The Monthly Mash Volume 1.4

Member Owned, Industry Driven



ACSA Mission:

To elevate and advocate for the community of craft spirits producers.

With ACSA's 2017 convention quickly approaching, we wanted to share some exciting new developments with you and look ahead to the rest of the month. We also caught up with three of our Board members, checked in on Portland's craft spirits scene, and welcomed over 30 new members. If you will be joining us in Nashville later this month, download our mobile app to keep up with all of our events. Read on and be sure to connect with us on social media or in person in Music Cityl

From the Desk of Margie A.S. Lehrman, Executive Director

Wow...did you see THAT game Sunday night? Substantially behind in the half, commentators confirmed that it was impracticable (never happened in its 50-year history of the Super Bowl) for the Patriots to gain enough momentum to take the trophy. Yet – the Patriots DID, pulling off a WIN that will go down in history, right? Even if the Falcons are your team, you've got to admit that the Patriots deserve respect as they fought to deliver a stunning defeat. It worked.

I'm not a big sports fan but know there are parallels to draw. Sports often lend paradigms to success. ACSA, and our brethren in the wine, beer, and spirits sectors, are in the "fight of our life" to reduce the federal excise tax. Learn about the reintroduction of the Craft Beverage Modernization and Tax Reform Act in this 115th Congress and what you can do to help our fight (one that critics contend will be a hard sell as our FET has been on the books since Prohibition)!



Attributes for success in sports convert to characteristics for success in business. What are they? Most notably, **drive and determination** – keeping your eye on the prize.

Of course, having the right skill goes a long way – athletes know how to train. So, let us help you strengthen your muscles with some "personal training" through our webinars and 4th Annual Distillers Convention and Vendor Trade Show. We've assembled some of the best and brightest to teach you new skills and/or reinforce others. It's not too late to join us February 15-17 in Nashville with onsight registration opening February 15.

Speaking of prizes, have you wondered who took medals in our 2017 Sprits Judging? Although you won't find out until the announcement at the awards dinner to be held on February 16th, you can examine the roster of impeccable judges, pulled from many disciplines within the industry. Find out who evaluated craft spirits.

Finally, every successful sports team has a highly-qualified coach. Discover more about the ACSA Board of Director members who lead your team: ACSA. Gain further insight into these producers' own distilling world – how they got there and what matters most.

Review the slate of candidates for the upcoming ACSA Board of Directors. Online elections will open at the end of this month, with all current voting members of ACSA eligible to vote.

Not a voting member, yet? You'll want to be one to make your voice heard. **You** will decide which producers will make the best "coach" to shape the future of the craft spirits industry.

Focus and Determination — yes — we can and will succeed, particularly when working together Let's not be afraid to continue our battle to reduce the FET. And, if you're not yet a part of our team, it's time to join. There is strength in numbers.

Hope to see and personally greet you in Nashville next week!

Cheers

Margie

Recapping the 115th Congress



The new Congress has returned to Washington for the 2017-2018 Session and is getting down to business very quickly. Tax reform is one of the highest priorities the new Congress has indicated it will work towards in 2017

The craft spirits industry had tremendous success in the last Congress with two bills in the House and the Senate garnering a very large number of co-sponsors in the U.S. House and Senate. ACSA, in a conversation with Congressman Brady, the Chair of the House Ways and Means Committee, (with jurisdiction over tax issues) indicated that May, 2017 is a potential time frame for tax reform. A planned meeting with his Committee staff is in the works as of this writing.

Just this week, Senators Ron Wyden (D-OR) and Roy Blunt (R-MO) have re-introduced S. 236, the Craft Beverage Modernization and Tax Reform Act. The bill includes a reduction in the Federal Excise Tax (FET) from \$13.50 to \$2.70 for the first 100,000 proof gallons of spirits, an 80% reduction in the FET for craft producers. The House also moved forward and re-introduced H.R. 747, a companion bill to the House, with Erik Paulsen (R-MN) and Ron Kind (D-WI) introducing that bill.

ACSA is working toward inclusion of the craft distilling tax reduction in the larger tax bill. We will continue to work with distillers across the U.S. to advocate in the Congress. Following the webinar ACSA conducted in January, we are already planning a February concentrated lobbying effort in the local Congressional districts. We are also planning a session in Nashville to discuss further outreach efforts, including a possible spring fly-in to Washington, D.C. Expect more activity and updates in 2017 since this will be a very critical year for tax reform.

ACSA Convention: We'll See You in Nashville!



Online registration for the convention is closed but there will be on-site registration in Nashville beginning on Tuesday afternoon, February 14th!

