

MEMORANDUM

DATE: February 6, 2023

TO: Members of the Administration and Regulation Budget Subcommittee

FROM: Stephen Larson, Administrator, Alcoholic Beverages Division

RE: Alcoholic Beverages Division's Update

The Iowa Alcoholic Beverages Division (ABD) regulates Iowa's alcoholic beverage laws and the wholesale distribution of alcoholic liquor to off premises retail licensees. As the governing authority, ABD strives to provide fair, efficient, and reasonable governance of Iowa's alcoholic beverage marketplace. Ultimately, our regulatory efforts are intended to balance the need to protect public health and safety with the business needs of the beverage alcohol industry.

FY2024 BUDGET REQUEST

Status quo appropriation of \$1,075,454.

FY2022 WHOLESALE DISTRIBUTION RESULTS

A record \$431.4 million in liquor sales and a transfer of \$150.1 million to the General Fund. The number of Class "E" licensed retail outlets increased 4.7% to 1,927.

With this growth in licensees, the number of deliveries increased 8.4% over FY21 and the ABD distribution partner Ruan Transport Corporation delivered just over 2% more cases or 2,646,913 for the fiscal year.

FY2023 EARLY RESULTS:

\$231 million in gross liquor sales for the first six months of the fiscal year, a 2.7% increase over last year; 34,141 deliveries made, a 1.8% increase; 1,373,085 cases delivered, a 0.8% decrease; 1,982 active class "E" licensees, an increase of 27.

Total gallons is down 2.5% with 3,273,502 gallons sold year to date.

KEY CALENDAR YEAR 2023 STRATEGIC INITIATIVES

- Identify ways to increase service to Iowa businesses by demonstrating ongoing improvement in the distribution of spirits and brand inventory management.
- Expand participation in GovConnect Iowa, the State of Iowa's user-friendly self-service portal to register or renew certain business licenses and permits, file tax returns and reports, make payments, and more.
- Partner with other executive branch agencies and outside stakeholders to share resources to ease the burden of acquiring a license and the payment of beer and wine excise taxes.
- Utilize information technology in licensing platforms, data analytics, operational metrics, and data management to enhance licensure, wholesaling, governance, and education.
- Provide to the public information on brand availability and inventory locations.
- Detect and address tax obligations that are under-reported.
- Modernize rules and regulations to align with the Governor's goals of *aligning government to better serve Iowans, building a future ready Iowa, change lives through 2nd chances, support rural Iowa, and governing licensees so they have the ability to be competitive within a fair and level playing field.*

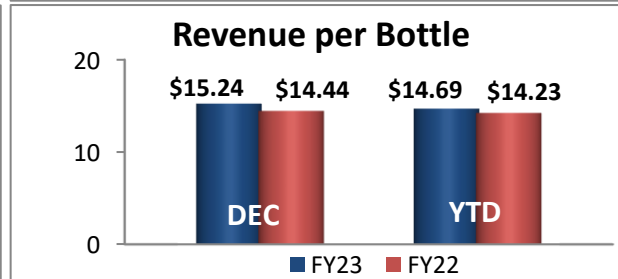
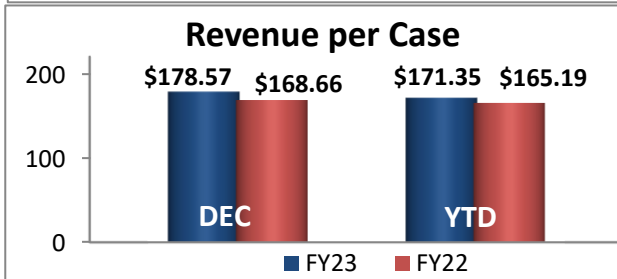
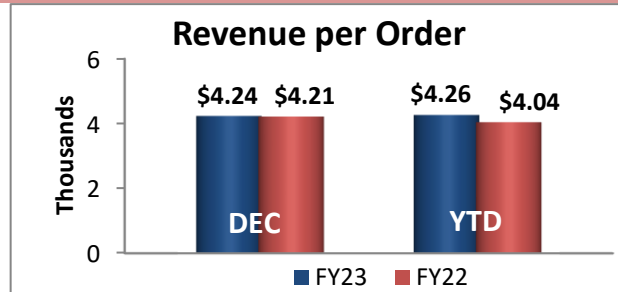
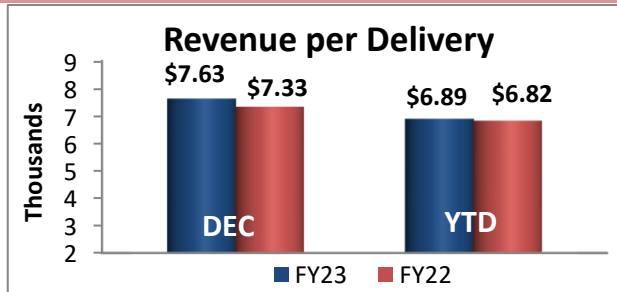
As conversations take place this legislative session on initiatives under our purview, ABD is available to provide information to help in decision making. We also stand ready to implement initiatives that become law. And our ongoing regulatory efforts will continue to protect public health and safety, help maintain a fair and level playing field, and create a competitive business environment which supports economic recovery and licensee recovery.

