

Alcohol Producers, Promotion, & Policy

Corporations Undermining Public Health & Safety

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Director of Research
Alcohol Justice**

**2nd Annual New York Alcohol Policy Summit
October 11, 2012**

Alcohol Justice

We promote evidence-based public health policies and organize campaigns with diverse communities and youth against alcohol-related harm.

- Increase alcohol taxes and fees
- Remove dangerous, youth oriented products from the market
- Restrict alcohol advertising & promotions
- Support state control of alcohol distribution and sales

Alcohol Industry's Influential Tactics

- **Consolidate** into multinational conglomerates
- **Target** vulnerable populations such as youth
- **Create** trade groups & front groups
- **Misdirect** with voluntary self-regulation charade
- **Fund** public relations/education/"responsibility" programs
- **Lobby** to undermine effective public policy
- **Sponsor** legislation to roll back or exempt from regulation

Top Selling Brands: 2011

- Bud Light
- Coors Light
- Budweiser
- Miller Lite
- Natural Light
- Busch Light
- Busch
- Miller High Life
- Keystone Light
- Michelob Ultra
- Smirnoff
- Bacardi
- Captain Morgan
- Jack Daniels
- Absolut
- Crown Royal
- Svedka
- Grey Goose
- Jose Cuervo
- Jim Beam

The Beverage Information Group. Handbook advance 2012: A special report on spirits, wine and beer sales and consumption in 2011. Norwalk (CT): M2Media360; 2012.

The Big Beer Duopoly

- A-B InBev HQ: Belgium (Brazilian-run)
- SABMiller HQ: England
- 80% of beer market

- Speedy approval of massive mergers
- Shrinking shareholder rights, participation
- Influence on global trade
- Extensive lobbying vs. taxes, state control
- Distributor consolidation, elimination
- Threats: brewery closures, job losses



The Rest of the Biggest

DIAGEO



Pernod Ricard



BACARDI



The Rest of the Biggest



E&J Gallo Winery



Constellation Brands



BROWN-FORMAN

Chateau Ste Michelle



Altria



**ALCOHOL
JUSTICE**

The Industry Watchdog

Trade Groups



Bacardi USA, Beam Global, Brown-Forman, Campari, Constellation Brands, DIAGEO, Florida Caribbean Distillers, Luxco, Moet, Patron, Pernod-Ricard, Remy Cointreau, Sidney Frank Importing, Suntory International



Front Groups



Bacardi U.S.A., Beam Global, Brown-Forman, Constellation Brands, DIAGEO, Hood River Distillers, Pernod-Ricard, Sidney Frank Importing



Anheuser-Busch InBev, Asahi Breweries, Bacardi-Martini, Beam Global, Brown-Forman, Diageo, Heineken, Molson Coors, Pernod Ricard, SABMiller

Trade Group or Front Group?

NCSLA 2010 Meeting

- 72% of conference attendees were from alcohol producers, importers, wholesalers, retailers or their attorneys.
- 65% of panelists were alcohol industry representatives
- Beam Global Director of Industry Affairs hired by NCSLA as its new Executive Director (paid position)
- Director of Iowa Alcohol Beverage Division hired by Diageo as its Executive Director for Control States



Mart S. Top priorities for alcohol regulators in the United States: protecting public health or the alcohol industry? Addiction February 2012.

Alcopops

A single chilled bottle of SMIRNOFF ICE WILD GRAPE is centered in the advertisement. The bottle is covered in condensation and has a blue and white label with a sunburst logo. To the right, the text 'SMIRNOFF ICE' is in black, and 'WILD GRAPE' is in large white letters on a red background. Below this, the tagline reads: 'A TASTE THAT'S RIPE FOR THE PICKIN', SO GRAB A BUNCH.'

SMIRNOFF ICE
WILD GRAPE

A TASTE THAT'S RIPE FOR THE PICKIN',
SO GRAB A BUNCH.

