



News Release

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FOR IMMEDIATE RELEASE

NABCA Releases Control States Nine-Liter Spirits Sales Results for October

Control State results for nine-liter beverage sales for October 2020

ARLINGTON, VA (December 3, 2020) — During October nine-liter control states spirits case sales grew 13.9% over same period sales last year. Alabama(16.5%), Idaho(17.1%), Michigan(24.8%), North Carolina(19.1%), New Hampshire(36.7%), Ohio(14.5%), Oregon(10.2%), Pennsylvania(1.8%), Virginia(14.7%), and Vermont(13.8%) reported monthly growth rates for October exceeding their twelve-month trends. The growth rates for Iowa(2.7%), Montgomery County Maryland(-0.6%), Maine(3.4%), Mississippi(14.0%), Montana(7.2%), Utah(2.0%), West Virginia(12.7%), and Wyoming(3.7%) fell short of their twelve-month trends. Control state rolling-twelve-month-volume growth, 7.8%, improved upon September's reported 6.9%. Spirits volumes are growing 8.7% year-to-date compared to 3.7% a year ago.

Short- and long-term growth trends are calculated to compare and analyze control state sales data. Twelve-month moving averages are used to calculate the short-term trend (rolling-twelve-month growth), and the three-year CAGR is used to calculate the long-term trend. October's short- and long-term trends, 7.8% and 4.6%, respectively, are the highest values reported by the control states.

Control state spirits shelf dollars were up 22.2% during October while trending at 12.9% during the past twelve months. Alabama(22.7%), Idaho(23.7%), Michigan(41.0%), Mississippi(27.3%), Montana(11.2%), North Carolina(26.3%), New Hampshire(44.9%), Ohio(25.8%), Oregon(15.8%), Pennsylvania(2.0%), Utah(6.7%), Virginia(22.8%), Vermont(18.0%), and West Virginia(25.8%) reported growth rates exceeding their twelve-month trends. Iowa(8.6%), Montgomery County Maryland(3.9%), Maine(8.1%), and Wyoming(2.8%) grew shelf dollars at rates below their twelve-month trends. Shelf dollars in the control states are up 14.5% year-to-date compared to 6.3% last year.

Price/Mix for October is 8.3%, down from September's reported 8.5%.

Price/Mix has been tracked by NABCA since January 2002, and October's 8.3% is the third-highest Price/Mix reported. Price/Mix for May (5.9%), June (6.5%), July (9.3%), August (7.9%), September (8.5%), and October (8.3%) are the six highest values reported by the control states. An analysis of control state spirits prices suggests that historically high control state Price/Mix continues to be driven by premiumization. The weighted average, average, and median prices for 750 ML volumes of the 36,499 spirits SKUs sold in Alabama, Idaho, Montgomery County Maryland, Maine, North Carolina, New Hampshire, Ohio, Oregon, Pennsylvania, Utah, Virginia, and

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Vermont during October were \$17.18, \$38.08, and \$24.95, respectively. This median price of 750 ML volumes of products sold during the month, \$24.95, is the highest on record. A graph of control state prices that highlights the median price and weighted (based upon sales) average price suggests cash register sales skew toward value products in the control states, whereas a graph of prices that highlights the median price and (non-weighted) average price suggests product pricing in the control states skews toward premium.

During March, April, May, June, July, August, and September the control states' on- and off-premise markets behaved capriciously. October is no exception. During the twelve-month period ending February 2020, the off-premise monthly spirits share averaged 82%. The off-premise monthly shares of the control state market during March-October were 91%, 99%, 97%, 90%, 89%, 90%, 88%, and 88%, respectively. This sequence suggests that after the on-premise marketplace was devastated by the arrival of COVID-19, it is slowly recovering. Trends suggest the control state off-premise share for November will be above historical levels as the recovery continues.

October's control states growth rate was effected by calendar anomalies and pandemic related phenomena.

- Michigan, with 16% of control state nine-liter-case spirits volume, reported sales for 31 days this October compared to 33 days last October, artificially deflating sales and skewing control state results. Michigan had two fewer selling days during this year's October.
- New Hampshire, with 4% of control state nine-liter-case spirits volume, reported sales for 35 days this October compared to 28 days last October, artificially inflating sales and skewing control state results. New Hampshire had seven more selling days during this year's October.
- Six states—Iowa, Maine, Mississippi, Montana, West Virginia, Wyoming—report monthly warehouse depletions as sales. This year's October had 22 shipping days compared to 23 last year.
- Last year's October had four Fridays and four Saturdays compared to five Fridays and five Saturdays this year.
- On net, there were six more selling days during October in the control states, 1.1% more, compared to last year.
- After equalizing selling-day variations between this and last year's October, the nine-liter-case-spirits growth rate is 13.6% with a rolling-twelve-month trend of 9.0%. October's shelf-dollar growth rate is 22.0% with a rolling-twelve-month trend of 14.2%.
- Equalized price/mix for October is 8.4%.