What: ACSA's 4th Annual Distillers Convention and Vendor Trade Show

When: February 16th-17th, 2017, with pre-convention events held February 14th & 15th

Where: Renaissance Nashville Hotel, 611 Commerce St., Nashville TN 37203

For more information about registration, email Teresa McDaniel at teresa@americancraftspirits.org

The Tennessee Toast:

Click Here

2017 Craft Spirits Showcase and Silent Auction



Don't forget to purchase your tickets to the consumer tasting event, Wednesday, February 15th. Tickets are limited! We are offering a \$99 ticket upgrade to receive the full VIP experience at The Tennessee Toast. VIP ticket holders enter at 4:30 PM for an hour-and-a-half preview tasting, with specialty pours to toast in a more intimate setting. You'll also receive exclusive access to the VIP Loft for the evening Presented By Jack Daniel's Single Barrel Collection.

Jack Daniel's, a prominent member of the Tennessee Distillers Guild, has helped shape the foundation of the distilling industry in Tennessee. We'll be in great company with Jeff Arnett, Master Distiller of Jack Daniel's Distillery. Catch him speaking at the event as he shares his excitement about the growth of the distilling industry and his interest in elevating craft and the distillers behind it!

Click Here

ACSA's First Rate Professional Education in First Quarter 2017

New Year's Day. Martin Luther King Day. Groundhog Day. The days of 2017 are just flying by. As the time passes, we're curious whether you're exercising your mind. Have you recently devoted effort to your professional education? Remember, one of the best and easiest ways to keep your business brain juices flowing and to sharpen your technical skills comes via ACSA's monthly *Craft Spirits Classroom* webinar sprine.

In January, *Craft Spirits Classroom* kicked off the year in collaboration with the American Society for Asset Protection. The first course of 2017 taught proven, effective strategies to prevent and protect against lawsuits. Tax reduction, estate planning strategies, living trusts, and capital tax were also covered in this information-rich webinar. Would you be interested in purchasing this (or other past webinars)? Simply email ACSA education manager, *Libby O'Malley*, to get those details.

On Wednesday, February 22nd at 3pm, you'll hear from **Karen Barnes** of *Wine Direct Marketing Services*, on Content Marketing. Specifically, Karen will cover how to implement, improve and expand online tools to create opportunities with your consumers in the online marketing space. Get set for best practices in website design and content, blogging, email campaigns, third-party reviews, social media tools, and trade collateral. We will also review current website management resources and techniques, offer insights on creating and implementing an online communication and marketing strategy, and share how to use your content creatively across many platforms. To register for this program, click here.

Come March, ACSA brings you a cure for a big old headache — incorrectly filed TTB reports. Yes, it happens — and, after the initial horror subsides, it's time to act. But how? **Don Snyder** of *Whiskey Resources* will cover what happens if you filed something incorrectly and what to do if you find an issue from several months prior. He'll also thoroughly explain "voluntary disclosure." This hour-long webinar reviews common mistakes made (even by established distilleries), shares how to identify the scope of the snafu, covers the steps to amend and correct past reports, and reveals how to estimate any penalties or interest. Get on track with TTB reports by registering for the Wednesday, March 15th webinar <u>right here</u>.

And don't forget: ACSA members receive a \$20 discount off the non-member \$59 webinar registration fee. It's yet another valuable benefit of ACSA membership.

Invest in your business with ACSA's professional education. To quote B.B. King, "The beautiful thing about learning is nobody can take it away from you." Come to the *Craft Spirits Classroom* and we'll Quench Your Thirst for Knowledge!



2017 Spirits Judging

Our spirits judging was held on January 17th & 18th. We had a record number of entries this year compared to previous years. ACSA would like to extend a warm THANK YOU to our 31 judges, the stewards who volunteered their time, and to all the participants who entered. Join us in Nashville and hear first-hand who will be taking home a medal.

Meet all of our talented judges here.

A Q&A with Your ACSA Board



We asked three of our Board members to answer a few questions about tips on marketing, how they got their start in distilling, and what a typical day looks like! Read below to get to know P.T. Wood, Co-founder of Wood's High Mountain Distillery (CO); Matt Hofmann, Cofounder and Master Distiller of Westland Distillery (WA); and Mike Blaum, Co-owner and Chief Distiller of Blaum Bros. Distilling Co. (IL).

Can you explain your history with distilling and where you began your career?

PW: "My fascination with spirits started as a river guide in the late 80s/early 90s. We would often finish the day around a camp fire sipping whiskey and telling stories. Finally in 1996 I was in the Grand Canyon with a local bar owner who had a huge variety of whisk(e)ys and, by the end, I was ready to make my own. It took until 2012 for the stars to align but my brother Lee and I finally got it done! I would say I am pretty much a self-taught skifriver burn distiller."

MH: " I started distilling in college, eventually dropped out and went to get more formal training in Scotland. I began my professional distilling career with Westland, a company that I cofounded."



