



# Tall Grass Liquor

## 2024 Annual Report



This report is the City of Marshall's Municipal Liquor Operations Report outlining the liquor activities of Tall Grass Liquor over the past year. The information herein also provides a history of sales data and past events. This report includes analysis over the past five (5) calendar years.

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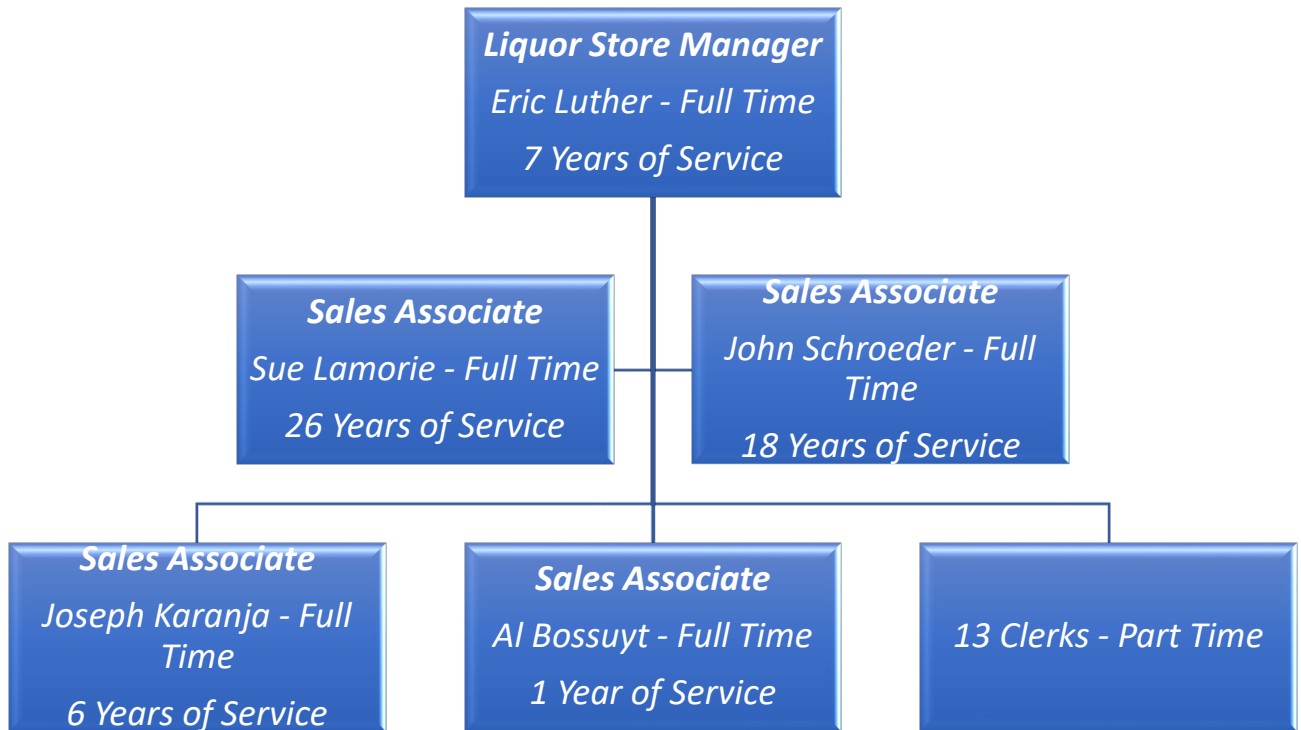
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## I. Liquor Operations

The Marshall Municipal Liquor store has been in operation since 1934. The current liquor store is located at 1410 Boyer Drive and has been operating at this location since November 2016. To this day, the profits from the liquor operations provide a much-needed revenue source for the Marshall community. Profits from the municipal liquor store help to reduce the property tax levy and provide funds for special projects.