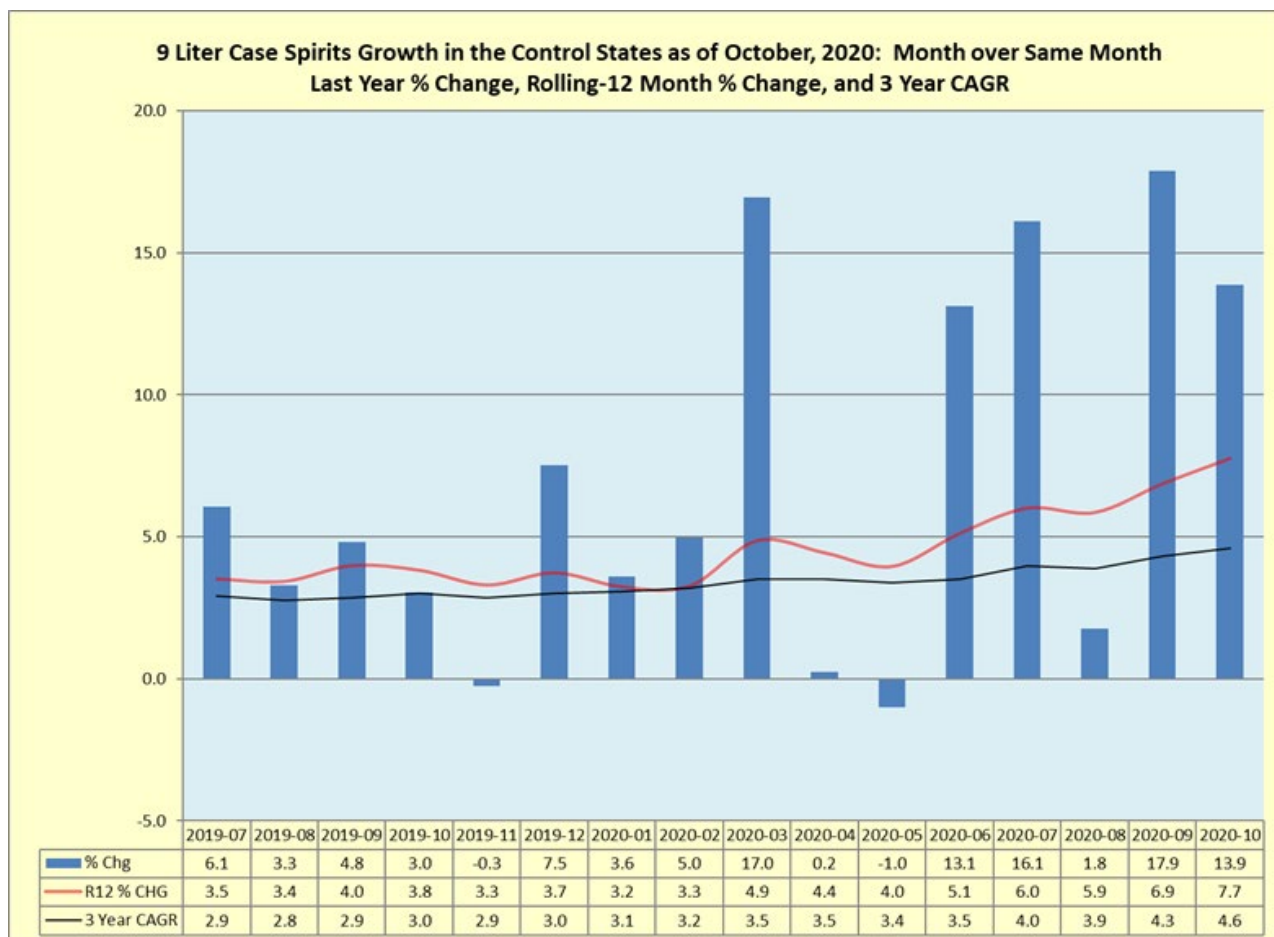
Cocktails, with 3% share of the nine-liter case control states spirits market, was October's fastest growing category with 41.1% reported and a twelve-month trend of 36.4%. Tequila, with 7% share, grew during October at 38.7% and 20.8% during the past twelve months. Brandy/Cognac, with 6% share, grew at 27.4% with a twelve-month trend of 14.6%. Vodka, with 33% share, grew during the same periods at 7.2% and 4.1%, respectively.

