

MODERN Brewery Age



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Chicago Beverage Systems recently held another Beer Expo for retailers at their Chicago warehouse. In the photo above Chris and Jude Reyes are flanked by Kim Jordan and JB Shireman from New Belgium Brewing Co., Ft. Collins, CO. See story below.

Chicago Beverage Systems holds Beer Expo

On Monday, June 9th, Chicago Beverage Systems held a beer expo, bringing nearly 1,000 retailers to their Chicago warehouse, to sample 18 different beer styles and 76 different brews from over a dozen different brewers.

Brewers in attendance included Boston Beer Founder Jim Koch, New Belgium Founder Kim Jordan, Sierra Nevada

founder Ken Grossman, Dick Leinenkugel from Leinenkugel's, Jon Cadoux from Peak Organic, and Gabe Magliaro from Half Acre. Many import executives also came out, including representatives from Crown, Scottish and Newcastle, Guinness, Heineken and Asahi.

"Our objective has not changed since we
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California adopts tax increase adopted on FMBs

The California Office of Administrative Law (OAL) have given final approval of the California Board of Equalization's (BOE) decision to tax flavored malt beverages as distilled spirits, not beer. This pushed the tax to \$3.30 per gallon, a 1600 percent increase from the beer tax rate of \$.20 per gallon. The tax adjustment will take effect October 1, 2008.

Diageo, a major producer of flavored malt beverages, has protested the decision. "Decisions about raising taxes on flavored

beer are the responsibility of the Legislature, not three politicians on the Board of Equalization," said Amy Elliott, Diageo's director of state government affairs. "Diageo has no choice but to file a lawsuit to ensure that the law is enforced properly. Not only does it hurt adult consumers and small businesses across California, but it also misleads the public to think raising taxes on a consumer product will combat the very serious problem of underage drinking."

U.S. Politicians protest InBev's bid for Anheuser

AP—U.S. politicians are already protesting Belgian brewer InBev's unsolicited \$46 billion bid to buy Anheuser-Busch Cos. Inc. and absorb the iconic brewery to create the world's fourth largest consumer products company. But it appears lawmakers have little leverage to stop the deal, which might ultimately be approved on antitrust grounds.

"It's going to cause a lot of the angst and hand wringing," said Douglas Cogen, a mergers and acquisitions attorney with the Fenwick & West law firm in San Francisco. "In the end, there isn't a lot of regulatory clearance that this deal needs."

There are signs Anheuser-Busch is trying to thwart the deal. The Wall Street Journal reported Thursday the brewer has begun preliminary talks with Mexico's Grupo Modelo SAB about a possible merger (see story below).

Anheuser-Busch already owns a roughly

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A-B talking to Modelo; InBev tells it to stop

Anheuser-Busch has reportedly started preliminary talks with Grupo Modelo about a possible combination of the two brewers that could help the St. Louis beer giant beat off an unsolicited bid from InBev NV.

Now InBev CEO Carlos Brito has fired a shot across A-B's bow, suggesting that no "alternative transaction" would be as advantageous to A-B stockholders as InBev's bid. "We would expect that prior to proceeding with any alternative transaction," he said, "especially if your shareholders will not be given the opportunity to vote on it, you would first fully explore our offer."

"What Brito is saying is that Anheuser could face a hell of a stockholder suit if they try to impede this," said one analyst.

Investor Warren Buffett, who holds 5% of A-B, will reportedly meet with August Busch IV this week.

Commentary: Anheuser on the auction block

According to the numbers guys, it's all over but the shouting. If InBev comes through with a \$65-\$70 per share bid for A-B, the company will become a possession of the Belgo-Brazilians.

Is it a done deal? As one industry observer noted, "The only people that I know for sure who are against this deal are August Busch III and August Busch IV...the most important opinion at the moment is Warren Buffett's. If he says yes to this deal, then Anheuser is a goner."

InBev's bid makes sense to the financiers, because bigger is theoretically better. It makes sense to many shareholders, because it gives them a payoff in an otherwise bleak stock market. But does it make sense in the context of the beer industry?

Yes and no. The combine would have an impressive world footprint, so the deal has a geo-economic basis. But that's the only part of it that makes any sense.

Analysts seem gleeful that InBev will now turn its cost cutters loose on A-B. But Anheuser-Busch already operates from an efficient baseline. "In the past, InBev bought companies that were relatively inefficient, and made them efficient," Dr. Robert Weinberg of the Office of R.S. Weinberg points out. "There is not that much fat on Anheuser-Busch, and when they start slashing things, they may discover they have cut off a leg."

If InBev buys A-B, costs will have to be cut, because they are paying a premium, and will be taking on a huge debt (\$40 billion in new debt plus \$9 billion from A-B and perhaps \$8 billion in InBev debt).

Some analysts think InBev aims to become a brand builder, but there is little evidence for that. The InBev USA experience is instructive. Initially, the company operated under the old Interbrew dictum of "The World's Local Brewery," and spoke of long brand-building timelines and a devotion to local and regional products.

