Alcohol Producers, Promotion, & Policy

Corporations Undermining Public Health & Safety

Sarah Mart, MS, MPH
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

<table>
<thead>
<tr>
<th>Beer Brands</th>
<th>Spirit Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bud Light</td>
<td>Smirnoff</td>
</tr>
<tr>
<td>Coors Light</td>
<td>Bacardi</td>
</tr>
<tr>
<td>Budweiser</td>
<td>Captain Morgan</td>
</tr>
<tr>
<td>Miller Lite</td>
<td>Jack Daniels</td>
</tr>
<tr>
<td>Natural Light</td>
<td>Absolut</td>
</tr>
<tr>
<td>Busch Light</td>
<td>Crown Royal</td>
</tr>
<tr>
<td>Busch</td>
<td>Svedka</td>
</tr>
<tr>
<td>Miller High Life</td>
<td>Grey Goose</td>
</tr>
<tr>
<td>Keystone Light</td>
<td>Jose Cuervo</td>
</tr>
<tr>
<td>Michelob Ultra</td>
<td>Jim Beam</td>
</tr>
</tbody>
</table>

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
The Rest of the Biggest

E&J Gallo Winery

Constellation Brands

BROWN-FORMAN

Château Ste Michelle

Altria
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

- **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
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.

Youth Overexposed to Alcohol Promotion

Download your Free Track of the Week

Thank you for following these simple steps to download and play your music:
1. Click the download button. This will launch a pop-up window.
2. Save the song file to a location on your computer that you will easily remember.
3. Revisit the step on your computer and double-click to play, burn or transfer your files using the program of your choice.

Tracks:
- Portugal The Man: When the War Ends
- The JaneDear Girls: Shotgun Girl
- James Nelb: Tiptoe (The Slow Version)
- Zac Brown Band: Codin Weather
- Nickelback: This Afternoon
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!

View comments, related videos, and more
Youth Overexposed to Alcohol Promotion
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.

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

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

<table>
<thead>
<tr>
<th>Company</th>
<th>2012 Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empire Merchants</td>
<td>$199,700</td>
</tr>
<tr>
<td>Manhattan Beer Distributors</td>
<td>$138,473</td>
</tr>
<tr>
<td>Empire Merchants North</td>
<td>$130,650</td>
</tr>
<tr>
<td>Metropolitan Package Store Assoc.</td>
<td>$119,900</td>
</tr>
<tr>
<td>NY State Beer Wholesalers</td>
<td>$93,475</td>
</tr>
<tr>
<td>The Wine PAC</td>
<td>$64,000</td>
</tr>
<tr>
<td>Diageo</td>
<td>$62,500</td>
</tr>
<tr>
<td>Constellation Brands</td>
<td>$40,100</td>
</tr>
<tr>
<td>NY State Bottlers Association</td>
<td>$30,000</td>
</tr>
<tr>
<td>Southern Wine &amp; Spirits</td>
<td>$29,100</td>
</tr>
<tr>
<td>Anheuser-Busch InBev</td>
<td>$25,750</td>
</tr>
<tr>
<td>DISCUS</td>
<td>$16,000</td>
</tr>
</tbody>
</table>

**Total alcohol contribs:**

$1,463,974

Center for Responsive Politics, www.opensecrets.org
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

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

“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
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

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

Sarah M. Mart, MS, MPH
Director of Research
sarahm@alcoholjustice.org
415.257.2485

www.alcoholjustice.org