### 2024 Organizational Structure



### Mission Statement

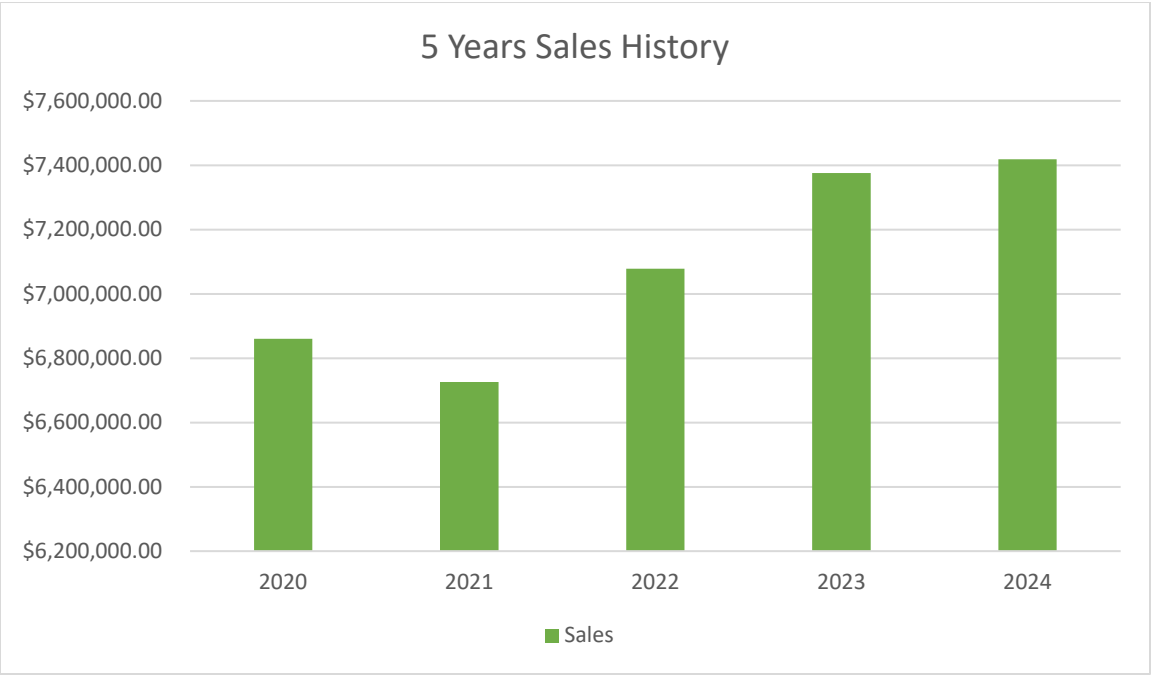
The business is designed and intended to control the sale of intoxicating beverages by following all statutes established by the State of Minnesota, by providing the best quality shopping experience for our customers, at a profit that is reinvested back into the community, and by providing an environment that is positive for customers, associates, and managers.

### Store Priorities

- Working clean and safe
- Store Tours by all staff to identify areas for improvement throughout shift
- Friendly and helpful to all customers/co-workers
- Keeping all areas of the store organized/stocked/faced

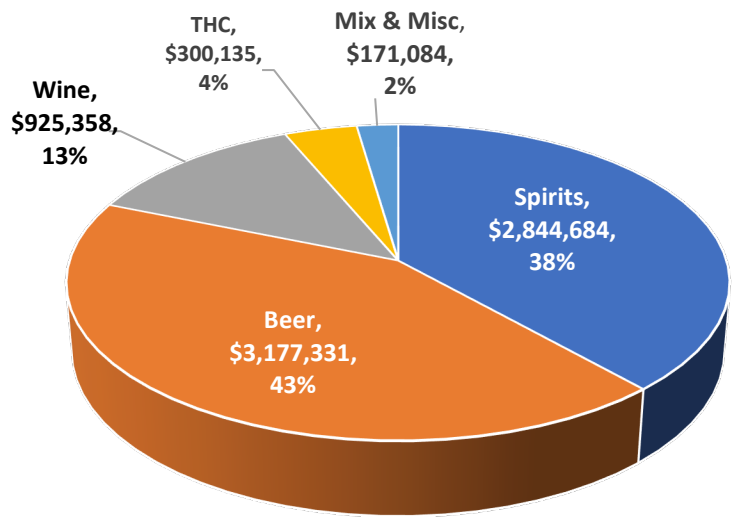
II. Sales & Profits

In 2024, the overall sales of the Liquor Operation were \$7,418,591 with income before transfers of \$1,244,634. This was an increase of total sales by \$42,547 and an income before transfers increase of \$85,827 when compared to 2023.



