

The Monthly Mash

Volume 1.3

Member Owned, Industry Driven



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

Happy New Year! 2016 was exciting, energetic, and eventful for ACSA. The Board of Directors and staff are looking forward to a new year of growth in terms of membership and benefits. We've only just begun to reach our potential. In this issue of the Monthly Mash, hear from a few of our Board members, find our staff's resolutions, and discover the craft spirits scene in Washington, D.C.

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

It's that time of year again for the three Rs – reflection, resolution, and resolve.

A quick review of 2016 shows tremendous momentum for ACSA with a long list of accomplishments: from our spirits competition with a record number of submissions, to a launch of the Craft Spirits Classroom: Quenching Your Thirst for Knowledge webinars, to improving governance through vibrant ACSA committees, to creating and publishing The Monthly Mash, to surveying and reporting on the state of the industry with the Craft Spirits Data Project (©2016 ACSA/Park Street/IWSR), to hosting a national convention with distillers from each part of the country, to showcasing some of the best suppliers in the world, to nurturing our industry friends with more ways to collaborate, to hiring a full-time executive director [me], to electing five new directors to a committed board, to adding staff to our dedicated ACSA team, to pounding the pavement on Capitol Hill to reduce the FET, to ruminating over and voting on the values for our association, we've come a LONG WAY!



It's not time to rest, however. As management guru Peter Drucker reminds us, "The best way to predict the future is to create it."

And, we're off.

Take a look at what's up ahead in ACSA's future – with our January highlights. ACSA's annual spirits competition and convention – hallmark ACSA events – are just around the corner. Registration closes this month for each.

New this week is the launch of our *Craft Spirits Weekly*, a service dedicated to bringing you the news most important to the craft spirits distiller.

We're inaugurating a *TOWN HALL* meeting via a webinar next week. Come learn about what ACSA predicts will be happening in the 115th Congress.

We'll soon be sending you a request for nominees for the ACSA Board of Directors. Are you interested in running for these important slots?

Take a look at the resolve of your ACSA staff – review a portion of our resolutions to make this association even stronger for you and your business.

As always, if something is on your mind, let us know. We can build our future together.

Here's to an especially prosperous year!

Cheers,

Margie

ACSA's 2017 Spirits

Competition:

REGISTRATION CLOSES IN JUST 6 DAYS

Our 2017 panel of judges is exceptional. Come meet them [here](#) or visit our [Facebook](#) and [Twitter](#) pages as we count down the days to the Competition!

Registration closes on January 9th!

[SUBMIT YOUR SPIRITS NOW!](#)



JOIN US FOR our INAUGURAL TOWN HALL



Learn about the 115th congress and what it means for the FET!

- **Who:** Paul Hletko, ACSA President, Few Spirits, IL, will be the host and moderator of this inaugural ACSA Town Hall. Jim Hyland, President of the Pennsylvania Avenue Group and chief lobbyist for ACSA, will provide the legislative affairs background.
- **When:** Thursday, January 12, 2017 at 4pm ET
- **Where:** Online! It's a webinar!
- **Why:** Amidst a changing political landscape, there is one certainty: It will take a continued tremendous effort to pass a reduction in the FET. Won't you join us to learn how to be a part of this historical effort?

REGISTER NOW

Craft Spirits Classroom Holiday Freebie + January's Webinar "Covering Your Assets"

The Craft Spirits Classroom: Quenching Your Thirst for Knowledge offered a TTB Primer last month. Did you miss it? If so, here's our new year's gift for you: a free recording (and the slides!) from that presentation. To watch and listen, [simply click this link](#) and away you go! The topic for this TTB collaboration was "Spirits Labelling: Avoiding COLA Pitfalls."

In January, we will resume our regularly scheduled third-Wednesday-of-the-month programming – so mark your calendar for Wednesday, January 18th at 3pm ET for "Covering Your Assets: How to Avoid Lawsuits and Reduce Taxes," brought to you in collaboration with the [American Society of Asset Protection](#). To register for this program, [click here](#). Remember: ACSA members get a discount of \$20 for the Craft Spirits Classroom webinars – so if you're not a member, that's just one more reason to become one.

