



2022 NextGen Leaders' Summit

JULY 11 – 12

ST. LOUIS | MISSOURI



FIRESIDE CHAT



ROB VITALE
CEO & President
Post Holdings



HAMILTON CALLISON
Senior Director
Breakthru Beverage
Illinois Belleville

WSWA GOVERNMENT AFFAIRS UPDATE



ALI GORMLEY
Vice President, Federal Affairs
WSWA



REP. JASON SMITH
Missouri's 8th Congressional District
Republican Leader of the Budget
Committee & the Ways and Means
Committee



CHELSEA CRUCITTI
Senior Director, State Affairs
WSWA

WSWA STATE AFFAIRS UPDATE: DTC

The distribution tier continues to **weather legislation** aiming to **circumvent** the three-tier system.

Top Threats: Producer DTC remains the **main threat** to the industry.

By the Numbers:

- **62 DTC bills** introduced in 2022
- **13 states** introduced bills to authorize a **new spirits DTC** privilege
 - Defeated: 9 states (CA, DE, HI, IN, IA, MO, NY, VT, WA)
 - Pending: 2 states (NJ, PA)
 - Enacted: 2 states (ME - shipping study, MD – temporary DTC until 2023)
- **3 states** introduced bills establishing **new wine DTC** privileges
 - Defeated: 3 (DE, RI, MS)
- **2 states** introduced bills to authorize new **retailer wine** shipping
 - Defeated: 2 (MO, NY)



PRODUCER DTC SHIPPING

What is Producer DTC?

- Consumers buy wine or spirits directly from a supplier, usually via supplier's website.
- Orders are shipped directly to the consumer either from:
 - the producer, or a fulfillment center on behalf of the producer.
- Orders are transported via common carriers, such as UPS or FedEx.
- Drivers are responsible for IDing the recipient.
- Generally, producers must have a state-issued license from the receiving state.
- State law regulates quantity limits per customer per year.



Retailer Interstate Wine Shipping

What is Interstate Wine Shipping?

- Consumers buy wine or spirits directly from a retailer, usually via an online retailer.
- Orders are shipped directly to the consumer via common carriers, driver IDs recipient.
- Generally, the retailer must hold a state-issued shipper's license from the receiving state.
- State law regulates quantity limits per customer per year.

States that permit retailer wine shipping:

Alaska; California; Connecticut; District of Columbia; Florida; Louisiana; Nebraska; New Hampshire; New Mexico; North Dakota; Oregon; Virginia; West Virginia; Wyoming

IMPACT OF DTC SHIPPING



Wholesalers

- DTC sales operate outside of the three-tier system
- DTC sales bypass the wholesale and retail tier



State Regulatory

- State's loss of tax revenue
- Shippers lack liability and accountability to community
- Lack of transparency into products entering the state



Health & Safety

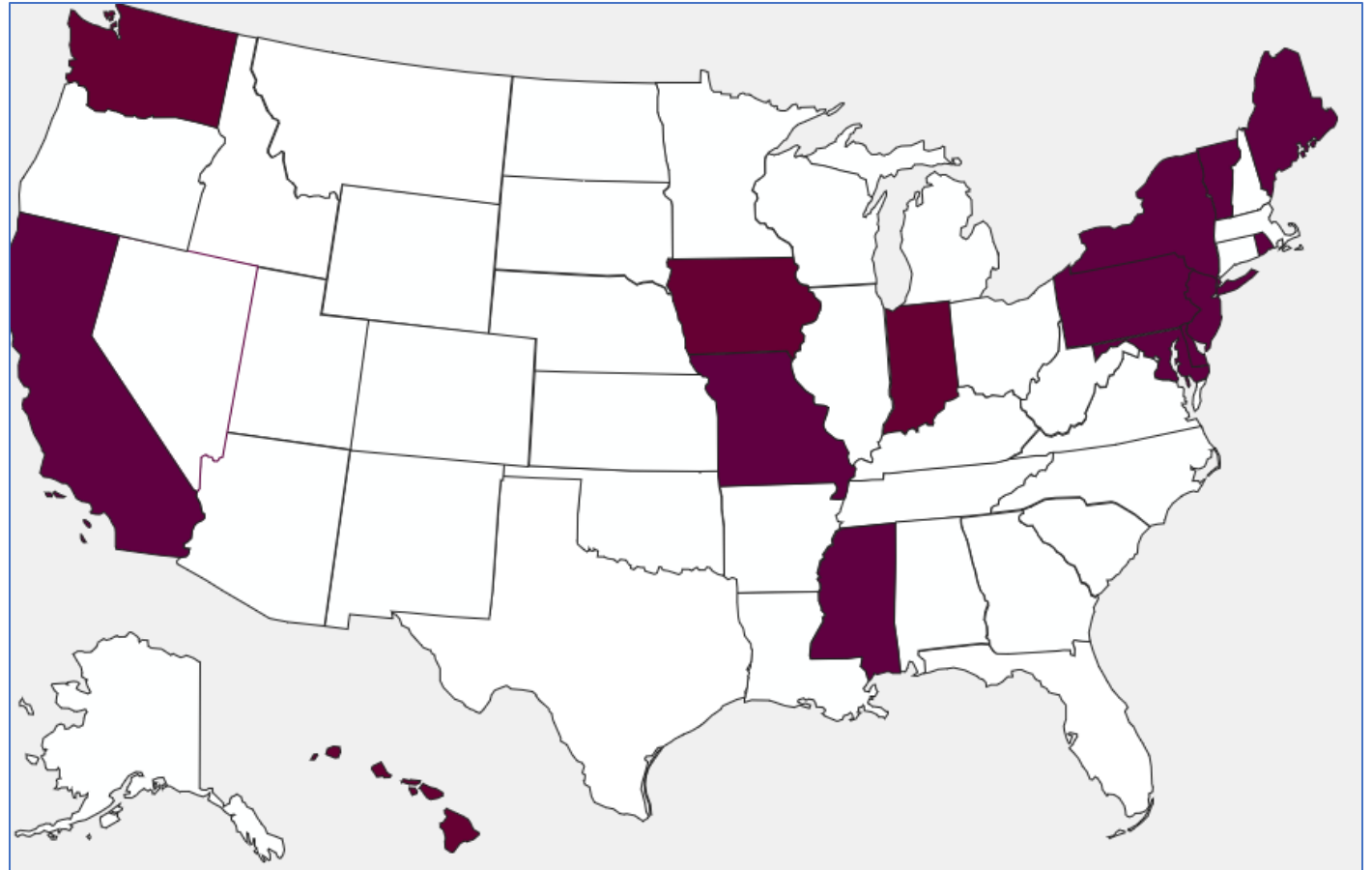
- Increased underage access
- Supply chain loses integrity
- Risk of adulterated products
- Risk of online scams

2022 DTC SHIPPING LEGISLATION

16 states introduced bills to establish new wine or spirits shipping privileges

Problem States:

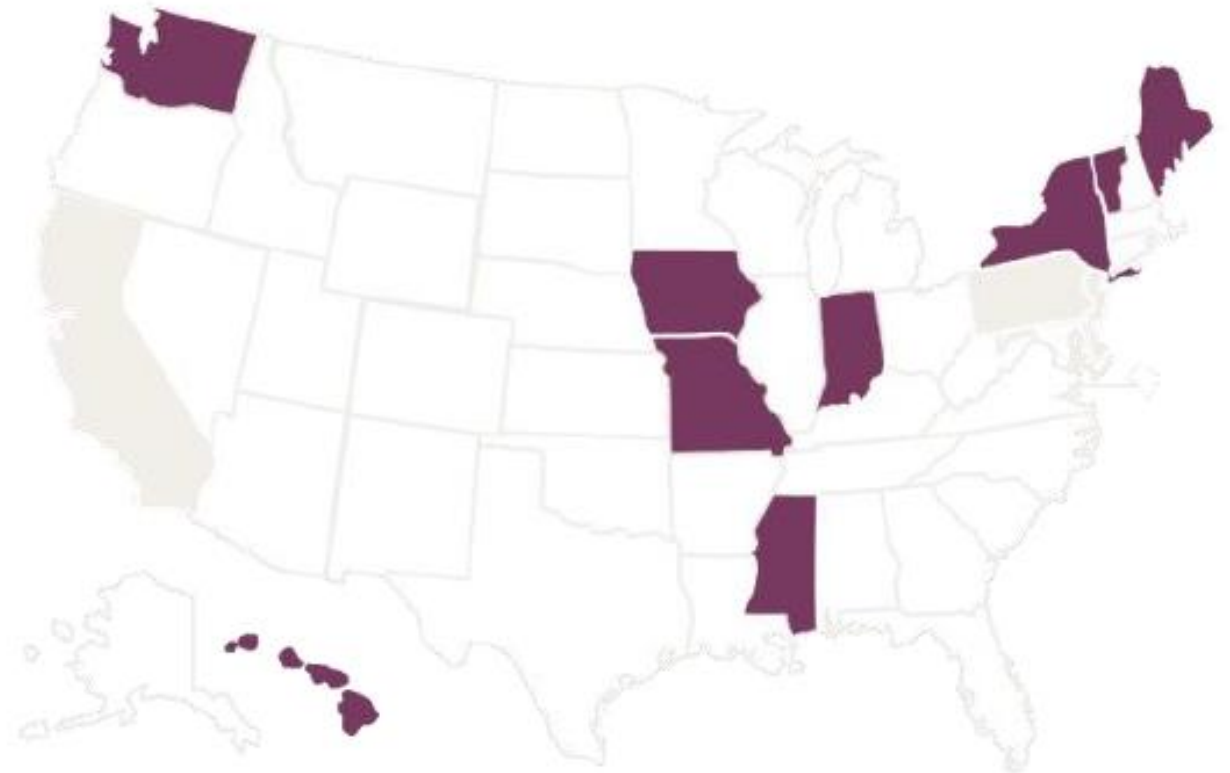
- California
- Kentucky



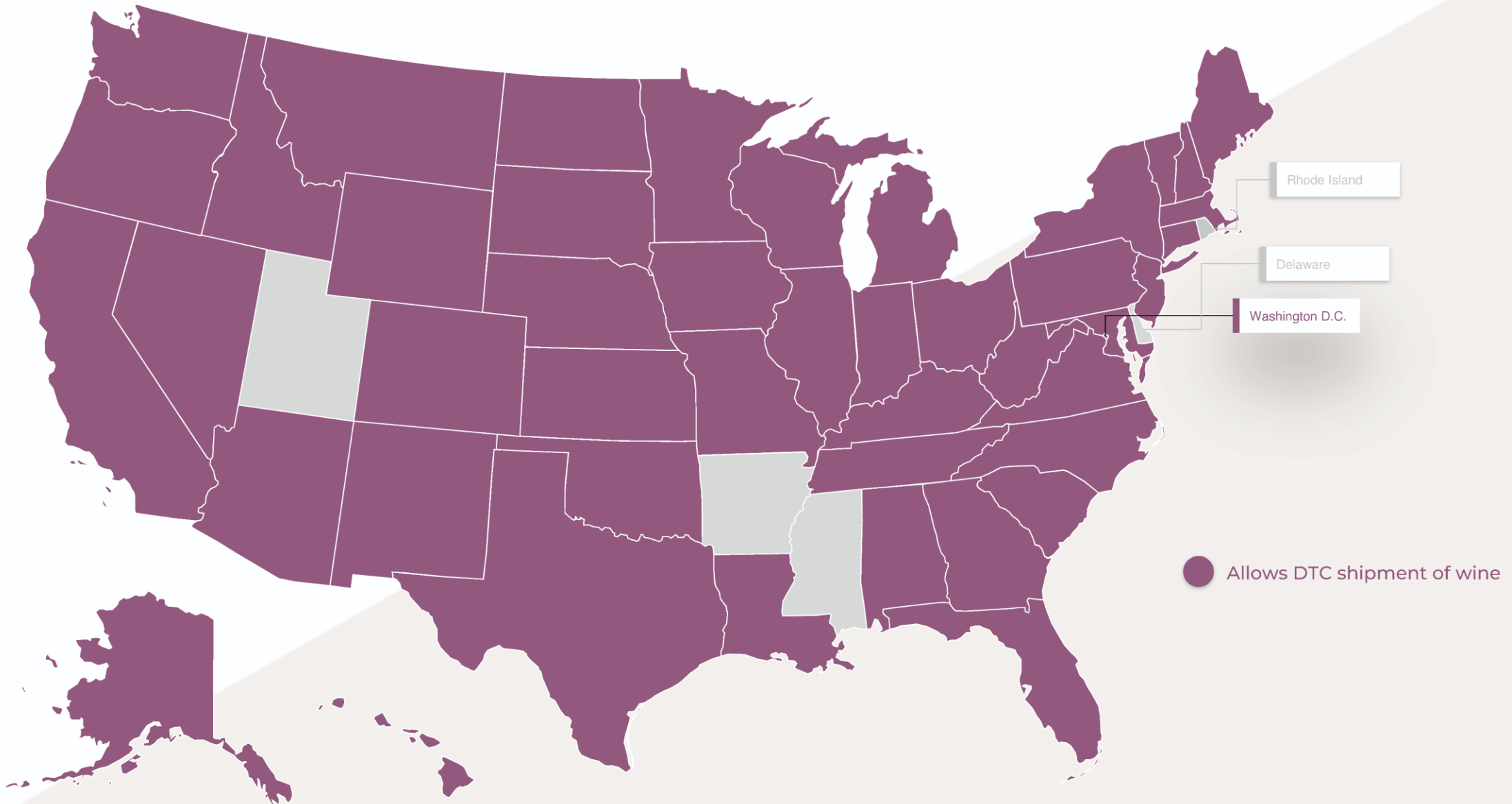
2022 DTC SHIPPING LEGISLATION

THUS FAR IN 2022,
ZERO STATE
LEGISLATURES HAVE
CHOSEN TO ENACT DTC
LEGISLATION.

-  PENDING DTC LEGISLATION
-  DEFEATED DTC LEGISLATION



DIRECT-TO-CONSUMER WINE SHIPPING



DISCUS' SHIPPING POSITION

DISCUS advocates for the parity of wine and spirits DTC.

DISCUS claims that **parity will strengthen the three-tier system** and supply vital jobs.

“Ship my spirits” DTC Grassroots Campaigns

- Launched by DISCUS, American Distilling Institute, and American Craft Spirits Association
- **Recent Campaigns:** Campaigns have been launched in DE, NY, and VT advocating for residents to contact their legislators about pending spirits DTC legislation.

WSWA DTC ADVOCACY EFFORTS

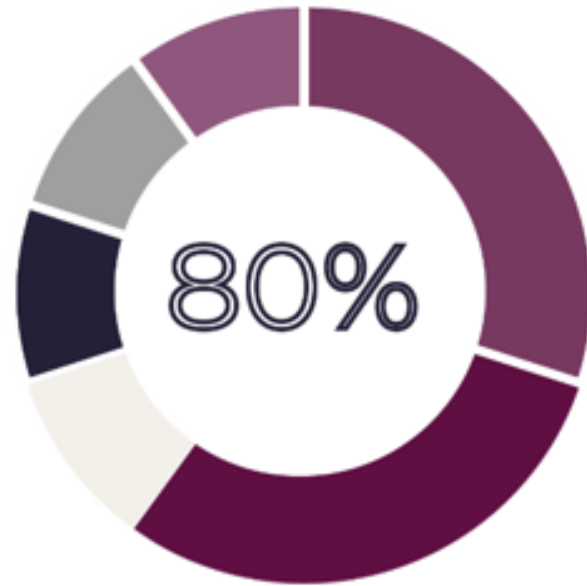
Advocacy Efforts

- Activate wholesaler employees with **Project 21 grassroots** campaigns.
- Draft talking points, **comment letters**, provide **testimony**.
- Prepared with enforcement mechanisms **amendments**, if necessary.
- Strong **five-person state affairs team**.
- Expansive **economic research** and message testing.
- Advocate that **local, licensed delivery** is the best e-commerce solution.

Advocacy Efforts

- **Track and summarize DTC bills**.
- Comprehensive DTC & Delivery drafting **Guidelines**.
- **DTC Messaging Playbook** of the most effective talking points.
- National expertise and **knowledge**.
- **Weekly legislative update** newsletter with and bill status and summaries.
- **Advisory Council** monthly calls.
- WSWA **economist** on retainer.

WSWA DTC ADVOCACY EFFORTS



WSWA CURRENTLY HOLDS AN **80% SUCCESS RATE** WHEN IT SUPPORTS ADVOCACY EFFORTS IN STATES ACROSS THE COUNTRY.

- DEFEATED SPIRITS DTC LEGISLATION
- DEFEATED WINE DTC LEGISLATION
- DEFEATED SHIPPING OUT OF STATE LEGISLATION
- PENDING SPIRITS DTC LEGISLATION
- UNSUCCESSFUL COLEMAN ACT OPPOSITION
- PROTECTED EXTENDED PRODUCER RESPONSIBILITY

PROJECT 21: GRASSROOTS EFFORTS

Take Action: STOP Direct-to-Consumer (DTC) Legislation



On Tuesday, January 11th, the CA Senate Governmental Organization Committee will vote on Senate Bill 620 to allow direct-to-consumer shipping of distilled spirits in California.

GOAL: To target 15 members on the Senate GO Committee to oppose DTC in our state.

WHY: This legislation will negatively impact the wholesale tier, our state and local communities:

- Loss of local high quality, well-paying jobs.
- Loss of revenue – every bottle of distilled spirits shipped directly to consumers is a sale taken from a California business to benefit mostly large out of state corporations.
- Loss of local community investment and involvement from California businesses and employees.

ASK: Please take 8 seconds to email your state legislator and ask them to vote **NO** on **SB 620**.

Every voice matters.

Send an email to your State Legislature with one click!

Title

Your full name

Street address

Zip code
 city and state not required

Phone number

Email address

Employer

Send Email

Subject: OPPOSE DTC SHIPPING AND PROTECT JOBS

Enter your message

I am writing to ask you to oppose SB 620. This bill directly threatens jobs in the spirits distribution business and we need to preserve our ability to live. This bill is unnecessary as the California alcohol marketplace is safe, diverse and competitive. I live and work in your district and I hope you will listen to how this bill negatively impacts me and others like me.

Subject: Example from CA DTC P2A campaign

Dear Senator Steve Glazer:

I am writing to ask you to oppose SB 620. This bill directly threatens jobs in the spirits distribution business, and we need to preserve our ability to earn a living. This bill is unnecessary as the California alcohol marketplace is safe, diverse, and competitive. I live and work in your district and I hope you will listen to how this bill negatively impacts me and others like me.

Increasing direct to consumer shipping of distilled spirits in California threatens jobs and harms local businesses, all to give more opportunity to out-of-state major corporations. In California, wine and spirit wholesalers make up over 10,300 jobs, generating approximately 8 million in wages. Additionally, California receives 7.2 billion in tax revenue from the wine and spirit industry. Passing S.B. 620 would drastically reduce the tax revenue, allowing other states to reap the benefits. Not only would the state lose tax revenue, but local

legislation.



