

Control State Results: 2020 End-Of-Year Results

Control State Results

Source: NABCA

January 28, 2020

2020 END-OF-YEAR RESULTS

During 2020 nine-liter case Spirits sales in the control states grew at 7.5%, up from 2019's 3.8% and 2018's 2.8%. The control states reported the following nine-liter case growth rates: Alabama 11.1% (vs. 3.8% during 2019), Iowa 10.7% (vs. 3.0%), Idaho 13.7% (vs. 4.5%), Montgomery County Maryland -2.6% (vs. 3.7%), Maine 7.6% (vs. 4.2%), Michigan 11.6% (vs. 3.0%), Mississippi 18.7% (vs. 5.2%), Montana 11.6% (vs. 4.9%), North Carolina 12.6% (vs. 4.8%), New Hampshire 0.3% (vs. 1.9%), Ohio 9.7% (vs. 4.0%), Oregon 7.1% (vs. 4.0%), Pennsylvania -8.5% (vs. 2.9%), Utah 9.0% (vs. 5.4%), Virginia 9.1% (vs. 4.4%), Vermont 8.3% (vs. 1.2%), West Virginia 13.5% (vs. 4.0%), Wyoming 10.4% (vs. 4.6%).

Shelf Dollars grew at 13.1%, improving upon 2019's 6.3% and 2018's 5.8%. The control states reported the following shelf dollar growth rates: Alabama 16.7% (vs. 6.7% during 2019), Iowa 13.6% (vs. 4.7%), Idaho 18.3% (vs. 6.5%), Montgomery County Maryland 1.7% (vs. 5.5%), Maine 10.9% (vs. 6.0%), Michigan 21.5% (vs. 5.1%), Mississippi 25.1% (vs. 8.6%), Montana 14.1% (vs. 7.9%), North Carolina 18.0% (vs. 8.3%), New Hampshire 2.5% (vs. 3.3%), Ohio 17.5% (vs. 7.3%), Oregon 11.4% (vs. 6.2%), Pennsylvania -5.9% (vs. 4.7%), Utah 11.4% (vs. 7.1%), Virginia 14.5% (vs. 7.5%), Vermont 10.3% (vs. 4.6%), West Virginia 16.0% (vs. 6.1%), Wyoming 11.9% (vs. 8.3%).

Control State Price/Mix for 2020 is 5.6%, up from 2019's reported 2.5%.

2020's 7.5% Spirits volumetric growth rate, the highest annual growth rate reported this century, substantially exceeds the Control States' twenty-year CAGR of 3.1%. 2020's Shelf Dollar growth rate of 13.1% is also the highest annual growth rate reported this century, substantially exceeding the Control States' twenty-year CAGR of 5.5%.

During 2020 the Control States reported Spirits sales of more than 59 million nine-liter cases with a shelf dollar value of \$11,800,000,000. These are annual high-water marks for the Control States.

Cocktail's 40.2% annual nine-liter case growth rate outpaced all other categories during 2020, while nine-liter case sales of Tequila and Brandy/Cognac grew at 20.8% and 14.2%, respectively. The Control States reported the following growth rates for the spirits categories for 2020: Brandy/Cognac 14.2% (vs. 2.7% for 2019), Canadian Whiskey 6.8% (vs. 3.4%), Cocktails 40.2% (vs. 10.4%), Cordials 4.1% (vs. 2.4%), Domestic Whiskey 11.7% (vs. 6.6%), Gin 1.7% (vs. 0.1%), Irish Whiskey 4.7% (vs. 9.0%), Rum 2.7% (vs. -0.2%), Scotch 1.9% (vs. 0.2%), Tequila 20.8% (vs. 11.2%), and Vodka 3.3% (vs. 3.1%). All categories, excepting Irish Whiskey, outperformed their 2019 growth rates.

During 2020 the Southern Control States (Alabama, Mississippi, North Carolina, Virginia) grew volumes at 12.0% (vs. 4.5% during 2019), the NorthWest Control States (Idaho, Montana, Oregon, Utah, Wyoming) reported 9.3% (vs. 4.5%), the Central Control States (Iowa, Montgomery County Maryland, Michigan, Ohio, Pennsylvania, West Virginia) reported growth of 4.9% (vs. 3.3%), and the NorthEast Control States (Maine, New Hampshire, Vermont) reported 3.4% (vs. 2.5%). The four **regions grew shelf** dollars at the following rates: Southern at 17.2% (vs 7.7% during 2019), NorthWest at 12.8% (vs. 6.7%), Central at 11.6% (vs. 5.6%), and NorthEast at 5.9% (vs. 4.2%).