CONVENTION REGISTRATION COUNTDOWN



You counted down the days to the new year. We're counting down the days to our next

convention that will rock Nashville.

Registration closes on Friday, January 20th. That's in just **17 days**. PLEASE take a moment and register NOW!

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

[Sign up Today!](#)

A Q&A with Your ACSA Board



We asked two of our Board members to answer a few questions about what they're looking forward to in the new year, how they got their start in distilling, what a typical day looks like! Read below to get to know Maggie Campbell, Head Distiller and Vice President of [Privateer Rum](#) (MA) and Johnny Jeffrey, Head Distiller of [Santa Fe Spirits](#) (NM).

It's a new year. How can ACSA help distillers prosper?

MC: "I am excited for us to work on connecting our community more. I am very excited that we are working on launching a platform that would allow distillers to coordinate, to exchange work-with days while visiting different areas of the country. This will help build community and allow the exchange of information that allows distillers to recognize their personal style.

My fingers are always crossed for FET reduction and encouraged legal parity with wineries and breweries. I am hoping to see a reduction in shipping regulations too. "

JJ: "I think it's essential for ACSA to help facilitate industry experience and knowledge from those of us who have been around a while to those who are struggling to figure out the ins and outs of this strange industry. I hope that through the webinars and convention (for now) we're helping spread knowledge about how to be safe and run a successful distillery and brand to help us all grow together."

ACSA, through WSET, is offering a Master Class prior to its convention. From February 14th-15th, registrants will have hands-on training at Corsair Distillery in Nashville. (Find more information about the [program](#) and [registration](#).)

Can you talk about how the WSET Master Class program can make a difference in the day to day operations?

MC: " What I liked best about WSET is that it reprogrammed my brain. We can recite facts all day, but it is the web of interconnectedness that truly shapes how a product is made. Instead of tasting something and listing flavors I am thinking: *Was this filtered? if so how did it change the character of the spirit? What must it have tasted like before it was filtered? Could production decisions be changed to fix this character I don't like? How are my choices affecting the end flavor?* It also made it much easier to learn from distillers I met across the globe because I had a grip on what their process looked like and brought a respect and understanding of what they do so I could move on to discussing deeper concepts much more quickly. I also saw an ease of communication with international buyers and distributors because we knew we already shared a base knowledge and could begin our conversation on another level. It is a foundational course, it can't possibly cover all the inner workings of each spirit, but it flushes through your base knowledge to have a bedrock of competence while working in the spirits community. Learning about a spirits category other than your own can offer insight and opportunity to develop unique skills giving you a leg up as well. We use many brandy and Cognac techniques on our rum and I am always sharing rum tricks and tips with my whiskey friends."

Can you talk about the ACSA webinars and convention sessions? How do they help contribute to the knowledge base which translates to better product; increased safety around the distillery; ease of compliance in the face of ample government regulations?

JJ: "We're really trying to work the two mediums together right now so there's a sense of a growing body of knowledge, not just some classes once or a couple of times a year, but ongoing educational content that raises the level we're all operating at. Between compliance, safety, and selling product, there are so many things for an owner and/or operator to manage, finding information shouldn't be one of those things you have to work at. We want it widely available."

How did you become involved in distilling? What is your background?

MC: "Distilling is my first career. I didn't work in tech, or anything like that. 12 years ago, when I was 20, I went to Scotland and got stuck in Oban. I asked a woman on the street what I should do and she said to go to the distillery. This was the first time I realized this was a job I could do, but returning to the states was bleak as far as finding a career path. There were no distilling schools, or programs. I ended up going to wine school to learn fermentation chemistry, barrel aging and selection, what pumps and tanks to use, and most importantly develop my tasting ability. Meanwhile I was lucky enough to get to know the Leopold Bros crew just as they were setting up in Denver and Jake Norris over at Stranahan's who have both remained close friends and exceptional mentors a decade later. At the time I was convinced I would open a rye whiskey distillery and just lay back stock of rye to have some cool stuff to release 5- 10 years later...with no clue of how to finance it. But my career had another plan. I worked at a fine wine and spirits shop learning the sales and distribution, studied