Iowa Alcoholic Beverages Division

December Sales Comparison Year Over Year ACCRUAL Basis

Category	FY 2023	FY 2022	% Change	Amt Change
Liquor Sales	\$42,878,823	\$42,189,802	1.63%	\$689,021
Split Case Fee*	\$213,345	\$158,733	34.41%	\$54,612
Bottle Dep and Sur	\$460,759	\$447,883	2.87%	\$12,876
Total Revenue	\$43,552,927	\$42,796,418	1.77%	\$756,509
Deliveries	5,708	5,837	-2.21%	(129)
Orders	10,283	10,157	1.24%	126
Cases	243,893	253,750	-3.88%	(9,857)
Bottles	2,858,001	2,962,910	-3.54%	(104,909)
Picks	530,564	582,303	-8.89%	(51,739)

*On July 1 FY23, the split case fee was raised from \$0.50 to \$0.75



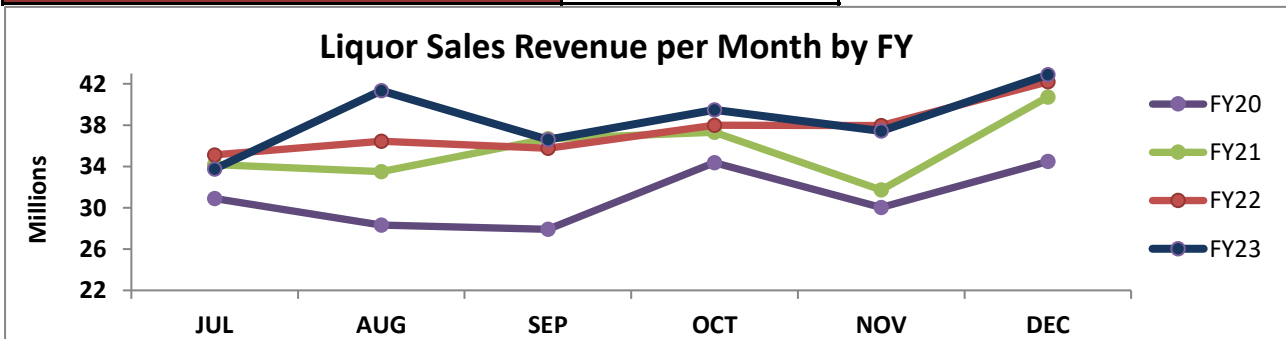
Fiscal Year Sales Comparison Year to Date ACCRUAL Basis

Category	FY 2023	FY 2022	% Change	Amt Change
Liquor Sales	\$231,469,472	\$225,429,058	2.68%	\$6,040,414
Split Case Fee	\$1,156,682	\$818,283	41.35%	\$338,400
Bottle Dep and Sur	\$2,648,595	\$2,446,457	8.26%	\$202,138
Total Revenue	\$235,274,749	\$228,693,798	2.88%	\$6,580,951
Deliveries	34,141	33,530	1.82%	611
Orders	55,194	56,579	-2.45%	(1,385)
Cases	1,373,085	1,384,441	-0.82%	(11,356)
Bottles	16,017,808	16,068,619	-0.32%	(50,811)
Picks	2,916,332	3,037,961	-4.00%	(121,629)