ADVOCATES ¹

1,753

CONNECTIONS ¹

27,315

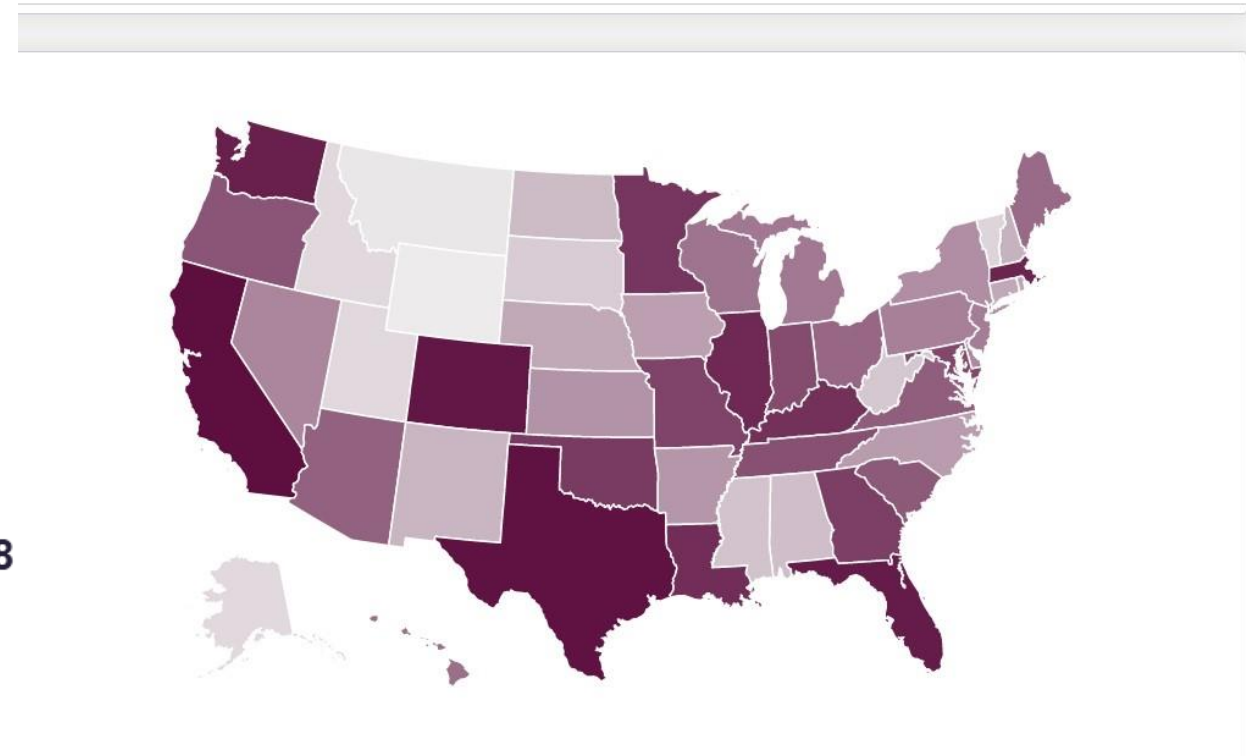


PROJECT 21: GRASSROOTS EFFORTS

Letters generated by campaign

- ✓ January-CA DTC- **29,288**
- ✓ January- ME DTC- **1,392**
- ✓ February- MN Coleman Act- **2,737**
- ✓ March- VT DTC- **55**
- ✓ March- IA DTC- **525**
- ✓ Federal –USPS Shipping of Alcohol Opposition- **9,968**
- ✓ Federal STOP Act Support- **161**

 DASHBOARD



SUPPLY CHAIN ANALYTICS & SYNDICATED DATA ANALYSIS



DEPART FROM LOBBY AT 4:00 PM
*USE **UBER CODE** THAT WAS EMAILED TO YOU*



CLD CONFERENCE

TRANSPORTATION

SPONSORED BY:



EFFICIENCY ENTERPRISES

Efficiency Keeps You Moving.

USE UBER CODE EMAILED TO YOU



CLD CONFERENCE

DINE AROUND DINNERS

SPONSORED BY:



BLUE RIDGE



CLD CONFERENCE

AFTER DINNER MEET-UP

SPONSORED BY:

EN  COMPASS

The logo for ENCOMPASS. The word "EN" is in a dark blue font. The letter "C" is a red icon consisting of three concentric, slightly offset circles. The word "COMPASS" is in a dark blue font.



2022 NextGen Leaders' Summit

JULY 11 – 12

ST. LOUIS | MISSOURI



FAMILY BUSINESS CONSULTING



JOSHUA NACHT, Ph.D.
Senior Consultant
The Family Business
Consulting Group

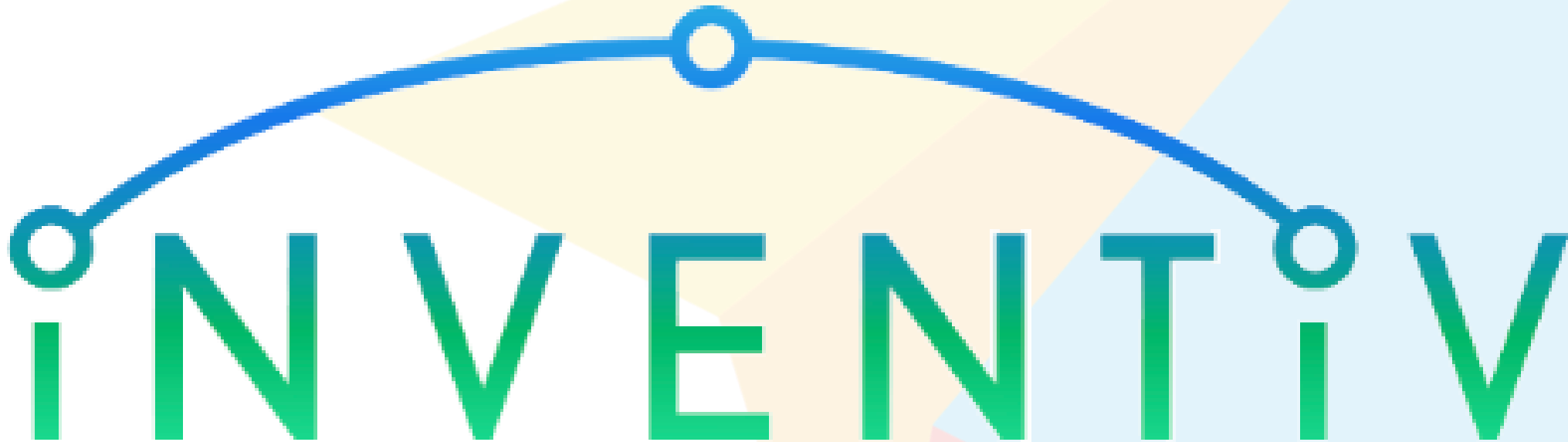


JENNIFER STROM, MBA, MA
Consultant
The Family Business
Consulting Group

NEXTGEN LEADERS SUMMIT

NETWORKING LUNCH

SPONSORED BY:



iNVENTIV

The logo for iInventiv features the word "iNVENTIV" in a bold, green, sans-serif font. The letter "i" is lowercase, while "NVENTIV" is uppercase. A blue arc with three circular nodes at its ends and one in the middle arches over the text, connecting the top of the "i" to the top of the "V".

DIGITAL TRANSFORMATION & YOUR SALES TEAM



HARRISON REA

Vice President, Product Development
Inventiv



2022 NextGen Summit & CLD Conference

JULY 11 – 14

ST. LOUIS | MISSOURI



Corrie Olson CEO/ Owner

What is the Infuzion Solutions
Difference?
Our Goal is to be your
software partner not just
another vendor.

infuzion
Solutions

Balancing
Business with
Technology



To schedule a demo just scan the QR Code



HOW INDUSTRY TRENDS INFLUENCE A MODERN SUPPLIER & DISTRIBUTOR PARTNERSHIP



MATT DEEGAN
*Senior Vice President &
Chief Sales Officer*
Constellation Brands



CANOPY GROWTH CONVERSATION



TARA ROZALOWSKY

Vice President, Brand Marketing
Canopy Growth



INDUSTRY DISRUPTORS



JO MOAK
*Executive Vice President
& General Counsel*
WSWA



JAKE HEGEMAN
Assistant General Counsel
WSWA



Topic 1: The "New" Generation of Non-Alc Beverages



WHAT ARE WE TALKING ABOUT?



Non-Alcoholic “Spirits”
and Beers (0.0 ABV)



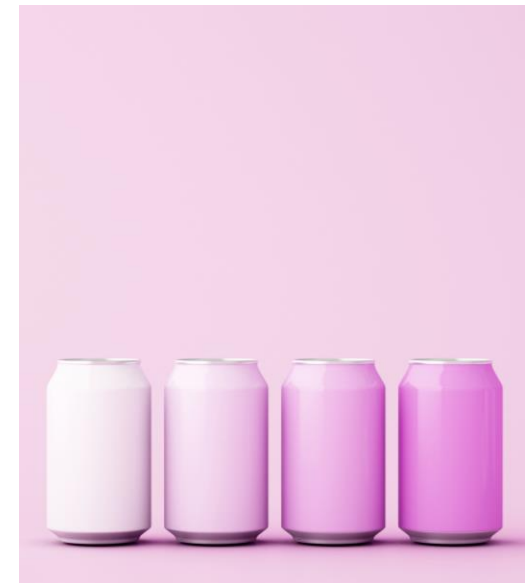
Adaptogen and
CBD Drinks



NOT “Low” Alc
Beverages

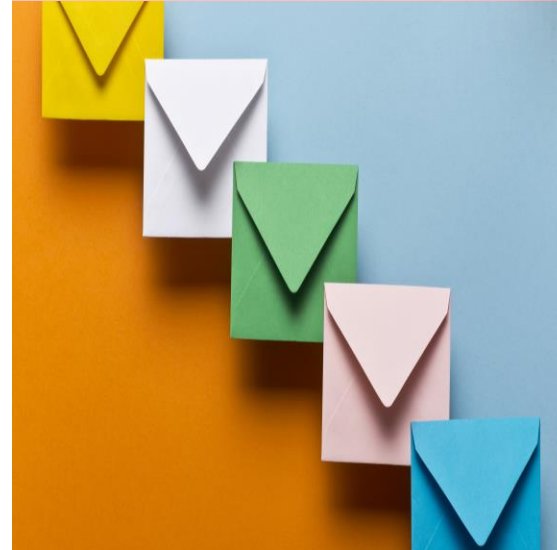
A GROWING CATEGORY

- IWSR reported ~30% growth in the low/no category in 2021 to ~\$2Bn. It is only 1% of alcohol category sales. They anticipate 31% category growth by 2024.
- Nielsen reported 78% of Non-Alc beverage buyers ALSO buy alcoholic beverages
- IWSR found 58% of consumers drank both low/no AND full-strength alcohol at the same occasion.
- Drivers:
 - Health and Wellness
 - Desire for Increased Options
 - Inclusivity for non-alcohol drinkers



INDUSTRY CONSIDERATIONS

- Will these products be sold in your current accounts?
- What other accounts will want them?
- Where do they go on the shelf?
- Sales Approach and Commission Structure?
- Competition with incumbent brands?
- Online sellers (no DTC restrictions)?



QUESTIONS TO DISCUSS

FIT

- Does the growth of this “new generation” of non-alc beverages fit with your business?
- Are these products that belong with a different distributor type?

APPROACH

- How do you structure your sales force?
- Are these products comparable to water and energy drinks?