distilling on the side, and then was offered my dream job as assistant distiller at Germain-Robin. Hubert is an inspiration, and connecting with him changed me as a distiller and person forever. It was a time of change at the distillery and since he was less involved in the distilling, I decided to move on after a year. Todd Leopold, correct as always, encouraged me to work at a distributor so I could understand how the system worked, how the money flowed, what motivated sales, and learn how to reach customers in that system. This was the most important thing I did to succeed. While there I got a call from Hubert that he met a man, Andrew Cabot, opening a rum distillery who had an amazing vision. Hubert knew my dreams and my passion and he said that Privateer was the place. He was right. I started at Head Distiller, and was made Vice-President last year. "

JJ: " My interest was piqued because I have some family background in spirits, but that led me to the graduate program at Michigan State University, under Dr Kris Berglund. I studied Food Chemistry with a focus on fermentation and distillation, and it just happened that because we had distilling equipment, I was able to work with a whole bunch of people who were trying to find information I had access to. I'd get phone calls and emails all the time from people who were dealing with issues in production and we'd work through them together. I was learning what they needed to know so I could spread the info around. We also had a bunch of people come through for R&D work, so I met many of the people I know in the industry there."

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

MC: " I get up at 5 am and study until 7 am when no one will text/email/facebook me. I get into the distillery at 9am and fire up the spirit still. I try to taste some barrels, look at our production plan, and stock and coordinate barrel selection, bottling, and release dates. The production crew has a team huddle weekly and we go over the last week and the coming week. We discuss our vision and I make sure that everyone knows their job and has everything they need to do their job which mean coordinating repairs with work, or equipment purchases with the schedule. I typically have a few ACSA emails or phone calls to handle and I spend 30 dedicated minutes a day to check in with other distillers and industry friends--those relationships are important to care for. There is always some current, urgent task like ordering base material, barrels, or bottles on time. I work very closely with our kick-ass sales crew to make sure they have everything they need, I hear their market feedback, and I answer technical questions. I usually get too busy to eat and end up with shaky hands around 3 and force myself to stop for a minute. I'm tasting the still through the day and even have a little nook set up right near the still to make sure I stay connected to the run. By 3:30 pm I stop all other tasks to be sure I am on top of the tails cut and prep which tank or barrel I am planning to use. After the still is turned off I have a really productive hour to do my most focused tasks. I usually head out around 6 pm, try to go to boxing, or go for a long walk. We have a no texting after 6 pm policy so we can restore in our down time, and it is amazing. (We email if it isn't important and calling only in an emergency.) My husband, who is also a distiller, does all the cooking and makes an amazing dinner and then we leave our phones downstairs so we are sure we get a restful sleep."

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

TH: " Today, Johnny's days are mostly spent in budget spreadsheets, production forecasts, walking through 3D models of the facility we're building, and on the construction site. At least once a week I'm in the small R&D distillery we've built here, doing product trials with my Assistant Distiller. This facility will be up and running by end of year 2017 so I'm deep in the heat of planning for that. It's a pretty exciting time."

What Does a Trump Presidency Mean for the Spirits Industry?



"Promises made during a campaign and succeeding US government policy, particularly in the area of trade, are often times two different things. While Mr. Trump clearly opposes the TPP and wants to impose tariffs on goods coming from certain countries (e.g. China), the overwhelming majority of US craft spirits producers sales takes place in the home state. However, the export market for grain will be directly impacted which may make available more corn for US production of spirits." -Marge A.S. Lehrman

Margie contributed her thoughts to a longer piece concerning the impact of President-Elect Donald Trump on the spirits industry. Read that article [here](#).

Welcome Newest Members!

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

- Old Elk Distillery (CO)
- [Bear Wallow Distillery](#) (IN)
- Red Bordner Distillery (SC)
- [Witness Distillery](#) (IL)
- [Proof Artisan Distillers](#) (ND)
- Black Bear Distillery (CO)
- [Three Wells Distilling Company](#) (AZ)
- [Round Turn Distilling](#) (ME)

Find out more about becoming a member [here](#).

