



Tall Grass Liquor

2025 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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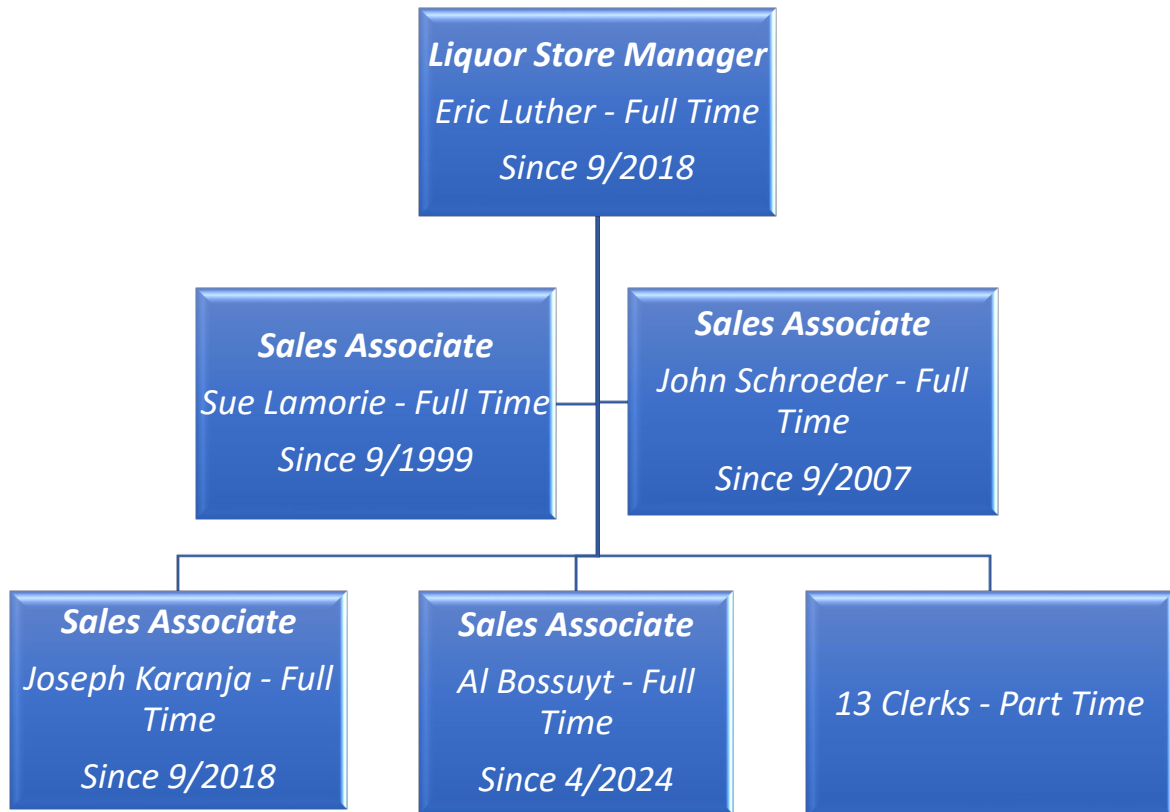
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I. Liquor Operations

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.

2025 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

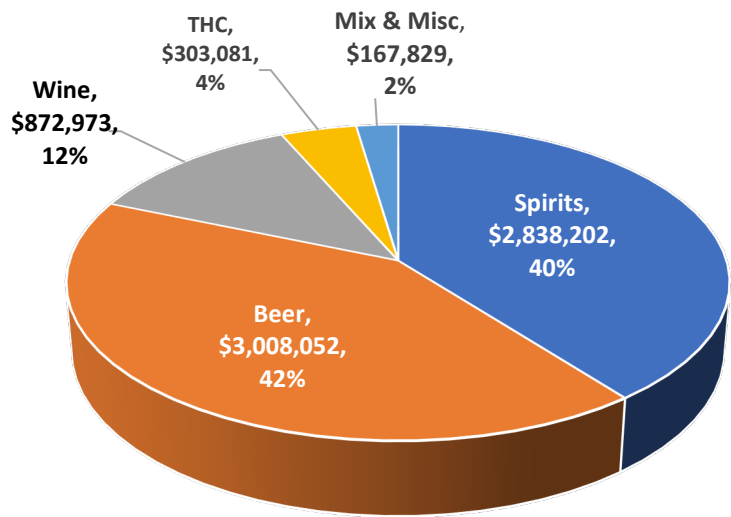
In 2025, the overall sales of the Liquor Operation were \$7,190,137 with income before transfers of \$1,258,532. This was a decrease of total sales by \$228,454 and an income before transfers increase of \$13,898 when compared to 2024.



