

Wash. Liquor Prices up 10 Percent Since Privatization

EVERETT, Wash. (AP) — Privatizing liquor sales in Washington state hasn't brought prices down, as some had hoped. Instead, average liquor prices are up 10 percent since a year ago.

The cost of liquor in Washington went up six months ago, right after the changeover, and has mostly stayed that way, [The Daily Herald](#) [1] reported Monday.

The average statewide price per liter of hard liquor after taxes was \$24.06 in October, according to the state Department of Revenue.

That's slightly less than the average price in June, right after privatization. But it's still 10 percent higher than the average of \$21.59 at state liquor stores in October 2011.

Backers of Initiative-1183 had steered clear of claiming the plan would lower prices. But they did mention reductions as a potential benefit because of increased competition.

"It's gone up quite a bit," said Trudy Brodie, of Edmonds, who manages the bar at the North City Eagles Club in Shoreline. "We had to raise prices."

The ballot measure was designed to keep state and local governments from losing money in the transition.

The state's previous spirits sales tax and liter taxes stayed in place. The state's 51.9 percent mark-up went away but was replaced by fees of 10 percent on distributors and 17 percent on retailers.

"The private sector is adding its own markup as well," said Brian Smith, a spokesman for the state Liquor Control Board.

The fee charged to distributors is scheduled to be cut in half in 2014, to 5 percent, which could help bring prices down, Smith said.

Some prices at smaller stores are higher than those at large chain stores because small retailers can't get bulk discounts from distributors, said Leonard Daniel, who owns and operates Mountlake Terrace Liquor & Wine with his wife, Lori Daniel.

Also, each brand is often available from only one distributor, Leonard Daniel said. The right to distribute a brand is bought by the highest bidder.

"There's no competition until you get down to this level and we're just fighting for

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the crumbs," he said.

Leonard and Lori Daniel say they make up for their disadvantages with customer service and product knowledge, and by carrying a wider variety of brands and sizes than many of the bigger stores.

Brodie said she buys directly from distributors as well but goes to the Mountlake Terrace store to get items that aren't available from distributors.

"They're pretty good to me and they're local," she said of the Daniels.

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