The company's success at building Stella Artois in the U.S. is often held up as an example, but there is less there than meets the eye. "Sure Stella grew," say one exec who worked with the company. "But that's what you can do if strip the resources from four or five other good brands and put all that behind one. If you can give me four or five brands to throw away, I can give you another Stella Artois."

And when the cost cutters came to roost

at InBev USA, with their focus on "right-sizing" the company, the chance of building the company's brands and creating another Stella evaporated. The less beer InBev USA sold, the fewer people they thought they needed. The abortive world launch of Brahma offers another glimpse of InBev's shaky brand-building capability.

Nonetheless, the stars seem to be aligned against Anheuser-Busch. A-B faces an implacable bidder that will pay any price, and that bidder has found lenders so infatuated by the size of the deal that they will take on substantial risk.

It falls to August Busch IV to defend the family fiefdom, in the first, and possibly last, great challenge that he faces as chairman.

Unfortunately, Mr. Busch's "Hail Mary" seems limited to a last-minute plan to acquire the other half of Modelo. It's possible this will succeed, although Modelo's talk of remaining "proudly Mexican" doesn't bode well for a gringo takeover.

And, given InBev's careful preparation of this bid, surely the Brazilians would have taken Modelo into account? "If I wasn't so young and innocent," Mr. Weinberg says, "I would wonder whether InBev had already talked with Modelo about this contingency—something along the lines of 'if this happens, you can give me this, and I'll give you that'."

Beyond that, InBev's Carlos Brito seems willing to enlarge his bid to swallow any potential combination of A-B/Modelo. If InBev has to buy A-B/Modelo, the first thing it can do is sell Modelo back to its Mexican management to pay off some debt, leaving Modelo "proudly Mexican" once more.

So Anheuser-Busch finds itself in a box, a box built by the company's stubborn resistance to making any big international acquisitions in the 1990s and early part of this decade. A-B became a great brand-builder and beer marketer, but finds itself too provincial to compete on the world stage.

One thing Anheuser-Busch has going for it is the fact that August Busch IV seems to be a risk-taker.

The risks that Busch IV has taken so far have been relatively small ones—the Hansen deal, getting into distilled spirits, greenlighting more specialty beers from the brewing department and buying a few craft brewers. Now the time has come to take a big risk, and hope it's not too late.

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Saint Arnold releases Divine Reserve No. 6

The Saint Arnold Brewing Company of Houston, TX, has introduced the latest edition of its small batch series of craft beer styles, Saint Arnold Divine Reserve No. 6. The brand went on sale on June 13th. "But don't blink," said founder/brewer Brock Wagner. "Divine Reserve is brewed in very limited quantities and sells out at most locations in a day or two."

Mr. Wagner reports that Divine Reserve No. 6 is an American Barleywine. Although the barleywine style originated more than 100 years ago, Mr. Wagner noted that San Francisco's Anchor Brewing is widely credited with popularizing the American Barleywine style when it released Old Foghorn in 1975.

"Saint Arnold Divine Reserve No. 6 builds on the tradition of American craft brewers and the result is special treat for anyone who enjoys a big, strong, high-quality beer," said Mr. Wagner, "We loaded it up with hops, so it is intense, but it is amazingly balanced and wonderfully full-bodied. We are very proud of it."

Despite the hop shortage, Saint Arnold collected 225 pounds of hops for the 120-barrel recipe. "The hop in Divine Reserve cost more than all the ingredients in earlier versions of the Divine Reserve series," Mr. Wagner noted.

Mr. Wagner reported that Saint Arnold Brewing has produced fewer than 1,200 cases and a very limited supply of kegs of Saint Arnold Divine Reserve No. 6. It is expected to arrive at select stores in Houston, Austin, San Antonio and Dallas/Fort Worth on June 12 and 13. Each six pack is priced at approximately \$15.

Mr. Wagner says the a.b.v. of 10 percent makes Saint Arnold Divine Reserve No. 6 ideal in small quantities at 45°F or warmer. It has an original gravity of 1.094 and final gravity of 1.019.

