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PepsiCo Eyes Alcoholic Beverage Production

By The Moscow Times

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PepsiCo plans to start producing alcoholic cider, mead and a traditional sweet drink called *sbiten,* the company has told the Federal Service for Intellectual Property, Kommersant reported Friday.

The company tried to register its Russian Gift trademark under the classification of alcohol, but registration was refused in June 2011.

PepsiCo appealed this decision to the Chamber of Patent Disputes, which on May 17 allowed the company to register the trademark for mead, sbiten and cider. Currently, the company produces kvas at the facilities in Novgorod under that brand name.

This would be the first time in its history that PepsiCo produced alcoholic beverages. The alcohol content of mead, for example, ranges from 10 percent to 16 percent. PepsiCo has no other known projects to produce alcohol.

Andrei Mansky, co-owner of the Deka plant, where PepsiCo produces kvas, told Kommersant, "We have not received any signals from the company about their intentions to produce any products other than kvas at our factory."

The topic of producing sbiten was raised at a meeting with PepsiCo about 18 months ago, a former manager of the company said. "There was nothing specific at that time," he said.

PepsiCo is one of the largest food companies in the world and is the second-largest producer of beverages. In Russia, it owns PepsiCo Holdings (drinks), Frito Lay Manufacturing (snacks), Lebedyansky (juice) and Wimm-Bill-Dann (milk, juice, baby food). Its annual turnover in Russia is about $5 billion out of a 2011 global revenue of $66.5 billion.

PepsiCo's main rival, Coca-Cola, is a distributor of alcohol in Russia. It signed a contract in 2010 with U.S. company Brown-Forman to distribute Jack Daniel's whiskey, Finlandia vodka and other brands.

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