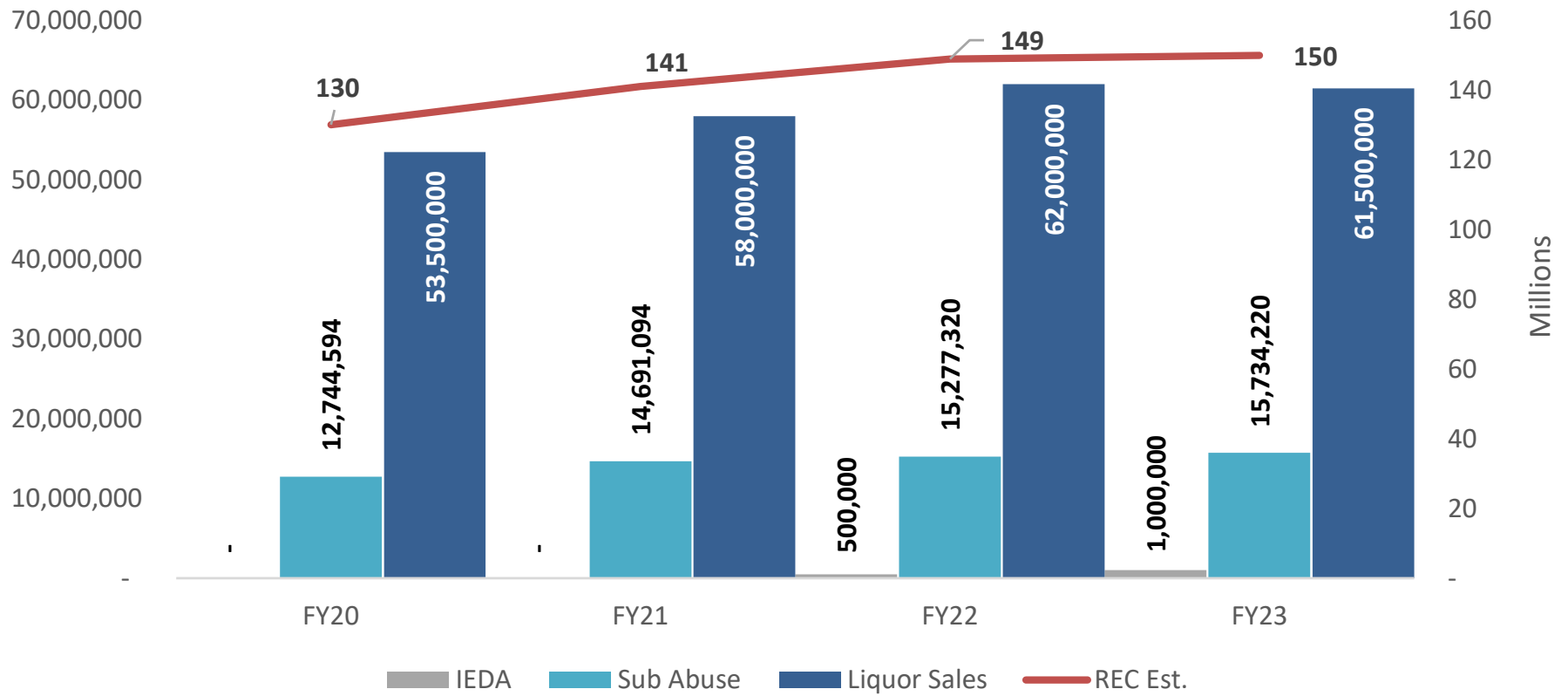
Number of Sales Days Comparison

Year to Date -1