Top 20 Premium and Super Premium Brands

IRI Data, U.S. Food, Period ending May 18, 2008

Premium	13 weeks ending May 18, 2008						
	Case Sales	Case Sales % Chg. YA	Case Shr. of Category	Case Shr. Cat Chg YA	Avg Price Per Case	Price per case YA	Case Sales (52 wks)
DOMESTIC PREMIUM	48,384,970	(0.7)	100.0	0.0	\$17.44	\$0.29	211,748,200
BUD LIGHT	17,568,980	1.0	36.3	0.6	\$17.43	\$0.23	75,712,530
MILLER LITE	8,894,184	(2.8)	18.4	(0.4)	\$17.18	\$0.32	40,093,080
BUDWEISER	8,436,823	(5.8)	17.4	(1.0)	\$17.53	\$0.27	36,636,530
COORS LIGHT	7,946,777	5.2	16.4	0.9	\$17.55	\$0.38	35,054,930
MILLER GENUINE DRAFT	1,776,607	(8.8)	3.7	(0.3)	\$17.43	\$0.33	8,120,407
BUDWEISER SELECT	1,111,441	(16.8)	2.3	(0.4)	\$17.60	\$0.13	5,274,879
COORS	823,429	7.4	1.7	0.1	\$17.61	\$0.47	3,484,216
YUENGLING TRAD LAGER	578,211	15.8	1.2	0.2	\$19.08	\$0.65	2,309,905
BUD ICE	392,376	25.0	0.8	0.2	\$16.60	(\$0.99)	1,459,282
MILLER GENUINE DRAFT LIGHT	279,264	(2.3)	0.6	(0.0)	\$16.85	\$0.78	1,204,315
MICHELOB GOLDEN DRAFT LT	215,939	43.5	0.4	0.1	\$16.79	\$0.44	891,225
YUENGLING BLACK AND TAN	107,445	17.2	0.2	0.0	\$19.87	\$0.68	413,262
YUENGLING LIGHT LAGER	97,043	28.6	0.2	0.0	\$19.70	\$0.80	366,247
LEINENKUGEL	49,467	(21.0)	0.1	(0.0)	\$15.12	\$0.70	249,798
BUD ICE LIGHT	49,514	(7.4)	0.1	(0.0)	\$17.69	(\$0.83)	208,794
LEINENKUGEL LIGHT	15,699	(10.8)	0.0	(0.0)	\$12.48	\$0.76	71,160
BUDWEISER ASSORTED	15,871	(17.9)	0.0	(0.0)	\$19.19	(\$0.15)	73,899
MICHELOB GOLDEN DRAFT	10,570	18.5	0.0	0.0	\$15.66	\$1.06	50,143
GRAIN BELT PREMIUM	7,360	79.0	0.0	0.0	\$19.44	\$1.34	26,469
LITTLE KINGS CREAM ALE	2,943	15.6	0.0	0.0	\$22.87	\$1.08	12,526

Domestic Super Premium	13 weeks ending May 18, 2008						
	Case Sales	Case Sales % Chg. YA	Case Shr. of Category	Case Shr. Cat Chg YA	Avg Price Per Case	Price per case YA	Case Sales (52 wks)
DOMESTIC SUPER PREMIUM	6,875,972	10.0	100.0	0.0	\$22.85	\$1.47	28,751,440
MICHELOB ULTRA LIGHT	2,236,790	(0.7)	32.5	(3.5)	\$20.78	\$0.31	9,650,058
BUD LIGHT LIME	271,552	N/A	3.9	3.9	\$25.16	N/A	271,552
MICHELOB LIGHT	645,077	(23.0)	9.4	(4.0)	\$20.12	\$0.27	3,126,250
BLUEMOON BELGIUM WHITE	442,706	17.7	6.4	0.4	\$29.25	\$1.54	1,853,126
MILLER CHILL	291,001	115.1	4.2	2.1	\$25.64	(\$0.39)	1,872,832
ROLLING ROCK	356,436	(13.0)	5.2	(1.4)	\$21.06	\$0.70	1,630,738
MICHELOB AMBER BOCK	294,237	(8.5)	4.3	(0.9)	\$21.57	\$0.41	1,234,073
KILLIANS IRISH RED LAGER	354,167	(5.0)	5.2	(0.8)	\$22.58	\$0.77	1,255,264
MICHELOB	248,336	(16.6)	3.6	(1.2)	\$21.01	\$0.36	1,107,800
MICHELOB ULTRA AMBER	212,619	(20.4)	3.1	(1.2)	\$21.38	\$0.44	984,825
LANDSHARK LAGER	159,012	328.0	2.3	1.7	\$29.82	(\$0.81)	357,060
BLUEMOON HARVEST PUMPKIN	126,505	359.2	1.8	1.4	\$30.65	\$2.14	458,543
BUD LIGHT CHELADA	112,120	2867.4	1.6	1.6	\$28.55	\$3.31	291,824
MICHELOB ULTRA LIME CACTUS	78,370	2279.0	1.1	1.1	\$23.35	(\$0.04)	223,235
HEN. WEINHARDS PVT RESERVE	91,399	(14.3)	1.3	(0.4)	\$20.93	\$0.78	412,387
LEINENKUGEL SUNSET WHEAT	84,322	19.7	1.2	0.1	\$27.64	\$1.99	367,334
J W DUNDEES HONEY BROWN	82,840	(21.1)	1.2	(0.5)	\$22.34	\$2.08	383,439
LEINENKUGEL OKTOBERFEST	48,959	21.1	0.7	0.1	\$25.19	\$2.06	267,928
BUDWEISER CHELADA	66,453	3208.7	1.0	0.9	\$28.86	\$3.60	170,019
ROCK GREEN LIGHT	69,461	(28.9)	1.0	(0.6)	\$21.15	\$0.94	334,441

Commentary: A-B on the block

(Continued from Page 2)

The most interesting sidelight on this deal is that SABMiller actually wants to be acquired, and is a bit miffed that InBev has chosen to pursue the winsome A-B instead.