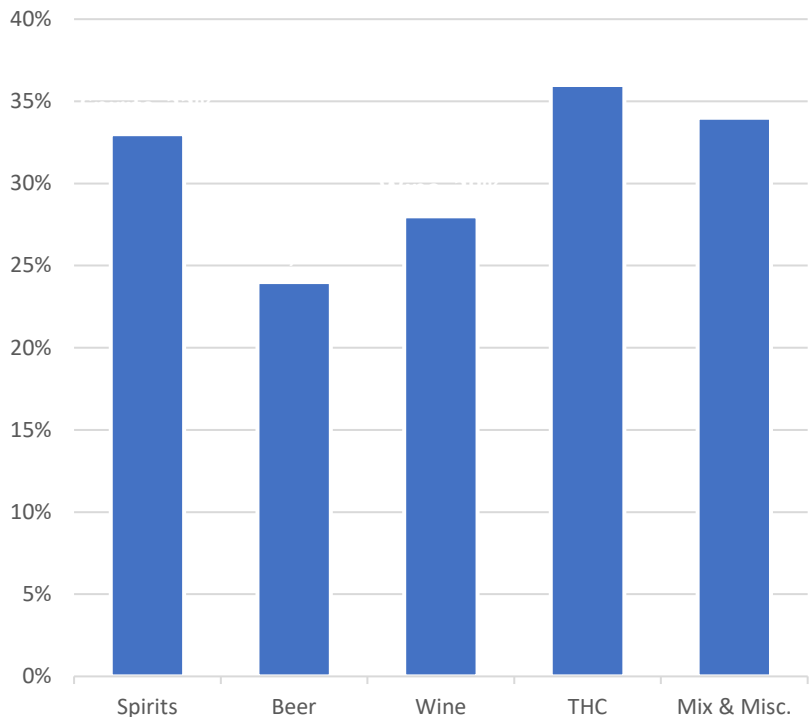
Sales & Gross Profit by Category

2024 Sales by Category



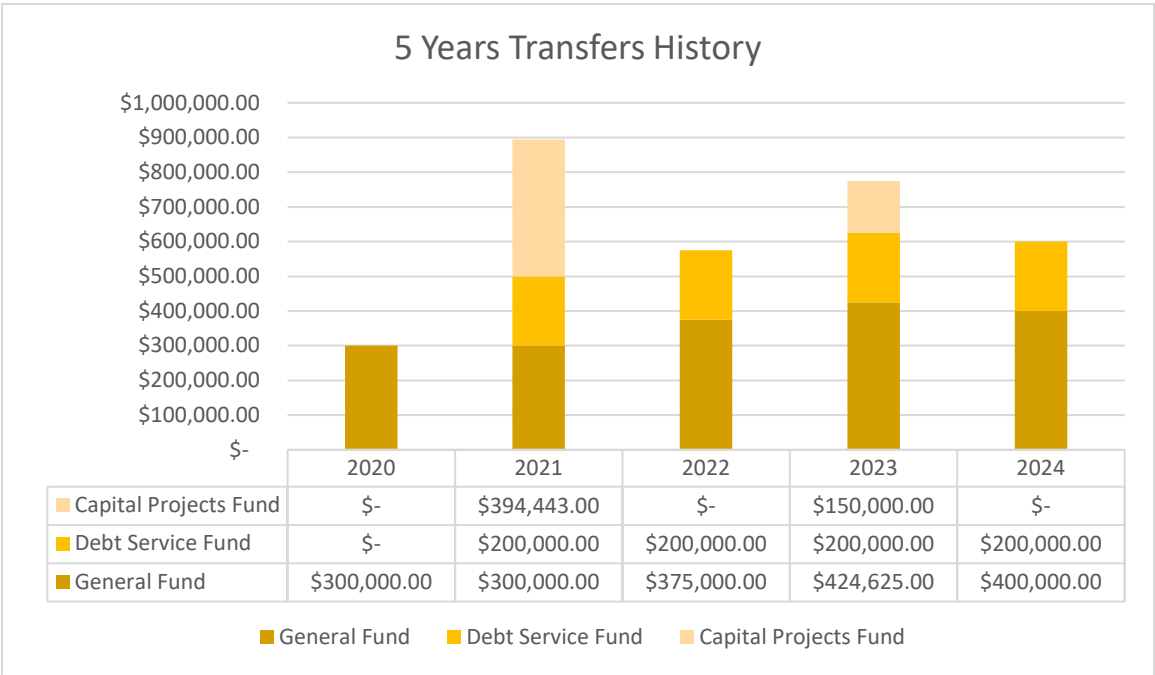
The adjacent chart shows the distribution of the 2024 annual sales based upon the five categories of: Beer, Spirits, Wine, THC, and Mix & Miscellaneous. Beer Sales account for 43% of total sales, with Spirits accounting for 38%.