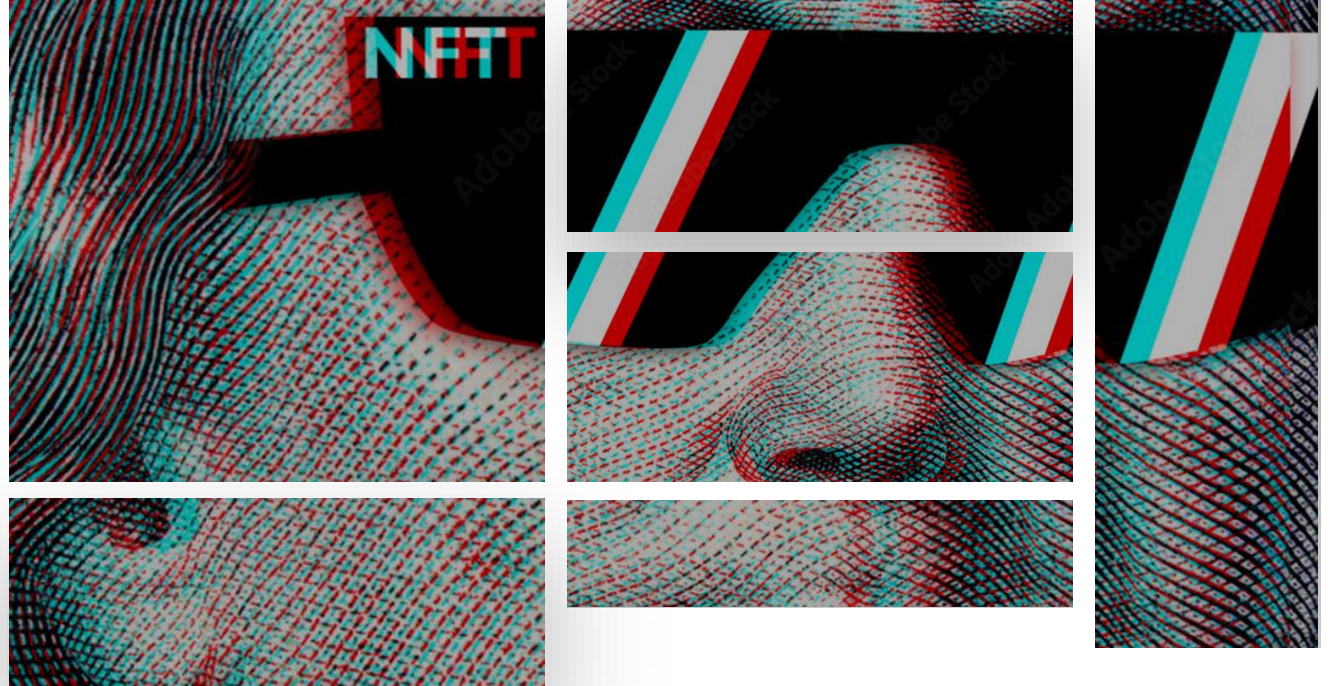
Topic 2: NFTs



NFTs (DE)MYSTIFIED

What are non-fungible tokens?

- Unique and cannot be replaced with something else
- Anything digital could be sold as an NFT + digital token can represent anything physical
- Digital copies exist, but only one is original. Ownership gives you bragging rights



How does it work?

- Most NFTs are part of the Ethereum blockchain (but now other blockchains have their own version of NFTs)
- Ethereum is a cryptocurrency (like bitcoin or dogecoin), but its blockchain also keeps track of who's holding and trading NFTs
- Assets on a blockchain have unique identification codes and metadata

EXAMPLES OF NFTs



- Digital artwork, videos, tweets, albums, singles, videos, pictures, or song lyrics
 - NBA Top Shot – a place to collect non-fungible tokenized NBA moments in digital card form
- Connects to real-world objects, often as a verification method
 - Nike has patented a method to verify sneakers' authenticity using an NFT system, which it calls CryptoKicks.
 - Real estate
 - Physical artwork, anything really
- Retailers use NFTs like a reward or membership card
- Token to watch videos/series - as a sort of ticket system
- Sharing information
 - NFT platform where researchers, pharma, and tech companies provide or acquire scientific data
- Patent holders use NFTs to manage ownership and licenses
- Next-generation music ownership, licensing and publishing




INDUSTRY NFTs

Welcome to the
Robert Mondavi® x Bernardaud® NFT Collection

One legendary vineyard brought to life by world-renowned winemakers. Three hand-crafted Limoges porcelain wine vessels. 1,966 opportunities to own a piece of history.

MINT

Terms & Conditions Apply

<p>MCMLXVI</p>  <p>Geneviève Janssens ≈ 2.79 ETH ADD TO CART</p>	<p>MCMCLXVI</p>  <p>Andy Erickson ≈ 2.79 ETH ADD TO CART</p>	<p>MCMLXV 1</p>  <p>Thomas Rivers Brown ≈ 2.79 ETH ADD TO CART</p>
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About BlockBar

Why did we create BlockBar? Our platform solves issues potential NFT buyers and liquor collectors currently face. Our exposure to the Spirits world led us to the biggest problem in the industry: AUTHENTICITY.

 SpiritPunks – MINTING NOW 🍸
@SpiritPunks_ · Follow

It's always Happy Hour when it comes to Doge, and we don't think Doge Vodka is any exception.

Doge responsibly.

#DogeVodka #DoOnlyGoodEveryday #dogearmy #dogefam



WHY NFTs?



- Engender trust as no one can change the terms once created
- Highly secure and hard to hack
- Controls access, authorization, authenticity
 - Clear transaction history back to the creator could overcome counterfeiting and help supply management of goods
- Brings speed and accuracy as paperwork can be avoided
- Smart contracts are self-executing and can check that the terms have been satisfied + execute the terms without the need for a central authority
- Removes intermediaries, simplify transactions, and create new markets
- Easier to divide a digital real estate asset among multiple owners than a physical one – multiple owners
- Creates a sense of community as people have long built communities based on things they own or enjoy

QUESTIONS TO DISCUSS



- What do you find most confusing about NFTs?
 - E.g., understanding blockchain technology?
- What examples of NFTs intrigue you the most? What do you find particularly innovative? What uses do you find compelling?
- What do you find threatening about NFTs?
- Let's suspend all laws and regulations, in what ways could wholesalers use NFTs with suppliers, retailers, or even consumers?

WSWA UPDATE



CHELSEA CRUCITI
*Senior Director,
State Affairs
WSWA*



ALI GORMLEY
*VP
Federal Affairs
WSWA*



JAKE HEGEMAN
*Assistant General
Counsel
WSWA*



CATHERINE MCDANIEL
*SVP
Member Advocacy
WSWA*



JO MOAK
*EVP and
General Counsel
WSWA*

WSWA GOVERNMENT AFFAIRS



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TYLER DAUL
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ALI GORMLEY
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DAN JARRELL
Federal Affairs



DAWSON HOBBS
Government Affairs



CATHERINE MCDANIEL
Political Affairs



COLIN PHILLIPS
State Affairs



AUDREY RAMSDEN
State Affairs



WILLIS REID
State Affairs



CODY TUCKER
Federal Affairs

WSWA STATE AFFAIRS TEAM



Chelsea Crucitti

Senior Director

Hired December
2019



Willis Reid

Manager

Hired February
2022



Colin Phillips

Manager

Hired April
2022



Audrey Ramsden

Manager

Hired June
2022



Tyler Daul

Coordinator

Hired May
2022

E-COMMERCE: DELIVERY & TO-GO

Post-COVID **decrease** in delivery and to-go bills in 2022

Delivery

- 2021: **25 states** enacted alcohol delivery
- 2022: **6 bills** enacted

To-Go

- 2021: **25 states** enacted to-go/curbside pickup
- 2022: **12 states** enacted

WHAT DOES RESPONSIBLE ALCOHOL DELIVERY LOOK LIKE?

Wine & Spirits Wholesalers of America defines responsible alcohol delivery as the direct transportation of alcohol from a licensed, local retailer to a consumer age 21 or older. The 21st Amendment gives each state the authority to regulate the distribution of alcohol within its own communities in mind – that means smart regulation can look different from state-to-state. Check out the key components of responsible alcohol delivery:

SAME-DAY



SAME-DAY DELIVERY

"Same-day delivery" is an important part of smartly regulated alcohol policy. It guarantees that alcohol leaves a local, licensed retailer and arrives on a consumer's doorstep on the same day.

LICENSED



AGE VERIFICATION

Delivery that originates from licensed, local retailers includes mechanisms of enforcement that ensure that alcohol is only purchased by and left in the hands of a consumer age 21 or older.

COMPLIANT

The current U.S. alcohol supply chain is the global gold standard- balancing competition, public health, safety and the payment of taxes with providing the widest array of products on the market. Responsible delivery originates from local, licensed retailers that support a system of smart regulation that maintains this standard.

ENFORCEABLE, ACCOUNTABLE & TRANSPARENT



REGULATORS

A system of smart regulation supports enforceable delivery practices. If only half of the 643,000 alcohol retailers in the U.S. are allowed to ship product across state lines, each state would require a **single agent to oversee 7,257 retailers** scattered across the country.



TAXES

Alcohol that originates from outside of a state increases the loss of local and state tax revenue and undermines local businesses that employ local members of the community.



APPS & PLATFORMS

Delivery platforms like Drizly provide access to beer, wine and spirits from local, licensed retailers, enabling product exploration and price comparison with a simple checkout process and same-day delivery - all from a smartphone.

SUSTAINABILITY

Increase in bottle deposit, extended producer responsibility (EPR), and post-consumer packaging bills in 2022

- Introduced: 15 states
- Enacted: 2 states (HI, OR)

Bottle
Deposit



- Introduced: 8 states
- Enacted: 1 state (CO)

EPR



EXTENDED PRODUCER RESPONSIBILITY

What is it?

Encourages producers to design products that can be recycled or reused

Producers take responsibility for management of the disposal of products they produce

Requires producers to recycle a specified percentage of the collected product by weight or volume

What to look for in a bill?

Are distributors included in the definition of producer?

Is the bill prescriptive or does it allow producers to design and control the EPR program within an achievable goal and timeframe?

Does the bill give producers latitude to pursue end of life solutions beyond recycling (compostable plastics, waste to energy/fuel)?

Will the cost of the EPR program impact the state economy and job creation?

NEW WSWA EPR ADVOCACY RESOURCE



EXTENDED PRODUCER RESPONSIBILITY: PRIMER FOR WHOLESALERS

Extended producer responsibility (EPR) is a practice and a policy approach in which producers take responsibility for management of the disposal of products they produce. EPR policies attempt to change how a product is produced—the “cradle”—to affect how a product may be disposed of—the “grave.”

EPR programs shift the economic burden of the cost of disposal from the government or consumer to the producer of the product and require producers to recycle a specified percentage of the collected product by weight or volume. Producers may physically collect the products at the end of their life or use a third-party organization that collects and processes material.

By making the producer responsible for the cost of disposal EPR theoretically encourages producers to design products that can be easily recycled or reused. A cleaner environment benefits all, but thought must be given to the economic impact these policies will have on wholesalers.



WHAT TO LOOK FOR IN AN EPR BILL

- Are distributors included in the definition of producer?
- Is the bill prescriptive or does it allow producers to design and control the EPR program within an achievable goal and timeframe?
- Does the bill give producers latitude to pursue end of life solutions beyond recycling (compostable plastics, waste to energy/fuel)?
- Will the cost of the EPR program impact the state economy and job creation?