- **Product:** Sweet, fruity flavors, bright colors
- **Price:** Cheap
- **Package:** Single-serve containers, loud, bright colors, energetic graphics
- **Promotion:** social media, digital, local, contests, prizes, music, youth-friendly

A chilled bottle of mike's HARD FRUIT PUNCH is shown on the right side of the advertisement. The bottle is covered in condensation and has a red and white label with a fist logo. To the left, the text 'mike's HARD FRUIT PUNCH' is written in a stylized, colorful font. Below this, a short paragraph describes the drink: 'A bold punch of natural fruit juices, mike's HARD FRUIT PUNCH® is the perfect blend of oranges, cherries, pineapple and guava - a new take on an old classic.'

mike's
HARD
FRUIT
PUNCH

A bold punch of natural fruit juices, mike's HARD FRUIT PUNCH® is the perfect blend of oranges, cherries, pineapple and guava - a new take on an old classic.



Standard drink (beer)

12 oz. of 5% ABV

Alcopops 1.0

12 oz. of 5-7% ABV

Alcopops 2.0

as much as 24 oz.
up to 12% ABV



“One can of Blast consumed in a single occasion is a binge-drinking episode.”

New developments...



Youth Overexposed to Alcohol Ads

The alcohol industry spent more than \$6 billion on advertising and promotion in 2005.

Greater exposure to alcohol ads contributes to

- earlier initiation of drinking for youth who have not started
- higher drinking levels among underage youth who drink
- positive expectations and attitudes about alcohol that help create an environment promoting underage drinking.

Center on Alcohol Marketing and Youth. (2007). Alcohol advertising and youth. Retrieved April 29, 2010 from: <http://camy.org/factsheets/index.php?FactsheetID=1>.

Anderson, P., et al (2009). Impact of alcohol advertising and media exposure on adolescent alcohol use: A systematic review of longitudinal studies. *Alcohol and Alcoholism* 44: 229-243.

Youth Overexposed to Alcohol Promotion

CHOOSE

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TRACKS

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The JaneDear Girls	Shotgun Girl	PREVIEW	DOWNLOAD
Janelle Monáe	Tightrope (The Solo Version)	PREVIEW	DOWNLOAD
Zac Brown Band	Colder Weather	PREVIEW	DOWNLOAD
Nickelback	This Afternoon	PREVIEW	DOWNLOAD

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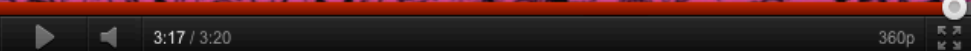
Favorites



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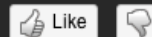
FACEBOOK.COM/WORKSEVERYTIME

BLASTBYCOLT.COM



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Snoop Dogg, Estevan Oriol and Rosa Acosta Blast by Colt 45 Photo Shoot




From: BlastbyColt | Mar 7, 2011 | 39,612 views

Check out the behind the scenes of the Blast by Colt 45 photo shoot with Snoop Dogg, Estevan Oriol and Rosa Acosta. Blast by Colt 45 in stores April 5!

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 **Snoop Dogg, Estevan Oriol and Rosa Acosta**
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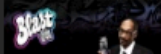
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BlastbyColt

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Profile

Youth Overexposed to Alcohol Promotion

Budweiser
MADE IN AMERICA

ROCKY STAGE **LIBERTY STAGE** **FREEDOM TENT** **SATURDAY 9/1**

JAY Z 7:30 - 11:00PM
MIIKE SNOW 7:45 - 8:30PM
PASSION PIT 6:15 - 7:00PM
D'ANGELO 5:00 - 5:45PM
MAYBACH MUSIC GROUP 3:30 - 4:15PM
GARY CLARK JR. 2:00 - 2:45PM

SKRILLEX 8:30 - 9:30PM
DIRTY PROJECTORS 7:00 - 7:45PM
JANELLE MONAE 4:15 - 5:00PM
PRINCE ROYCE 2:45 - 3:30PM

CALVIN HARRIS 7:00 - 8:30PM
FUNKAGENDA 5:40 - 6:40PM
MICHAEL WOODS 4:20 - 5:20PM
OTTO KNOWS 3:20 - 4:00PM
SAVOY 2:40 - 3:20PM