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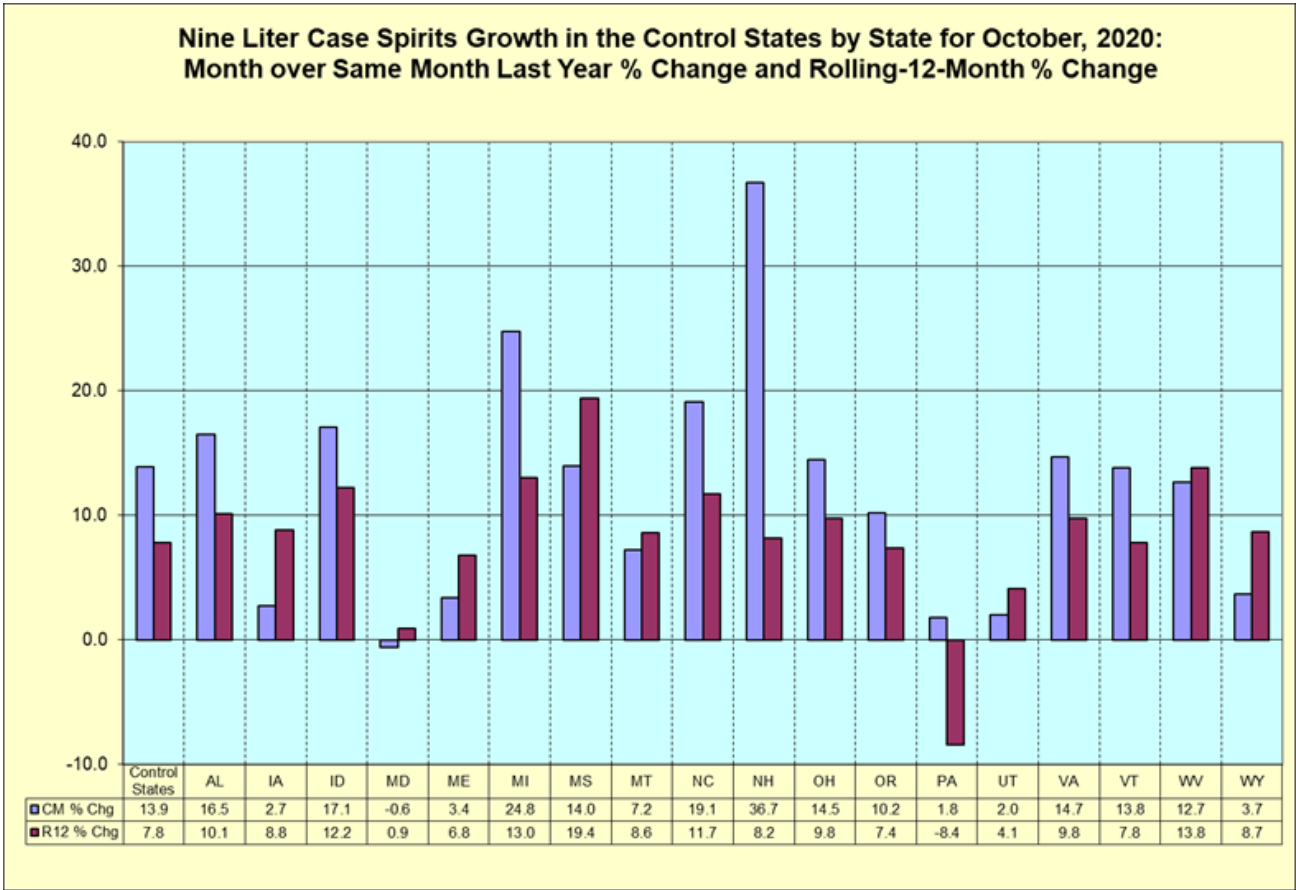
Brandy/Cognac(27.4% during October, 14.6% twelve-month trend), Canadian Whiskey(11.5%, 6.5%), Cocktails(41.1%, 36.4%), Cordials(15.4%, 4.0%), Domestic Whiskey(16.3%, 11.8%), Gin(7.9%, 2.4%), Irish Whiskey(19.2%, 7.0%), Rum(6.7%, 2.8%), Scotch(11.4%, 2.9%), Tequila(38.7%, 20.8%), and Vodka(7.2%, 4.1%) grew at rates above their twelve-month trends.