Sales & Gross Profit by Category

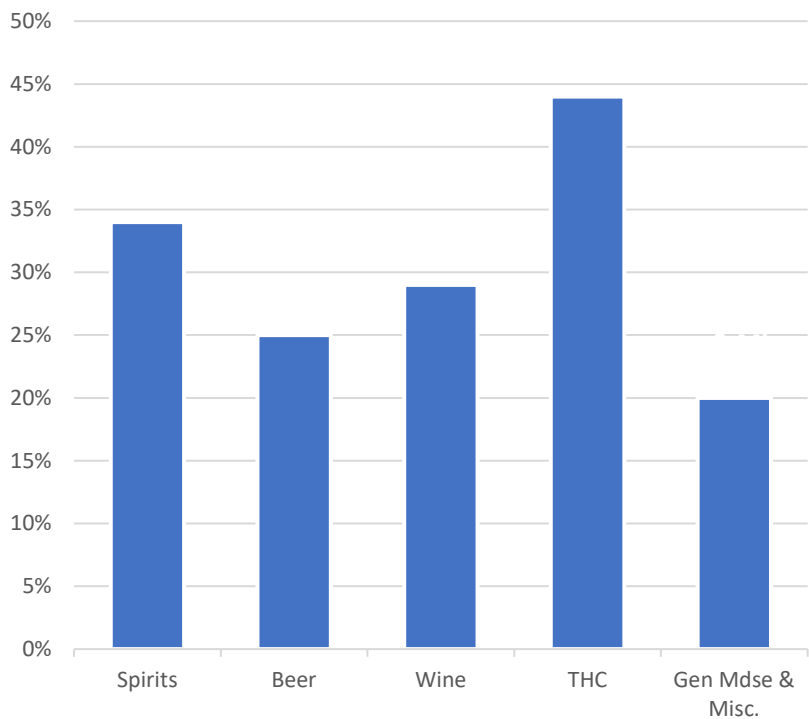
The adjacent chart shows the distribution of the 2025 annual sales based upon the five categories of: Beer, Spirits, Wine, THC, and Mix & Miscellaneous. Beer Sales account for 42% of total sales, with Spirits accounting for 40%.