2020's nine-liter wine case sales growth rate was 3.1% (vs. -1.8% during 2019). Pennsylvania reporting 1.1% nine-liter case growth for wines (vs. -2.0% during 2019), New Hampshire reporting 3.4% (vs. -4.2%), Mississippi reporting 16.4% (vs. 2.3%), Utah reporting 4.8% (vs. 1.2%), Montgomery County Maryland reporting -0.4% (vs. -2.7%), and Wyoming reporting 7.4% (vs. -1.1%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. The collective annual growth rates for wines in these states have been 3.1%, -1.8%, and -1.9% for 2020, 2019, and 2018, respectively.

DECEMBER 2020 END-OF-MONTH RESULTS

During December nine-liter control states spirits case sales grew 3.4% over same period sales last year. Alabama(13.8%), Iowa(16.1%), Maine(11.1%), Montana(25.8%), North Carolina(14.4%), Pennsylvania(-3.4%), Utah(29.5%), and West Virginia(14.8%) reported monthly growth rates for December exceeding their twelve-month trends. The growth rates for Idaho(13.7%), Montgomery County Maryland(-11.9%), Michigan(-13.7%), Mississippi(-2.9%), New Hampshire(-1.2%), Ohio(6.8%), Oregon(3.3%), Virginia(6.7%), Vermont(5.0%), and Wyoming(5.0%) fell short of their twelve-month trends. Control state rolling-twelve-month volume growth, 7.5%, was down from November's reported 8.0%. Spirits volumes have grown 7.5% year-to-date compared to 3.8% a year ago.

Control state spirits shelf dollars were up 8.4% during December while trending at 13.1% during the past twelve months. Alabama(18.6%), Iowa(18.0%), Idaho(19.7%), Maine(13.4%), Montana(29.1%), North Carolina(20.1%), Pennsylvania(-3.0%), Utah(32.0%), and Wyoming(16.5%) reported monthly growth rates for December exceeding their twelve-month trends. The growth rates for Montgomery County Maryland(-8.3%), Michigan(-5.5%), Mississippi(-4.8%), New Hampshire(1.6%), Ohio(14.9%), Oregon(10.5%), Virginia(13.1%), Vermont(7.6%), and West Virginia(8.1%) grew shelf dollars at rates below their twelve-month trends. Shelf dollars in the control states are up 13.1% year-to-date compared to 6.3% last year.

During December 2020, the Control States reported Spirits sales of nearly six million nine-liter cases with a shelf dollar value of \$1,257,000,000. These are monthly high-water marks for the Control States.

Price/Mix for December is 5.0%, up from November's 4.4%.

December's growth rate was effected by calendar and pandemic-related anomalies in the control states.

- Michigan, with 16% of control state nine-liter-case spirits volume, reported sales for 34 days this December compared to 27 days last December, artificially inflating sales and skewing control state results. Michigan had seven more selling days during this year's December.
- Utah, with 3% of the control state nine-liter-case spirits volume, reported sales for 27 days this December compared to 23 days last December, artificially inflating sales and skewing control state results. Utah had four more selling days during this year's December.
- Retail outlets selling spirits in five states—Alabama, Mississippi, Montana, North Carolina, Utah—are closed Sundays. This year's December had four Sundays compared to five last year.
- Seven control states are wholesale only, i.e., they have no state stores or agencies and the stores in their jurisdictions are independently owned. These seven states ship to stores Monday through Friday. NABCA reports shipments from the warehouses for these states. This December's calendar had twenty-two weekdays (excluding Christmas Day) compared to twenty-

one last year, 4.8% more. The wholesale only control states are Iowa, Maine, Michigan, Mississippi, Montana, West Virginia, and Wyoming.