An InBev/SABMiller combo has been floated as a "Plan B" for InBev, but why isn't

it Plan A? A merger of InBev and SABMiller would create a true global powerhouse, with a secondary position in the U.S., but a dominant position everywhere else. Such a combination might permanently marginalize A-B in the larger world market.

"A combo of SABMiller and InBev has real merit," says Mr. Weinberg.

But InBev seems intent on pursuing the

unwilling A-B, rather than the willing SABMiller. The acquisition begins to take on the shape of a vanity project. As one U.S. beer executive put it, "I think that buying Anheuser-Busch has always been the wet dream of the Brazilians."

So InBev has its stony cost-cutter's heart set on A-B. But since SABMiller is left

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Top 20 Import and Craft Brands

IRI Data, U.S. Food, Period ending May 18, 2008

Imports

	13 weeks ending May 18, 2008						
	Case Sales	Case Sales % Chg. YA	Case Shr. of Category	Case Shr. Cat Chg YA	Avg Price Per Case	Price per case YA	Case Sales-52 wks
IMPORT	15,976,770	0.5	100.0	0.0	\$27.08	\$0.31	66,614,740
CORONA EXTRA	3,572,324	(2.4)	22.4	(0.7)	\$28.42	\$0.08	14,981,780
HEINEKEN	2,174,956	2.0	13.6	0.2	\$28.88	(\$0.01)	9,765,701
TECATE	1,170,143	6.9	7.3	0.4	\$18.01	\$0.33	4,530,326
CORONA LIGHT	1,039,492	(0.4)	6.5	(0.1)	\$28.20	(\$0.14)	4,352,472
MODELO ESPECIAL	539,119	12.0	3.4	0.3	\$26.17	\$0.19	2,065,884
HEINEKEN PREMIUM LIGHT LAGER	511,245	11.8	3.2	0.3	\$29.09	\$0.08	2,354,339
LABATT BLUE	448,123	(6.8)	2.8	(0.2)	\$18.64	\$0.23	2,211,183
PACIFICO	341,944	1.5	2.1	0.0	\$27.65	\$0.12	1,339,258
NEWCASTLE BROWN ALE	378,351	2.9	2.4	0.1	\$31.01	\$0.32	1,582,689
BECKS	346,080	(2.8)	2.2	(0.1)	\$27.44	\$0.61	1,486,314
STELLA ARTOIS LAGER	314,195	37.4	2.0	0.5	\$33.57	\$0.41	1,203,524
FOSTERS LAGER	316,298	(10.6)	2.0	(0.2)	\$23.46	\$0.50	1,365,997
LABATT BLUE LIGHT	271,676	(2.3)	1.7	(0.0)	\$17.52	\$0.31	1,436,579
AMSTEL LIGHT	290,147	(8.1)	1.8	(0.2)	\$28.98	(\$0.16)	1,333,570
GUINNESS DRAUGHT	487,305	(0.5)	3.1	(0.0)	\$32.18	\$0.56	1,486,177
DOS EQUIS XX ESPECIAL LAGER	195,349	22.0	1.2	0.2	\$26.89	\$0.49	681,214
RED STRIPE	205,269	16.8	1.3	0.2	\$28.19	(\$0.24)	841,180
NEGRA MODELO	178,651	2.6	1.1	0.0	\$29.86	(\$0.12)	674,841
DOS EQUIS XX AMBER LAGER	157,671	(3.0)	1.0	(0.0)	\$28.05	\$0.16	570,904
ST PAULI GIRL	218,762	(8.1)	1.4	(0.1)	\$24.63	\$0.21	908,769