2025 Sales by Category

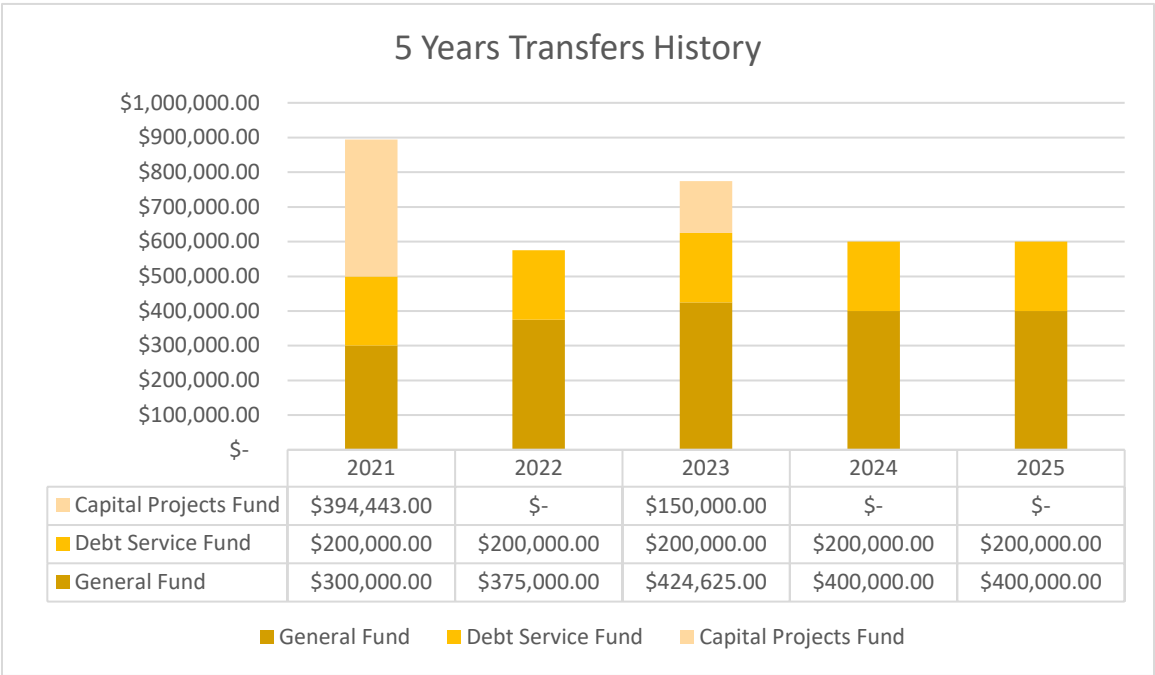


The adjacent chart shows gross profit percentage by category. Overall, the combined gross profit in 2025 was 29.9%. Even though Beer has the highest sale dollars, all other categories have the higher gross profit percentage.

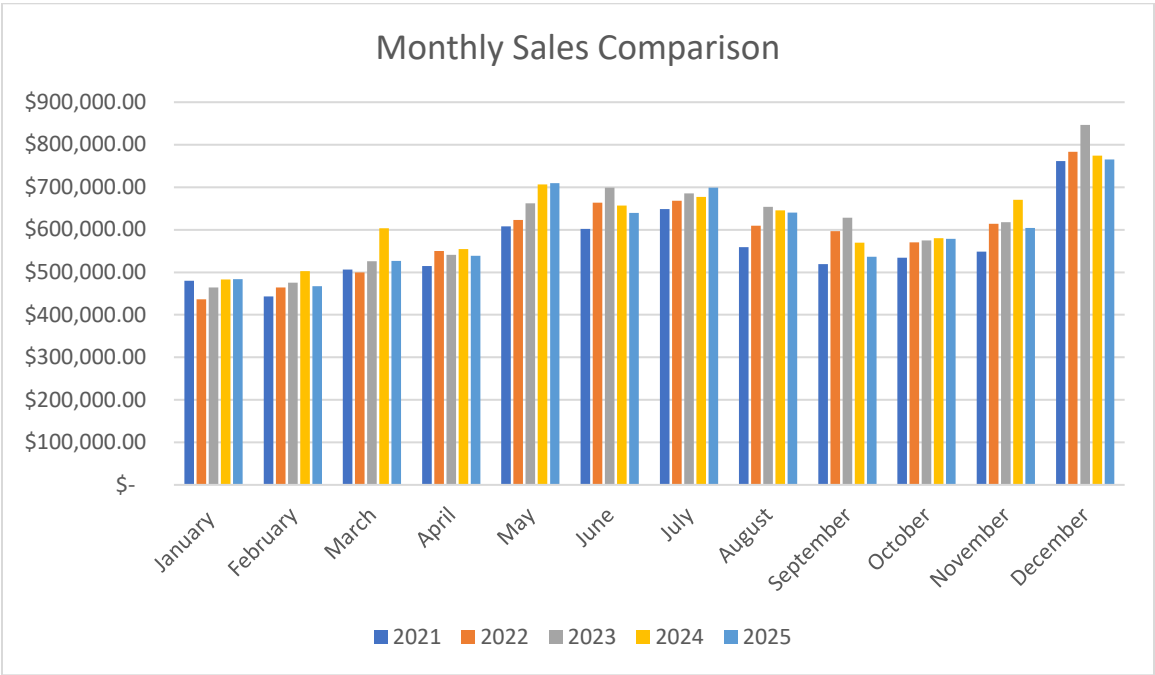
2025 Gross Profit by Category



Transfers



Monthly Sales 2021-2025



III. Trends

RTD's (Ready to Drink) Cocktails continued to sell well in 2025. Vodka based cocktails like Carbliss, Fresca, Good Boy and High Noon lead the RTD category. Craft beer, especially Minnesota brewed brands like Grain Belt Premium, 3rd Street Brewing, Schells, Surly, Brau Brothers and Talking Waters were popular with customers. Sales of non-alcoholic beer, non-alcoholic wine and no/low sugar beverages continue to grow. Domestic super premium beer sales and wine sales have 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 promote activation (purchasing) of the products sampled. We also see that customers are looking for an 'experience' when shopping at Tall Grass...we give them this by offering weekly/seasonal tasting events, engaging displays and a fun shopping experience.