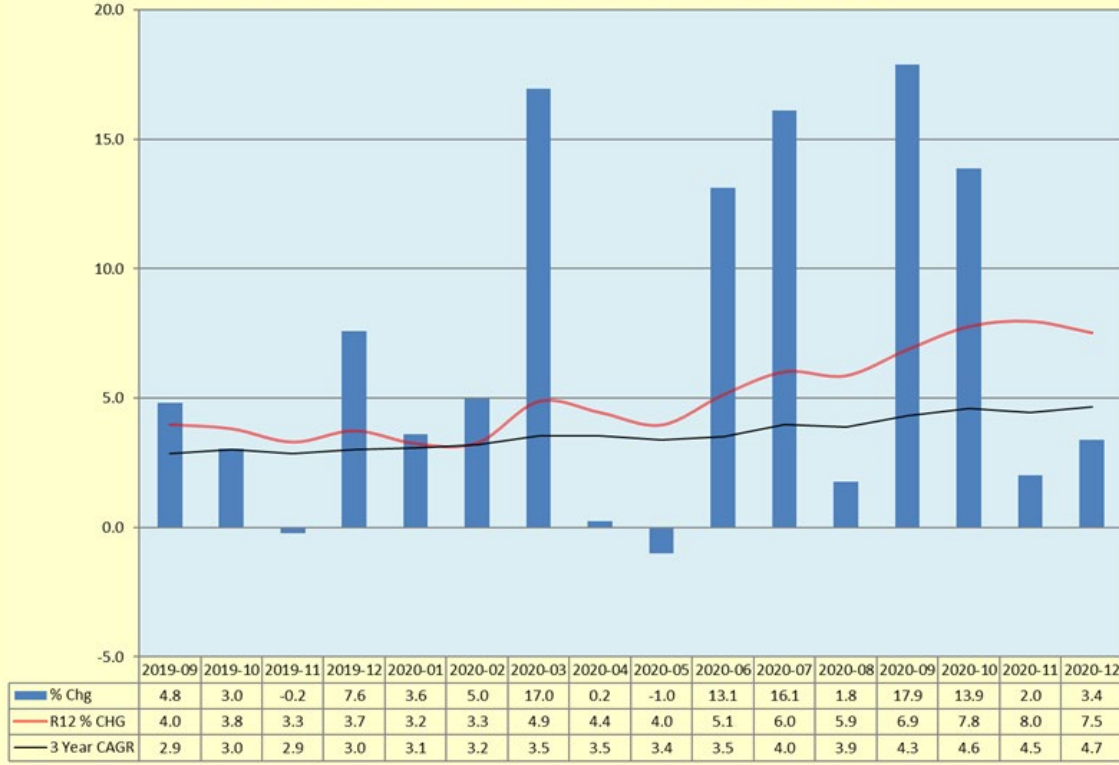
- On net, there were fifteen more selling days, 2.9% more, and seven more shipping days during December in the control states compared to last year's December.
- After equalizing selling day variations between this year's December and last year's, December's nine-liter case spirits growth rate is -1.4% with a rolling-twelve-month trend of 8.2%. December's shelf-dollar growth rate is 3.1% with a rolling-twelve-month trend of 13.7%.
- Equalized price/mix for December is 4.5%.

Cocktails, with 3% share of the nine-liter case control states spirits market, was December's fastest growing category with 30.1% reported and a twelve-month trend of 40.2%. Tequila, with 7% share, grew at 14.8% with a twelve-month trend of 20.8%. Vodka, with 33% share, grew during the same periods at -0.9% and 3.3%, respectively. All categories grew at rates below their twelve-month trends: Brandy/Cognac(2.4% during December, 14.2% twelve-month trend), Canadian Whiskey(3.1%, 6.8%), Cocktails(30.1%, 40.2%), Cordials(2.4%, 4.1%), Domestic Whiskey(8.2%, 11.7%), Gin(-2.1%, 1.7%), Irish Whiskey(3.8%, 4.7%), Rum(-0.5%, 2.7%), Scotch(-0.1%, 1.9%), Tequila(14.8%, 20.8%), and Vodka(-0.9%, 3.3%).

