



MARSHALL

# Tall Grass Liquor

## 2023 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.

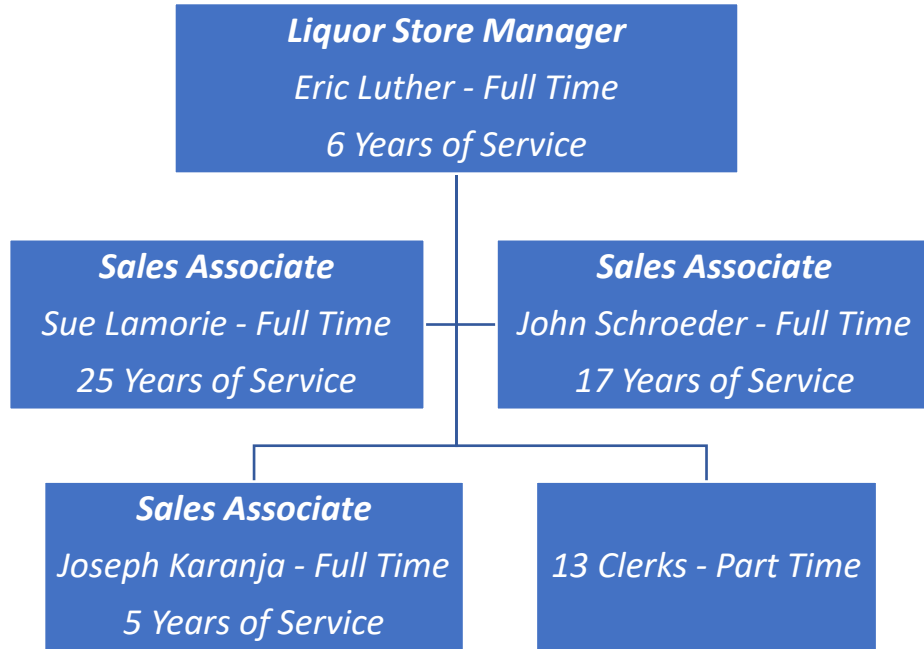
## Table of Contents

I.	Liquor Operations .....	3
	Organizational Structure .....	3
	Mission Statement .....	3
	Store Priorities .....	3
II.	Sales & Profits .....	4
	Sales & Gross Profit by Category .....	5
	Monthly Sales 2019-2023 .....	6
III.	Trends .....	7
IV.	Events.....	6
V.	Community Service Support .....	6
VI.	Accomplishments.....	7
VII.	Semi Annual Review (January 2024 – June 2024).....	8
VIII.	Proposed 2025 Budget.....	8

## 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.

### 2023 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

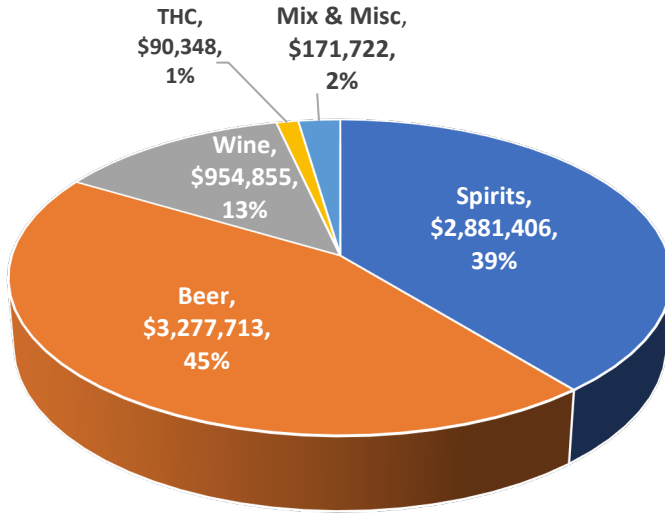
In 2023, the overall sales of the Liquor Operation were \$7,376,044 with income before transfers of \$1,158,807. This was an increase of total sales by \$297,897 and an income before transfers increase of \$269,393 when compared to 2022.