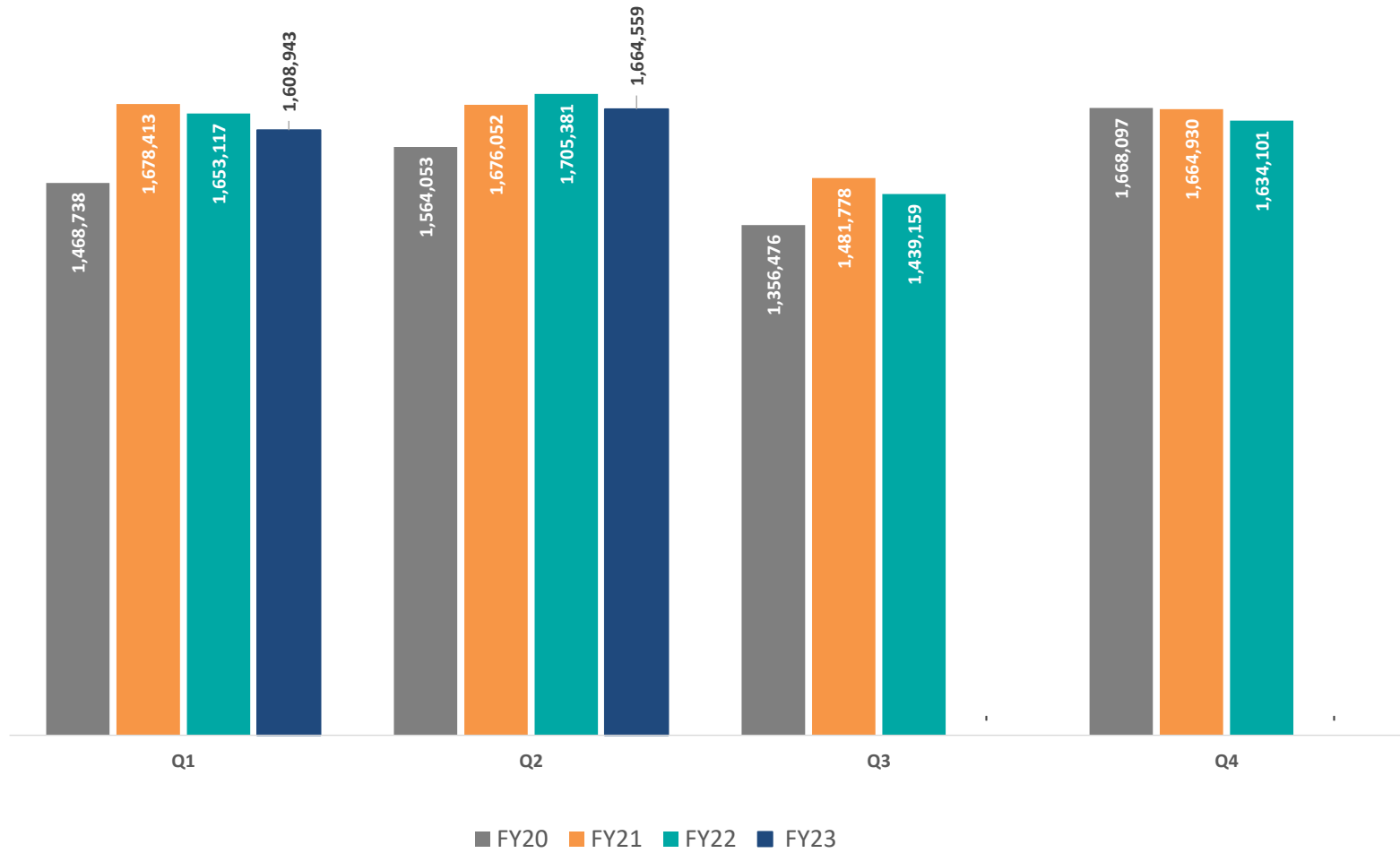
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Reversion total YTD by FY



