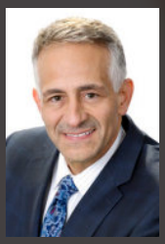
OHIO DEPARTMENT OF COMMERCE

DIVISION OF LIQUOR CONTROL

Ohio

SPIRITS INSIDER NEWS

MAY 2017



Continued Progress

Jim Canepa, Interim Superintendent

We're about a month in to the deployment of Phase 2 of the Liquor Modernization project (LMP), and I want to share a few updates. But first, I want to thank all stakeholders for their active participation – without their input, partnership and flexibility, we would not have been able to continue the great momentum on the project.

The new system went live the weekend of April 1, and the first warehouse went online April 3. Agencies began rolling on to the new system April 19. The team here has been working quite literally around the clock to make sure the launch goes as smoothly as possible for stakeholders. While there's a lot to note, here are three things I'm particularly proud of:

- The two new warehouses were operational in record time. I'm excited that stakeholders will see improved service thanks to the industry expertise DHL brings. We've eliminated Agency deliveries on Friday and weekends – Agencies' busiest days.
- Even if we build the best system, it's not a success if people don't know how to use it. One of the lessons learned from when we first launched the system two years ago was to make sure there was comprehensive training in place. We have worked with experts to develop in-person training and training materials. And it's working – we're hearing great feedback from participants. We're also hearing constructive comments, and are tweaking materials as needed.
- Stakeholders don't operate on a 9-5 schedule, and neither should their customer service center. The new Liquor Enterprise Service Center (LESC) is open day and night, and is being staffed by subject matter experts. Call volume continues to be high, and we are adding staff to better support stakeholders. ALL stakeholders can reach the LESC at 877-812-0013 or liquoragencyhelp@com.state.oh.us.

As expected, the launch hasn't been without challenges. We prepared for these challenges, including rolling Agencies out in waves so we can respond to issues, and staffing up the LESC and back office staff so there are resources on hand to troubleshoot and correct issues. I'm confident we have the right team and processes in place to support stakeholders and respond to issues.

Finally, I'd like to share a few thoughts about the relationship between the Liquor Enterprise and stakeholders. Improving communication and strengthening relationships has been a priority over the last year, and progress has been made – we actively sought stakeholder feedback on LMP so that we were sure the new system would work for everyone. We held town hall style meetings and webinars to share information and offer opportunities for dialogue.

I'm committed to continuing these efforts, however, this is a two-way street. This business must be a partnership if all stakeholders are going to be successful. There are two things I ask of all stakeholders:

- Share feedback. Let us know what is and isn't going well. We can't make things better if we don't know what's not working well.
- Stay engaged. As professionals and business owners, everyone is extremely busy. We streamline communication as much as possible to make it easy for stakeholders to get the information they need to run their businesses. Read the emails sent by the Division. Also, visit OhioLMP.com often - the site is updated regularly.

I want to thank everyone again for their engagement in modernizing the liquor enterprise, and the launch of Phase 2 of LMP. We still have a way to go, but if we continue on this path, everyone is well positioned for success.

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Keeping Your Community Safe – Preventing Underage Drinking

Spring is a time when many young Ohioans celebrate momentous events such as prom and graduation. Unfortunately, these celebrations can turn into tragedies when they're combined with alcoholic beverages. These tragedies can have life-long effects on teens, their families, and their communities. Taking steps to stop the sale of alcoholic beverage to underage consumers can help keep teens and communities safe, sound and secure.

Permit holders and Contract Liquor Agencies are among the best lines of defense in preventing underage drinking, and they have a responsibility to ensure they aren't selling to or serving underage consumers. One of the best ways to prevent underage sales is to thoroughly check the identification of all young people attempting to purchase alcoholic beverages. Employees should always ask for a photo ID and carefully compare it to the person seeking to make a purchase. If a photo ID can't be provided, or if it's not clear that the ID belongs to the person who presented it, it's imperative to refuse a sale.

Using an identification reader/scanner device is highly recommended. Not only is it accurate, Ohio law provides an affirmative defense that protects permit holders who use these devices and make a bona fide effort to ascertain the true age of the person buying the alcohol. This is done by checking an acceptable form of ID including a state-issued driver's license, a State of Ohio-issued identification card, a military identification card issued by the U.S. Department of Defense, or a U.S. or foreign passport.

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Unflavored Vodka

Vodka is a distilled beverage composed primarily of water and ethanol. Traditionally, vodka is made by the distillation of cereal grains or potatoes that have been fermented, though some modern brands use other substances, such as fruits or sugar. Products sold as "vodka" in the United States must have a minimum alcohol content of 40%, and the European Union has established a minimum of 37.5% ABV for any "European vodka."

Vodka is traditionally enjoyed neat, though it is often served chilled. It is also commonly used in cocktails and mixed drinks, such as the vodka martini, cosmopolitan and Bloody Mary.

History

The name "vodka" is a diminutive form of the Slavic word voda (water), interpreted as little water. The word was recorded for the first time in 1405 in court documents in Poland.