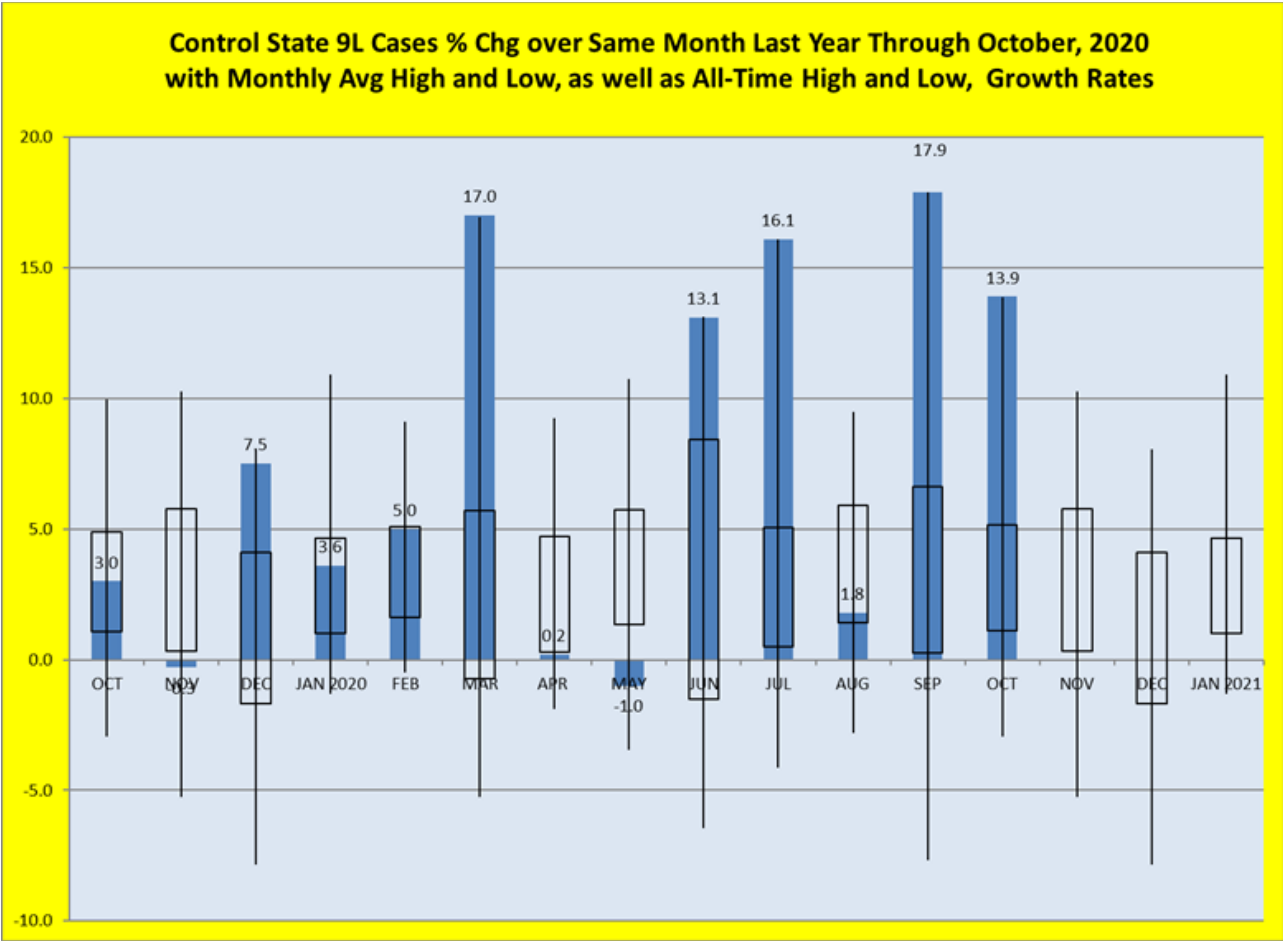
October's nine-liter wine case sales growth rate was 8.5%. Pennsylvania (reporting 2.8% nine-liter-case growth for wines), New Hampshire (32.4%), Mississippi (7.8%), Utah (3.9%), Montgomery County Maryland (0.1%), and Wyoming (12.9%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. Rolling-twelve-month wine volume growth in these six control states is 2.5%, up from September's reported 1.7%.

