



MARKET WATCH

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AGED ELIXIRS: RUM SUPPLIERS LOOK TO AGED OFFERINGS TO SPUR GROWTH

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Last year marked another lackluster showing for the rum category, as spirits like Bourbon, Cognac, and Tequila continued to charge. As a whole, rum fell 3.4% last year to 22.4 million cases, according to Impact Databank. Only two of the top 15 rum brands posted growth last year, with total rum depletions continuing a long-term trend of hovering under 23 million cases.

However, one segment of the category has been defying rum's trajectory: aged rums. Falling in the super-premium sector—defined as at least \$25 a 750-ml.—these aged bottlings are catching on, even as they grow off of a small base. Consistent with the premiumization trend felt across the spirits landscape in the United States, aged rums have emerged as the latest beneficiaries of consumers' desire to trade up. Part and parcel to this growth has been the proliferation of limited-edition offerings, special cask finishes, and age statements, an innovation formula that has worked well for whiskies, to build on its ever-expanding popularity.

3 BADGE BEVERAGE CORPORATION

Expanded Selections

While brands like Bacardi and Don Q are able to compete in multiple tiers of the rum category, with flavors and RTDs at the one end and aged selections at the other, there is a growing number of labels that are either entirely or mostly aged that are also doing their part to upgrade the profile and reputation of rum. The increased popularity of these super-premium brands has showcased the growing availability of a wider selection of aged rums that have become critical to the segment's growth, as well as the development of the liquid's prestige.

August Sebastiani, founder and president of 3 Badge, owner of the aged Dominican rum Kirk and Sweeney, sees consumers trading up and the ongoing tiki resurgence as boosting the popularity of aged rums. "We're also seeing younger and more diverse drinkers starting to explore the aged rum category due to its variety of aging techniques and flavor profiles," he says, pointing to the success of last year's launch of Kirk and Sweeney Burning Mast (\$49 a 750-ml.), its spiced offering. The initial response to Burning Mast was so strong the company decided to launch the extension nationally—as well as internationally this year in various size formats. Further catering to the demand for unique bottlings, 3 Badge also launched a single barrel program this year that focuses on barrel finishing of its Gran Reserva Superior in either Sauterne, Sherry, or Bourbon barrels. While each of its rum batches are unique due to the aging process, the program adds an additional variation in which its trade partners can taste and select a unique and personal flavor profile that will work well for their customers. According to Sebastiani, the label's bestseller nationally and internationally is Kirk and Sweeney Reserva rum (\$37 a 750-ml.), which accounts for about 65% of the portfolio sales.

KIRK AND SWEENEY RUM