

Exclusive news and research for the wine, spirits and beer executive

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Interview, Part 2: Deutsch Family President Tom Steffanci

In the second part of our interview, Deutsch Family Wine & Spirits president Tom Steffanci discusses the company's moves in spirits, as well as developments across its portfolio of on-premise-focused wine brands.

SND: How is progress on the spirits side of the Deutsch portfolio?

Steffanci: We've sharpened our focus on whiskey. Redemption was the first entry into that. The brand was at about 14,000 cases when we bought it, and we did 67,000 cases in 2018 on growth of 23%. Similar growth is forecast for the current year. With our base tier Bourbon, High Rye Bourbon, and Rye, we're in a good place in terms of supply. We also have 10-year-old, Barrel Proof items across the three different mashbills that we release each year, and we have a lot of wheated Bourbon laid down. Bib & Tucker (acquired from 3 Badge Beverage in 2017) has been a pleasant surprise. Our master blender, working with folks at Tennessee Distilling, created a mashbill that we're very excited about, so we'll have full control over our long-term supply. Shorter-term supply is a little bit of a challenge, but we think Bib & Tucker has a very bright future. We're resisting the temptation to line extend and innovate, just until stock levels catch up.

SND: Last year, you expanded your Provence rosé, Fleurs de Prairie, nationally. How has it performed since then?

Steffanci: Provence has certainly presented its challenges, but Fleurs de Prairie has done very well. We did have some out of stock conditions last fall. We'll probably barely have enough wine to get through the holiday season but it's been tremendously successful. We expect that to do about 90,000 cases, adding about 20,000 cases to the total even after a significant price increase.

SND: Which wine brands are making inroads on-premise?

Steffanci: We do about 16% of our business on-premise, so it's slightly underdeveloped, but it's an area of significant investment. Barone Fini is at about 125,000 cases, and almost half the volume is done on-premise. This is among the most successful by-the-glass offerings in the market. The Crossings is very similar to Barone Fini, doing about 40% of its volume in restaurants. We continue to see high single-digit growth on Crossings. The Calling is our joint venture with Jim Nantz, sportscaster extraordinaire, who has become very close friends with our CEO and co-owner, Peter Deutsch. The brand has never had a year when it hasn't grown by double digits. We have a Sonoma Coast Pinot Noir, and we'll soon be offering a Pinot Noir from Monterey County that will allow us access to more by-the-glass business. That will launch this fall.

News Briefs:

- Brown-Forman has announced the return of Woodford Reserve Kentucky Straight Malt, which was introduced last year and sold out within a month. The new release has an abv of 45.2% and carries a retail price of \$35 a 750-ml. The Woodford Reserve portfolio currently includes five expressions: Woodford Reserve Bourbon, Woodford Reserve Double Oaked, Woodford Reserve Rye, and Woodford Reserve Wheat, which was released earlier in the summer.
- Edrington has released the latest Highland Park limited release in the U.S., Twisted Tattoo, a 16-year-old whisky. The 46.7% abv whisky is blended from spirits matured in Rioja-seasoned casks as well as ex-Bourbon barrels. The final blend was assembled from 153 Rioja-seasoned casks and 70 ex-Bourbon barrels to create a release that is lightly smoky and driven by sweet fruit flavors, according to the company. The whisky is bottled with a custom label created by Danish tattoo artist Colin Dale. Highland Park Twisted Tattoo is now available in select locations across the U.S. for a suggested price of \$100.
- Campari Group has signed an agreement to acquire French rum brands Trois Rivières and La Mauny. The company, which [announced it was in talks for the brands in July](#), struck the deal with Groupe Chevrillon, a privately held French investment company, for a price of €60 million (\$66.3m). Campari is already present in the rum category with Appleton, which has U.S. volume of 225,000 cases and global volume of 1.2 million cases. With this deal, Campari adds two premium rhum agricole labels with a presence in France, and it sees international potential in both of them. The agreement also included local brand Duquesne.
- Larceny Bourbon has released an augmented reality smartphone app called Unlock the Rickhouse. Now through the end of the year, consumers can use the app to explore virtual rickhouses for a chance to win a \$10,000 grand prize and other goodies. The concept was inspired by the brand's historical mascot John E. Fitzgerald, a treasury agent who used his authority to help himself to the choicest products in the rickhouses under his purview. Part of Bardstown, Kentucky-based Heaven Hill's portfolio, Larceny Bourbon is at 46% abv and retails for \$25 a 750-ml. Last year, Larceny depleted 103,000 cases in the U.S., up 21%, according to Impact Databank.
- Folio Wine Fine Partners has added three new wine producers—from the Rhone Valley, South Africa, and the Languedoc region—to its international portfolio. From the Rhone, Folio has partnered with Ogier to the producers Côtes du Rhone, Cote Rotie, and Châteauneuf-du-Pape to the U.S. The Napa, California-based company has also agreed to handle Château Puech-Haut from the Languedoc region and will import the producer's Prestige Rosé and Rouge, as well as Tête de Belier Rosé, Blanc, and Rogue, among others. Finally, Folio has teamed up with South Africa's L'Avenir from Stellenbosch to bring Provenance Chenin Blanc and Pinotage, as well as Single Block Chenin Blanc and Pinotage.
- Houston, Texas-based importer BCI is launching New Grove, a rum brand from the African island nation of Mauritius. The brand's Exotic line includes New Grove Silver, Dark, and Spiced expressions, and the Authentic line includes an assortment of unaged and French oak aged offerings. New Grove's lineup is now available in select markets across the U.S., with the Exotic line retailing between \$15-\$19 a 750-ml. and Authentic expressions ranging from \$25-\$57 a 750-ml. New Grove is part of the Terra Group, owned and operated by the Harel family since 1838.
- Republic National Distributing Company (RNDC) has extended its partnership with California winemaker O'Neill Vintners & Distillers into four states: Texas, Louisiana, Oklahoma, and Indiana. RNDC now represents the full O'Neill Vintners portfolio, including Line 39, Intercept, Robert Hall, Day Owl, Harken, and Exitus, in 17 states.

Craft Brewing And Distilling News:

- Oregon craft player Deschutes Brewery has released HandUp, the newest year-round addition to its portfolio. The 6.5% abv American IPA is brewed with Amarillo, Azacca, and Centennial hops. The beer is brewed in honor of Deschutes co-owner Colby Nightingale, who passed away from pancreatic cancer last year; \$1 from every barrel sold will be donated to organizations fighting pancreatic cancer. Deschutes HandUp is rolling out now on draft and in 6-packs of 12-ounce bottles throughout the brewery's distribution footprint.

•Fort Worth, Texas-based Blackland Distillery has teamed up with distributor Ben E. King to expand into the North Texas market. The new agreement will open Blackland's potential for expansion while adding the first Bourbon, whiskey, and gin to the distributor's growing spirits portfolio. Black's Bourbon (41.5% abv, \$35), vodka (40% abv, \$25), gin (40% abv, \$30), and rye whiskey (41.5% abv, \$35) are all now available throughout North Texas in locations throughout Dallas, Fort Worth, and Denton, among other cities.

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