Put away the paper umbrellas – the rum category is welcoming a whole new line of products, primarily in the premium arena. Cocktails like the Mojito have brought the spotlight back on rum, but it’s far from a passing trend. Brands like Montecristo, Pyrat XO, and Appleton Estate are commanding $55 and up and a bottle and consumers are ready to try them.

Value and premium brands make up 90 percent of the rum category, while the super-premiums comprise only 1.5 percent of the entire category according to Shawn Kelley of DISCUS, yet the product launches have been heating up. (DISCUS establishes the value brands as those that retail for $13 and under; premiums and super-premiums retail for $14 and up.) Premium brands were up 2.9 percent in 2004 to 13.2 million (9L) cases. The rum category as a whole had revenue up 7.3 percent to $1.5 billion in 2004.

Chuck Shive, national brand manager for Appleton Estate Rum, sees the category moving in a premium direction. “The category is just waiting for the premium side to explode. We’re just scratching the surface of premium rums,” he says. In contrast to the vodka category, Shive sees rum having the advantage in that rum “isn’t being overrun with new products. Because it’s so difficult to make, it’s not like vodka that can just put out new products.”

David Kanbar, creator of Bambu, a super-premium white rum introduced in March 2005 that retails for about $55, agrees: “The category is ripe for super-premium products. There are a lot of people looking for a super-premium alternative to the rums out there. Retailers see the opportunity and are embracing this segment.”

Super-premiums are setting themselves apart by promoting the process and aging element of their products. In-store tastings often have consumers trying aged rums next to a fine Cognac. But brand managers don’t want their high-end rums to be considered too rarified to mix – rather, they encourage it. “Rum is inherently a mixer because of its mixability,” says Shive.

Consumer palates have shifted towards the premium end in many of the liquor categories. “Four years ago when we started carrying Seawynde, retailers didn’t think people would pay for premium rum. But it’s been similar to the tequila experience. Who would have thought people would pay $60 for a bottle of tequila? But they did. And the premium rum growth is a natural extension of that,” says Kelley Spillane, executive vice president of sales for Castle Brands, who handles The Seawynde and Gosling’s brands. And price isn’t seen as an obstacle. “When the consumer is educated and they understand the brand, any price resistance falls away,” says Kanbar.

Malcolm Gosling, CEO of Gosling’s Bermuda Rum, has another theory: “Aged rum as a sipping spirit has come to the forefront, which has caused consumers to change their attitude,” he says. “And I’ve witnessed food and wine critics taking aged rum more seriously. I see the current growth as a stepping stone. It’s nothing but positive. It gets consumers thinking about rum,” he says. “It really is rum’s day.”

The super-premium rums thrive in high-end bars and boutique retail shops. “Our focus is on-premise but we’re getting a lot of sales support off-premise,” says Kanbar.

ADDIMG A TWIST TO RUM

Premiums and super-premiums enhance the category.

By Laura Holmes
Kelley Spillane, executive vice president of sales for Castle Brands

“A FEW YEARS AGO YOU’D HAVE TO GO TO A SPECIALTY LIQUOR RETAILER FOR AGED RUMS. WHEN YOU START TO SEE THE CHAINS ASKING ABOUT AGED RUMS YOU KNOW THINGS ARE CHANGING.” — Kelley Spillane

RUM RECIPES

Appleton V/X Island Enticement
1 oz. Appleton Estate V/X Jamaica Rum
1 oz. Midori
3 oz. Pineapple Juice
Splash of grenadine
Combine rum, Midori, and juice with ice. Stir well. Pour into glass, then float grenadine on top. Garnish with pineapple wedge and cherry.

Cruzan Sidecar
2 oz. Cruzan Single Barrel Estate Rum
Dash of Grand Marnier or Cointreau
Fresh lemon juice
Combine rum, Grand Mariner or Cointreau, and fresh lemon juice. Stir with ice and strain into a sugar-rimmed martini glass.

Vanille Sunrise
1 oz. Whaler’s Vanille Rum
4 oz. Orange Juice
1 oz. Grenadine
Fill collins glass with ice. Add ingredients into cocktail shaker and mix. Pour over ice.

Mango Mojito
2 1/4 oz. Players Extreme Mango Infused Rum
2 splashes of Club Soda
4 sprigs fresh mint
Fresh lime wedge
Muddle mint with a squeeze of lime. Serve in highball on the rocks and garnish with a lime wedge and mint sprigs.

Malibu Breeze
1 oz. Malibu Coconut
1 oz. cranberry juice
1 oz. orange juice
Ice
Pour ingredients over lots of ice and garnish with a lime wedge.

Honey Martini
2 1/2 oz. Zacapa Rum
1 oz. diluted honey Juice of 1/2 lemon
Splash of soda water
Shake juice and ingredients together with ice and strain into a martini glass. Add a splash of soda and garnish with lime wheel.

Dark ’n Stormy
2 oz. Gosling’s Black Seal rum
8 oz. ginger beer
Pour rum over ice, add ginger ale and stir.

