

40,000 Russians Die Annually of Poisonous Alcohol

70 Million Litres of Tainted Wine in Italy

The American Beer Distribution System:

*Assuring Product Integrity from
Manufacture to Consumption*

USDA Orders Recall of 143 Million Pounds of Frozen Beef

104 Pet Deaths Reported in Pet Food Recall

South Africa: 'Toxic' Wine Seized

125 Die in India After Drinking Illicit Liquor

From toothpaste and pet food to children's toys and prescription drugs, countless consumer goods industries in the U.S. have been confronted with the problem of **counterfeit** or **poisonous** products entering their supply chains. These situations not only put consumers at risk but also result in lasting damage to innocent businesses that must work to earn back the trust of American consumers by assuring them that the products on the shelves are indeed **authentic products**.

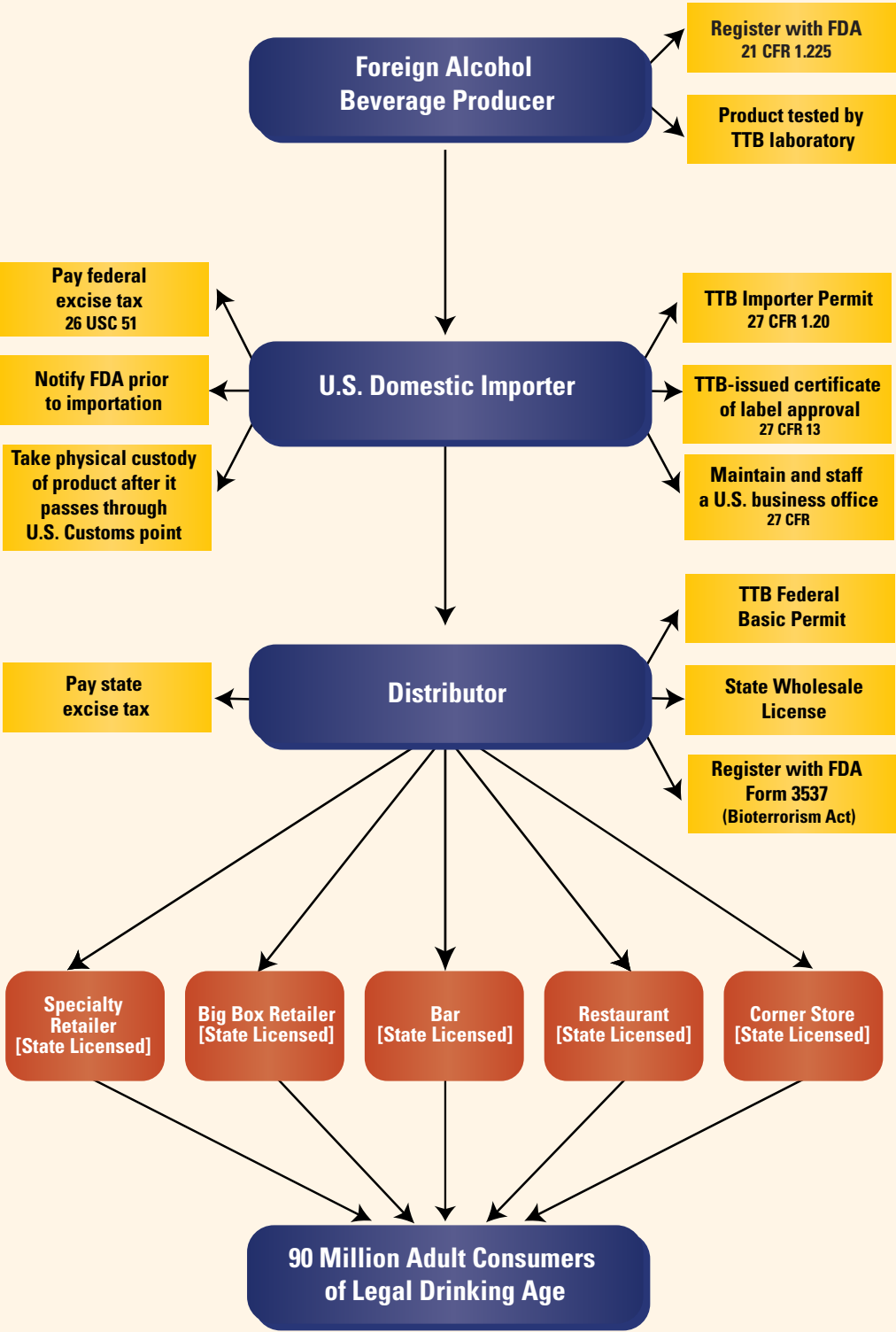
In **many other countries**, the alcohol beverage industry has fallen victim to the infiltration of **counterfeit and poisonous products**. News stories from countries around the world describe people being injured and even dying after consuming **tainted** alcohol. This problem is not exclusive to developing countries. **Counterfeit** alcohol is an issue in developed countries such as England and Finland as well.