ROCKY STAGE **LIBERTY STAGE** **FREEDOM TENT** **SUNDAY 9/2**

PEARL JAM 9:00 - 11:00PM
DRAKE 7:15 - 8:15PM
RUN DMC 5:45 - 6:30PM
JILL SCOTT 4:15 - 5:00PM
SANTIGOLD 2:45 - 3:30PM

X 8:15 - 9:00PM
ODD FUTURE 6:30 - 7:15PM
RITA ORA 3:30 - 4:15PM
THE HIVES 2:00 - 2:45PM

AFROJACK 7:40 - 9:00PM
ALESSO 6:20 - 7:20PM
DJ SHADOW 5:00 - 6:00PM
BETATRAXX 4:00 - 4:40PM
BURNS 3:20 - 4:00PM
THE KNOCKS 2:40 - 3:20PM
MILKMAN 2:00 - 2:40PM

ALL TIMES AND ARTISTS ARE SUBJECT TO CHANGE
 PLEASE VISIT MADEINAMERICA.FEST.COM FOR UPDATES



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ALCOHOL JUSTICE

The Industry Watchdog

Industry Self-Regulation Charade



Barriers to effective self-regulation include:

- Lack of public awareness
- Lack of an independent review
- Subjective nature of guidelines
- Lack of penalties and enforcement power

A 2008 Marin Institute study found complaints regarding ads from companies with a member on the DISCUS board were three times less likely to be found in violation of its Code.

Why Big Alcohol Can't Police Itself: A Review of Advertising Self-Regulation in the Distilled Spirits Industry (2004-2007)

Public Relations

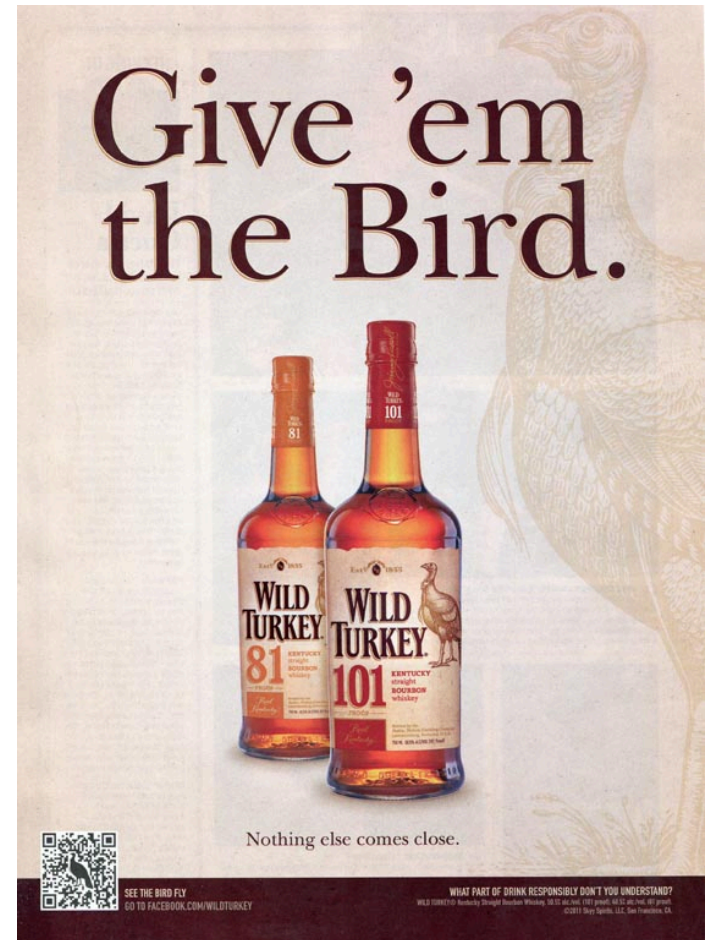
Alcohol industry funds ineffective activities:

