

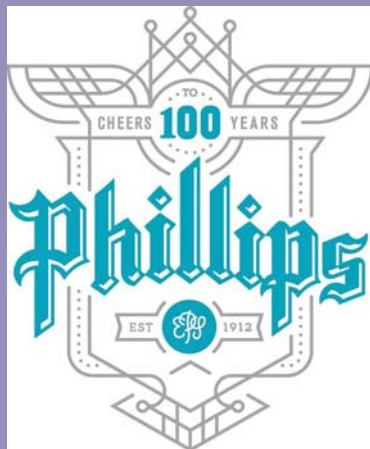
Distillery Age modern



APRIL 13, 2012 | MODERN DISTILLERY AGE WEEKLY E-NEWSLETTER

VOLUME 3 | NUMBER 15

Phillips Celebrates 100 Years



Phillips Distilling, the fifth-generation, family-owned distillery based in Minneapolis, Minn., celebrated its 100th anniversary on April 13. The company was founded as Ed Phillips & Sons, a small distributor of newspapers, candy and tobacco in Manitowoc, Wis., and today produces and markets over 70 different spirits brands including the UV Vodka line of flavored vodkas, Prairie Vodka, Trader Vic's Rums, Liqueurs and Cocktails, Revel Stoke Spiced Whisky, Phillips Union Whiskey, SourPuss Liqueurs and Ice Hole Liqueurs.

"Our story embodies the American dream," said Dean Phillips, fifth-generation CEO. "From an immigrant's determination to build a business and new life, we have endured an entire century. We are proud to be among the few companies to reach such a remarkable milestone."

With the repeal of Prohibition in 1933, Ed Phillips & Sons ventured into the liquor distribution business and moved its headquarters from Eau Claire, Wis. to Northeast Minneapolis. In 1935, Phillips salesman, Al Dorsch, spotted Minneapolis saloon patrons dropping peppermint candies into their poorly aged whiskey and developed America's first schnapps brand, Phillips Peppermint, in the kitchen of his home. By World War II, Phillips was producing a range of spirits in its Minneapolis plant and emerged as the largest independent spirits and wine distributor in the U.S.

Besides adding schnapps in the 1930s, Phillips added flavored vodkas in the 1950s, luxury vodka (Belvedere and Chopin) in the 1990s, flavored whiskey in the 2000s and most recently Prairie Vodka, distilled from Minnesota organic corn. The launch of UV Vodka in 2001 has become the largest volume brand in the company's history, expected to reach a volume of 1.7 million cases sold this year and has been an IMPACT Hot Brand Award winner for seven consecutive years.

In June, Phillips will launch two new UV Vodka varietals and a wheat-based vodka as well as reintroduce Sno Shoe Grog, the 1963 blend of brandy and peppermint schnapps, and Gin-Ka, the 1971 blend of gin and vodka.

U.S. and Brazil Agree on Distilled Spirits

Ron Kirk, the U.S. Trade Representative, and Fernando Pimentel, the Brazilian Minister of Development, Industry and Foreign Trade, have signed an exchange of letters launching a process by the U.S. to designate cachaça as a distinctive product of Brazil, and by Brazil to designate bourbon and Tennessee whiskey as distinctive products of the U.S.

"Cachaça and bourbon and Tennessee whiskey are among the United States' and Brazil's most unique and well-recognized products," said Ambassador Kirk. "This exchange of letters represents a very positive development for both of our industries and reflects our governments' commitment to stronger bilateral trade ties."

The Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB) will next publish a notice of proposed rulemaking that will solicit comments from the public. If TTB makes a final regulation designating cachaça as a distinctive product of Brazil, then Brazil will then recognize bourbon and Tennessee whiskey as distinctive products of the U.S.

"This is a historic day for exporters of bourbon and Tennessee whiskey to Brazil, which is a rapidly growing market for American whiskeys," said Peter H. Cressy, President of the Distilled Spirits Council of the U.S. "Brazilians are rapidly acquiring a taste for the finest American whiskeys, and today's agreement — when implemented — will ensure the integrity and authenticity of these world class drinks."

Cressy said that U.S. whiskey exports to Brazil increased 519 percent from 2001 to 2011, growing from \$517,000 to \$3.2 million.

FTC Demands Digital Ad Data

The Federal Trade Commission (FTC) has sent compulsory process orders to major spirits, beer and wine companies demanding information on the companies' Internet marketing and data collection. The FTC is reviewing the industry's voluntary guidelines for curbing alcohol advertising to underage consumers. Last year, the FTC demanded information on advertising expenditure, placement data and background information on the companies' business practices.

In the spirits business, the process orders went to Bacardí USA, Beam Inc., Brown-Forman, Diageo, *continued on page 12*

FTA Dinner and Awards in NYC

The Sixteenth Annual Fred Tibbitts & Associates (FTA) "A Spring Evening in New York with Very Special Friends" took place at the MetLife Building in The Vanderbilt Suites in New York City on March 6. The guests included three of the FTA 2012 honorees, hotel and restaurant senior executives, vice presidents, managing directors, industry VIPs, industry press and sponsors.