THE OREGON MODEL

The state of Oregon’s bottle deposit program began in the 1970s and has grown to include almost 200 members within the [Oregon Beverage Recycling Cooperative \(OBRC\)](#) – which oversees all aspects of the state’s bottle deposit system. The benefit of industry members running the system is that they work together to develop creative approaches on how to streamline the model and make it more efficient. In doing so, they have increased access to recycling services, created a statewide list of what can and cannot be recycled, and currently have one of the lowest per container recycling costs in the world. The overall success of OBRC has garnered widespread, bipartisan support statewide.

For more information on the Oregon model, visit the state’s website on the [bottle bill program](#).

MANUFACTURER SALES

Producers continue to push for more
sales and distribution privileges

Satellite Locations

- Introduced: 19 states
- Enacted: 1 bill (ME)

On-Site Sales

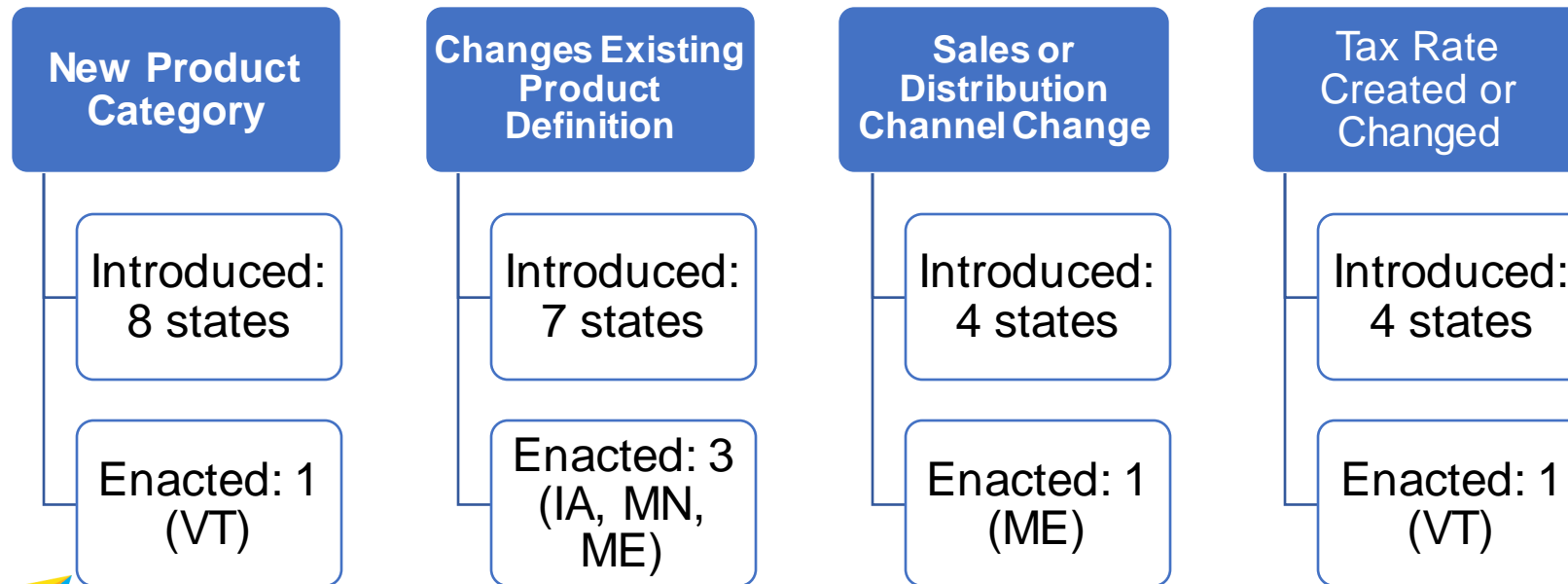
- Introduced: 15 states
- Enacted: 6 states (CT, LA, MD, MN, ME, NH)

Self-Distribution

- Introduced: 11 states
- Enacted: 1 bill (NE)

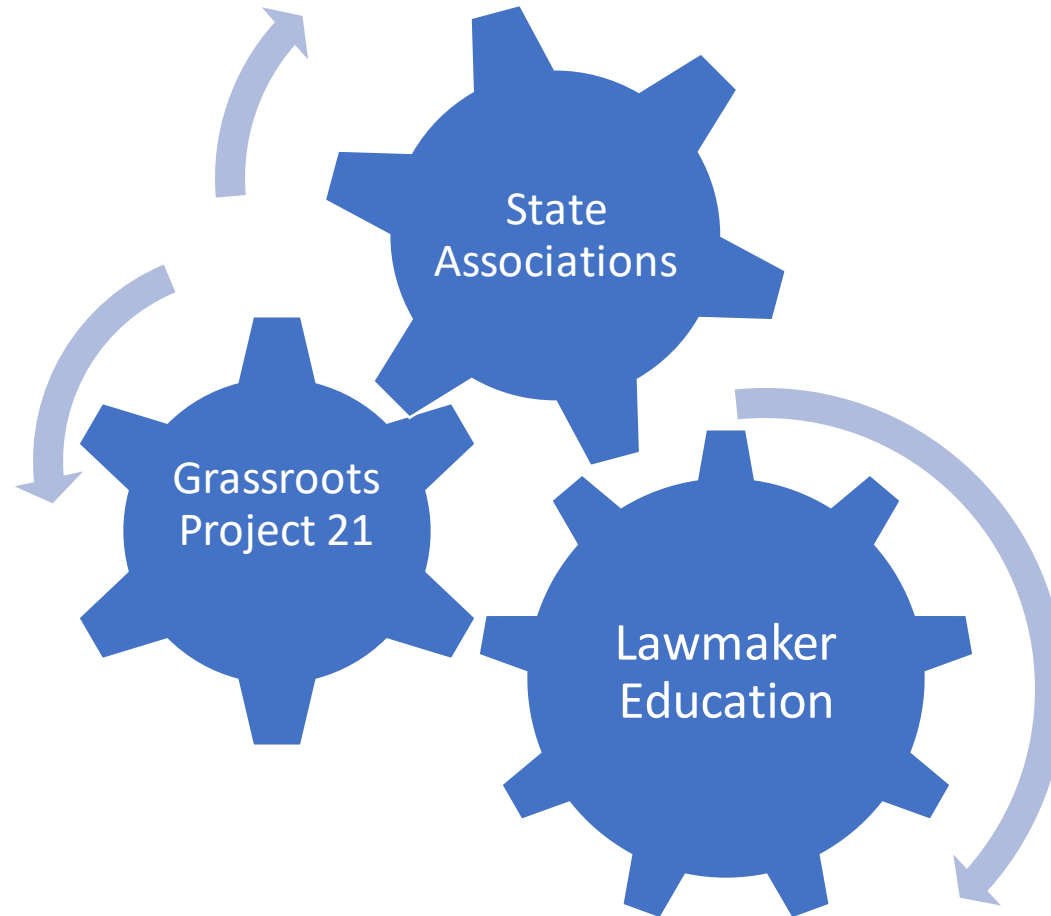
READY-TO-DRINK

RTD bills continue to be introduced to **expand or create definitions** and new **tax** categories.



LOCAL ADVOCACY INVOLVEMENT

Local wholesalers are integral to advocacy success: get involved today!



LEGAL AND REGULATORY TEAM



JO MOAK
*Executive Vice President
& General Counsel*
WSWA



JAKE HEGEMAN
Assistant General Counsel
WSWA



IAN SPOTTS
Coordinator
WSWA

WHAT WE'RE THINKING ABOUT

- Federal Policy
 - **White House Executive Order and its After Effects**
- New Products and their Changes to the Marketplace and Consumer
 - RTDs
 - Cannabis and CBD Beverages
- Routes to Market
 - **Retailer Interstate Wine Shipping Litigation**
 - Emerging Routes (DTC/Fulfillment, Self-D, Delivery, On-Prem To-Go)
 - Retailer "Mystery Shipping" and Enforcement Challenge
 - Non-Alc Companies Entering the Alcohol Industry

WHITE HOUSE EXECUTIVE ORDER

July 2021: Order on Promoting Competition in the American Economy Released

Order directs Treasury to work with DOJ and FTC on a report assessing state of competition in the beer, wine and spirits markets

August 2021: WSWA submits comments on EO

February 2022: Treasury releases report

March – Present: TTB working to implement

PRESS RELEASES

Treasury Releases Competition Report for Alcohol Market, Recommends Boosting Opportunity for Small Businesses

THE REPORT

“States might explore changes in these areas to eliminate anticompetitive effects and to bolster competition. For example, state legislatures might consider if the benefits of the three-tier system outweigh its costs to competition and study markets without a three-tier system.”



THE BIGGER TARGETS

- State Laws:
 - Franchise laws (+ exclusive distributor territories)
 - Post and hold/pricing laws
- Alcohol Industry:
 - Big beer producers (including their captive distributors)
 - Big wine and spirits distributors
 - Consolidation
- FAA Act Provisions
- Federal tax laws:
 - CBMA (and other tax provision like double drawback)



THE FAA ACT: WHAT MIGHT TTb DO?