MB: "I really got into malt whisky back when I was working and living in the UK, so I spent quite a bit of time up in Scotland on the weekends touring distilleries with friends, and doing research on how it's made in between. When my brother and I officially started planning to open Blaum Bros., I got even more serious about it all and took time off to attend Springbank Whisky School and spent time at some other non-whisky distilleries in the UK--like Plymouth. After these experiences and plenty of other research, we received our distillation equipment and jumped in head first. And it's at that point that I really feel my history with distillation began, but improving my knowledge and techniques is an important part of my daily routine."

What does a typical day in the life of P.T. look like?

PW: "In the Winter, I get up at about 5 AM, drive up to Monarch Pass, and ski a few laps in the back country. Then, I try and get to the distillery by 8-8:30 and start answering email, the rest of the day is a mishmash of overseeing distillation, sales, marketing, and logistics. In the late spring, summer, and fall the crack of dawn mission will change to biking, fishing, or kayaking as the weather allows."

What does a typical day in the life of Matt look like?

MH: "If there's one thing for certain it's that there's no such thing as a typical day for me. I'm quite far away from production these days. I tend to travel a lot, do a lot of project management, lots of spreadsheets, lots of emails, lots of brand and sales strategy. I still get to taste whiskey with our blender and distillery manager. I'm fortunate to have a great team to work with."

What does a typical day in the life of Mike look like?

MB: "The types of days vary wildly, but a good day involves a little of everything. I'll generally come in and confirm the day's and week's activities with my production colleagues after they get the grain milled and the steam rolling. I'll then spend a fair amount of time working on supply chain logistics. Our storage space is limited and there is always a lot going in and out, so it all must be timed to be on pace with logged and anticipated distribution and supply orders. As I'm doing that, I'm spending a lot of time coordinating with my brother, Matt, who manages our sales, marketing, and distribution. We also spend time talking about future products, as well as the new barrel warehouse we're building on our property this Spring. After that, I'm back in the production room to do some more planning and R&D work with my distillation colleague, Chris. We're always trying to fine tune our processes. This is in between those moments of watching and tweaking the whiskey still, as well as the gin still. Lastly — again on a good day — we spend a couple of hours working on our bourbon blending to develop the right consistency between batches. The end of a good day involves a cocktail and some casual discussion with my brother and our team. Oh, and pranks. We play a lot of pranks at work. I think everyone likes it."



What is the greatest marketing tip you'd be willing to share?

PW: "Be your brand, live it every day and make it genuine!"

MH: "The greatest marketing tip would be to tell the truth, but make sure it's a compelling truth. Don't do things that aren't authentic. The best brands these days, not just in spirits mind you, are the ones who have a really compelling story that is rooted in authenticity. As a brand, that's an unassailable position to be in. People keep saying, "the days of brand loyalty are gone," but that's because there are so few brands worth being loyal to. Maybe the right saying is, "the days of pointless brands are gone."

MB: "Plan on a substantial marketing budget, and rely on the right person or team to create and see the marketing plan and vision through. Don't get discouraged if that's not you.... you don't have to do everything. While we both work on the overall branding and feel for our distillery, marketing is my brother Matt's forte and he does it well, so there's no real reason for me to mess it up."

What are you looking forward to at the ACSA convention?

PW: "The guild round table is always one of the best discussions of the year, meeting Ken Grossman, learning something new and tasting the spirits that win awards!"

MH: "I'm looking forward to hearing Ken Grossman share his journey towards becoming an iconic craft beer business. It'll be a great learning experience."

MB: "This is easy.... ACSA members are the best friends you're ever going to have in this industry. Why? Because we're the only member-run, non-profit organization group working for you. It really means something to know that those steering the ship are elected and doing so on behalf of the members, and are only motivated in improving the conditions in the industry. It's exciting to see our membership growing for this very reason, and even more exciting to see so many people volunteering to work on committees to represent their colleagues."

East

James Montero, Dogfish Head Distilling, DE Jason Barrett, Black Button Distilling, NY Troy Ball, Asheville Distilling Company, NC Scott Maitland, Top of the Hill Distillery, NC Scott Blackwell, High Wire Distilling, SC Marlene Steiner, Virginia Distillery Co., VA

Central & Mountain

Phil Brandon, Rock Town Distillery, AR Stephen Gould, Golden Moon Distillery, CO Jay DiPrizio, Chicago Distilling Company, IL Chris Montana, Du Nord Craft Spirits, MN Courtney McKee, Headframe Spirits, MT Ryan Montgomery, Montgomery Distillery, MT Colin Keegan, Santa Fe Spirits, NM Colton Weinstein, Corsair Distillery, TN Mark McDavid, Ranger Creek Brewing & Distilling, TX Renee Bemis, Driftless Glen Distillery, WI Amber Pollock, Backwards Distilling Company, WY

Pacific

Jake Holshue, Rogue Spirits, OR Kirby Lallas-Lewis, OOLA Distillery, WA

Welcome Newest Members!

