

## Alcoholic Beverage Control

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Dear North Carolina Distilleries,

I want to update you on our warehouse capacity challenges and the ABC Commission's plan for creating additional space. I've already discussed with many of you that the warehouse is currently at full capacity, meaning we cannot list any new items. A new warehouse is a long-term necessity and remains my top priority. However, a solution is needed in the meantime. The Commission has recently delisted over a hundred national products, but additional locations are still needed for new items.

Therefore, the Commission will **delist national products that do not meet a \$20,000 annual profit threshold (\$30,000 for vodkas) and North Carolina products that do not meet a \$3,500 annual profit threshold to the ABC Boards.** Any product that does not meet the threshold will be moved to special order status, meaning it can still be sold in the state, but will not be stored in the warehouse.

While some North Carolina products will be affected, this step is necessary to create space and opportunity for exciting new products, including many products from North Carolina Distilleries. Additionally, all regularly listed North Carolina products will be moved into the Raleigh warehouse from Clayton, which will reduce missed deliveries due to transfers.

If you would like to request regular listings for new North Carolina products, please submit your new items to Greg Stallings (<u>Greg.Stallings@abc.nc.gov</u>) each pricing quarter for review by the Commission. Products to be listed for special orders may be submitted at any time. I appreciate your understanding of these changes, and please know I welcome your input, feedback, and collaboration as we continue to grow and enhance our ABC system.

Sincerely,

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Hank Bauer, Chairman North Carolina ABC Commission