Craft Brands

	13 weeks ending May 18, 2008						
	Case Sales	Case Sales % Chg. YA	Case Shr. of Category	Case Shr. Cat Chg YA	Avg Price Per Case	Price per case YA	Case Sales-52 wks
CRAFT	4,640,389	4.8	100.0	0.0	\$29.93	\$1.42	20,720,900
SIERRA NEVADA PALE ALE	405,454	(1.8)	8.7	(0.6)	\$30.66	\$1.57	1,729,739
SAMUEL ADAMS BOSTON LAGER	392,648	(3.8)	8.5	(0.8)	\$29.15	\$1.06	1,801,965
SAMUEL ADAMS SEASONAL	245,576	27.2	5.3	0.9	\$29.36	\$1.12	1,483,350
NEW BELGIUM FAT TIRE AMBER	204,042	3.3	4.4	(0.1)	\$30.80	\$0.97	848,925
SHINER BOCK	180,064	(4.7)	3.9	(0.4)	\$25.77	\$1.53	784,063
SAMUEL ADAMS LIGHT	163,522	(8.4)	3.5	(0.5)	\$29.34	\$1.20	796,401
WIDMER HEFEWEIZEN	151,148	7.4	3.3	0.1	\$28.84	\$0.46	641,454
SAMUEL ADAMS VARIETY PACK	103,479	11.3	2.2	0.1	\$28.74	\$1.00	565,635
SIERRA NEVADA SEASONAL	74,197	82.7	1.6	0.7	\$30.80	\$1.26	308,249
PYRAMID HEFE WEIZEN ALE	85,252	(3.1)	1.8	(0.2)	\$29.21	\$1.45	363,763
REDHOOK ESB	83,769	(10.8)	1.8	(0.3)	\$28.37	\$0.97	387,206
DESCHUTES MIRROR POND PALE	74,936	4.9	1.6	0.0	\$29.12	\$0.84	320,190
ALASKAN AMBER	54,423	(14.1)	1.2	(0.3)	\$30.33	\$1.55	257,194
REDHOOK BALLARD BITTER IPA	50,076	18.3	1.1	0.1	\$28.25	(\$0.15)	191,675
DESCHUTES BLK BUTTE PORTER	47,818	2.9	1.0	(0.0)	\$29.60	\$0.88	207,524
NEW BELGIUM SEASONAL	45,894	10.1	1.0	0.0	\$29.80	\$0.58	221,171
ANCHOR STEAM BEER	39,850	11.2	0.9	0.0	\$33.87	\$0.42	161,552
NEW GLARUS BOCK	41,754	11.4	0.9	0.1	\$28.24	(\$0.13)	187,281
SAMUEL ADAMS CHERRY WHEAT	42,865	15.8	0.9	0.1	\$31.48	\$1.28	177,364
BELLS SEASONAL	32,125	15.7	0.7	0.1	\$33.49	\$0.61	122,292

standing at the altar, why not an American/South African wedding of convenience? An Anheuser/SAB combine would have a huge global presence, posited one major U.S. beer executive. (Obviously, the merged companies would sell Miller to Coors immediately).

There is a hint of mutual antipathy between SAB CEO Graham Mackay and

the Busch family, but in Mr. Mackay you would not find a sharper executive to guide a new BuschSAB International through the stormy seas ahead.

Anheuser-Busch has been never been loveable. There was always a touch of arrogance in its dealings with wholesalers and competitors alike (though that is less pronounced under the current administration).

The company is a great repository of American brewing tradition, and it would be a shame to throw that away along with the beechwood chips. As one industry executive put it, in so many words, "Sure they're SOBs, but they're our SOBs."

So let's hope Anheuser-Busch still has a trick or two up its sleeve, and August IV is willing to roll the dice.

WEEKLY MARKETPLACE

Brewers Events

August 2-6—2008 World Brewing Congress, Hawaii Convention Center, Honolulu Hawaii. Sponsored by the Master Brewers Association of the Americas, American Society of Brewing Chemists, with participation of the European Brewery Congress, Institute of Brewing and Distilling and the Brewery Convention of Japan. Check on the web at <http://www.worldbrewing-congress.org>; Fax: +1.651.454.0766
Mail: World Brewing Congress 2008
3340 Pilot Knob Road, St. Paul, MN 55121 U.S.A.

Wholesaler Events

July 20-23—Mississippi Malt Beverage Association 62nd Annual Convention. Hilton Sandestin Beach Resort, Destin Florida. For info call MMBA at 601-987-9098 or email at info@msbeer.com

September 14-17, 2008—National Beer Wholesalers Association 71st Annual Convention. San Francisco, CA. See nbwa.org for details.

October 6-7, 2008—The Associated Beer Distributors of Illinois' Annual Convention will be held , at Oak Brook Hills Marriott Resort in Oak Brook, Illinois. For more information, contact Carol Z. Shirley, v.p. admin & ops, Associated Beer Distributors of Illinois 217-528-4371, carol.shirley@abdi.org.

November 5-7, 2008—California Beer and Beverage Distributors 61st Annual Convention at the Hyatt Regency Embarcadero in San Francisco, CA. For more information contact Rhonda Stevenson at 916-441-5402.

To include your event in our

calendar, please send

date, location and

contact information by e-mail

to: press@breweryage.com



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Latis Imports taps Bob Stacey as draught expert

Bob Stacey, 20-year beer veteran and former nightclub owner, has joined Latis Imports as its director of retail brand development for the company's Palm Ale.

Latis Imports, a new specialty craft beer importer formed in September 2007, hired Stacey for his extensive Belgian beer knowledge and his draught expertise. Most recently Stacey was the Northeast sales manager for Duvel USA and helped grow its portfolio, including Ommegang and Duvel, more than 20 percent in the region.

