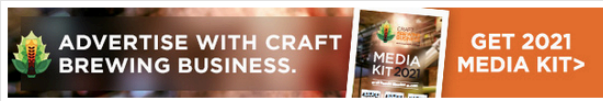




CRAFT
BREWING
BUSINESS

Professional Insight, Unfiltered



NEWS

BUSINESS & MARKETING

INGREDIENTS & SUPPLIES

PACKAGING & DISTRIBUTION

EQUIPMENT

WEBINARS & WHITE PAPERS

COVID-19

Alcohol Justice watch group wants Anheuser-Busch investigated for monopolizing California's beer distribution system

December 16, 2020 Keith Gribbins



What is [Alcohol Justice](#)? It is an organization that lobbies and fosters awareness against what it considers the harmful practices of the alcohol and drug industries and its customers and users. Alcohol Justice is against things like alcohol advertising and for things like higher taxes on alcohol. The group has a [mission](#) to monitor the influence beverage alcohol manufacturers, distributors and sellers have on the political level while bringing public awareness to the cost of drugs and alcohol in the forms of traffic DUIs, illness, crime, healthcare costs and the criminal justice system.

Let's be clear here: Alcohol Justice does not like craft beer, but they also do not like Anheuser-Busch. Take this [press release](#) for instance:

“Anheuser-Busch InBev is not content with its global, national and state dominance of beer manufacturing and is now seeking anticompetitive market power in California by buying up distributors like Ace Beverage LLC of Los Angeles,” stated Bruce Lee Livingston, Executive Director/CEO of Alcohol Justice. “Alcohol Justice has asked for a full-scale investigation by California AG Xavier Becerra of anticompetitive and unfair trade practices by ABI, led by their out-going CEO Carlos Brito.”

In October, Anheuser-Busch announced an agreement to acquire key assets of 65-year-old Ace Beverage in Los Angeles, Calif., for an undisclosed amount. Already an A-B distributor, Ace supports territories from East LA to West LA from Hollywood and Inglewood to Monterey Park and Huntington Park. A few weeks before, Anheuser-Busch sold its Colorado distribution operations to Georgia A-B wholesaler Eagle Rock. I note this latter transaction because it [resulted](#) in 400 people being permanently laid off in Colorado.

Alcohol Justice sent a letter to California Attorney General Xavier Becerra requesting a full-scale investigation into the Ace transaction. Alcohol Justice cited California's Cartwright Act, federal antitrust statutes and a bunch of other stuff. Here's some flavor:

“The monopoly power potential of ABI in California is already great. With significant control in the distribution network as well, ABI can:

Potentially get inside information on retail activity at nearly every store, on-sale ABC licensee, or small producer.

Lower and raise beer prices at will.

Offer generous promotions and swag to retail tier purchasers to force out competitive brands.

Make it difficult for craft brew producers to get onto their trucks, while under lock-down conditions the craft brew industry is already suffering great economic stress.

Diminish distribution market share for any remaining independent distributors, forcing them out of business or forcing them to sell their assets and routes to ABI at deep discounts.”

It should be noted here again that Alcohol Justice is not out to help craft brewers. Craft brewers just happen to be a part of this argument, but this attempt by the group (no doubt a failing attempt) is another reminder of Anheuser-Busch's constant reshuffling and restructuring of its distribution network to push its own products. Today distribution is more important than ever.