- Guest speakers
- Information/awareness educational materials: posters, flyers, brochures, online info, ads
- Awareness events, banners, signs

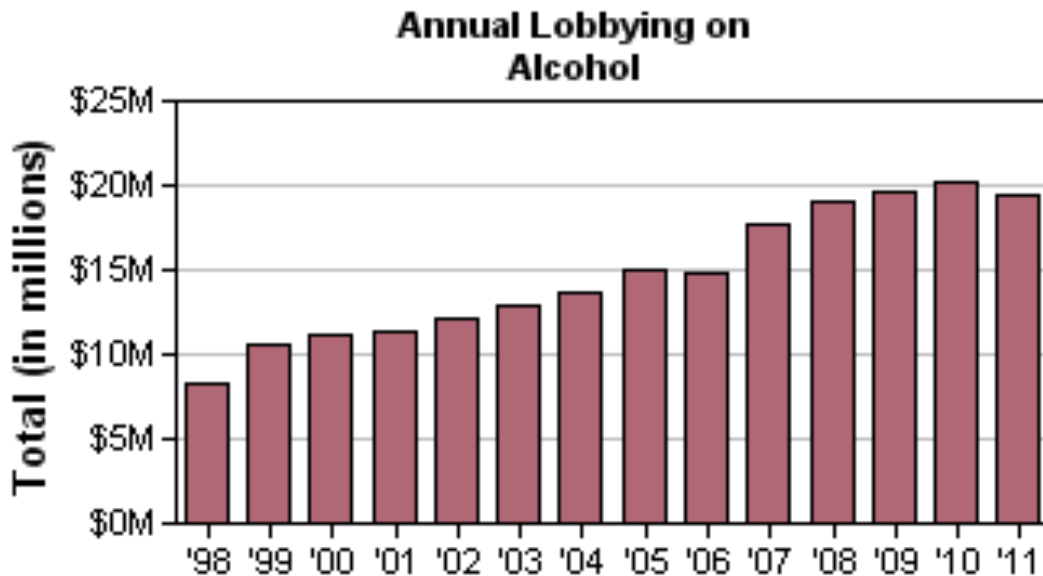
They do not fund efforts to:

- Increase alcohol taxes
- Decrease access and availability
- Restrict alcohol advertising to youth
- Keep state control of alcohol retail sales

Public relations framed as public health



Federal Lobbying: 2011



2011 Spending

- DISCUS: \$4.8 million
- ABInBev: \$3 million
- SABMiller: \$2 million
- Diageo: \$2.2 million
- WSWA: \$1.2 million
- Brown-Forman: \$950,000
- NBWA: \$930,000
- Beer Institute: \$920,000
- Pernod Ricard: \$915,000
- Bacardi: \$580,000
- Wine Institute: \$345,000
- Brewers' Assoc: \$279,000
- Crown Imports: \$240,000
- Boston Beer Co: \$165,000

Top Contributors, 2011-2012

Contributor	Amount
National Beer Wholesalers Assn	\$1,591,500
Wine & Spirits Wholesalers of America	\$671,500
Anheuser-Busch InBev	\$441,521
Silver Eagle Distributors	\$244,300
Republic National Distributing	\$145,290
Bacardi Ltd	\$134,700
L&F Distributors	\$125,700
Southern Wine & Spirits	\$123,200
Brown-Forman Corp	\$105,152
Puma Springs Vineyards	\$97,280
Wine Institute	\$88,272
Charmer Sunbelt Group	\$86,154
SABMiller	\$81,250
Constellation Brands	\$74,200
Patron Spirits Co	\$71,100
Molson Coors Brewing	\$69,550
Diageo PLC	\$55,229
Gallo Winery	\$53,298
Jordan Vineyard & Winery	\$50,800
Central Distributors	\$49,450

Efforts to Decrease Regulation

Federal

- Senate and House bills to reduce beer tax rate
- Senate and House bills to lower beer tax rate for small brewers
- House bill to reduces spirits tax rate for small distillers