The beginning of vodka is debated because very little historical material is available. For many centuries, beverages differed significantly compared to the vodka of today, as the spirit at that time had a different flavor, color and smell, and was originally used as medicine. It contained little alcohol, an estimated maximum of about 14 percent, as only this amount can be attained by natural fermentation. The still, allowing for distillation, increased purity, and increased alcohol content, was invented in the 8th century.

Vodka in Ohio

While there is a lot of focus around dark spirits, vodka is still the No. 1 category by sales with a dollar share of is 29.1 percent. While this was a decline of 0.7 percent over last year, it's still a growing category, trending at 2.8 percent growth. However, if spirits continues growing at 5.2 percent overall, vodka will continue to lose share to dark spirits.

Some facts:

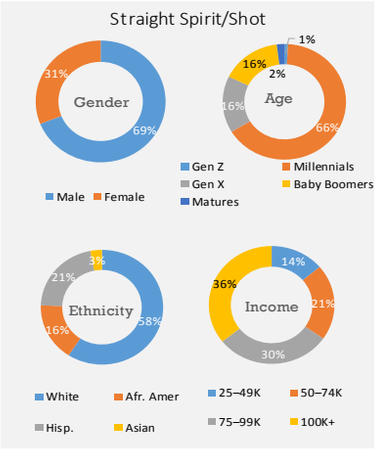
- Super Premium is the hot pocket for Ohio's consumers, growing at 16 percent.
- In Ohio, 82 percent of vodka sales are unflavored vodka; this is in line with national trends (80 percent). Unflavored vodka is also growing at 7 percent, much faster than the vodka category as a whole.
- The number of consumers who consider vodka mixed drinks their regular drink has declined slightly over the last 18 months. The number of consumers who consider whiskey mixed drinks their regular drink has steadily increased.

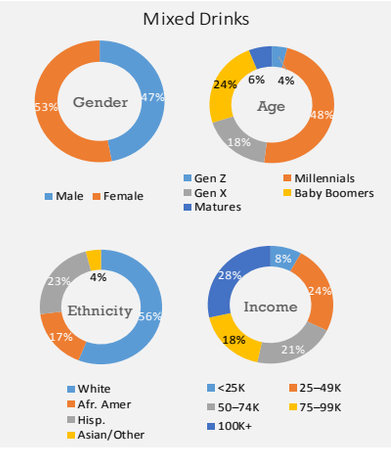
Source: National Alcoholic Beverage Control Association

Ohio's Vodka Consumer

- The **straight/shot vodka consumer** skews male, millennial and Caucasian
- The **vodka mixed drink consumer** skews female, millennial and Caucasian

Source: 2016 Technomic Vodka Category Snapshot





Recipes

Porchcrawler

- .75 oz vodka
- 6 oz beer
- 3 oz frozen lemonade concentrate

Directions: Combine all ingredients in a bar shaker. Stir to combine. Serve over ice with a lemon slice garnish.

From the Distillers' Glass

New products, hot items, recipes and more
From brokers and suppliers.

Belvedere ® Vodka

Brand Code: 838B

Proudly Made in Poland

Belvedere Vodka is the product of 600 years of Polish vodka-making expertise. It is crafted in Polmos Zyrardów, a 106-year-old distillery located in the heart of central Poland.

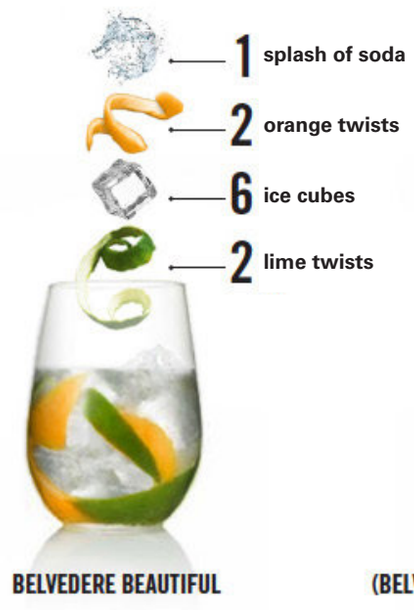
With the most rigorously regulated vodka laws, there can be no shortcuts in making Polish Vodka. Every step of production must occur on Polish soil with locally-sourced raw ingredients and have zero additives in accordance with "Polska Vodka" requirements.

Belvedere, which means "beautiful to see" is named after the Belweder Palace in Warsaw, which adorns every bottle as a reminder of the brand's heritage.