Sales & Gross Profit by Category

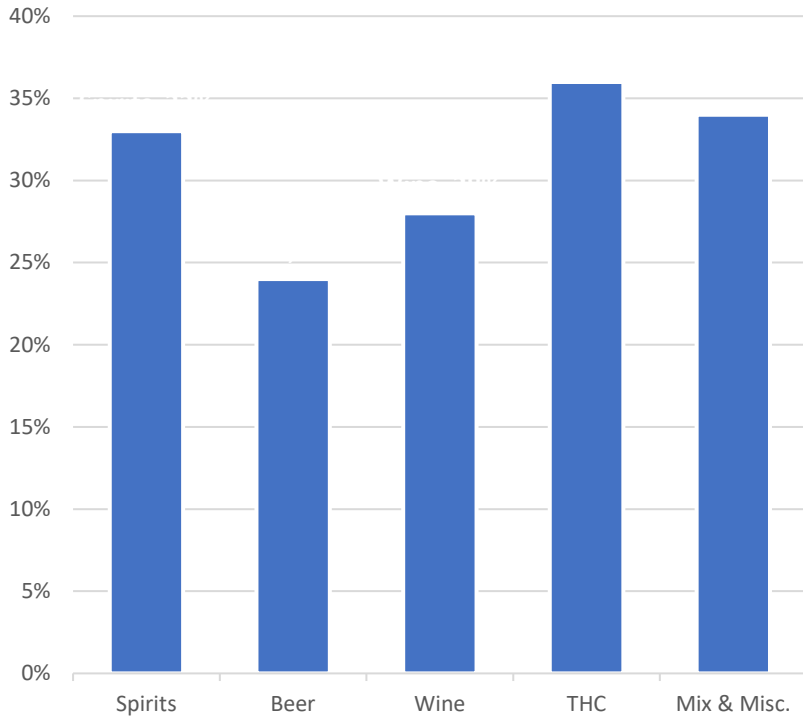
The adjacent chart shows the distribution of the 2023 annual sales based upon the five categories of: Beer, Spirits, Wine, THC, and Mix & Miscellaneous. Beer Sales account for 45% of total sales, with Spirits accounting for 39%.

2023 Sales by Category

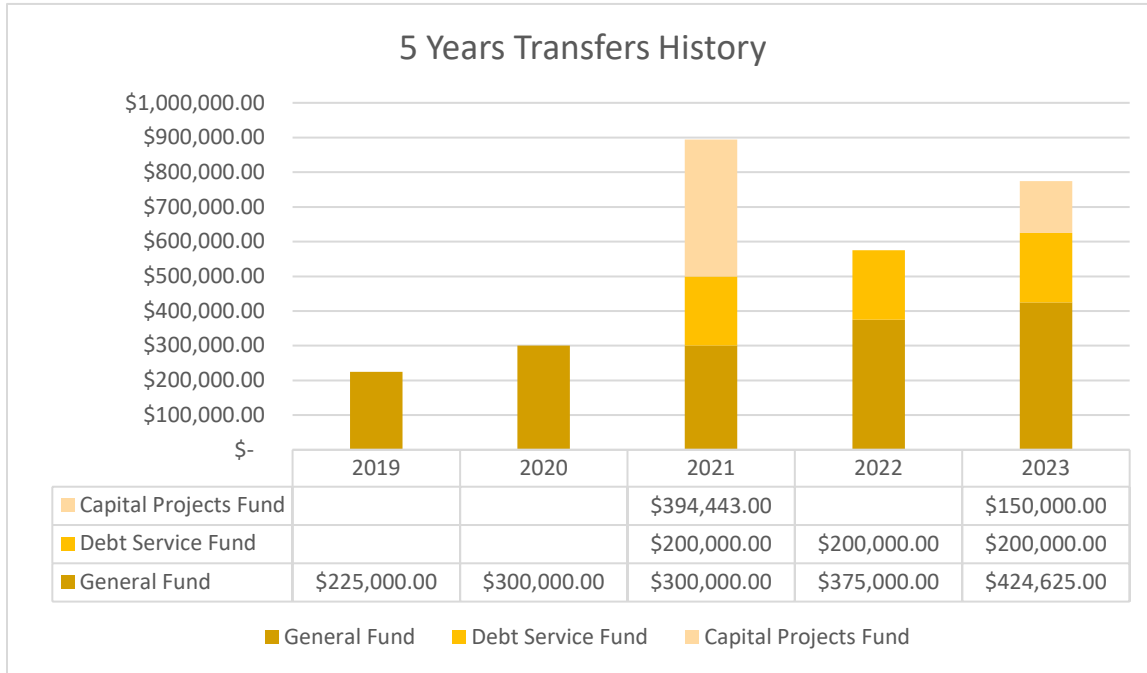


The adjacent chart shows gross profit percentage by category. Even though Beer has the highest sale dollars, all other categories have the higher gross profit percentage.