	9L Cases CM % Chg	Shelf \$ CM % Chg	Price/Mix	Control States
Total Control States	13.9	22.2	8.3%	
Central Region	12.5	22.4	9.9%	IA, MD, MI, OH, PA, WV
NE Region	22.5	28.7	6.2%	ME, NH, VT
NW Region	8.6	13.8	5.2%	ID, MT, OR, UT, WY
Southern Region	16.6	24.5	7.9%	AL, MS, NC, VA

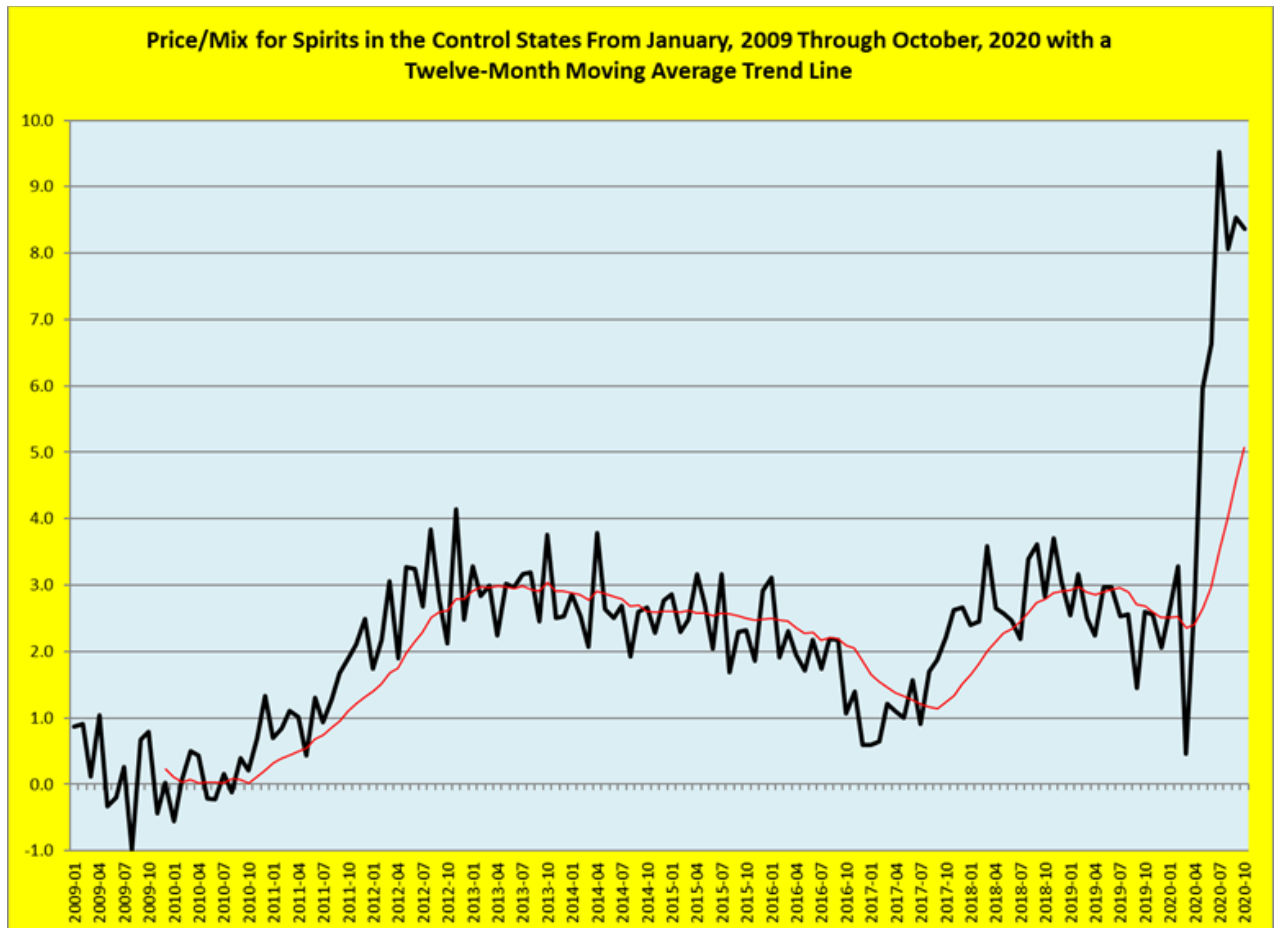


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For more information about the NABCA, visit www.nabca.org.

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ABOUT NABCA:

Established in 1938, NABCA is the national association representing the Control State Systems - those jurisdictions that directly control the distribution and sale of beverage alcohol within their borders. Headquartered in Arlington, VA, NABCA's mission is to support member jurisdictions in their efforts to protect public health and safety and assure responsible and efficient systems for beverage alcohol distribution and sales.