
Rhode Island Plastic Waste Commission

Presentation by the Rhode Island
Beverage Wholesalers

January 22, 2023

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- Who we are and what we do
 - Deposit Programs from the Wholesaler Perspective
 - Opportunities for Rhode Island & our Environment
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Rhode Island Beverage Wholesalers

- 38 active class A & B wholesale licenses in RI¹
- Many independent & family owned
- Estimated 600-700 total employees
- Servicing all liquor retail, bar and restaurants in Rhode Island – 1,500+ accounts
- Alcohol Excise Taxes paid 2022 - \$16.7m²
- Beverage Container Tax paid 2023 - \$3.8m³

1 – See RI DBR website

2 - https://tax.ri.gov/sites/g/files/xkgbur541/files/2023-05/Pub_2023-02_Sales_and_taxation_of_alcoholic_beverages_2023.pdf

3 - <https://controller.admin.ri.gov/sites/g/files/xkgbur621/files/2023-08/Comparative%20Revenue%20Report%206-30-23%20DRAFT%201.pdf>

Mancini Beverage

- Fourth generation family business - since 1959
- Warehouse & office facility in West Greenwich, occupied since 1989
- 200+ RI employees, *including 75 full time union teamster jobs*
- Community partnership through donation and volunteer efforts – Clean Ocean Access, The Community Angels, Child and Family Services, RI Food bank

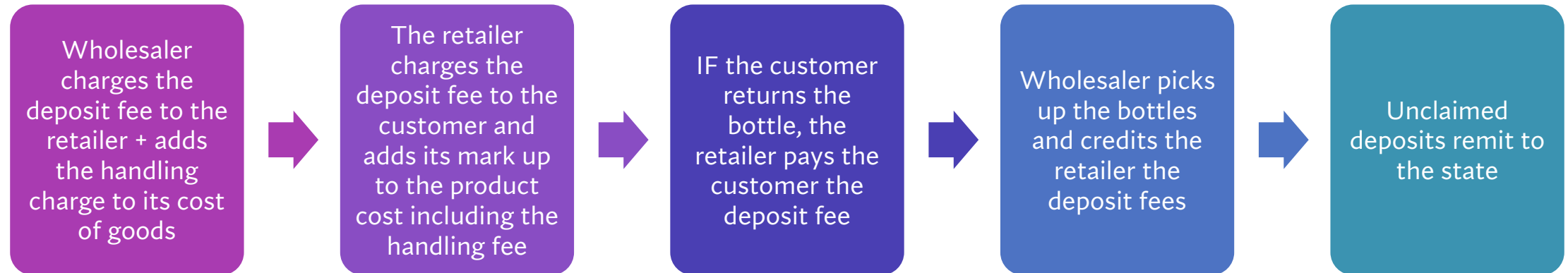


Horizon Beverage

- *Fourth generation family business - since 1933*
- *Warehouse & office facility in West Greenwich, occupied since 1989*
- *185 RI employees, including 75 full time union teamster jobs*
- *Community partnership through donation and volunteer efforts – Save the Bay, Adoption RI, Child and Family Services, RI Food bank, April for Animals*



Economic Flow & Administrative Processes



Wholesaler Operational Processes

Multiple points of contact

Delivery drivers pick up recyclables at point of customer delivery

- Driver training
- Trucks preserve space for returns
- Time at point of delivery – drivers review returns to confirm wholesaler product
- Returns are noted on invoice



Recyclables are returned to the warehouse

- Dedicated manpower to check in returns – confirm returns are noted properly on invoice and remove empties from truck



Recyclables are sorted, processed and stored for third party collection

- Dedicated manpower to organize returns
- Palletize or crush glass
- Crush and bale aluminum
- Sort plastics
- Dedicated warehouse space / dock doors

Empties on Delivery
Truck – End of Day



Manually palletized for
counting, storage + pickup



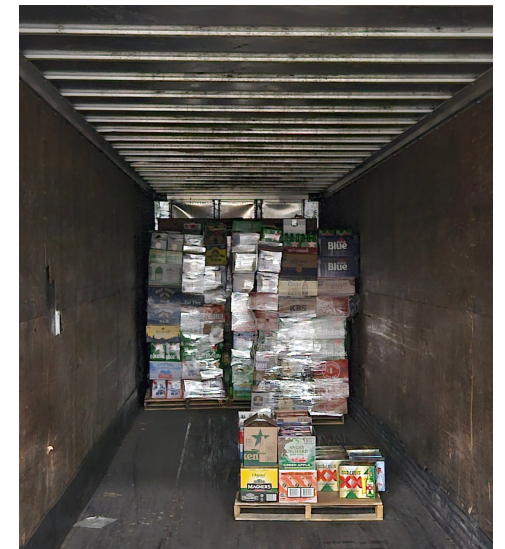
Dedicated dock doors for Recycling Receptacles



Can Compactor



Exterior Storage for
Bottle Returns



Key Operational Challenges

Time

Space

People resources

Market Impact - Price

The cost associated with deposit programs pass through to consumers as a tax at point of purchase

- Deposit charges, handling fees and the added cost at wholesale and retail to manage

	Connecticut	Rhode Island	Difference
Brand	6pk	6pk	
Heineken	\$11.49 - 11.99	\$10.29	\$1.20 - 1.70
Corona	\$11.49 - 11.99	\$10.29	\$1.20 - 1.70
Modelo	\$11.49 - 11.99	\$10.29	\$1.20 - 1.70
Sam Adams	\$10.99 - 11.49	\$10.59	\$0.40 - 0.90
Blue Moon	\$10.99 - 11.50	\$9.99	\$1.00 - 1.51

Market Impact - Competition

- *Higher prices shift purchases out of state*
- Eliminating the wine & spirits sales tax is illustrative of this effect (effective 12/1/13)¹
- Over the same period, RI beer and malt beverage volume decreased more than 20%
 - In the year after reduction, Horizon wine & spirits sales increases 27%

Wine & Spirits	GALLONS	EXCISE TAX
2014	5,661,640	\$ 15,643,837.00
2022	7,562,093	\$ 22,048,702.00
% CHANGE	34%	41%

1 - https://tax.ri.gov/sites/g/files/xkgbur541/files/2023-05/Pub_2023-02_Sales_and_taxation_of_alcoholic_beverages_2023.pdf

Environmental Opportunities

- Focus on broad-based curbside recycling
 - Addresses all types of recyclables, not just beverage containers
 - Convenience to drive adoption
 - Educate communities on proper recycling to reduce contamination
 - Upgraded RI recycling facility to process more
 - Public-Private Partnerships
 - Public waste disposal containers
 - Extended producer responsibility (EPR)
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