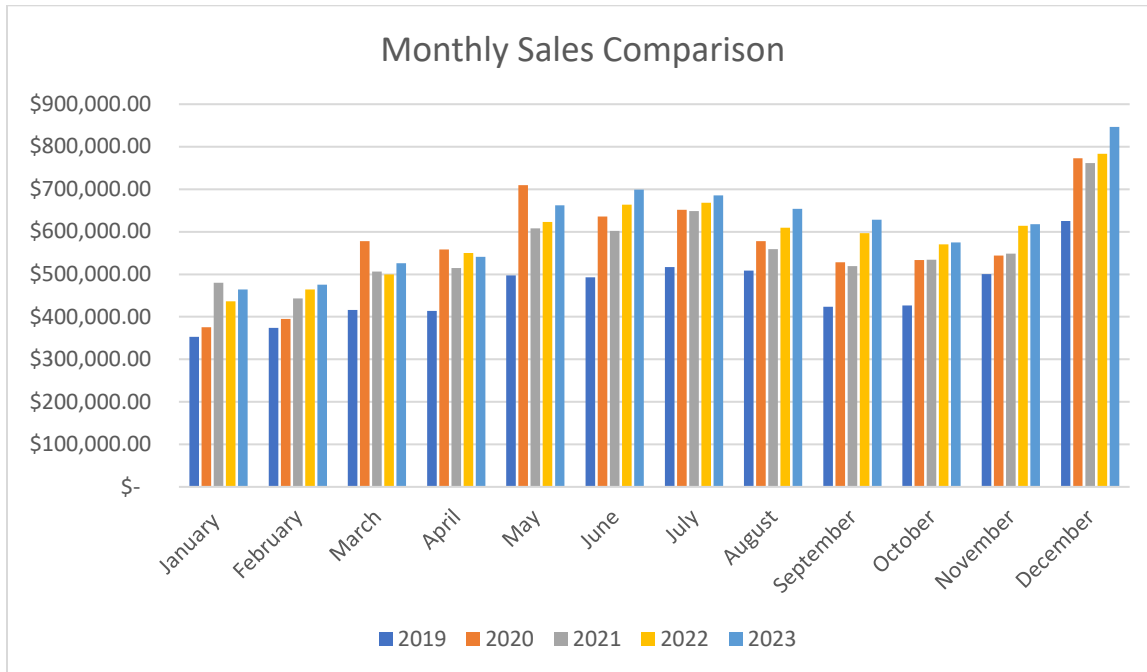
2023 Gross Profit by Category



Transfers



Monthly Sales 2019-2023



### III. Trends

RTD's (Ready to Drink) Cocktails continued to sell well in 2023. Vodka based cocktails like Carbliss and High Noon lead the RTD category. Craft beer, especially Minnesota brewed brands like Grain Belt Premium, Surly, Brau Brothers and Talking Waters were popular with customers. Non-Alcoholic beer also saw an increase in sales for 2023. THC seltzers, soda and edibles did well in the last ½ of 2023.

### 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 our products and brands.

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. 38 vendors and 400 attendees sampled products from breweries and wineries across the state.

Tall Grass Liquor on-line ordering platform continued to gain users and build awareness in 2023. 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

- Marshall Pet Rescue donation.
- SMSU Foundation through supplier donated items used at several fundraising events.
- Independence Park disc golf hole sponsor.
- MHS post-prom event & PTA 5K run donation.
- Brau Brothers/United Way beer pairing event.
- United Way 'Stuff the Bus' drop off location
- MMBA Community Value: Fireman's Fundraiser, Food Shelf & Adopt a pet.