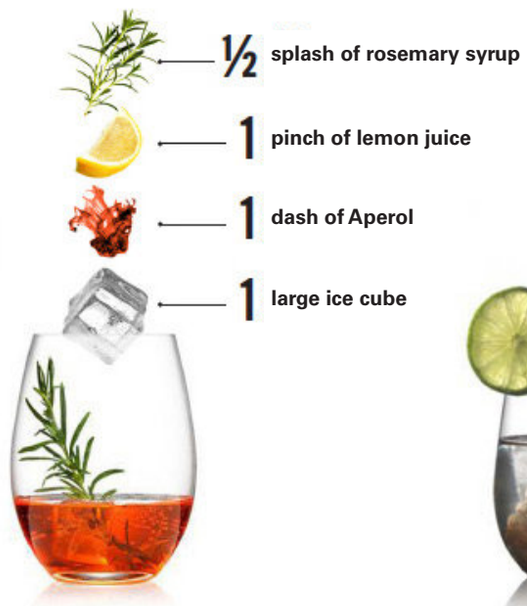
Recipes

The beauty of a perfect cocktail is every element working in perfect harmony. Belvedere wants to shine a light on the artistry of mixology by showcasing each ingredient in its true, fresh form.

Pick your favorite mix below with 2 oz Belvedere Vodka or Belvedere Unfiltered.



BELVEDERE BEAUTIFUL



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BELVEDERE ROCKS

Ketel One ® Vodka

Brand code: 5382B

Over 300 Years of Expertise

When Carolus Nolet Sr first envisioned Ketel One Vodka, it was a unique, high-quality crafted vodka for the modern palate. And with a crispness, clarity and silky softness all of its own, you could be forgiven for thinking Ketel One Vodka is purely a feat of modern liquid engineering. But at its heart is the unique combination of traditional copper pot stills and modern distilling techniques. Not to mention over 300 years of Nolet distilling expertise. Try Ketel One today to discover the rich, fascinating history of our family, and the story of how we came to create this remarkable spirit.

Cocktails

Ketel One Vodka Bloody Mary

Voted #1 Vodka for a Bloody Mary by Drinks International's Best Bars Annual Report, 2016

Ingredients

- 1.5 oz Ketel One Vodka or Citroen® Flavored Vodka
- 3 oz Ketel One Bloody Mary Base

Ketel One Bloody Mary Base:

- 1 liter tomato juice
- 4 oz lemon juice
- 4 tsp salt
- 1 tsp black pepper
- 1 tsp smoked paprika
- 5 tbsp horseradish
- 3 dashes Worcestershire sauce
- 7-10 dashes hot sauce

Directions: Combine ingredients in a mixing glass. Shake with ice and strain into a collins glass filled with ice. Garnish with a celery stalk, olive, lemon wedge or bacon.

Ketel One Vodka Mule

Voted #1 Vodka for a Moscow Mule by Drink International's 50 Best Bars Annual Report, 2016

Ingredients

- 1.5 oz Ketel One® Vodka
- .75 oz fresh lime juice
- Ginger beer

Directions: Build in a copper mug or highball glass over ice. Top with ginger beer. Stir. Garnish with a lime wedge.

This information is brought to you by the manufactures of these products.

Keeping Your Community Safe – Preventing Underage Drinking

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Another way to discourage underage sales is to post information on the premises that speaks to the business' commitment not to sell to or serve underage consumers, and the dangers of underage drinking. Not only does this let underage consumers know that they will be unsuccessful if they attempt to purchase alcohol, it can help adults start conversations with teens.

In addition to the positive impact it can have on the community, preventing underage sales just makes good business sense. Selling alcoholic beverages to underage consumers can affect a business owner's livelihood due to fines and, in the most severe circumstances, loss of the license or ability to sell alcoholic beverages.

Preventing underage sales is an important responsibility – the safety of the community and the soundness of a business relies on it. There are many resources to help permit holders and Agencies. Some of those resources include:

- "Talk: They Hear You. Tips for Talking to Your Kids about Underage Drinking." – This program offers in-store display materials, including free cards that provide information for parents and others to learn about the importance of communicating the dangers and problems caused by underage alcohol consumption. The cards also offer tips on the most effective ways to communicate this message and have an open dialog with teens. Visit the Division's website or www.samhsa.gov/underage-drinking for more information.
- Contract Liquor Agency Training – The Division offers on-site training for the employees of Contract Liquor Agencies and their responsibility to comply with Ohio law, including preventing underage sales. It's available to new and existing Agency locations. To schedule training, contact the Division at 614-644-2455.
- Start Talking! – This program, launched by Governor John R. Kasich and First Lady Karen W. Kasich, aims to prevent substance use including alcohol and other drugs among young Ohioans by offering parents, guardians, educators and community leaders the tools to start the conversation with about the importance of living healthy, drug-free lives, including abstaining from alcohol. The Start Talking! Initiative is based on national research that suggests young people whose parents talk to them about the dangers of drugs are 50 percent less likely to ever use alcohol and other drugs than kids who do not have these critical conversations with a trusted adult. Visit starttalking.ohio.gov for more information.

More information about these programs as well as additional resources is available on the Division's website – www.com.state.oh.us/liqr. Some of these programs are made possible by grants from the National Alcohol Beverage Control Association (NABCA).

Education and awareness are keys to running any successful business and also to fulfilling social responsibilities as a permit holder, contract liquor agent and good community citizen. Thank you in advance for your continuing efforts to help prevent alcohol sales and consumption by underage individuals, and helping to make this season a safe one for all.

Start Talking!

Building a Drug-Free Future

starttalking.ohio.gov