2024 Gross Profit by Category

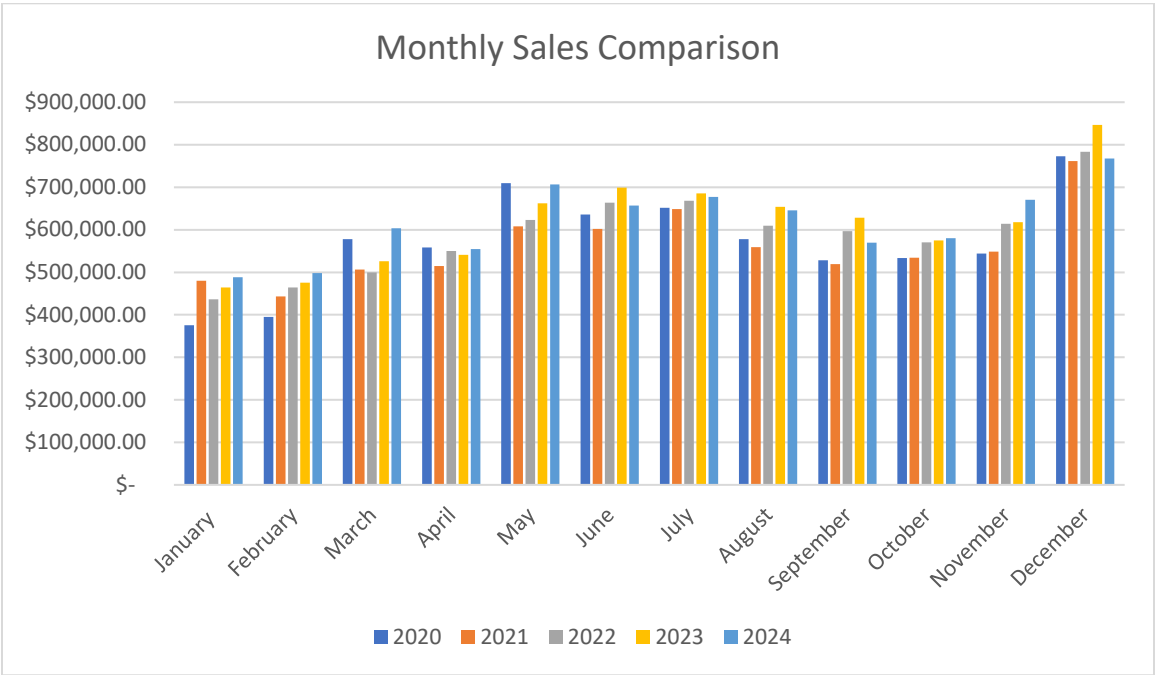


The adjacent chart shows gross profit percentage by category. Overall, the combined gross profit in 2024 was 30.1%. Even though Beer has the highest sale dollars, all other categories have the higher gross profit percentage.

Transfers



Monthly Sales 2020-2024



### III. Trends

RTD's (Ready to Drink) Cocktails continued to sell well in 2024. Vodka based cocktails like Carbliss, Fresca and High Noon lead the RTD category. Craft beer, especially Minnesota brewed brands like Grain Belt Premium, 3<sup>rd</sup> Street Brewing, Schells, Surly, Brau Brothers and Talking Waters were popular with customers. Sales of non-alcoholic beer and non-alcoholic wine continue to grow. Domestic super premium beer sales and wine sales decreased slightly. The liquor (spirits) category is increasing in our store's product mix.

### IV. Events/On-line Ordering Platform

In-store sampling continues to drive trial/sales over all categories. Tall Grass hosts several in-store tasting events like the Fall Wine Walkabout, Tis the Season Holiday Sampling event and The Bourbon Tasting Experience. All events promoted activation of the products and brands sampled.

Tall Grass Liquor, along with Visit Marshall, co-sponsored the Made in Minnesota Craft Beer and Wine Festival at the Red Baron Arena/Expo in May. 37 vendors and around 400 attendees sampled products from breweries and wineries across the state. This event continues to introduce new types of craft beer and wine to area customers.

City Hive's Tall Grass Liquor on-line ordering platform continued to gain users and build awareness in 2024. Customers can order on-line for curbside or in-store pick up during business hours. We also use this ordering platform for Suite holders for SMSU home football games and Prairie Jam.