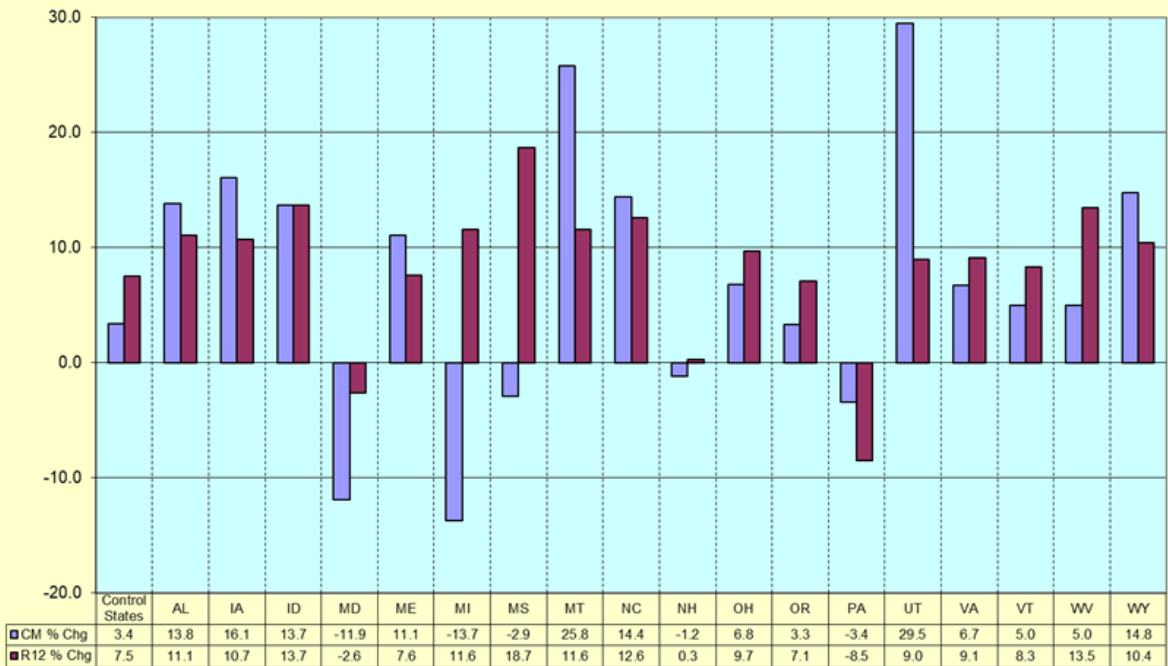
December's nine-liter wine case sales growth rate was 0.9%. Pennsylvania (reporting -1.0% nine-liter case growth for wines), New Hampshire (-4.8%), Mississippi (2.7%), Utah (25.1%), Montgomery County Maryland (-6.1%), and Wyoming (10.4%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. Rolling-twelve-month wine volume growth in these six control states was 3.1%, improving upon November's reported 2.7%.

	9L Cases CM % Chg	Shelf \$ CM % Chg	Price/Mix	Control States
Total Control States	3.4	8.4	5.0%	
Central Region	-3.2	1.9	5.1%	IA, MD, MI, OH, PA, WV
NE Region	3.5	6.0	2.5%	ME, NH, VT
NW Region	13.0	17.9	4.9%	ID, MT, OR, UT, WY
Southern Region	9.7	15.2	5.5%	AL, MS, NC, VA

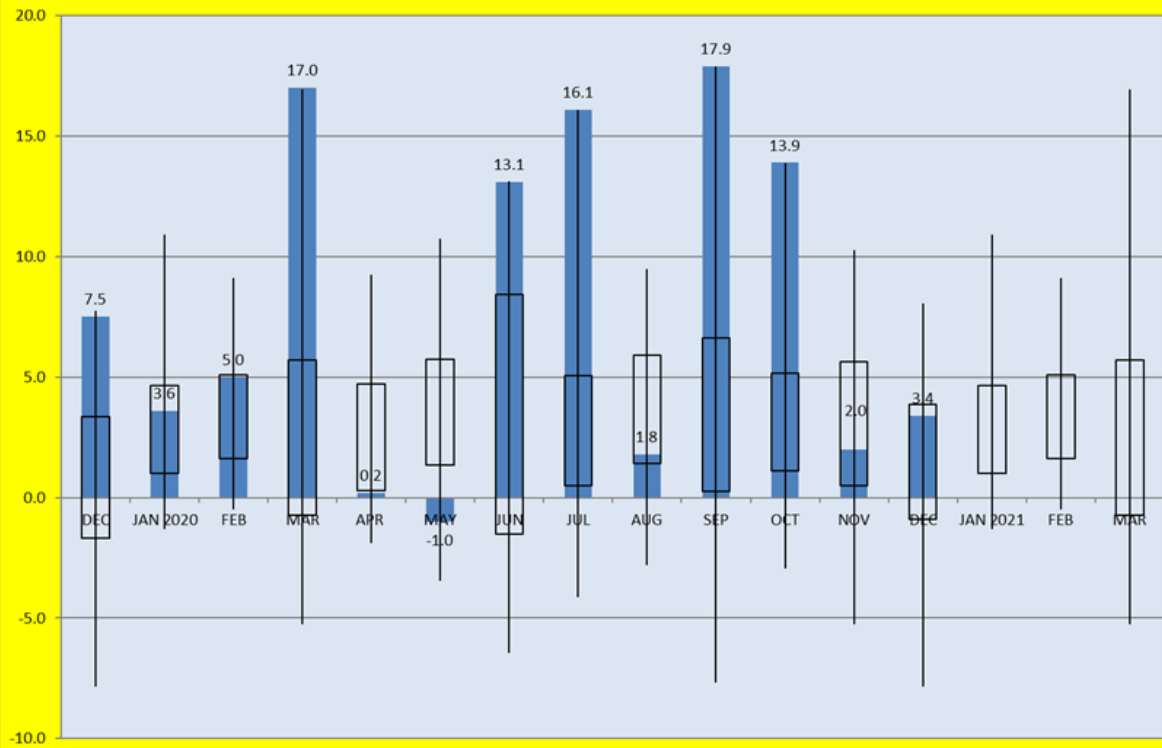
9 Liter Case Spirits Growth in the Control States as of December, 2020: Month over Same Month Last Year % Change, Rolling-12 Month % Change, and 3 Year CAGR



