

# Bud distributors in Q-C: Deal good for imported beer fans

By Doug Schorpp | Monday, July 14, 2008

Local distributors of Budweiser and Bud Light expect to see little, if any, changes in the Quad-City market in light of the news of InBev's \$52 billion takeover of St. Louis-based Anheuser-Busch.

"From a consumer point of view, you won't see a thing," said Matt Stern, president of Stern Beverage Inc., Milan, Ill., which distributes Anheuser-Busch products in a six-county region, including the Illinois Quad-Cities. "You won't see any change at all.

"Overall, it makes the company stronger. It will make (Anheuser-Busch) a real global company with real power."

The deal leaves the new company as the world's largest brewer. InBev said it plans to use St. Louis as its North American headquarters, and that it will keep open all 12 of Anheuser-Busch's North American breweries.

"We are all pretty excited about it," Stern said. "... This is pretty positive. It will open things up for us to more imports."

He said a year ago, InBev entered into an agreement with Anheuser-Busch that allowed U.S. distributors, including Stern, to distribute more import beers from InBev. He said that included Stella Artois, Beck's and Bass. All of those InBev beers have sold very well in the Quad-Cities, he said.

"We picked up those brands because of the agreement," Stern said. "So, the two companies had a good relationship for some time."

Although Budweiser and Bud Light are the No. 1 beers in the world, he said both now will get even more exposure to parts of the world where they have not previously done well, including South America. Both Anheuser-Busch and InBev beers also will be better distributed through each company's existing networks, he added.

Bill Wallace, president of Vanguard Distributing Co., Davenport, said his company is an Iowa Quad-City area distributor for several breweries. His biggest customer is Anheuser-Busch. He doesn't believe the average consumer or even his direct customers — bars, restaurants, grocery and liquor stores — will see anything noticeable with the InBev takeover.

"Absolutely not, in near terms," he said. "It will be pretty seamless. We won't see anything."

That includes any possible price increase, he added.

He said InBev "wants to take Anheuser-Busch throughout the world. That is where the new partnership will go. ... They want to make (Budweiser) an international product."

Wallace said he also doubts InBev will change anything else in terms of marketing.

"I don't see that happening," he said. "They are not going to do anything to kill the thing that has made (Anheuser-Busch) successful."

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