

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

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## **Despite Supply Issues, Cognac Continues To Gain Ground In The U.S.**

While supply issues have been constraining Cognac's U.S. growth to some degree, the category continued to post impressive gains in the year through June. According to the Bureau National Interprofessionnel du Cognac (BNIC), shipment volume to the North American market increased 6% over the past 12 months, while export value surged 14% to €1.41 billion (\$1.6b). In the calendar year to date through June, shipments to the U.S. were up 11.3% to 3.9 million 9-liter cases, and value leapt 23.6% to €735.4 million (\$825m).

The U.S. is by far the world's largest Cognac market, surpassing 6 million cases for the first time in calendar 2018, according to Impact Databank. Hennessy now holds a market share of more than 60%, and combines with Rémy Martin to account for nearly three-quarters of U.S. consumption. But the two brands were headed in opposite directions in control states during the first half of this year, with Hennessy up 5.8% and Rémy Martin down 4%.

Cognac's strong U.S. growth has also led other marketers to redouble their efforts. Martell, part of the Pernod Ricard portfolio, saw a 38% increase in control states in the first half, while Bacardi-owned d'Ussé jumped 13%. Courvoisier also posted growth in NABCA channels through the first six months of the year, rising 6.5%. Beam Suntory CEO Albert Baladi recently told SND that Courvoisier's upward momentum has continued despite a price increase on the brand earlier this year.

Globally, Cognac shipments rose by a modest 2.6% in the 12-month period ending in June, reaching 16.4 million 9-liter cases, according to the BNIC. Global turnover was more impressive in that 12-month period, gaining 6.8% to €3.4 billion (\$3.8b). Overall, Cognac accounts for nearly one-quarter of France's global wine and spirits exports.

In response to the supply issues that have hampered growth for Hennessy and other brands, the BNIC has approved a plan to add 10,000 hectares (24,710 acres) of new vines to Cognac's territory over the next three years. Once those new vines are planted, the Cognac vineyard will reach a total of 86,000 hectares (212,510 acres) compared to the current 76,000 hectares (187,800 acres).

### **News Briefs:**

- Bulleit whiskey founder Tom Bulleit has ceased working as a brand ambassador for the Diageo label, following allegations from his daughter Hollis B. Worth that he physically and sexually abused her as a child. Bulleit has "strenuously" denied the charges. "Diageo learned of claims of abuse, directed at her father, through a recent letter

from Ms. Worth's (née Bulleit) attorney. These claims had not been previously brought to Diageo's attention by Ms. Worth or anyone else," the company said in a statement to the Lexington Herald-Leader. "While it would be impossible for us to determine the veracity of these claims, given their nature, it was decided that Mr. Bulleit would step back from his brand ambassadorship role."

- Kentucky Owl rye, a single vintage Bruichladdich, and new releases from Brora, Westland, and Chattanooga Whiskey are among the offerings featured in Whisky Advocate's latest whiskey roundup. [The magazine's website has all the details.](#)
- Johnnie Walker is extending its tie-up with HBO's Game of Thrones, launching two new limited edition whiskies. Billed as successors to the limited edition White Walker blend that debuted last year, the new entries include A Song of Ice and A Song of Fire, both retailing at \$36 a 750-ml. A Song of Ice, themed after Game of Thrones' House Stark, is a 40.2% abv blend that includes single malts from northern Scotland distillery Clynelish. A Song of Fire, linked to Game of Thrones' House Targaryen, is at 40.8% abv and includes malts for Caol Ila. Both new whiskies are debuting nationwide. White Walker sold nearly 80,000 cases in the U.S. in just a partial year on the market in 2018, according to Impact Databank.
- Tempus Fugit Spirits has tapped California-based LeVecke Corp. as its sole U.S. importer and distributor. Moving forward, LeVecke will handle Tempus' range of aperitifs, digestifs, liqueurs, and other cocktail modifiers throughout the U.S., replacing former importer Hotaling & Co. The LeVecke portfolio also includes such spirits brands as Hardy Cognac, Los Javis mezcal, and Fiorente liqueur.
- Napa Valley's Round Pond Estate has named Erin Robertson director of marketing. Robertson joins Round Pond from Ste. Michelle Wine Estates, where she oversaw marketing efforts for California brands like Stag's Leap Wine Cellars, Patz and Hall, and Conn Creek. In her new role, she will spearhead marketing for Round Pond Estate, which is owned by the MacDonnell family and known for ultra-premium Cabernet Sauvignon.

## **Craft Brewing And Distilling News:**

- Minneapolis, Minnesota-based Tattersall Distilling recently completed a multi-million dollar fundraising effort to fund growth and expansion. In addition to hiring three regional salespeople, the funding will be used to add approximately 7,000 square feet of space to its headquarters that will be divided between a 2,000-square foot event space and a new barrel room that will more than double its current storage. Construction is also underway on a Tattersall tasting room at the Minneapolis-Saint-Paul airport. Tattersall makes more than 30 spirits and liqueurs and distributes to 23 states.
- Brooklyn-based Grimm Artisanal Ales is entering New Jersey, partnering with craft distributor Remarkable Liquids. Grimm's initial distribution in New Jersey includes Castling hoppy farmhouse ale, Full Frequency mixed-culture Berliner weisse, Lilt barrel-aged sour ale, Midnight Morning imperial stout, Noon Moon imperial milk stout, Splish double IPA, Super Shine dry-hopped gose, and Topos German-style pilsner. Founded in 2013, Grimm opened a brewery and taproom in Brooklyn's East Williamsburg neighborhood last summer.

## **Recently in the News:**

- [Albert Baladi On The Key Growth Levers For Beam Suntory](#)
- [Whisky Advocate: Rabbit Hole Revamps Portfolio Following Pernod Acquisition](#)
- [Appeals Court Deals Blow To Walmart's Bid To Sell Spirits In Texas](#)