State

- 5 states with bills to decrease alcohol taxes
- Rhode Island: Proposed tax holidays
- Nebraska: Defined flavored malt beverages as beer
- Ohio: Increase max alcohol content in beer 12% to 21% ABV
- Washington: Initiative 1183

NY State Contributions: 2012

Total alcohol contribs:

\$1,463,974

2012 Spending

Empire Merchants	\$199,700
Manhattan Beer Distributors	\$138,473
Empire Merchants North	\$130,650
Metropolitan Package Store Assoc.	\$119,900
NY State Beer Wholesalers	\$93,475
The Wine PAC	\$64,000
Diageo	\$62,500
Constellation Brands	\$40,100
NY State Bottlers Association	\$30,000
Southern Wine & Spirits	\$29,100
Anheuser-Busch InBev	\$25,750
DISCUS	\$16,000

What the alcohol industry is fighting

States

- Bills to increase alcohol taxes: 10 states
Victories: Maryland, Connecticut
- Bills to ban caffeine in alcoholic beverages: 11 states
Victories: California, Iowa
- Bills to restrict alcohol advertising in various media; 5 states
MA, NJ, NY - on public property, either partial or full
NH – in campus publications; MS, VA – out of home

Federal

- Including alcohol in Federal Guidelines on Restaurant Menu Labeling

Effective Policies



The most effective policies include:

- Increasing alcohol taxes
- Government monopoly of retail sales
- Legal restrictions on alcohol ad exposure
- Minimum legal purchase age
- Outlet density restrictions

WHO Global Strategy includes:

- Increase alcohol pricing
- Reduce outlet density
- Limit alcohol marketing



WHO Global Strategy to Reduce the Harmful Use of Alcohol, 2010

Alcohol tax recommendations



**World Health
Organization**

"Increasing the price of alcoholic beverages is one of the most effective interventions to reduce harmful use of alcohol."



INSTITUTE OF MEDICINE
OF THE NATIONAL ACADEMIES

"Raise state excise taxes on alcohol, indexed to inflation, particularly on beer, to decrease youth consumption and raise revenue for the effort."



"Increase excise taxes for alcohol in order to reduce consumption and provide funds."

WHO Global Strategy to Reduce the Harmful Use of Alcohol, 2010
Reducing Underage Drinking: A Collective Responsibility, NAS, 2003

AMA Educational Forum on Adolescent Health: Youth Drinking Patterns and Alcohol Advertising, 2003

The public supports alcohol tax increases

National

- 71% of Americans polled support an increase in national alcohol tax by 5 cents/drink
- 64% of American voters favor increasing the alcohol tax in their state

States

- 85% of California residents support raising alcohol taxes
- 74% of New York residents approve of increasing alcohol and soda taxes