Gallons per Quarter by Fiscal Year

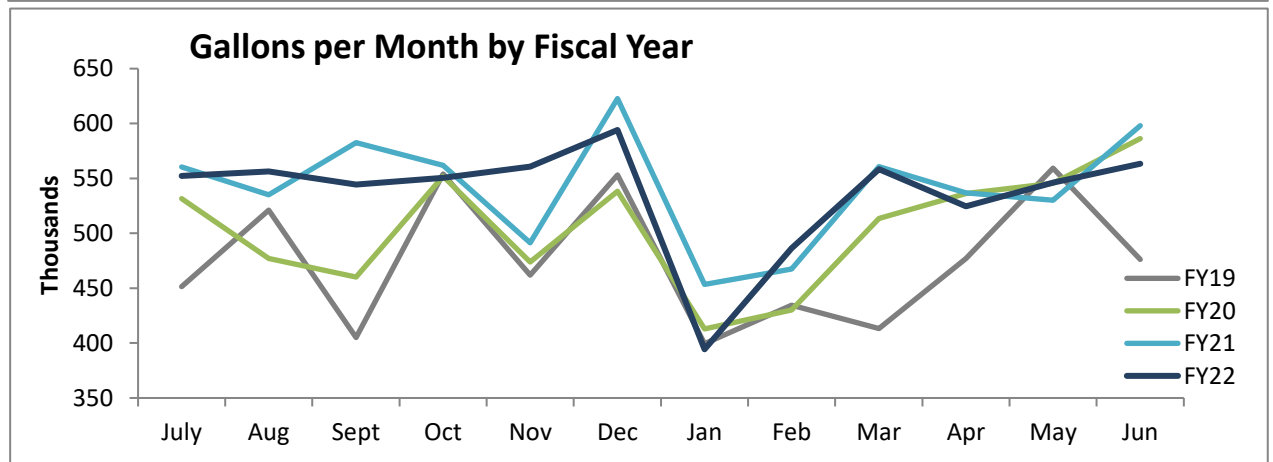
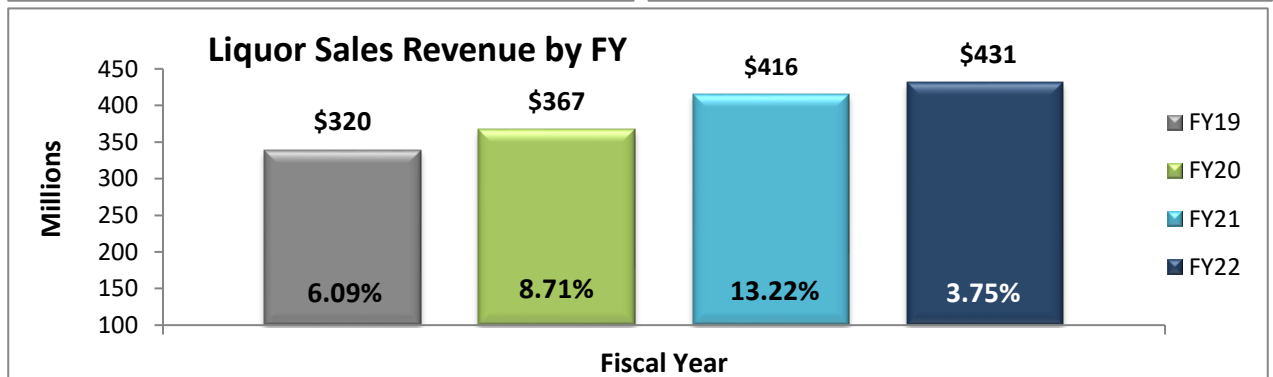
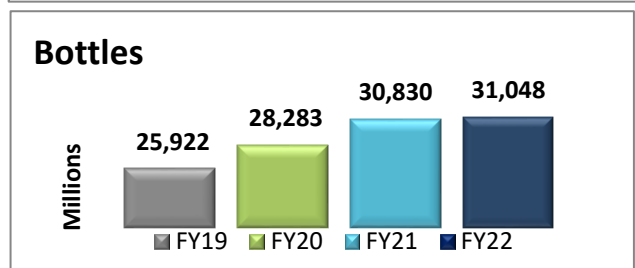
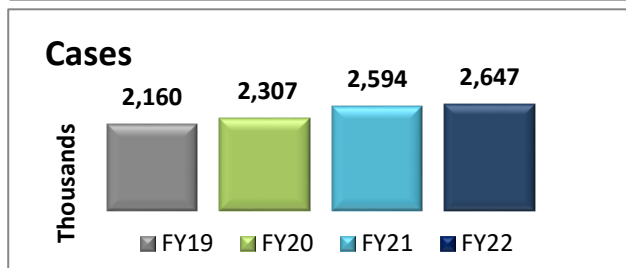
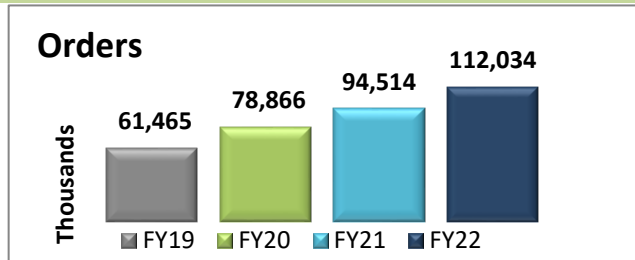
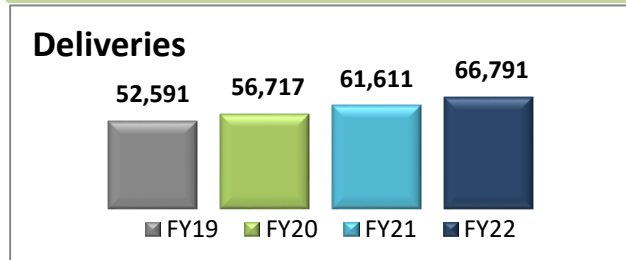