Tall Grass Liquor, along with Visit Marshall, co-sponsored the Made in Minnesota Craft Beer and Wine Festival at the Red Baron Arena/Expo on May 17th. 37 vendors and around 350 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.

Tall Grass Liquor's online ordering platform continued to gain users and build awareness in 2025. 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. Approximately \$50,000 was brought in from the online sales platform in 2025.

V. Community Service Support

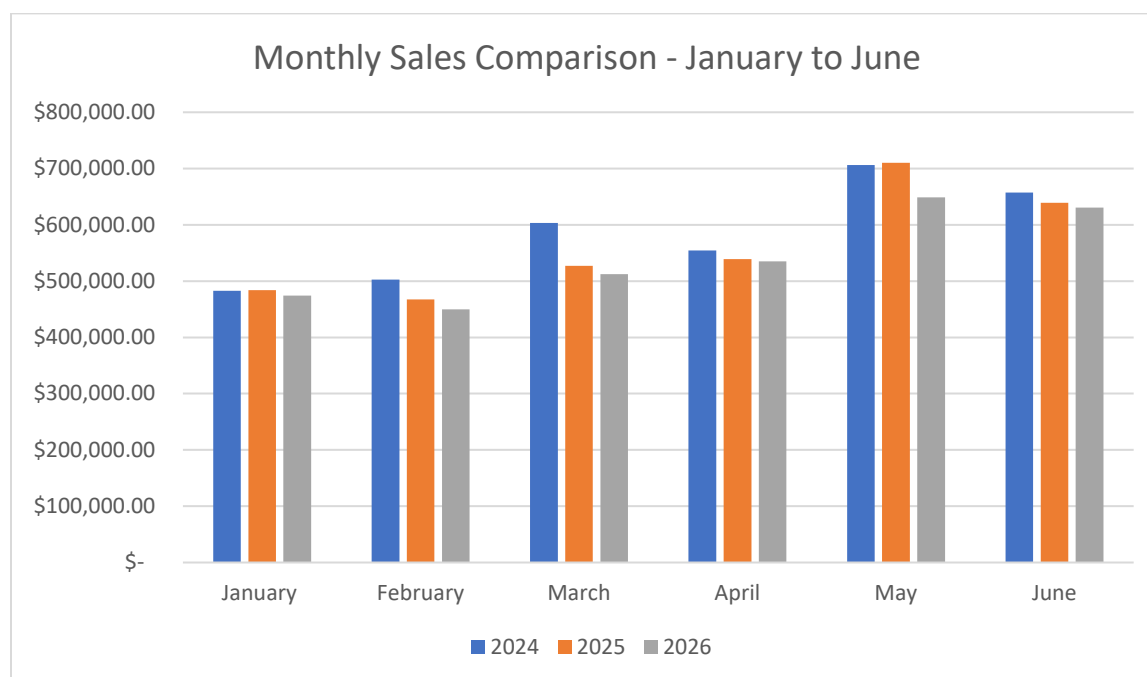
- SMSU Foundation through supplier donated items used at several fundraising events.
- MHS post-prom event donation
- Brau Brothers/United Way beer pairing event.
- United Way Stuff the Bus drop off location
- United Way Power of the Purse sponsor.
- MMBA Community Value program: Fireman's Fundraiser,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

VI. Accomplishments

- Manager and one full-time sales associate attended the Minnesota Municipal Beverage Association annual conference.
- Manager and all full-time sales associates attended MMBA regional meeting in Marshall.
- Tall Grass Liquor was named one of the Top 100 Retailers in the United States by Beverage Dynamics. <https://bevinfogroup.com/2026/07/13/read-our-beverage-dynamics-top-100-issue/>

VII. Semi Annual Review (January – June)

	2024	2025	2026	2025/2026 % Change
Sales	\$3,506,655	\$3,366,276	\$3,250,931	-3.4%
Customer Count	100,127	96,318	93,165	-3.3%
Average Ticket	\$35.02	\$34.95	\$34.89	-0.2%



VIII. Proposed 2027 Budget

2027 estimates for liquor sales and cost of goods sold are at a 3% decrease from 2026. Currently we are trending at 3.4% behind sales from 2025. We have seen a national trend with decreased liquor consumption with the Gen Z age group along with unstable economic conditions contribute to this decrease. We have taken into consideration these issues with forecasting 2027 sales and budget items.

Gross Profit is targeted around 29% for 2027. Monthly report analysis, attention to product costs, competitive pricing 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.