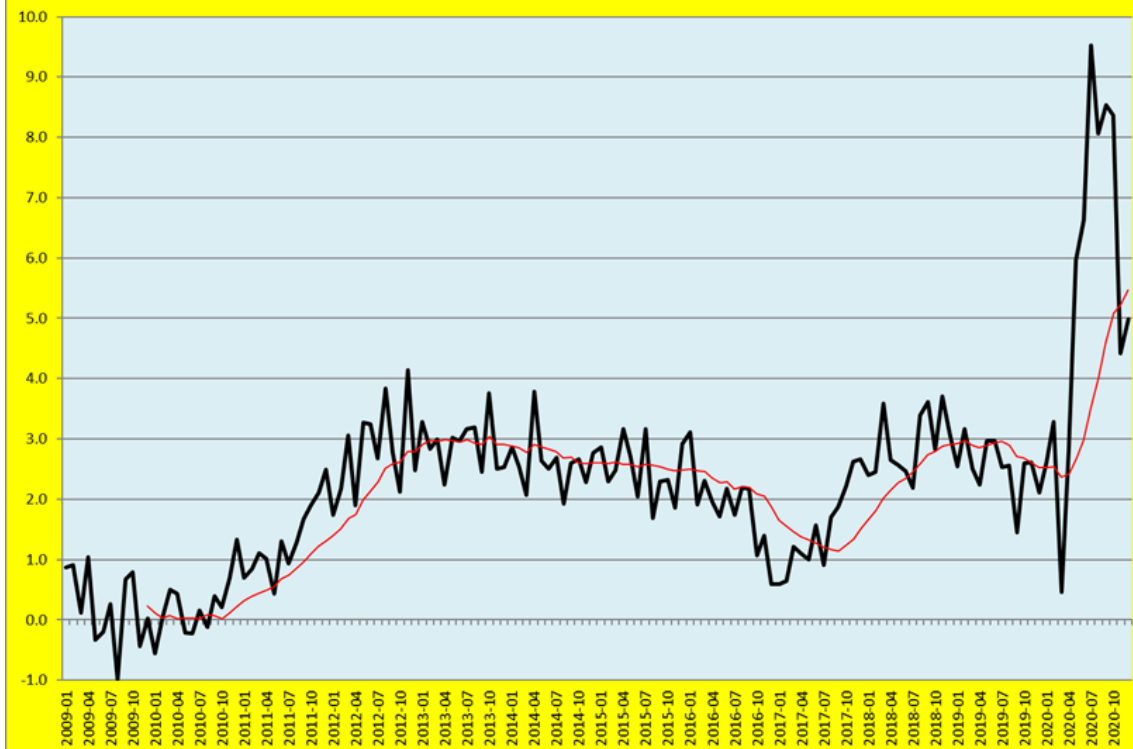
Nine Liter Case Spirits Growth in the Control States by State for December, 2020: Month over Same Month Last Year % Change and Rolling-12-Month % Change



**Control State 9L Cases % Chg over Same Month Last Year Through December, 2020
with Monthly Avg High and Low, as well as All-Time High and Low, Growth Rates**



**Price/Mix for Spirits in the Control States From January, 2009 Through December, 2020 with a
Twelve-Month Moving Average Trend Line**



**9-Liter Case Annual Spirits Growth Rates in the Control States Relative to the Twenty-One Year
CAGR For the Period 1999 - 2020**