Amend Trade Practice Regulations

- Tied-House
- Consignment Sales
- Bribery
- Exclusive Outlet

Simplify Supplier Requirements

- Permits
- Labelling/Formula

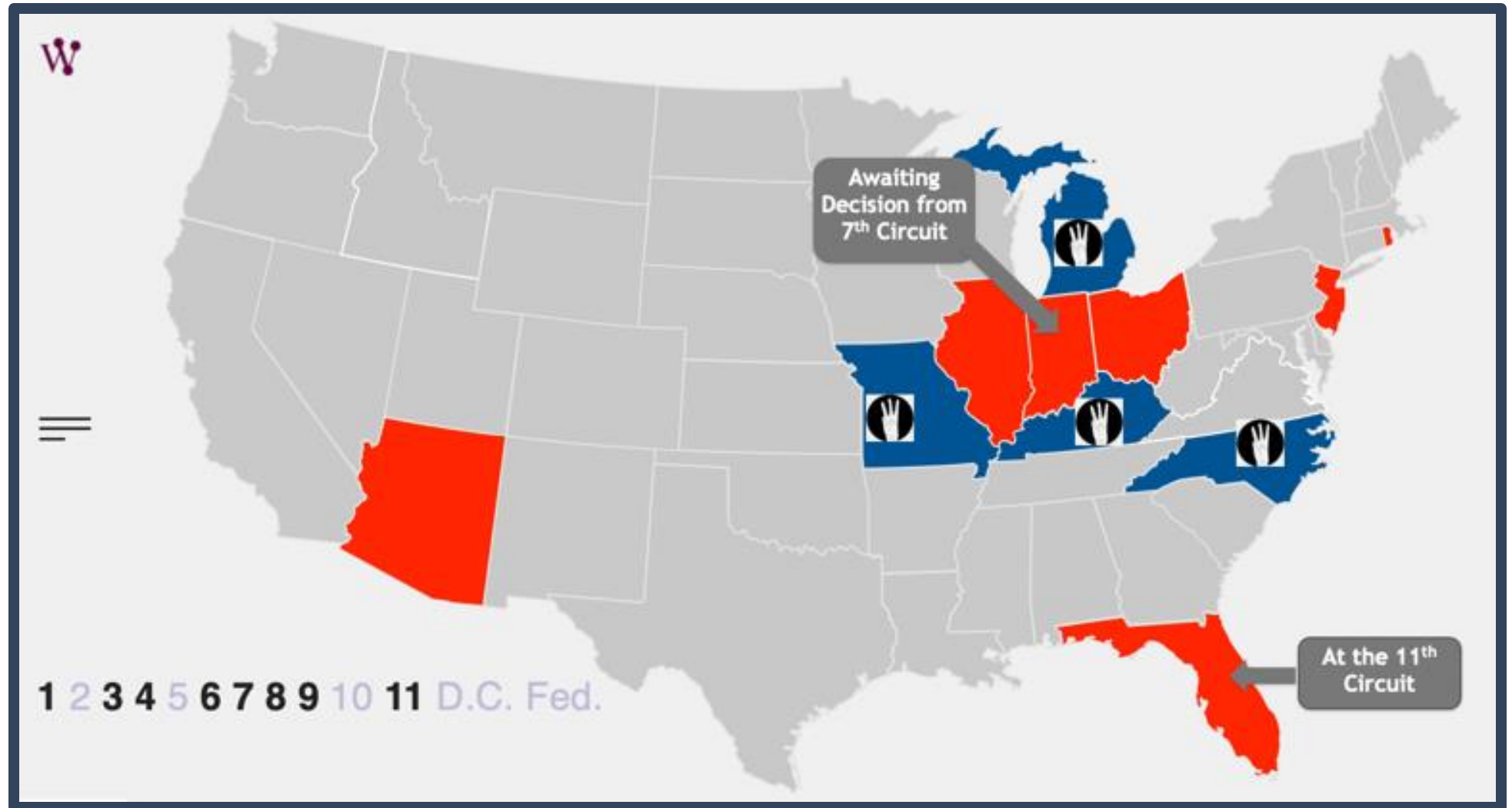
Current Actions

- Second round of Standards of Fill Rulemaking
- Anticipated Trade Practice Rule this year



Change enforcement priorities?

RETAILER INTERSTATE SHIPPING LITIGATION



USPS SHIPPING OF BEVERAGE ALCOHOL

WSWA'S LEGISLATIVE GOAL:

Preventing USPS from shipping alcohol across the country.

- **The USPS Shipping Equity Act** would repeal federal policy that prohibits the U.S. Postal Service from shipping alcohol.
- WSWA and coalition partners have been fighting this legislation for nearly a decade.
- WSWA was successful in preventing alcohol shipping from being included as a part of comprehensive U.S. Postal Service reform bill.

FAIR TAXATION OF AMERICAN, FAMILY-OWNED BUSINESSES

WSWA'S LEGISLATIVE GOAL:

Promoting wholesaler's growth and reinvestment in their companies by ensuring the fair taxation of American, family-owned businesses.

- Keeping the 20% federal tax deduction for qualified business income on behalf of family-owned businesses.
- Ensuring equal tax treatment of family-owned businesses held in trust.
- Continuing the full tax deductibility of business meals.
- Protecting Last-In-First-Out (LIFO) inventory accounting practice.

FEDERAL APPROPRIATIONS

WSWA'S LEGISLATIVE GOAL:

Secure federal funding for specific wholesaler priorities.

Priorities Include:

- Secure “Buy Local” language in the Department of Defense Appropriations bill
- Secure \$5 million in funding for Alcohol Tobacco Tax & Trade Bureau (TTB) dedicated to trade practice enforcement programs with added focus on education.
- Secure funding for research on drug impaired driving and enforcement measures.

FEDERAL APPROPRIATIONS:

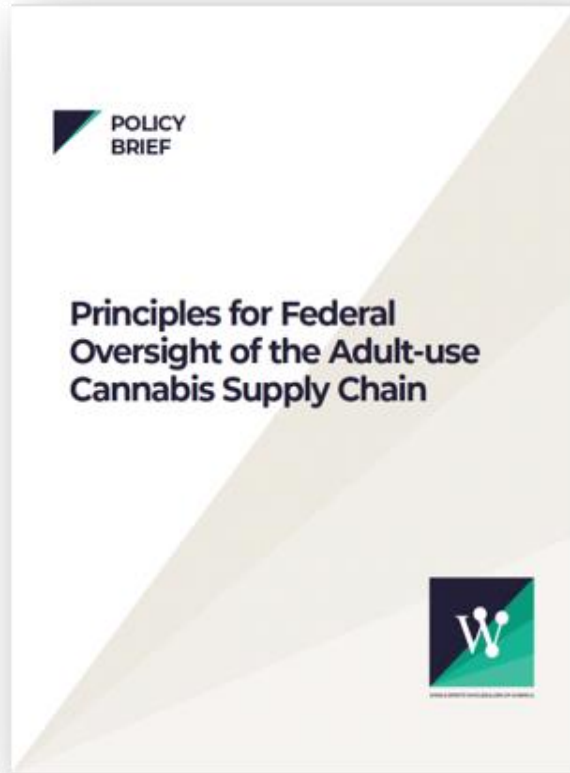
WHY IT MATTERS

Results of an Effective Regulator:

- FY21 = 14 open investigations.
- Opened 2 new investigations in FY21.
- Closed 5 investigations with 40% resulting in successful outcomes.
- 2 cases resulting in offer of compromises resulting in \$1.175 million offer in compromise.
- 2 outreach presentations to state alcohol beverage enforcement agencies.

The U.S. alcohol marketplace is the **safest, most diverse** in the world thanks in large part to the **robust federal and state-level regulatory structures** that maintain the three-tier system.

CANNABIS REFORM



WSWA released a model federal regulatory framework for adult-use cannabis.



WSWA'S POSITION:

If considered, Congress should ensure that federal legalization of cannabis is accompanied by effective regulation, including the permitting of producers, importers, testing facilities and distributors; the approval and regulation of cannabis products; the effective and efficient collection of federal excise taxes; and effective measures to ensure public safety.

- Senate Democrats crafting comprehensive cannabis legalization legislation expected to be introduced late summer/early fall.
- FDA continues to prohibit the use of CBD in food and health care products in interstate commerce; States continue to expand permissible uses of hemp-derived CBD.

WSWA-PAC OVERVIEW

WHAT IS A PAC?

A legal, transparent, federally monitored means of expressing united interests with one powerful voice, representing many members.



- WSWA-PAC **BANK ACCOUNT**
- **RECEIPTS:** personal contributions from association members
- **DISBURSEMENTS:** contributions to candidates

POOLED RESOURCES = LARGER CONTRIBUTIONS TO CANDIDATES = GREATER POLITICAL IMPACT

WHY DO WE HAVE A PAC?

BUILDS A STRONG
POLITICAL
PRESENCE

+

GIVES
WHOLESALERS A
SEAT AT THE TABLE

+

DEVELOPS
RELATIONSHIPS
WITH KEY
OFFICIALS

+

BIPARTISAN
SUPPORT FOR
CANDIDATES

=

RESULTS

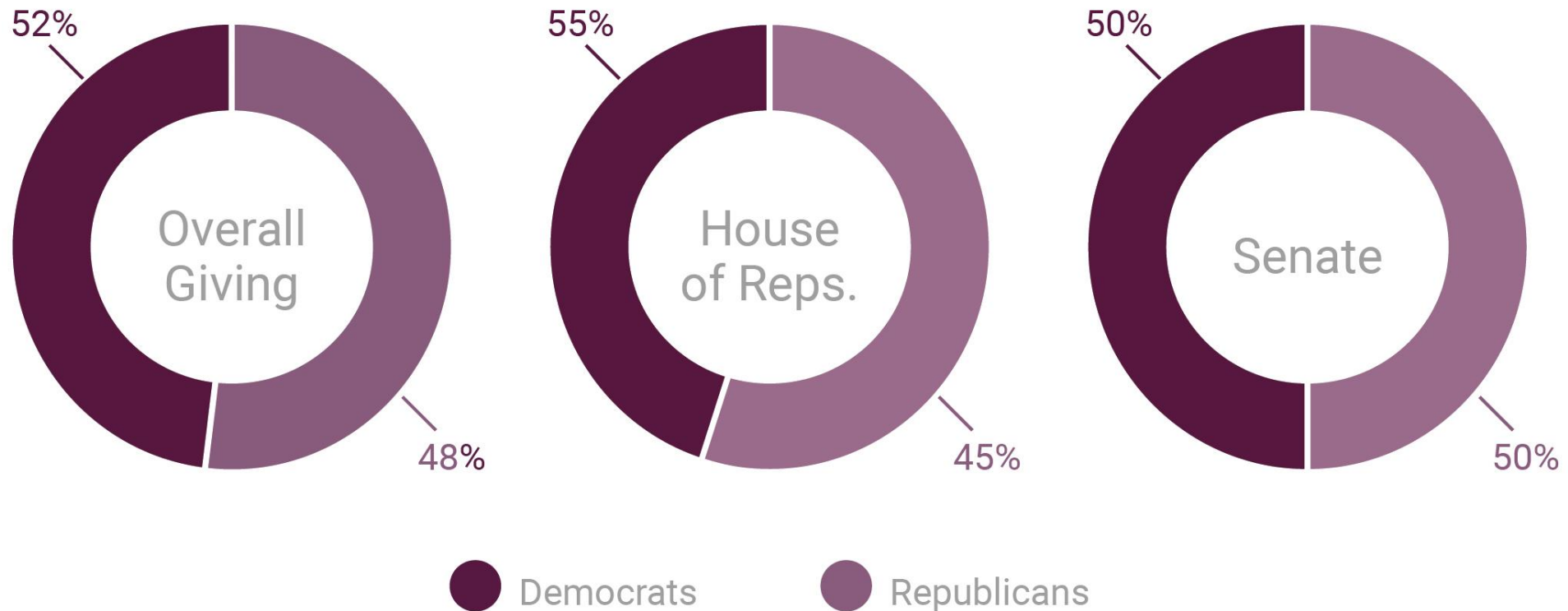


WHO DO WE SUPPORT?

