing problems (including asthma attacks), not headaches, are the more typical reaction to sulfites. Second, red wine is typically the trigger, yet many sweet whites contain more sulfites than reds because they have a higher sugar content. Third, plenty of other foods contain sulfites, so these headaches shouldn’t be particular to red wine.

This doesn’t mean that sulfites in red wine can’t be a problem. For example, red wine has been known to trigger asthma attacks, presumably because of the sulfite content.

**The Histamine Hypothesis**

White wine is made using only the grape’s juice, or must. Red wines use the entire crushed fruit, including the skins, which contain the biologically active compound histamine. As a result, red wine contains 20–200 times more histamine than white wine.

Some people are histamine-intolerant because of a deficiency in diamine oxidase, an enzyme that breaks down histamine in the small intestine. Alcohol also inhibits the enzyme, so some experts believe that red wine headaches are caused by a combination of wine’s alcohol content and a diamine oxidase shortage. But this theory is contradicted by some studies. For example, a French study in the February 2001 Journal of Allergy and Clinical Immunology of 16 people with “wine intolerance” found no difference in reactions to low- and high-histamine wines. The researchers didn’t dismiss the possibility that histamine plays a role, but suggested that some other ingredient in red wine might boost levels of it in the blood.

**The Tannins Tale**

Tannins, another constituent of grape skins, give red wine its distinctive pleasant but slightly bitter flavor. They may also explain why red wine is so healthful, because they’re flavonoids, antioxidants found in plant-based food. But here’s proof that there’s no such thing as a free lunch: tannins may cause headaches. Several carefully controlled lab experiments have shown that they provoke blood platelets into releasing serotonin, and high serotonin levels can cause headaches.

Finally, for some people, it may simply be the alcohol. Alcohol, in any drink, is a well-known precipitant of migraine, and some of the headaches set off by wine are migraines.

**What You Can Try**

If you can tolerate some but not a lot of sulfites, you might try a brand that promises “no sulfites added,” though there are still going to be some from fermentation.

If tannins are the culprit, try a wine with a lower tannin level—Beaujolais instead of Cabernet Sauvignon, for example. Mature wines might be better than young, heavily alcoholic ones, especially if you avoid the sediment.

Some advise taking aspirin or ibuprofen beforehand, although there’s little published evidence that this works.

Histamine hypothesis proponents sometimes suggest a nonsedating antihistamine like Claritin.

Connoisseurs might consider keeping a record of their wine choices and any headaches to figure out which to avoid—and just hope that the wines causing a problem aren’t their favorites.

<http://health.msn.com/centers/headaches/articlepage.aspx?cp-documentid=100098755&GT1=7985>



**8. Glazer’s Appoints Thom Rowen President of Iowa**

Source: *Glazer's*

April 27, 2006

DALLAS – Glazer’s President Jerry Cargill today announced that Thom Rowen has been appointed President of Glazer’s Operations for the state of Iowa, effective June 1, 2006. He replaces Doug Howell, who has been appointed General Manager for Spirits in Louisiana.

Thom Rowen, currently General Manager for Glazer’s of Iowa’s Pinnacle Division, has 18 years of beverage industry experience. Before coming to Glazer’s in 2003, he was an Area Sales Manager for both Canandaigua Wine Company and Seagram Beverage Company. He also worked for Coca Cola as an Operational Marketing Manager. Rowen has a BS Degree in Business Administration and Management from Northern Arizona University.

In making the appointment, Cargill said, "Thom Rowen has done an outstanding job in managing the Pinnacle Division for Glazer’s in Iowa, and we believe that he has the leadership qualities needed to manage our Iowa team into the future."

Glazer’s Midwest Region President Keith Petrauskas said, "Doug Howell was a tremendous leader for Glazer’s in Iowa. We congratulate him on his new position in Louisiana. Doug had a huge impact on Glazer’s Iowa business, taking the company to the market leadership position we currently enjoy in the state. We are confident that Thom Rowen will build on the foundation for Glazer’s of Iowa that Doug Howell has built."

Glazer’s, currently operating in 12 states, is one of the nation’s largest wholesale distributors of wine, spirits, and malt beverage products. The third-generation family business was founded in Dallas in 1933. For more information, please visit our Web site at [www.glazers.com](outbind://76/www.glazers.com).



**9. Glazer’s Appoints Doug Howell Louisiana Spirits General Manager**

Source: *Glazer's*

April 27, 2006

DALLAS – Glazer’s Louisiana President Scott Rawlings today announced that Doug Howell has been appointed General Manager Spirits for Louisiana, effective June 1, 2006. Doug will be responsible for all Sales and Marketing activities and performance within the Paramount and Premier Division Spirits portfolios.

Doug Howell, currently Glazer’s President of Iowa, has 28 years of industry experience. He was in the restaurant business for many years, including having owned a business for 8 eight years. He has been with Glazer’s for 13 years and held a variety of sales, operations, and management roles. Howell started with Glazer’s as a salesperson in San Antonio, and moved quickly into roles such as San Antonio General Sales Manager and Springfield Branch Manager. He spent 5 years in Iowa as Iowa Regional Vice President and Iowa President. Howell will be relocating to New Orleans.

Glazer’s, currently operating in 12 states, is one of the nation’s largest wholesale distributors of wine, spirits, and malt beverage products. The third-generation family business was founded in Dallas in 1933. For more information, please visit our Web site at [www.glazers.com](outbind://76/www.glazers.com).

