

birth of a Brand

by david gadd



Anderson and his wife, Kristen, toast the success of Drake's at Spago Beverly Hills. A portion of the proceeds from Drake's sales goes to Kristen's nonprofit Long Lake Animal Rescue.

MARK ANDERSON, FOUNDER AND CEO OF DRAKE'S ORGANIC SPIRITS, SHOWS THE SPIRITS INDUSTRY HOW IT'S DONE

Creating a national spirits brand is a herculean task that makes climbing Everest look like a stroll over a speed bump. It can take years of planning and execution to put all the pieces into place, from raw materials to finished product, from personnel to packaging, from logistics to marketing. The vast chasm between concept and rollout is not an easy leap for the faint of heart or infirm of purpose.

Enter Mark Anderson. If you look up the term “serial entrepreneur” in the dictionary, you’ll likely find a picture of the former rodeo wrangler turned commodities trader, whose background put him in a unique position to launch Drake’s Organic Spirits—and to do it in record time.

“I’m good at disrupting markets,” says the soft-spoken Anderson. From his base in Minneapolis, Minnesota, he oversees a production chain for Drake’s Organic Spirits that stretches from Colombia to Austin, Texas, and beyond. Using contacts he had made over the course of his career, he built the fledgling Drake’s brand, which launched in 2017, to a multimillion dollar business in just 12 months, leaving beverage-alcohol veterans scratching their heads in disbelief. And no one tells the story better than Anderson himself.

Trading Places

“I grew up on a farm in North Dakota, where we raised grain and livestock,” Anderson says in a flat Midwestern accent that underscores his deadpan humor. “In 1996, I decided I wanted to move south for warmer winters . . . so I made it to Minneapolis.” Anderson had seen the movie *Trading Places*, in which Dan Aykroyd plays a commodities trader. “I knew farming on a tractor wasn’t



The only spirits line to hold five official certifications, Drake's award-winning Organic Spiced Rum, Organic White Rum, and Organic XII Vodka are creating a revolution in the health-and-wellness space for alcoholic beverages.

as appealing as farming on paper, so I started trading on the Minneapolis Grain Exchange,” he recalls.

A quick study, Anderson learned the ins and outs of futures, derivatives, and the correlations between different types of commodities. After moving into buying and selling physical commodities, he “figured out how to arbitrage physicals against futures.” Don’t ask us what that means, but by doing so, Anderson wound up controlling a significant portion of the U.S. dairy market. Not bad for an erstwhile high-school rodeo cowboy.

He attempted to retire in 2004, but it wasn’t long before the ever-curious entrepreneur was struck by a conundrum. He realized that the non-GMO

issue was going to be huge in the food industry—“It’s not a fad; it’s a lifestyle,” he explains—but he also saw that the supply chain in the U.S. had no link to non-GMO raw materials. “Ninety-six percent of all corn, 93% of all soybeans, and 100% of all sugar beets in the U.S. are genetically modified,” says Anderson, whose ready command of statistics is one element of his success.

Cornering Markets

Knowing that the most common ingredients in commercial foods and beverages are sugar and citric acid (a preservative often made from genetically modified corn), Anderson started a company, Captain Drake—named for English adventurer Sir Francis



Drake's Organic Spirits founder and CEO Mark Anderson at Spago Beverly Hills with the restaurant's signature Peace on Earth cocktail, made with Drake's Organic White Rum.

Drake—to supply non-GMO versions of these essentials. He began in Thailand, where he bought half of the country's store of non-GMO citric acid, importing 200 containers a month to distribute to producers such as Coca-Cola, Pepsi, General Mills, Kraft, and Unilever. Later, he shortened the supply chain by moving operations to Colombia, which could provide not only non-GMO citric acid but also sugar.

As he had in Thailand, Anderson was already purchasing half of Colombia's citric acid when he scored a meeting with the head of the Colombian sugar cartel. "He asked me if I played polo," recalls Anderson. "I told him I could ride a horse." The day after the polo game, he walked away with a majority of the Colombian Organic cane-sugar quota for the U.S.

That was in 2012, just as an initiative called the Non-GMO Project was becoming the fastest-growing certification in the food and beverage industry. Captain Drake became the first company in the world to receive an official

non-GMO designation for its citric acid and cane sugar. "That meant that any company that wanted that certificate on their label, and that had sugar or citric acid in their product, had to come to Captain Drake," says Anderson.

From Captain Drake to Drake's Organic Spirits

Anderson moved into the alcohol industry in 2015, when he began to distill USDA Organic-certified bulk alcohol from imported organic cane sugar at a microdistillery in Minneapolis for use in flavored extracts. In the process, Captain Drake reached another milestone, becoming the first company worldwide to obtain Non-GMO Project verification for alcohol.

"In 2016," recalls Anderson, "I realized that there was not another spirits brand that had these certifications." Another multimillion-dollar lightbulb clicked on. He briefly considered buying the 10,000-case distillery, but his vision was for a national spirits brand that would start at 50,000 cases or more.