L-R: Fred Tibbitts and the Venerable Khenpo Pema Wangdak
Photo by Andrei Jackamets

The reception, trade show style, showcased the products and services of the sponsors. Fred Tibbitts, Jr., President and CEO of FTA, urged the guests to do more for those less fortunate, and he asked the Venerable Khenpo Pema Wangdak, Director of the Vikramasila Foundation, to offer a Buddhist prayer. Tibbitts presented the foundation with a donation of \$500 from the dinner proceeds for the benefit of Khenpo Pema's work with Tibetan refugee youths in Nepal and India through Tibet House U.S.

The 2012 FTA Hospitality Awards for Excellence included:

- 2012 FTA Hospitality Award for Excellence as an Executive Recruiter & Human Resources Leader: Benoit Gateau-Cumin, Chief Recruiting Officer, The Boutique Search Firm
- 2012 FTA Hospitality Award for Excellence as an Operator – Asia Pacific: A. Patrick Imbardelli, President/CEO, Pan Pacific Hotels Group, accepted by David Sullivan, General Manager, Pan Pacific Hotel Seattle
- 2012 FTA Hospitality Award for Lifetime Excellence: Julia Stewart, Chairman/CEO, DineEquity, Inc. (Parent

company of Applebee's and IHOP restaurants), accepted by Kenneth Hill, President, Kenneth Hill & Associates

- 2012 FTA Hospitality Award for Excellence as an IT Innovator: CLKclk, Inc., Greg Demetri, CEO
- 2012 FTA Hospitality Award for Excellence as a Humanitarian: Dr. Joan Clos, MD, Under Secretary-General and Executive Director, U.N. Human Settlements Program (UN-HABITAT), accepted by Cecilia Martinez, Director – New York Office, UN-HABITAT
- 2012 FTA Hospitality Award for Excellence as an Operator – North America: Dan Hoffman, Director, Equipment & Beverage Specifications Global Operations Services Food & Beverage, Marriott International

The 2012 FTA Hospitality Awards for Excellence will be presented along with scholarships in the names of those honored and based in Asia Pacific on October 9 in Hong Kong at The Langham, and for those based in North America in New York City at The MetLife Building in The Vanderbilt Suites on November 13.

International Rum Festival Returns to Miami Beach

The fourth annual Miami Rum Renaissance Festival begins on April 16 with a series of evening VIP rum parties hosted by leading



rum brands. A full schedule of rum-themed special events takes place over a week, culminating in a two-day grand tasting exhibition on April 21-22. The main event features nearly 100 rum and island lifestyle exhibits and samples of hundreds of rums.

San Francisco World Spirits Competition

The San Francisco World Spirits Competition took place March 22-25, judging 1,215 distilled spirits from 60 countries. Awards were given as 149 Double Gold Medals, 209 Gold Medals, 444 Silver Medals and 258 Bronze Medals. Thirty-three judges were headed by Tony Abou-Ganim.

The winners were:

- *The Tasting Panel Magazine* Distiller of the Year: Burn Stewart, Glasgow, Scotland
- Importer of the Year: Beam Inc., Deerfield, Illinois
- Director's Award: William Grant & Sons, New York, New York
- Best In Show Unaged White Spirit and Best Silver Tequila: Avión Silver Tequila
- Best In Show Aged White Spirit and Best Aged Rum: Vizcaya VXOP Cask 21 Year Solera Rum
- Best In Show Whisky and Best Single Malt Scotch: Isle of Jura Single Malt Scotch 1976
- Best In Show Brandy and Best Calvados: Boulard Calvados XO
- Best In Show Liqueur and Best Fruit Liqueur: Grand Marnier Quintessence Orange Liqueur
- Best Vodka: Platinka Original Vodka
- Best Flavored Vodka: EFFEN Cucumber Vodka
- Best Aquavit: Krogstad Aquavit
- Best Gin: Tanqueray London Dry Gin
- Best White Rum: Kinkylux White Rum
- Best Gold Rum: Cockspur Fine Rum
- Best Rhum Agricole: Rhum J.M. Rhum Agricole Millésimé 2001
- Best Cachaça: Leblon Maison Leblon Cachaça Reserve Especial
- Best Pisco: Waqar Pisco
- Best Reposado Tequila: Alquimia Organic Reposado Tequila
- Best Añejo Tequila: Don Celso Añejo Tequila
- Best Ultra-Aged Añejo Tequila: El Tesoro Extra-Aged Añejo Tequila Paradiso
- Best Mezcal: Real Matlatl Mezcal Tobala
- Best Bourbon: Old Forester Birthday Bourbon 2011
- Best Rye: Knob Creek Rye
- Best Canadian Whisky: Canadian Mist Black Diamond Canadian Whisky

continued on page 9