Regional Focus: Washington, D.C.



Washington, D.C. has been featured quite a bit in the news recently. With the change of power in the federal government, the capital has received a lot of buzz and questions loom about how the culture of the city may shift. Politics and policy, though, are always frequent topics of conversation concerning D.C. Recently, the country has paid more attention to the growth of the food and beverage industry. With the rise of food incubators, start-ups, and the popularity of food trucks, tourists and locals have embraced D.C.'s culinary clout. Those in the spirits industry, like Alexander "Sandy" Wood, CEO of [One Eight Distilling](#), credit the popularity of craft beverages to the focus placed on the restaurant industry. Michael Lowe, Co-Owner and Distiller at [New Columbia Distillers](#), reiterated Sandy's points and noted that the emphasis placed on "local" has had an effect on D.C.'s spirits scene. "People care more about whether what they're having is local," Lowe explained. Sandy also mentioned that One Eight has taken great pride in sourcing all of their grain locally, visiting farms just a short drive from D.C.

But, the emphasis on "local" isn't just exclusive to D.C. "Artisanal" and "craft" are used to describe goods all over the country. So what about D.C. makes the spirits scene special? Sandy and Lowe both briefly touched on the fact that the capital's accommodating legislation has helped distilleries thrive. Moreover, it has made the city an attractive market for other distilleries in the DMV area and up and down the East coast. Sandy commented that D.C. might have a "disproportionate interest" from out of market distilleries, which makes the industry competitive. "But the competition isn't a bad thing," Lowe explained. "It keeps us on our toes." Sandy and Lowe have both found that the competition has led to greater growth and a greater concentration of quality distilleries. "We're all doing our own thing," Lowe shared, "and we all have our place." D.C. doesn't have a craft spirits guild but Sandy explained that the co-operative competition has already led to competitions about founding a guild. "Nothing has been officially planned yet, but we're talking about it."

[Cotton & Reed](#) is one of the newest distilleries in the D.C. craft spirits scene, having opened just this past month, but have already cemented their place with an impressive [cocktail lineup](#) and complex rums currently on the market. They've also opened up in the booming spirits district of Northeast Washington, D.C. Although they've only gone to market with their rums, their diverse cocktail program offers drinkers a taste of what D.C. spirits can do.

The community of D.C. has certainly embraced the industry of craft spirits. [Republic Restoratives](#), the largest crowdfunded distillery in the world, represents the growing relationship between the city and its spirits producers. Republic Restoratives has taken ownership of its place in the community and serves its neighbors quality cocktails and spirits.

Although D.C. is still a young city in the spirits industry, the popularity of cocktail programs has been present for a long time and helped with the recent boom of craft spirits. Local spots like [The Dabney](#), [The Passenger](#), and [The Columbia Room](#) have elevated the spirits scene with robust and focused cocktail programs. Bartenders like [Derek Brown](#) and, more recently, JP Fetherston have helped in educating the city's young population on what makes quality cocktails: quality spirits. Fetherston explained what excites him about the D.C. scene, "There is an energy and an independent streak here that keeps expanding and expanding. We're not seeing big chains or big names coming in and dominating the scene. We are growing our reputation, and our colleagues are pouring their energies into their own independent projects. And we're changing outdated laws about breweries and distilleries."

Welcoming a New Member to the ACSA Team



Jeff Cioletti will be joining the ACSA staff as a contributing writer, bringing his experience and talent to various communications—like the Monthly Mash! He will also help launch a weekly roundup of industry news: The Craft Spirits Weekly.

Jeff's tenure in liquid literacy has exposed him to some of the best libations the world has to offer and given him access to the producers and purveyors of such fine refreshments. He combines his love of drink with a passion for travel and one usually involves the other. He served for fourteen years as an editor at Beverage World magazine, including eight years as editor in chief of the B2B publication. He's also the author of the books "The Year of Drinking Adventurously," "Beer FAQ" and

the upcoming "The Drinkable Globe." Jeff is the founder of beverage travel video site, The Drinkable Globe ([DrinkableGlobe.com](#)) and a frequent contributor to publications including Draft Magazine, All About Beer Magazine, FSR and Beverage Media. Additionally, he's the winner of two North American Guild of Beer Writers awards.