		FY23	FY22	FY21	FY20	FY19
December	Month Total	1,608,943	1,653,117	1,678,413	1,468,738	1,377,588
All FY's	YTD Total	3,273,502	3,358,498	3,354,465	3,032,791	2,946,383
	YTD Average	1,636,751	1,679,249	1,677,233	1,516,396	-

Iowa Alcoholic Beverages Division

FY22 Year End July 1, 2021 - June 30, 2022 Including Jul and Aug Hold Open

Category	FY 2022	FY 2021	\$ Change	% Change
Liquor Sales	\$431,426,201	\$415,835,178	\$15,591,023	3.75%
Split Case Fee	\$1,568,326	\$1,672,118	(\$103,791)	-6.21%
Bottle Dep and Sur	\$4,744,659	\$4,360,547	\$384,112	8.81%
Total Revenue	\$437,739,186	\$421,867,843	\$15,871,343	3.76%
Deliveries	66,791	61,611	5,180	8.41%
Orders	112,034	94,514	17,520	18.54%
Cases	2,646,913	2,594,096	52,817	2.04%
Bottles	31,048,357	30,830,300	218,057	0.71%
Picks	5,806,312	5,962,098	(155,786)	-2.61%



TOP 50 BRANDS

BRAND RANKED BY GALLONS SOLD		FY22
1	Titos Handmade Vodka	393,280
2	Black Velvet Canadian Whiskey	353,791
3	Captain Morgan Original Spiced Rum	282,826
4	Fireball Cinnamon Whiskey	270,519
5	Hawkeye Vodka	195,804
6	McCormick Vodka	111,822
7	Smirnoff Vodka	102,212
8	Jack Daniels Old #7 Black Label Whiskey	96,090
9	Crown Royal Canadian Whiskey	95,136
10	Crown Royal Regal Apple Canadian Whiskey	83,578
11	Five O'Clock Vodka	77,477
12	Bacardi Superior Rum	76,173
13	Blue Ox Vodka	72,293
14	Malibu Coconut Rum	71,922
15	Jim Beam Bourbon Whiskey	68,278
16	Admiral Nelson Spiced Rum	68,262
17	Barton Vodka	66,546
18	Seagram's 7 Crown Whiskey	61,319
19	Jameson Whiskey	58,513
20	Jose Cuervo Especial Reposado Tequila	54,488
21	Juarez Gold Tequila	54,151
22	Fris Danish Vodka	54,021
23	Platinum 7x Vodka	54,000
24	Barton Naturals Vodka	50,887
25	Absolut Swedish Vodka 80prf	50,209

BRAND RANKED BY GALLONS SOLD		FY22
26	Svedka Vodka	44,395
27	Kirkland Signature American Vodka	44,062
28	Dr McGillicuddys Cherry Schnapps	43,153
29	Hennessy VS Imported Brandy	42,543
30	Five Star American Whiskey	42,360
31	Nikolai Vodka	42,160
32	Black Velvet Toasted Caramel Canadian Whiskey	40,104
33	Paramount White Rum	36,623
34	Jägermeister Liqueur	36,482
35	Phillips Vodka	35,178
36	Jose Cuervo Authentic Lime Margarita	34,964
37	Members Mark Vodka	34,222
38	Patron Silver	33,261
39	New Amsterdam Vodka	32,790
40	Tortilla Gold	31,818
41	Southern Comfort Liqueur	30,668
42	Windsor Canadian	30,536
43	Grey Goose Vodka	29,830
44	Canadian Ltd Whisky	29,246
45	Makers Mark Bourbon Whiskey	27,312
46	UV Blue Raspberry	26,696
47	Dekuyper Luscious Peachtree	26,586
48	Kessler Blend Whiskey	26,560
49	Ten High	26,441
50	Jose Cuervo Especial Silver	26,208

Top 50 Gallons Sold 3,777,795
All Gallons Sold 6,431,758

