



Increasing value to the State and the Distilled Spirits Industry through Michigan's Festivals and Events

Tony Mitchell, President, Michigan Spirits Association &
Sue Bila, President/CEO of the Michigan Festivals & Events Association

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Spirit Sales benefit the State!

Michigan Fiscal Year	Net Revenue to the State	Increase over prior year
2015 - 16	\$ 432,600,000.00	7.2%
2014 - 15	\$ 403,500,000.00	6.3%
2013 - 14	\$ 379,600,000.00	4.5%
2012 - 13	\$ 363,100,000.00	

Spirits, Beer & Wine Revenues

Michigan Fiscal Year	Revenues to the State			% of Beer & Wine Combined vs. Spirits Revenues
	Spirits	Beer	Wine	
2015 - 16	\$ 432,600,000.00	\$ 38,842,268.00	\$ 12,950,455.00	12.0%
2014 - 15	\$ 403,500,000.00	\$ 35,863,814.00	\$ 10,822,594.00	11.6%

Source – MLCC Annual Financial Report 2016

The Key is Responsible Promotion & Consumption of any Alcohol

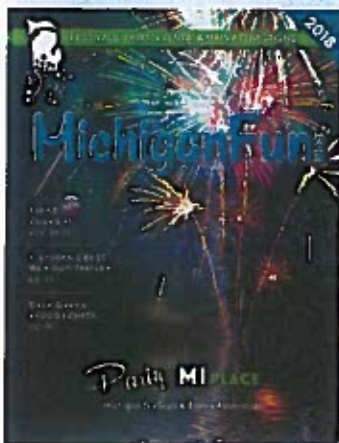


From my Welcome in our next issue:

"The MSA takes the responsible consumption of spirits very seriously and asks that you do also —while I'm happy to lead the promotion of responsible consumption of spirits in Michigan, I'm equally happy for those who abstain from alcohol for their own personal reasons, and proud of my friend Dan Leach who recently celebrated seven years of being dry. That is why we will always include some "Mocktail" recipes, so everyone can celebrate responsibility together!"

Tony Mitchell, President MSA

There are over 8,000 Special Licenses issued every year for Festivals & Events in MI!



ENJOY the second edition of the "award-winning" Michigan Fun magazine, featuring Festivals, Fairs, Events, Main Attractions, and so much MORE! The magazine is provided "complimentary to you" by a partnership with the Michigan Council for Arts & Culture Affairs, the Michigan Department of Agriculture and Rural Development and The Michigan Festivals & Events Foundation.

Over 100,000 magazines are distributed through our major distribution partners: MI McDonald's, AAA Offices, MDOT, MI Secretary of State's Offices and the DNR Parks. We are thrilled to be able to promote the many Michigan Festivals, Fairs, Events and Attractions. Join the PARTY and get your event listed!

As you are enjoying our many events and attractions and have your smart phone in hand...be sure to snap that special memory...and send it our way!

Together - we are MichiganFun.com!!

Party on - MI Friends,

Sue Bilo, CFEE
President/CEO

Michigan Festivals & Events Association

Opportunity #1 – Allow discounts for Special Licensees on Spirits Purchases

- Allow Licensed Retailers to discount purchases of spirits at their discretion within the 17% margin provided by the MLCC. Also, allow retailers to accept returns of unopened and resalable bottles at their discretion and allow them to charge a restocking fee of up to 10% for this service.
- Currently, Spirits must be purchased at retail prices and cannot be returned, which prevents many festivals and events from including Spirits in their plans.
- Beer & Wine can be purchased at wholesale prices and some unused product can be returned.

Opportunity # 2 – Farmer's Market Permits

- Allow Small Distillers of Spirits (Craft) similar privileges afforded to Small Wine Makers, by adding Small Distillers to Farmer's Market Permits.
- Small Distillers of Spirits must sell at retail prices through a retail store and their products cannot be returned, making it extremely difficult to be included in these events.
- Under 436.1415 Small Wine Makers can be issued a Farmer's Market Permit to sample & sell at farmer's markets and under 436.1413 a licensed brewpub may directly sell beer to a holder of a special licensee.

Opportunity #3 – Clarification for the Promotion & Marketing of/at Events

- Allow the use of use of branded logoed tents, trailers, temporary bars and or dispensing equipment for special licensees with Spirits.
- The adult beverage industry has been advised by many that use of logoed trailers, tents, temporary bars and a number of other marketing concepts are a violation of state law.
- There is currently similar legislation introduced to clarify similar matters for Beer & Wine.

Opportunity # 4 – Special License for qualified Organizations to hold a Spirits Tasting Event

- Allow Qualified Spirits Organizations the ability to apply for a Special License for a Spirits Tasting Event whereby their members may use samples from their stock for the event.
- The state is our partner and in fairness of promoting spirits for the state and the brands, all of the markups and taxes should be waived for these limited events in the best interest of growing spirits revenues for the state.
- There currently is no Spirits Festival Special License and if a festival or event were held by an organization like the MSA, we would have to pay retail prices for our product and couldn't return any. A Beer Festival Special License is available to nonprofit organizations that are comprised of brewers, microbrewers, and/or brewpubs which allows the wholesale purchase and return of products for their event.



Thank you!

Tony Mitchell, President, Michigan Spirits Association

tonymitchell@mispirits.org / 517-853-5738

Sue Bila, President/CEO, Michigan Festivals & Events Association

sueb@mfea.org / 989-845-3053