Did You Know?

- The FDA announced it will align menu labeling compliance date with the enforcement date for menu labeling to May 5, 2017. Find more information [here](#).
- TTB institutes statutory amendments affecting excise tax due dates and bond requirements for eligible taxpayers become effective. Changes can be found [here](#).
- The word "whiskey" comes from the Gaelic word "uisge" (the Irish spelling) or "uisce" (the Scottish spelling). It means "water of life." Incidentally, the Scandinavia spirit aquavit derives from "aqua vitae," which also translates to "water of life." And the French term applied to brandy, "eau de vie," means the same thing. And, speaking of brandy, the word itself comes the term for "burned wine" in many languages. For instance, in Dutch, it's brandewijn, which, when Anglicized, became "brandy wine" and, ultimately, "brandy."
- The TTB updated the [COLAs Online](#), revising questions from the formula section and improving other sections based on feedback and interactions with the TTB staff.
- TTB changes to "hard cider" tax rate become effective for wines removed from wine premises or customs custody. Changes include:
 - The allowable alcohol content increases from less than 7 percent to less than (not equal to) 8.5 percent alcohol by volume;
 - The allowable carbonation level increases from 0.392 to 0.64 gram of carbon dioxide per hundred milliliters of wine; and
 - The use of pears and pear juice concentrate is authorized in wine eligible for the hard cider tax rate.

Staff Resolutions for ACSA – Get to Know Your Team

Resolutions typically begin on January 1st each year. Did you make yours?

Here is the team behind your association with select resolutions most important for each member:

Teresa McDaniel -- Finance Administrator and Membership Coordinator

Teresa joined ACSA in the summer of 2015 and immediately discovered limitations with member interaction on the ACSA website. To that end, there are also significant restrictions on staff's ability to post information. Active on the technology committee that is working on a total ACSA web redesign, Teresa plans to educate all members about the new features of our updated website. This should enhance the value of ACSA's membership. This new site is due to be released in February 2017.

Libby O'Malley – Education Manager

Libby received baptism by fire – entering ACSA in August 2016, a time when ACSA was flooded with returns for its Call for Presentations. Organization and technical efficiencies were somewhat lacking. Libby realizes the value of systems and is committed to designing a 100% paperless system with a single online application platform that will allow for submission, organization, selection, and notification. Here's to a Call for Presentation release in late Spring!

John Paradiso – Social Media Coordinator

John's English major and his roving reporter background with the beer scene in Boston made him a perfect candidate for social media for ACSA. Having joined last summer, John is responsible for daily tweets and weekly Facebook posts. Born in the digital era, with thumbs that move at the speed of light, John aims to secure an additional 3000 more followers and likes on both Twitter and Facebook. Won't you be our "friend"?

Kirstin Webster – Grants Writer

Kirstin has literally been around the world – having served a couple of years in the Peace Corps. That yen for travel has her resolved to take a road trip and visit each distillery in her home state of Michigan. She knows she will gain lots from learning about the process of distillation and seeing how the distilleries support the local agricultural and tourism economy. With that added insight, Kirstin knows she'll be able to "speak the language" better when she discusses grants within economic development areas.

Margie A.S. Lehrman – Executive Director

Margie's issue is selecting which resolution takes priority. Eager to push hard on the reduction in the FET with ACSA's lobbyist, she is relentless about looking at Capitol Hill and its players from every angle. However, Margie's association background has taught her that members are the lifeblood of the association. Therefore, Margie is committed to finding out more about each of our members, both voting and affiliate, with efforts to provide true membership value. That means she'll be reviewing each program and service to make sure the ROI is there.

What have we missed? Send us your thoughts on how we might best serve your needs.

Survey

[Do you have a New Year's Resolution? 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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