Stacey's history with Latis Imports' founders David van Wees and Anthony Giardina dates back to the late 90s when they worked together at what was then Labatt USA, now InBev USA. During his time there, Stacey helped build Stella Artois in the U.S., focusing on its dispense methods and "educated retailers about proper techniques so they could get maximum enjoyment out of their purchase," he says.

"There is a reason why Bob Stacey is one

of our first employees," says van Wees, co-founder and CEO of Latis Imports. "Bob is one of the foremost experts on Belgian beer in the U.S. and its artful pouring techniques. He ensures that all of his customers and his customers' customers get their Belgian brew exactly how it's supposed to be served."

Stacey's background is heavily focused in the on-premise segment. Once a jazz - blues nightclub owner in Tribeca, New York he has a keen sense of both sides of the business. "That's where I learned to appreciate the pairing of food and beer," Mr. Stacey said. "That's also where I've seen the shift away from the single-minded focus on wine in the last couple of years to include specialty beer. It's a shift that's long overdue."

Mr. Stacey's beer industry experience includes a decade at Anheuser-Busch as draught manager and divisional draught manager at Labatt USA.

WEEKLY MARKETPLACE



Food and Beverage



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Francis Rigby, hop expert, dies at age 89

AP—Francis Lloyd Rigby, a pioneering hop chemist, has died at age 89. Rigby died Saturday at his Yakima, WA, home.

Rigby began working at John I. Haas Inc. in 1966, helping oversee the construction of the company's hop extraction plant. He later developed commercial processes to turn hop extract into refined products.

Ann George, administrator of the Washington Hop Commission, said Rigby's contributions to the industry were instrumental in the way growers and processors operate today. "He developed some of the things that are really the basics of what we do," George said.

Rigby ultimately became the technical director at Haas and traveled extensively throughout Europe and Asia.

After his retirement in 1996 at age 77, he

continued working as an independent researcher in the hop industry, and was working as recently as a month ago, researching new uses for hops, said Jim Stoffer, a retired vice president for Haas.

In 2006, Rigby joined a local grower and longtime friend and two University of Arkansas scientists in research that found hops could be used as a replacement for antibiotics that promote poultry growth. The findings appeared in the International Journal of Poultry Science.

"He was definitely a pioneer in hops processing and new uses for hops," Stoffer said. "He was always inventing something to further hops."

Rigby is survived by his wife, Carla, a daughter, two stepchildren, a sister and one grandchild.

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Brew Notes

By Pete Reid, editor of *Modern Brewery Age*; with regular panelists Gregg Glaser, editor of *Yankee Brew News*, and Tom Conti and Robert Lachman of the *Yankee Brew News* tasting panel. Joining us each week is a rotating cast of tasters, to include Paul Lin of the *Wall Street Journal*; Steve Victor of Yale University; Von Bair, a former naval officer and retired museum administrator; Gerry Nicholls, an operating room nurse and expat Briton, Phil Simpson, a graphic designer and Michael Anstendig, a writer for *New York Magazine* on-line. Since taste is subjective, we include descriptive comments from each taster. We rate a top beer in each tasting, and rank it "Five Mugs." This is a change from our previous ranking system, which ranked beers on a scale of 1-5. Since we like beer, we usually ranked all the beers fairly high, but some complained that we ranked too many beers too highly. So we're going to this simplified rating system, based more on the comments from individual tasters than an arbitrary ranking.



= Top beer of the tasting, superb in every respect.

Note to brewers: Feel free to send samples for review to: *Modern Brewery Age*, 44 Indian Valley Road, Weston CT 06883. Send questions to pete@breweryage.com. Permission is hereby granted to excerpt any comments for promotional purposes.

Tucher Dunkles Hefe Weizen Brauerei Tucher Germany



Appearance: Clear Amber, like a "freshly-polished copper penny," fluffy tan head.

Aroma: A subtle malty nose, characteristic of dark malts, touch of spice.

Flavor: nice balance of tangy wheat and well-rounded malt.

Verdict: A spicy, chocolatey and very drinkable summer treat.

Panel Comments: "The malt mutes the phenolics, though they still come through with a little clove and fruit," said Gregg Glaser. "Overall, this is a beautifully-balanced fruity dark wheat with great flavors from the use of the dark malts."

"There's a nice caramel roastiness that's unexpected," said Robert Lachman. "And I love the chocolate flavors that come out."

"Very nice balance all around," said Peter Reid. "A very clean, drinkable example of the style, and a terrific beer."

Miltenberger Helles Hefeweizen Brauerei Faust Germany

Highly Recommended

Appearance: Hazy gold, big frothy white head.

Aroma: Banana and clove.

Flavor: tart and spritz

Verdict: Spot-on German hefeweizen, unusually light and refreshing.

Panel Comments: "It's got the spice," said Gregg Glaser. "The bananas and cloves."

"Beautiful nose," said Robert Lachman, "with eight yards of clove."

"Big, rich taste of ripe bananas, fruitiness and sharp clove dryness," Gregg added. "It has all the elements you expect in a German hefeweizen, but very well executed."