Global Strategy Group National Alcohol Tax (Study Findings): November 2005

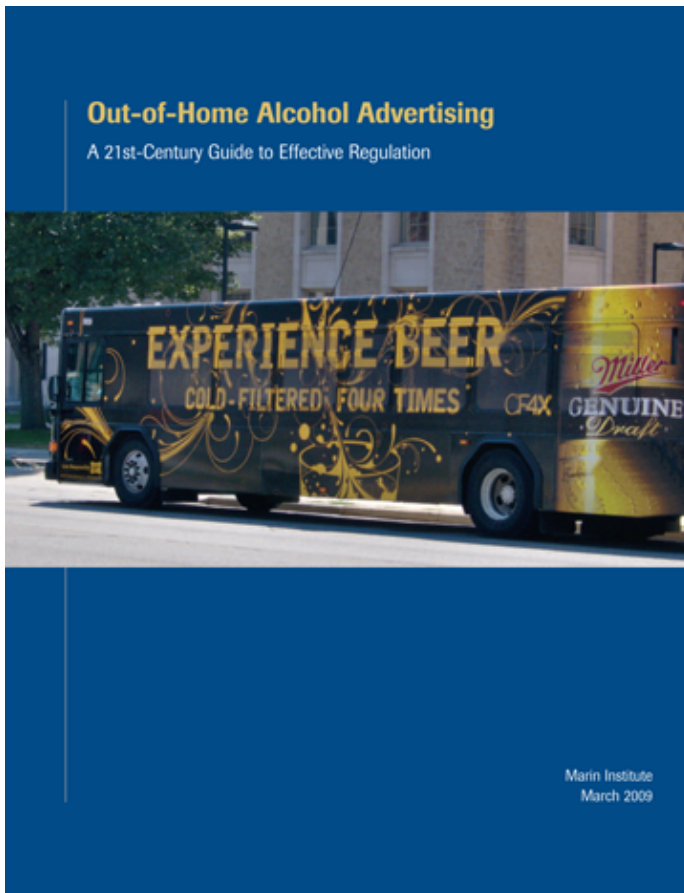
Kaiser Health Tracking Poll: April 2009

Mellman Group Nationwide Survey for American Medical Association: April 2004

California: Public Policy Institute of California: January 2009

New York: Citizen's Committee for Children and Voter Preferences on State Budget Gap polls: December 2008

Restrict alcohol advertising

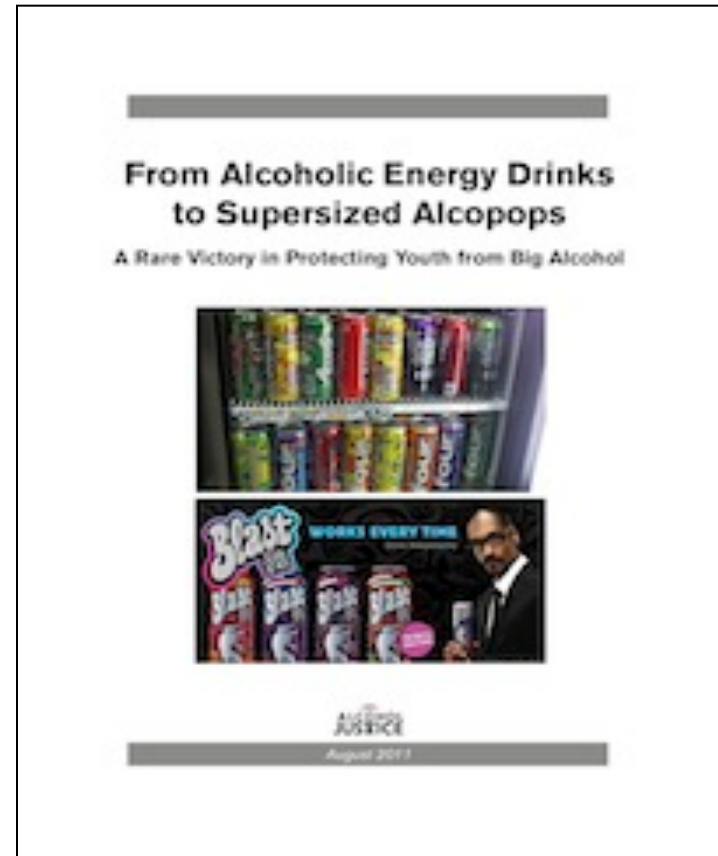


- 1st Amendment: Not an absolute right, but a balancing act between competing interests
- Need to follow Supreme Court test
- Government property easier to restrict
- Assess local environment for out-of-home alcohol ads
- Limit ads to adult-oriented media
- Monitor to ensure enforcement

Marin Institute (2009). Out-of-Home Alcohol Advertising: A 21st Century Guide to Effective Regulation.

Huge victory: AED lessons learned

- States can (and did) issue administrative bans on dangerous alcohol products (AEDs).
- State Attorneys General played a significant role.
- Federal action prompted state action, and vice versa.
- Medical & public health researchers were crucial.
- Need to focus on dangerous product **characteristics**, not single brands one at a time.



What we can do

Follow the scientific evidence:

- Increase alcohol prices
- Stop youth-oriented products
- Restrict alcohol advertising
- Support state alcohol control, regulation
- Refuse Big Alcohol funding and messages
- Expose industry PR, lobbying, marketing

Join us – Take action

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