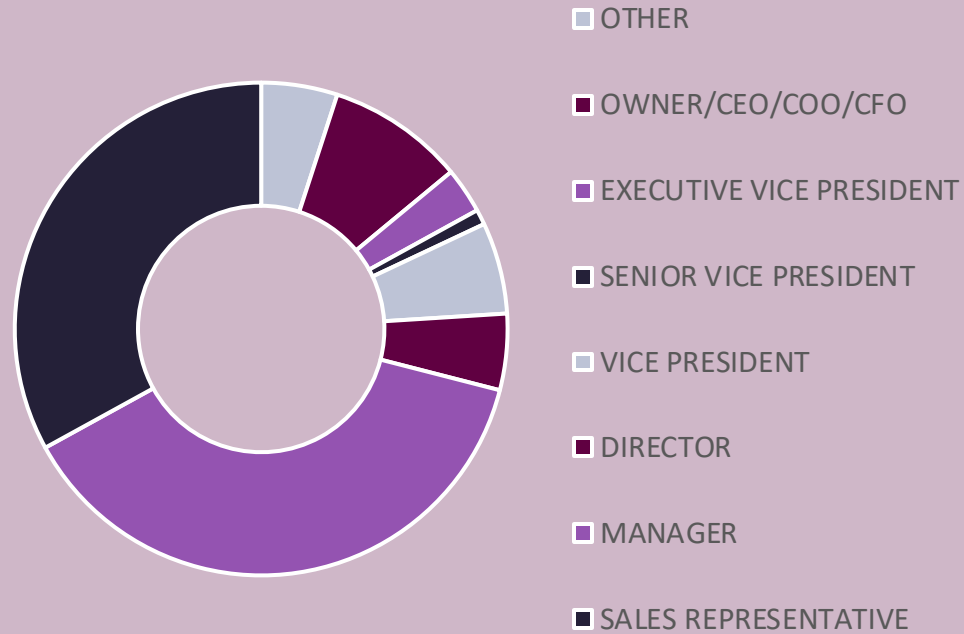
250+ Candidates in U.S. House and U.S. Senate

Key Committees of Jurisdiction

Leadership

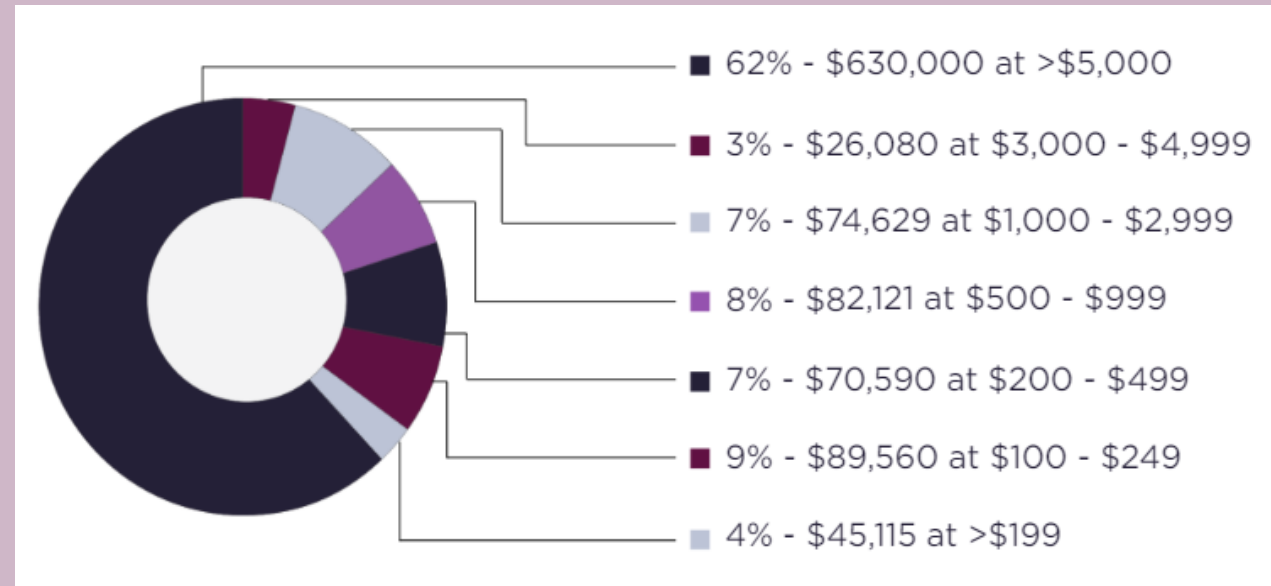


WSWA-PAC REPRESENTS EVERYONE



PERCENTAGE OF PARTICIPATION BY OCCUPATION CATEGORY

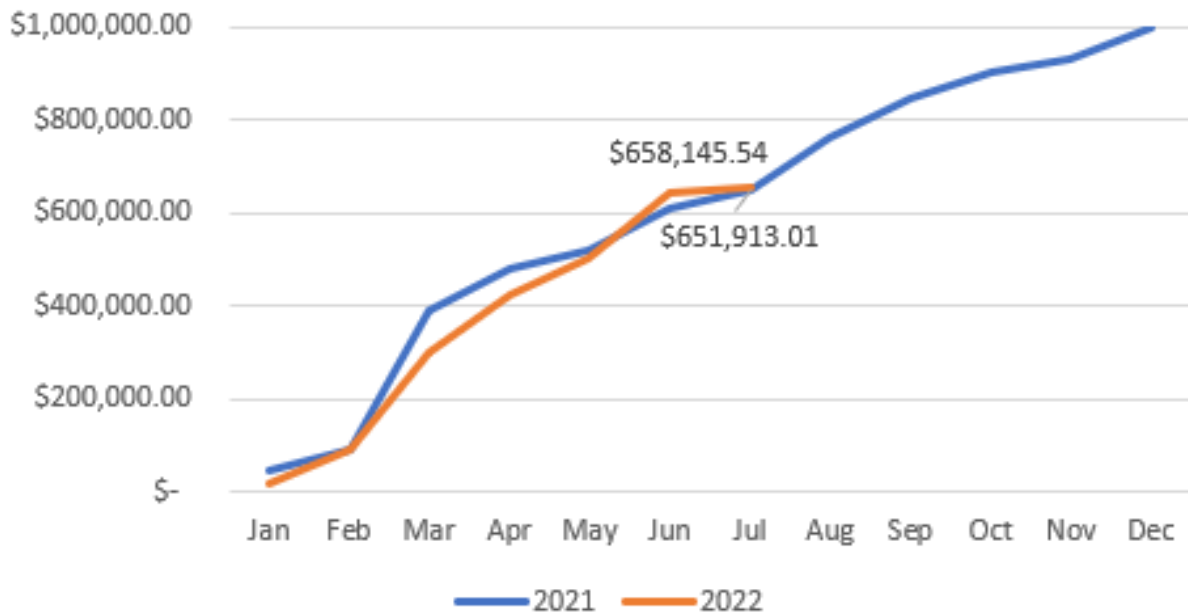
PERCENTAGE DOLLARS BY GIVING LEVEL



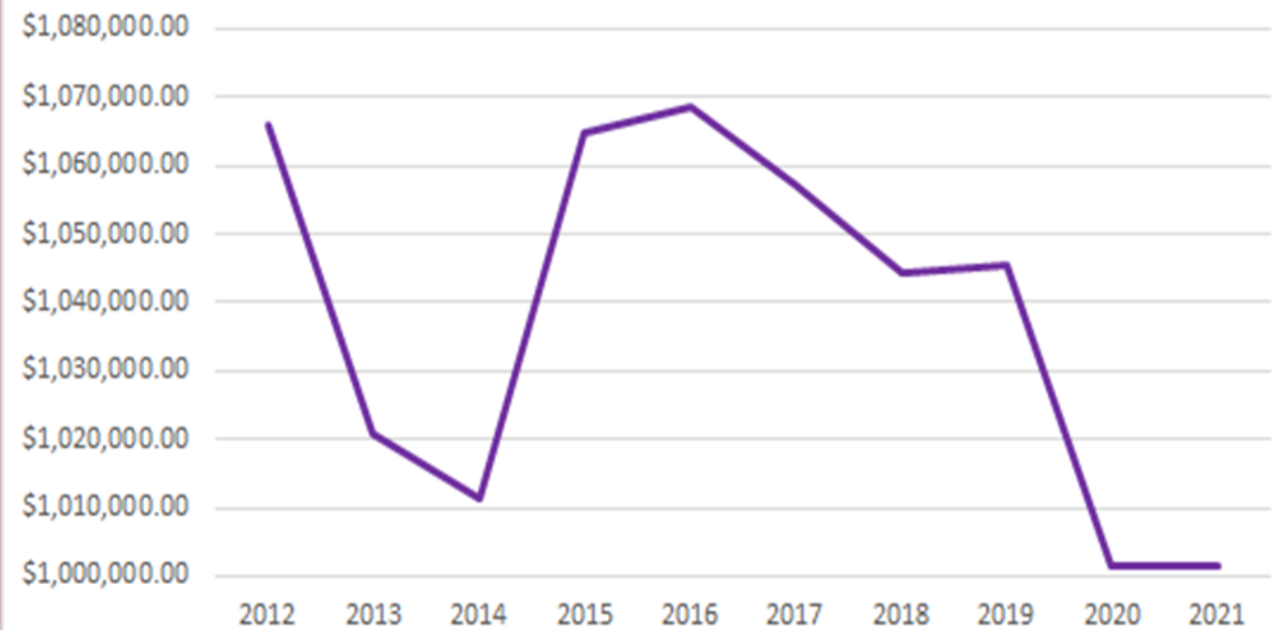
WSWA-PAC GOAL: \$2 MILLION

(2021-2022 CYCLE)