"Nice blend of tart and sweet," said Peter Reid. "A very fresh example of the style, with lovely banana flavors. Nice and spritz on the tongue."

Schwelmer Hefe Weizen Privatbrauerei Schwelm Germany

Highly Recommended

Appearance: Lemon yellow haze, with thick creamy collar of white foam.

Aroma: Fresh, touch of bubblegum.

Flavor: balanced and interesting.

Verdict: Tasty, refreshing, a classic Bavarian wheat with some individualistic character.

Panel Comments: "Very fresh aroma, bubblegum and clove in the nose, looks right and smells right," said Gregg Glaser. "A classic Bavarian wheat beer with the phenolics, fruitiness and effervescence you'd expect."

"Appropriate cloudiness, and nice aroma, that's definitely Bazooka in

there," said Robert Lachman.

"It's a good beer, in a very distinctive bottle," Paul Lin said. "I like the unusual character."

"Fresher than some we've had," said Peter Reid. "A very bright, lively example of the style, with some nice lemony, clove flavor, but not over the top. Really good."

Tucher Helles Hefeweizen Brauerei Tucher Germany

Appearance: Appropriate cloudiness, dusty wheat gold color.

Aroma: clove.

Flavor: muted phenolic character, a little bit of everything—fruit, clove, etc.

Verdict: Extremely drinkable example of the style, medium-bodied and smooth.

Panel Comments: "This is not as phenolic as some, so it might appeal to a broader audience," said Gregg Glaser. "But there is all the traditional fruitiness, with bananas and cloves. Everything is there, but it is soft and not overwhelming."

"Cloves and some pepper in there," said Robert Lachman. "The flavors are relatively muted. All the characteristics you'd expect in a Bavarian wheat, and I liked it."

"Clean grainy aroma, with a little banana up front," said Peter Reid. "Flavors are subtle and well-handled, making this a good introductory hefe. Smooth and easy-drinking, with nice brisk effervescence."

Politicians opposing InBev acquisition of Anheuser

(Continued from page 1)

50 percent non-controlling stake in Modelo. If the companies merge, the combined company could be too big for InBev to purchase. An A-B spokeswoman said no one could comment on the report.

Modelo issued a statement saying it would closely follow the talks between Anheuser-Busch and InBev, but said its objective was to "remain a proudly Mexican company." Alvaro Zarza, Modelo's head of press relations, declined to comment on the report of recent talks between Fernandez and A-B executives.

InBev CEO Carlos Brito spent part of a Thursday conference call trying to calm political and regulatory concerns. Brito said the merged company, which would be the world's largest brewer by far, would not violate antitrust laws because it would combine breweries that operate in different geographic markets. Brito downplayed the prospect that InBev would slash U.S. jobs and promised not to close any A-B breweries. "This compelling combination would create significant value for both companies' shareholders," Brito said.

Anheuser-Busch management has been largely mum about the deal. The company said its board of directors would consider the offer and respond to InBev "in due course," but did not elaborate.

Even if senior executives and the board oppose the deal, they might have few options to stop it, said Andy Baker, a vice president of special situation strategies at the New York-based investment bank Jefferies & Company, Inc.

Anheuser-Busch's bylaws allow shareholders to bring a motion to vote if just 25 percent approve of a deal, Baker said.

That means the board or senior management must convince shareholders they have a plan to push the stock price to \$65 in the near future. The stock has been largely flat over the last two years, hovering in the \$50-per-share range, and options to boost it are few, Baker said.

The company could spin off its theme-park division, but that segment only generates \$100 million in annual cash flow, compared to Anheuser-Busch's overall 2007 revenue of \$16.7 billion. A merger with Grupo Modelo wouldn't reach the scale of the InBev deal in terms of revenue for shareholders, Baker said.

"It would take years for the company to

get to \$65. From a financial point of view, (the InBev offer) makes sense," Baker said. "There is such a clear path for shareholders to supersede the board that they can do this themselves."

While the offer might look good on paper, political reaction has been swift, with both of Missouri's senators publicly opposing the deal. Sen. Kit Bond, R-Mo., sent a letter Thursday to Attorney General Michael Mukasey, asking him to closely scrutinize the acquisition.

"The proposed foreign acquisition of Anheuser-Busch is troubling to me because it potentially raises antitrust issues under existing law by putting a significant market share of the U.S. in the hands of fewer competitors," the letter said.

Sen. Claire McCaskill, D-Mo., said she was "nervous" about the deal, and planned to send a letter to A-B's board asking them not to allow the deal to move forward. "On behalf of me and all my friends that like nothing better than a Bud Light, it makes us very upset," McCaskill said.

Missouri's Republican Gov. Matt Blunt said he opposes the deal and has directed the state Department of Economic Development to see if it can stop it. Blunt's former chief of staff co-founded a Web site called SaveAB.com that has passed an electronic petition opposing the deal to federal lawmakers. The site promises to hold anti-InBev rallies in Busch Stadium.