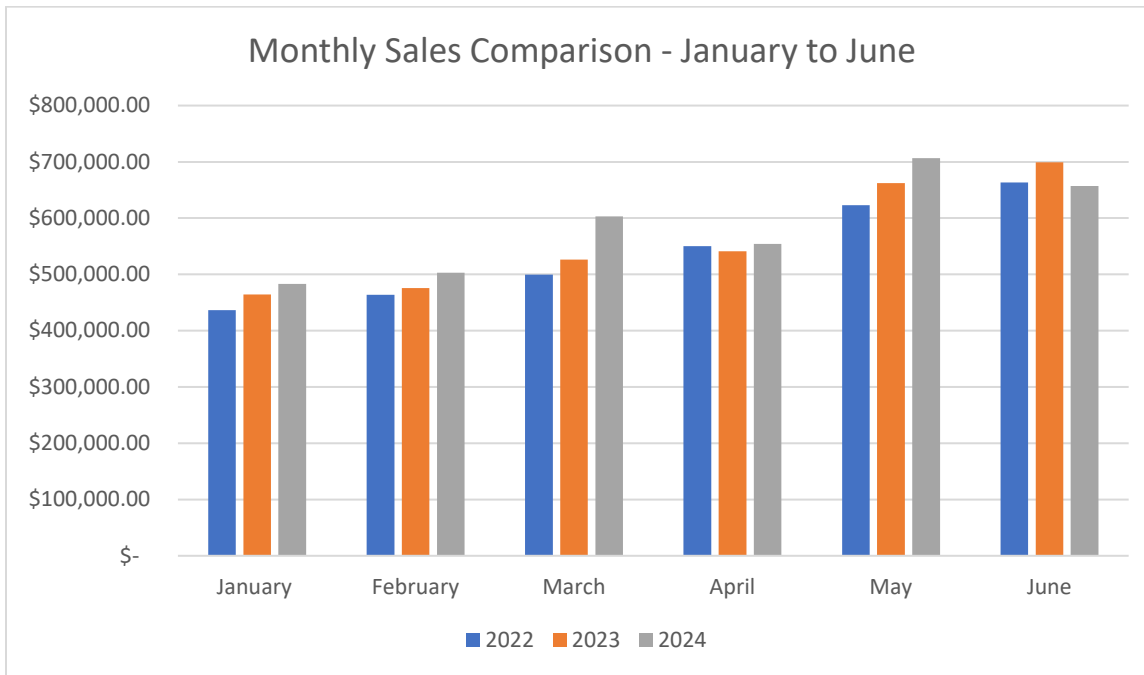
### VI. Accomplishments

- Completed in-person beverage alcohol off-sale training/carding for all staff.
- Completed in-person THC product training for all full-time sales associates and all part-time staff.
- Manager and one full-time sales associate attended Minnesota Municipal Beverage Association annual meeting.
- Manager and all full-time sales associates attended MMBA regional meeting.
- Completed video surveillance upgrade of sales floor and exterior of building.
- Wash sink added to the warehouse to help with clean up of broken bottles/product in this area of the building.
- Added several customer service enhancements to the sales floor: A locked cabinet for high-end and allocated products so customers can shop these items on the sales floor, two six foot long refrigerated open-air merchandisers allowing our store to offer more cold single can offerings

and a better selection of cold ready to drink cocktails and four large electronic message boards that advertise specials and other in-store information to our customers.

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

	2022	2023	2024	2023/2024 % Change
Sales	\$3,236,617	\$3,368,694	\$3,507,581	4.1%
Customer Count	96,645	98,222	100,127	1.9%
Average Ticket	\$33.49	\$34.30	\$35.02	2.1%



### VIII. Proposed 2025 Budget

2025 sales estimates are at a 3% increase over 2024. Currently we are trending about 4% ahead of sales for 2024. Tall Grass customers continue to see the value and selection that we offer along with a great shopping experience.

Gross Profit is targeted at 29% for 2025. Monthly report analysis, attention to product costs and strategic purchasing will ensure we are on track to hit this goal. Tall Grass Liquor continues to see the benefits of prior investments made earlier with a free-standing 50ml merchandiser and now 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.