PAC Total 2021 vs 2022



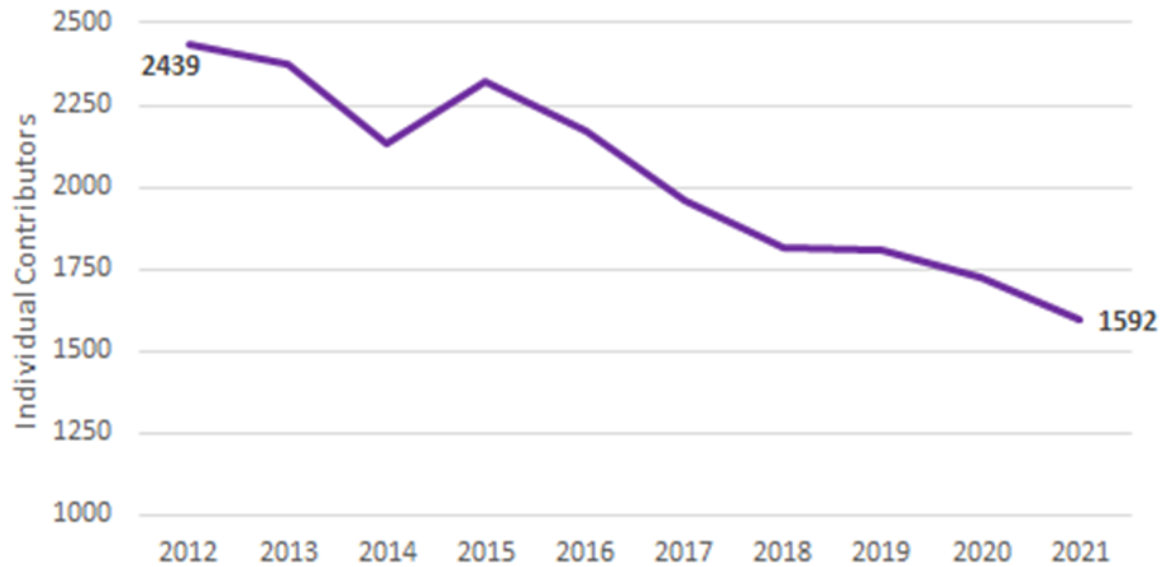
WSWA PAC Total (10 Years)



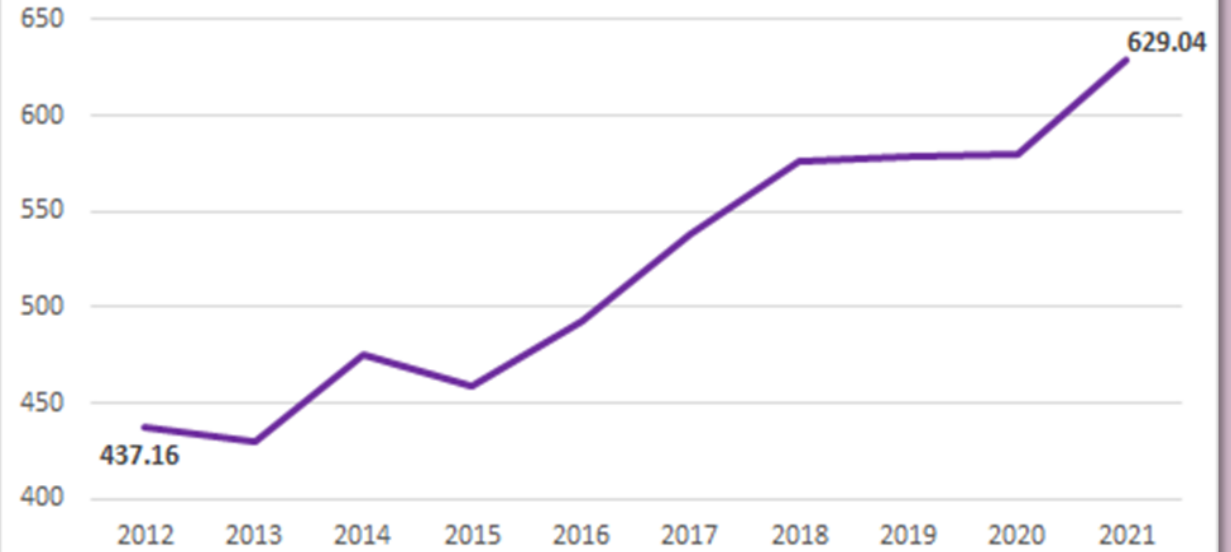
WSWA-PAC STATS

10-YEAR REVIEW

Total Individual contributors (10 years)



Mean of Individual contributions





WSWA-PAC: THE 5 W'S

WHAT is the PAC: WSWA's political arm, WSWA-PAC.

- Supports pro-wholesaler candidates at the national level and several state association PACs.
- Non-partisan.

WHY do we have a PAC: Elevate the voice of wholesale tier.

WHO can participate:

- PAC eligible employees with executive, managerial, supervisory roles.
- Salaried and commissioned, non-union.

WHEN can you give: Cycle is annual (January 1 – December 31).

WHERE can you give: TODAY at CLD!

HOW can you give: Pledge card, credit card, check, payroll deduction.

WHERE DO WE GO FROM HERE?



Sapphire Club Stats:

\$10,000 a couple

2009- began 5 couples (\$50,000)

2021- 29 couples (\$290,000) most

2022- so far 20 couples (\$200,000)

New Emerald Club:

\$7,500 a couple

2022- 8 couples

Growth opportunities:

- 1) Reset company-wide goals (10-year refresh)
- 2) Elevate Next Gen contributors- \$5K and build spousal/partner contributions
- 3) CLD participants: Leading by example
- 4) Revisit payroll deduction- internal company-wide campaigns and virtual presentations

HOW YOU CAN LEAD BY INVOLVEMENT

- Join your state wholesaler association, meet with lawmakers, host warehouse tours!
- Join WSWA on Capitol Hill for Forum on the Hill – September 12-14, 2022
- Project 21: Sign up and join TODAY!
- WSWA-PAC: Commit to contributing annually / establish a company plan





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BASEBALL GAME

St. Louis Cardinals vs. LA Dodgers

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2022 CLD Conference

WEDNESDAY WELCOME!





CLD CONFERENCE

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THE DIGITAL ASSISTANT FOR THE FRONTLINE

📍 GoSpotCheck is now a FORM company

THE IRON MAN FOR FIELD TEAMS



CORY KNOPP
Vice President, Sales
FORM



THE DIGITAL ASSISTANT FOR THE FRONTLINE

GoSpotCheck is now a FORM company

TRENDS & INSIGHTS ON MOVING TO THE CLOUD



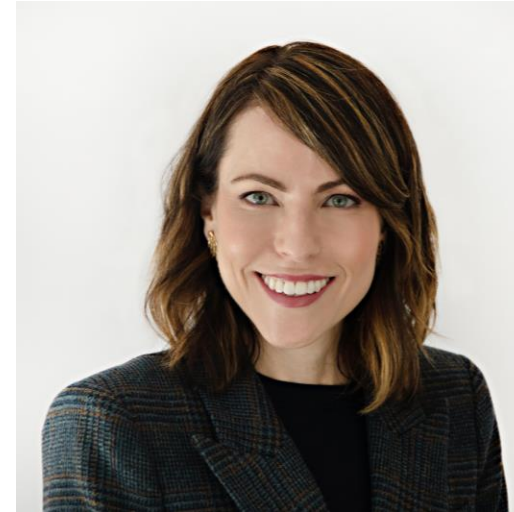
MIKE PHILLIPS
Technical Director
Dimensional Insight



CBD BEVERAGES & IMPACTS ON DISTRIBUTION



TANISHA ROBINSON
Founder
W*nder



SARA HARMELIN
Vice President,
Digital Innovation
Allied Beverage Group

NATURALLY-FLAVORED SPARKLING WATER

Formulated with vitamins & CBD to help you W*nder all day.



THE STRUGGLE IS REAL!

BEST PRACTICES FOR HIRING & RETAINING TALENT



HILLARY WIRTZ
Director, DE&I
Breakthru Beverage Group

THE STRUGGLE IS REAL!

BEST PRACTICES FOR HIRING & RETAINING TALENT

1. What strengths and challenges does the Wholesale Beverage Alcohol industry face in terms of recruiting new talent into our organizations?
2. What functional areas in our industry have the most available and the tightest labor markets?
3. What steps is our industry taking to train and hire cross functional leaders?
4. What steps do you see our industry taking to help create a more diverse and representative work force? Where are we exceling in this area and where can we improve?
5. Of all the skill sets needed for leaders to be successful in the TBA distribution business, what do you see as most crucial to our future success and how are we developing these skills?

HOT TOPICS IN TRANSPORTATION



JACK BERKERIDGE
President
Efficiency Enterprises





CLD CONFERENCE

NETWORKING BREAK

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NielsenIQ

LOOKING BACK, LOOKING FORWARD

HEADWINDS & TAILWINDS IN THE BEVERAGE ALCOHOL CATEGORY



JON BERG
*Vice President of
Beverage Alcohol*
NielsenIQ



DANNY BRAGER
Analyst
SipSource



DALE STRATTON
Analyst
SipSource



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NETWORKING LUNCH

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EVOLUTION OF THE PROVI MARKETPLACE



MAX LOWENBAUM
Senior Vice President, Sales
Provi



ST. LOUIS FEDERAL RESERVE

SENIOR ECONOMIST FORECAST



BILL DUPOR
Vice President
St. Louis Federal
Reserve



BEVERAGE M&A LANDSCAPE

DEALS & INVESTMENT TRENDS



KRISTEN BAREUTHER
Managing Director
FirstBev



HAMILTON CALLISON
Senior Director
Breakthru Beverage
Illinois Belleville

CONVERSATION WITH WSWA CHAIRMAN



TOM COLE
Chairman of the Board
WSWA



ALAN ROSENBERG
General Counsel &
Executive Vice President
RNDC



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TRANSPORTATION

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MEET AT MONARCH ENTRANCE FOR BUSES



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OFFSITE RECEPTION & DINNER

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THURSDAY WELCOME!





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Fueling the Pace of Progress

FUELING THE PACE OF PROGRESS



Conley Fitzpatrick
Head of Marketing
Pronghorn

PRONGHORN

Fueling the Pace of Progress

DEI SUPPLIERS & MINORITY OWNED BRANDS

RESILIENCE IN THE WINE & SPIRITS INDUSTRY



CLYDE DAVIS
*Vice President of
Sales*
Equiano Rum



CHRIS MONTANA
Owner
Du Nord Social
Spirits



YIRA VALLEJO
*Associate Producer &
Founder*
Maiz Nation



MELANIE GBOWU
Founder
The Victoria Gabriel
Agency

THE STRATEGY FOR DE&I

DON'T LEAVE 25+% OF YOUR BUSINESS EXPOSED



MARC STRACHAN

Head Coach

Coach Marc Consulting

THANK YOU!

WE CAN'T WAIT TO SEE YOU IN
MILWAUKEE IN 2023!