Political repercussions from InBev's offer even touch the presidential race.

Republican presumptive nominee John McCain's wife Cindy shares roughly \$1 million worth of A-B stock with the McCain children. Cindy McCain's father founded Hensley & Co., a Phoenix beer distributor that describes itself as the third-largest A-B wholesaler. McCain's campaign did not return a message seeking comment.

In spite of any political rhetoric, the only major regulatory hurdle would be passing antitrust concerns with the U.S. Department of Justice, Cogen said.

Without substantial overlap between the InBev and Anheuser-Busch, "it's unlikely that the Justice Department will challenge the merger," said James Fishkin, a partner at Dechert LLP and former antitrust attorney at the Federal Trade Commission.

Joseph Krauss, an antitrust lawyer with Hogan & Hartson, said political concerns are unlikely to have much impact.



Yan Can Cook at Publix

Tsingtao Beer recently participated in the Martin Yan Cooking School at several Publix grocery store locations in the southeastern U.S. In photo above, Chris Sampson, National Brands Manager for Crown Imports poses with Chef Yan at the Publix Apron's Program in Alpharetta, GA. Chef Martin Yan was on hand to provide cooking demos of Chinese dishes prepared or served with Tsingtao Beer.

CBS holds Beer Expo

(Continued from page 9)

started this annual event three years ago," said Jim Doney, president of Chicago Beverage Systems. "Our intent is to make beer top of mind with Chicago retailers and take the momentum away from wine and spirits as well as show some hospitality to our customers in our own warehouse."

Mr. Doney said that this year's expo was the strongest yet. "We partnered with the brewers to show our customers in the country's third largest market that there are exciting things going on in the beer industry," he said. "The quality of the attendees has improved every year. This year we had even more decision makers at the event and they showed more interest in the different styles of beer than previous years and had more questions to the suppliers about beer and the best way to serve specific brands."

Mr. Doney said that the expo has become a big event for CBS staffers. "The CBS team looks forward to this every year and the anticipation was tremendous this year with the stellar participation from our brewery partners," he said. "I'm proud of the entire Chicago Beverage Systems team, their passion for beer and for our brewery partners was evident. Together we accomplished our objective of creating more interest and awareness in beer with Chicago retailers. It's great business but it's also great fun, as nearly everything in our business is."

MBAA District Rocky Mt. meeting held in Ft. Collins

The spring meeting for District Rocky Mountain was held at the Anheuser-Busch, Inc. Fort Collins, Colorado brewery. Over 80 professional and associate members attended. The meeting started with tours of the brewery. Four taste-sampling stations were set up at various locations in the brewery. The stations were located in the brewhouse, fermenting cellar, chip (lager) cellar and filter cellar. A representative sample of Budweiser was offered at each of the selected stages for tasting. In the brewhouse, it was first wort. In fermentation the sample was ruh beer ready for fassing to chips. The chip cellar sample was Budweiser at the end of its 21-day lagering cycle. The final sample, finished beer, was taken directly from a filter beer/release tank. "The sampling tour was a great success," said Steve Presley, publicity chairman & past president.

Newly-elected President Jeff Biegert (New Belgium Brewing Co.) opened the business portion of the meeting by welcoming the attendees and thanking the Fort Collins A-B staff on behalf of the District for arranging, "such an awesome tour." He reported that the district is maintaining its momentum in the areas of technical activity, membership and financial health. Membership growth within the District has risen to 154, an all-time high.

Jim Blazier, A-B Process Engineer, and Steve Presley, A-B Senior Assistant Brewmaster, gave the technical presentation, titled "Non-Alcohol Beer Production." Mr. Presley spoke on the formulation, brewing and various production methods used to produce a finished, non-alcohol (less than 0.5% v/v alcohol) product and a beer that is ready for alcohol removal. Mr. Blazier followed with a review of the dialysis method for alcohol removal. Following that, he continued on to his main focus, the use of a vacuum evaporator for alcohol removal. He used an extensive array of photos, 3-D projections and screen shots to give a thorough description of how a vacuum evaporator produces a non-alcohol beer from a base beer that has been fully fermented and lagered to maturity.

Mr. Presley said the evening ended on a high note. "After a spirited raffle, members and guests thanked Resident Brewmaster Todd Hansen and his brewing department for sponsoring and hosting the event."

MBAA members trace Budweiser's progress



MBAA Members sampling Budweiser first wort in the Anheuser-Busch, Inc. Fort Collins brewhouse.



Members sampling Bud ruh beer just prior to its fassing to chips (lager tank) and kraeusen addition.



Another group samples Budweiser that has been lagered on beech wood chips for 21-days.



Meeting speakers (L. to R.) Anheuser-Busch, Inc. Fort Collins employees Steve Presley and Jim Blazier with Technical Chairman, Finn Knudsen (Beverage Consult Intl.).