ACSA extends a warm welcome to a few of our newest members:

- Northside Distilling Company (OH)
- Ironton Distillery & Crafthouse (CO)
- Nashville Craft Distillery, Fugitives Spirits (TN)
 Savannah Spirits Distilling Company (GA)
- <u>Do Good Distillery, LLC</u> (CA)
- Copper & Kings American Brandy Company (KY)
 Colorado Gold Distillery (CO)
- Middle West Spirits (OH)
- R.M. Rose & Co. Distillers (GA)
- The Vale Fox Distillery, LLC
- The Depot Craft Brewery and Distillery (NV)
 Broken Arrow Spirits, LLC (CO)
 Pacific Coast Spirits (CA)

- Leiper's Fork Distillery (TN)
 Up North Distillery (ID)
- Triple Sun Spirits Co. (PA)
- Dueling Grounds Distillery (KY)Cavalier Ventures (VA)
- Albany Distilling Company, (NY)
 Heritage Spirits LLC DBA Stoll & Wolfe Distillery, (PA)
 American Pioneer Spirits LLC (WI)
- Beach Time Distilling (DE
- Glencoe Distillery, LLC (IA)
 Cannon Beach Distillery (OR)
- Jersey Spirits Distilling Co. (NJ)
- Gingerwolf Distillery, LLC (VA)
 Oppidan Spirits (IL)
- Saint Lawrence Spirits (NY)
- Two Doors Distilling, Co. (NC)
 Mason Dixon Distillery (PA)
- Simple Man Distillery (GA)

Find out more about becoming a member here.

Regional Focus: Portland, OR



Portland, OR has been the butt of many jokes over the past few years—including a hit IFC television show. But it has also been the cutting edge scene for food and drink in the US. Stumptown Coffee Roasters was one of the leaders of the third wave of coffee and has featured a wide range of artisinal and locally sourced eateries. Lately, it has also boomed as a producer of alcohol. The craft beer scene in Portland has been widely covered—certainly deservedly—but Portland's craft spirits have been on the rise recently. Rogue Spirits, alongside Rogue's beer, has flourished across the nation. Rogue grows many of their ingredients on their farm and have made a name for themselves all over the country and in PDX. Clear Creek Distillery has been making fruit-forward spirits sourcing their ingredients from the Pacific Northwest for their liqeurs, brandies, and grappas. Clear Creek is a popular distillery in the local cocktail scene and its products have made their way to the shelves of many PDX watering holes.

We caught up with Christian Krogstad, fouder and head distiller of Portland's House Spirits, to share with us some of his favorite spots in PDX.

What's your favorite 'hidden' Portland gem -- restaurant, bar, or otherwise?

CK: "For a restaurant, I would say <u>Davenport</u>. For a bar, maybe <u>Ground Kontrol</u> (video game arcade)."

PDX is known for its artisan craft culture and its spirit of collaboration. Can you elaborate on this? What have been your experiences in working with other craft brands?

CK: "From the very beginning we tried to foster this spirit of collaboration. As we were getting started in 2004 we visited the other existing and prospective distilleries, and together we established what we think was the first distillers guild in the country, and today the guild continues to function well. Outside our industry, we have collaborated with breweries in too many ways to list here! But some of the most successful of these have been barrel migrations where we each finish a product in a barrel, then pass it along."

How has the craft distilling boom affected PDX?

CK: "There are 12 distilleries in Portland, 6 of them concentrated in Portland's Distillery Row in industrial SE Portland. This area has become a center for culinary tourism, and we were a catalyst."

What's your favorite cocktail spot in PDX?

CK: "Pepe le Moko."

What's your favorite food spot in PDX?

CK: "Usually, my house. But for a restaurant, I'd have to go with Laurelhurst Market."

How has the city helped to embrace craft distilling culture?

CK: "The city (as in it's bar managers, liquor store managers, and residents) are huge supporters of craft distilling, and comes out in droves to our annual TOAST guild tasting event. The City (as in the Government) has been a barrier to startups and expansions."

Featured image "NE Pdx View Portland, Oregon" via Roger/Flickr

Did You Know?

- The TTB has issued over 2180 DSPs! Find the full list here.
- TTB Cancels ITDS Pilot Test. Read more here.
- The maximum penalty for violations of the Alcoholic Beverage Labeling Act (ABLA) is being adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990. Find more info here.

Survey

What are you most looking forward to at the ACSA 2017 Convention?

Let us know!

Social Media

Do you have a new spirit release, an upcoming event, or some news to drop?

Follow our social media channels and Tweet at us (@craftspiritsus) or post to our Facebook Page and we'll be sure to share it! Make sure to use the hashtags #ACSA and #CraftSpirits!

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