### V. Community Service Support

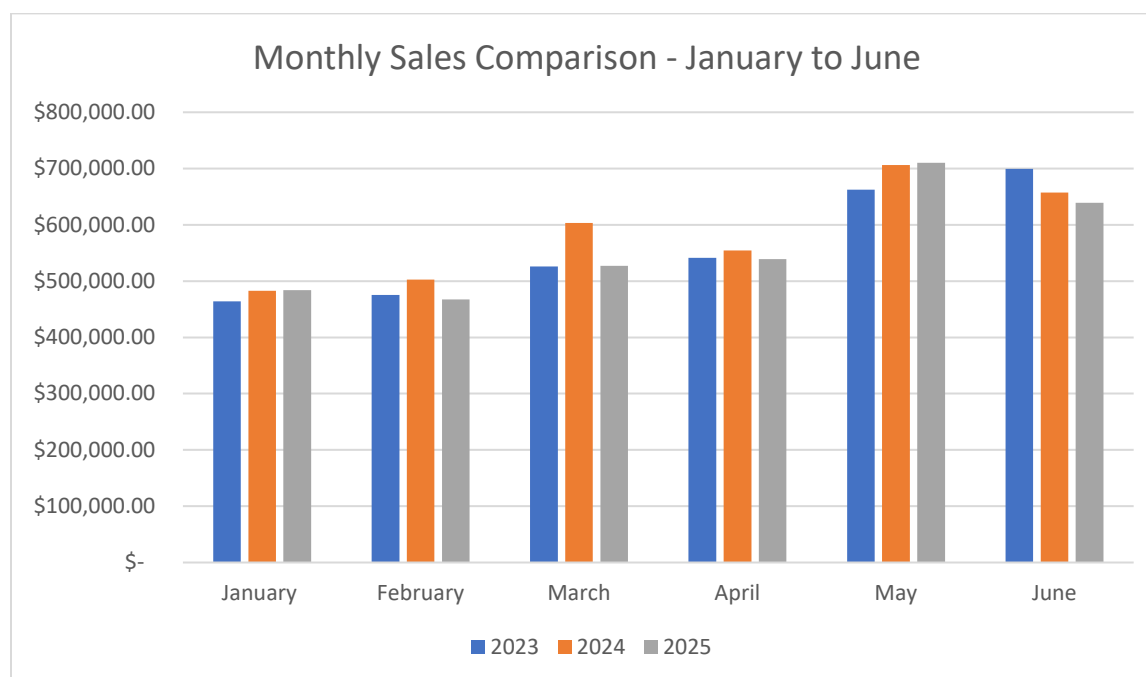
- SMSU Foundation through supplier donated items used at several fundraising events.
- MHS post-prom event & PTA 5K run donation.
- Brau Brothers/United Way beer pairing event.
- United Way Stuff the Bus drop off location
- United Way Power of the Purse sponsor.
- MMBA Community Value program: Fireman's Fundraiser, Community Food Shelf & Adopt a Pet/Animal Drive.

### VI. Accomplishments

- Manager and all full-time sales associates attended the Minnesota Municipal Beverage Association annual conference.
- Manager and all full-time sales associates attended MMBA regional meeting.
- Tall Grass Liquor was named one of the Top 100 Retailers in the United States by Beverage Dynamics. <https://bevinfogroup.com/2025top100>
- Tall Grass Liquor launched 4 branded beers. 3 that are Marshall Community focused and the 4<sup>th</sup> a collaboration with SMSU athletics. All 4 have been popular with our customers.

## VII. Semi Annual Review (January – June)

	2023	2024	2025	2024/2025 % Change
Sales	\$3,368,767	\$3,506,655	\$3,366,276	-4.0%
Customer Count	98,222	100,127	96,318	-3.8%
Average Ticket	\$34.30	\$35.02	\$34.95	-0.2%



## VIII. Proposed 2026 Budget

2026 sales estimates are at a 4.8% decrease from 2025, while cost of goods sold estimates are at a 5.9% decrease from 2025. Currently we are trending 4.0% behind sales from 2024. We are taking a more conservative approach with future sales given our current sales trend.

Gross Profit is targeted around 29% for 2026. Monthly report analysis, attention to product costs and strategic purchasing will ensure we are on track to hit this goal.

A video surveillance upgrade or reconfiguration may be considered in coming months.

Tall Grass Liquor continues to see the benefits of prior investments made with a free-standing 50ml merchandiser and four self-serve open-air coolers displaying for purchase single cans, THC sodas/seltzers, cold wine and RTD cocktails. All these investments promote customer 'add on' sales and higher gross profits.