Drake's Enters the On-Premise Space



Head Mixologist Andrew Kim presents Pepino's Revenge, a signature cocktail at Spago Beverly Hills, made here with Drake's Organic Vodka.

The beverage program at Spago Beverly Hills—the flagship of Wolfgang Puck's restaurant empire—is overseen by Master Sommelier Phillip Dunn, who recently added Drake's to the well. Now it's making a splash in celebrity-worthy cocktails prepared by Head Mixologist Andrew Kim. "We get a lot of calls for gluten-free drinks," notes Kim as he mixes up Pepino's Revenge, one of the restaurant's signature drinks, made here with gluten-free Drake's Organic Vodka and featuring the bright springtime colors and flavors of Japanese cucumber and fresh basil.

Perfect for poolside, Drake's Organic Spiked Ice, a line of freezable 80-calorie cocktail pops, has been one of Anderson's biggest successes.



As Anderson puts it, "I needed scale."

He was already the largest importer of organic cane sugar from the second-largest cane mill in South America, so in a brilliant move, Anderson tapped into the mill's major byproduct: organic alcohol. "That's how we were able to become the world's largest organic-alcohol manufacturer without having to build a \$150-million-dollar distillation facility," he says.

By October 2017, Anderson had received USDA Organic certification for the alcohol, and his new brand was ready to launch with two products in its portfolio: organic vodka and organic rum. On the advice of his legal team, he changed the brand name from Captain Drake, which was almost certain to be challenged by the owners of another rum brand named for a ship's captain ("When, not if," quips Anderson), to Drake's Organic Spirits.

Opening Doors

Given his strong connection to South America, creating a rum—two rums, in fact—was a priority for Anderson. Drake's Organic White and Drake's Organic Spiced Rum, both made from organic sugarcane, debuted simultaneously. The spiced version won a gold medal at the WSWA 2019 Convention.

Drake's Organic XII Vodka took a double gold medal at the same event. Twelve-times-distilled, it shows a lingering aroma of its sugarcane base on the finish. Used in conjunction with the rums and vodka, a line of Drake's Organic Mixers, introduced in 2019, gives bartenders the opportunity to create 100% organic cocktails that are also non-GMO, gluten-free, vegan, and certified kosher.

Anderson is particularly proud of his freeze-and-squeeze brainchild: Drake's Organic Spiked Ice, a line of 80-calorie frozen cocktail

pops that he calls a "Trojan horse" product, opening yet more doors for the brand. When the initial version of the product got a social media shout-out from Beyoncé during the 2018 Coachella festival, Costco came calling and asked Anderson to reformulate the product so it could be sold at room temperature. Anderson complied in record time, and Costco approved the new version stat. "I asked how

many they needed," says Anderson, "and they replied, '100 million.' I said, 'OK, no problem.'" Being able to go from concept to shelf in six months has made Anderson something of a marvel in the industry.

In order to help grow the brand, Anderson brought in Jim Allen, a highly respected former Southern Wine & Spirits of America senior executive. With four decades of experience and important contacts that make him the ideal point-person for establishing Drake's in restaurants and bars, Allen serves as Chairman of the Board. "We're very keen on on-premise," says Allen. "What Mark has done is to sharpen his pencil so that we can have an \$8.50 liter that's comparable to other major brands for well." Allen facilitated a key placement for Drake's at Spago Beverly Hills (see sidebar), which adds to the brand's luster. "This is how brands are built," says Allen. "You build brands on-premise."

For the time being, Anderson is focused on making Drake's the go-to name for vodka and rum. But given the entrepreneur's record for creative thinking, we're willing to bet he's not stopping here. ■



Mark Anderson's quick-to-market approach is reflected in the Drake's Organic Bloody Mary pack, which he put together in record time. The combination pack is making huge inroads in the off-premise space.

Marks of Health and Wellness

Mark Anderson notes that Drake's Organic Spirits are leaders in the health and wellness space for alcoholic beverages. Drake's is the first and only spirits brand to boast five health-and-wellness certifications for its products, all proudly displayed on the front labels.

Non-GMO Project Verified

The fastest-growing certification in the food and beverage industry is verified by the Non-GMO Project based in Bellingham, Washington.

USDA Organic

The most labor-intensive of the five certifications. Products must contain 70% or more organic ingredients in order to bear the USDA Organic seal and/or the word "organic" on the label.

Gluten-Free

The Gluten-Free Certification Organization (GFCO) is one of several groups that confirm gluten-free certification above and beyond FDA requirements.

Certified Kosher

To be certified kosher, spirits companies must undergo inspections by a rabbi twice a year. Drake's products are certified by the Orthodox Union.

Vegan Certification

The nonprofit Vegan Action certifies products that do not contain animal products or byproducts and that have not been tested on animals. Drake's uses coconut-fiber filtration to avoid the animal bone present in some charcoals used for filtration.

In addition to taking a health-forward approach to production, Drake's Organic Spirits also supports a worthy cause. A portion of sales from all Drake's products goes to Long Lake Animal Rescue, a nonprofit run by founder/CEO Mark Anderson's wife, Kristen.