Why has this problem that spans the globe not become an issue in the U.S.? It is not because bootleggers and counterfeiters don't try to expand their **black market operations**. The U.S. does not have a problem with **counterfeit and poisonous** alcohol because it has a **time-tested, regulated and transparent system** in place for **alcohol distribution that works to protect consumers**.

The chart on the adjoining page illustrates the path all imported alcohol must take to get to a store shelf or a bar tap in the U.S. Only **federally-registered** manufacturers can ship alcohol into the country to a **federally-licensed**, U.S.-based domestic importer after the product is tested by the federal government's Tax and Trade Bureau (TTB). The importer can only sell the beer to a **federal and state-licensed** distributor. The distributors are then required to sell only to **state-licensed** retailers who in turn sell the product to adult consumers of **legal drinking age**. This system of alcohol distribution ensures a **transparent** supply chain from the point of manufacture all the way to consumption. The **accountability** that exists in the alcohol distribution system helps ensure the products Americans purchase and consume are safe and authentic.



The Path of Imported Alcohol in the U.S.



Benefits of the American Alcohol Distribution System

- Unlike many consumer goods industries in the U.S., the alcohol beverage industry works within a system that ensures the **transparency** of the product from manufacture all the way to retail sale.
- While many countries have issues with counterfeit and poisonous alcohol entering their supply chains, the **American system** of alcohol distribution works to **prevent** tainted alcohol from infiltrating the U.S. system.
- The American **three-tier system** of alcohol distribution requires all parties in contact with the product to be **licensed** either by federal or state authorities. Alcohol beverage distributors are **dually licensed** by both federal and state governments.
- Should a quality concern develop over a particular product, the American system of alcohol distribution allows for that product to be quickly recalled or pulled off store shelves with minimum public exposure. The same cannot always be said of supply chains that do not operate within a strong **regulatory system**.
- In addition to **achieving the most important goal of assuring product integrity, the American three-tier system of alcohol distribution also:**
 - 🍷 Ensures all proper taxes are paid on products to federal, state and local governments.
 - 🍷 Provides a system of **checks and balances** between all the tiers of the distribution system, making it easy to identify any bad actors or companies trying to circumvent the system.
 - 🍷 Allows the American consumer to enjoy unparalleled **choice and variety** in types and brands of alcohol. Nearly **13,000 brands** of beer are available to American consumers.
 - 🍷 Offers a **path to market for small suppliers** who otherwise would not have the manpower or infrastructure to efficiently distribute and sell their products.
 - 🍷 Keeps the business of alcohol distribution local. Licensed beverage distributors are members of the community who are familiar with the **local attitudes and concerns** regarding their products. They sponsor a number of responsibility programs and initiatives in their communities such as speakers in schools, free cab rides or server training for local bartenders and wait staff.



For more information:

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