10 Cane Daiquiri
2 oz. 10 Cane Rum
1 oz. fresh-squeezed lime juice
1 oz. simple syrup
Combine rum, lime juice and simple syrup with cubed ice in a mixing glass. Shake vigorously. Strain into thoroughly chilled cocktail glass. Garnish with freshly sliced lime wheel.

Parrot Bay Mango Madras
1 1/2 oz. Captain Morgan’s Parrot Bay Mango Flavored Rum
2 oz. cranberry juice
2 oz. orange juice
Shake over ice. Pour into glass.

Bacardi Mojito
1 1/2 oz. Bacardi 12 fresh spearmint leaves 1/2 lime
2 tsp. simple syrup (or 4 tsp. sugar)
Club soda
Muddle fresh mint leaves, lime and cover with sugar. Top with ice. Add rum and a spiral piece of club soda. Garnish with lime and sprig of mint.

Barceló Punch
2 oz. Ron Barceló Rum
1 oz. pineapple juice
1 oz. orange juice
Splash of grenadine syrup
Combine ingredients and pour over ice. Top with splash of grenadine.

Barrel Aged Mojito
2 oz. Diplomatico Rum 1/2 lime
2 tablespoons of sugar
3 mint leaves
Splash club soda
Mix mint leaves with fresh lime juice and sugar. Top with ice. Add rum and a finish with a splash of soda.

“A huge shift in off-premise sales: “The movement is very positive. High-end grocery stores on the West Coast are asking what high-end rums we have in our portfolio. A few years ago you’d have to go to a specialty liquor retailer that carried aged rums. When you start to see the chains asking about aged rums you know things are changing,” he says.

For years, connoisseurs have been enjoying the premium aged rums, and finally, it looks as if the word is spreading. Longtime category leaders include Brugal Rum which makes a lovely anejo (medium-bodied, with a buttery, smoky, rich and bold texture and mouthfeel) and Flor de Caña which makes a 4-year old, 7-year old, 12-year old and an ultra premium 21-Year Old Centenario offering which receives rave critical reviews and is incredibly limited. Bacardi has long offered premium aged rums; at the top of their line is the Bacardi Select, a dark amber rum with notes of honey, coffee and caramel notes, and the Bacardi 1873 Solera, which is one of the world’s finest sipping rums and also available only in limited quality.

White rum has always been the dominant rum in the category, but premium white rum is making a move; currently there are five super-premium white rums available in the American market. Shive, who just introduced Appleton White to the U.S. market, sees movement in the premium white rum market. “It’s a totally untapped category,” he notes. But others think the growth will remain on the dark side. “The growth in premium rums will come from dark rum rather than white,” says Spillane.

And the rum market is expanding beyond the traditional “tropical” markets. “Traditionally to market rum you went to the water. But now growth rates for rum in mainstream America are impressive – places like Texas and Chicago are seeing 40 to 50 percent growth. When you see that kind of growth you know something is happening,” says Spillane.

David Soto, spirits specialist at Sam’s Wines & Spirits in Chicago, sees consumers’ buying habits tending to the extreme. “I see a kind of polarizing in the rum category; people want high-end rum or people want mixers. The middle group is gone,” he says. “High-end rums are selling to those who already like rum and want to move up a notch in terms of product.”

Soto also sees the Mojito craze driving rum sales. “Mojitos are huge here, and people want white rum to make mojitos.” In terms of sales, Soto sees Ron Zacapa and 10 Cane moving steadily in his store. At State Street Spirits in Dallas, premium rums dominate the rum sales. “If people are buying rums, they’re buying the high-end products,” says Ron Fincher, owner, who carries about 15 brand rum.

“Customers are drinking them straight up,” he notes. Fincher’s biggest sellers are Malasana, Rum, Gosling’s Old Rum, and Cruzan.

But Vic Masullo, owner of Soho Wines & Spirits in New York City, doesn’t see the new brands flying off his shelves. “I haven’t seen much change in the rum category. Mount Gay, Appleton, and Barbancourt have been around for a long time and sell quite well,” he says. It’s the bottles, not the brands, that Masullo has a problem with. “With premium rums the problem is shelf space. Every bottle is taller than the next bottle. They may look nice on the bar but it doesn’t fit on my custom-made shelves,” says Masullo.

Willy Shine, bar manager of Bed, New York City, who carries approximately 20 rums out of an inventory of 500 spirits, is a big fan of rum. “Rum is really making a resurgence,” he says. “It [premium rum] was only available in a specialty bar or high-end places, but now it’s showing up all over. I just went to Marquis [in New York City], and they had Pyramid XO behind the bar. I couldn’t believe it.” Shine’s customers are trying these rums in cocktails, but Shine finds that “the connoisseurs who love spirits are drinking it straight up.”

Shine believes consumers are ready to embrace the premium rums. “There’s room for it right now. The next step in the category is the nicer product.”

Maldive Passion Tea
1 part Maldive Passion Fruit
1 part ice tea
1 part lemon-lime soda
Serve over ice in a tall glass, garnish with a lime.