

Greetings to the members of the MD General Assembly.

My name is Dave Hochrein, and I am the Region Manager for MD for Heaven Hill Brands, a family company in KY that owns and distills Deep Eddy Vodka and its 9 flavors. I submit this testimony on behalf of the "Orange Crush Bill" today coming from a 29-year career of distributing, selling and marketing spirits and wine in MD for my entire career. Yes, I'm a subject matter expert on a cocktail! The timing for this bill couldn't be more ideal as this marks the 30th year of Marylanders enjoying Orange crushes. As the protectors of all things Maryland, let's take the steps to rightfully claim this Maryland tradition as our official drink. This drink has naturally, through consumer and bartender ingenuity, transformed into a culture of Fresh Squeezed Crushes beyond just an Orange Crush. But nothing compares to the consumer call for an Orange Crush above all other fresh squeezed varieties on the menu. In 49 states in the USA, the #1 selling cocktail on a menu is a classic Margarita. But in Maryland, the Orange Crush is the staple that outsells margaritas. From its waterfront start in Ocean City in 1995, to the Chesapeake Bay watershed bars to lakeside in Deep Creek, this sunshine looking cocktail lives with familiarity among those that live or vacation here. My Brand, Deep Eddy Vodka, is the #1 selling Premium Flavored vodka in the country. I say this because we are an integral part of the Crush community with our brand and can share some insights, dollars and common sense to Maryland getting behind what is already a Maryland thing.

Let's start with Dollars and Taxes. I sourced some annual data from Nielsen Scan Data, a nationally recognized source of consumer data in the alcohol industry. We have seen nationally and locally that consumers are seeking convenience in its alcohol choices. Seeking Ready to Drink (RTDs) canned cocktails of vodka seltzers, and other drinks certainly helps with convenience vs. a bottle-made drink at home or by the pool. The consumer has found brands offering low calorie, low sugar options in a canned cocktail that replaces their need to buy the bottle and the mixer from the store. All is fair in Love & Vodka when it comes to competition! But the national statistics don't lie when it comes to negative dollar impacts of consumers choosing cans over true cocktails. Vodka is the largest selling category of distilled spirits in the country. In 2024, Vodka saw its share of sales lose -1.2% to other choices in Alcohol. It's important to know where it went, particularly because it's a 9% sales tax in MD. The top Share gain in distilled spirits came from RTDs gaining +2.9% of alcohol share in 2024. RTDs have catapulted to the #3 selling category in spirits in total cases. The problem with this statistic is in the dollars. The average case of Vodka sells for \$144 for a 9L case. That same math for an RTD 9L case equates to just \$77.50. As the consumer makes an honest decision in buying habits, it makes quite a negative impact to the dollars flowing through local stores and restaurants. Less dollars spent earns less for state coffers. If you dive into menu pricing locally, there is no doubt that a fresh made Orange Crush demands a higher price on the check than a premade vodka option. Its anywhere from a -\$2-4 swing per drink if the customer chooses an RTD over fresh made. It all leads to more tips and taxes to promote something as iconic and local as this.

We noted the dollars but it's time for common sense now. We know Delaware was the 1st state in the union, but they have now elected to be 1st to adopt MD's favorite drink as their own. Imitation is the best form of flattery, so be flattered. The MD news of this adoption will have fantastic presence

in the local communities of MD. Just looking at my own local data, sales in Worchester County, slipped off in Summer 2024, higher than the rest of the other counties in the state. As a seasonal area, you can positively reinvigorate this community to draw attention to what they have created. After a full year of Cannabis affecting discretionary consumption in MD, Weight loss drugs affecting consumption of food and drink in restaurants, and sports betting apps affecting nightly habits beyond a drink at the bar, lets Crush the region with some Orange Crush news and events! Summer's coming and Orioles Baseball isn't just for a Natty Boh anymore, it's an Orange thing too!

We at Deep Eddy Vodka will be happy to raise a glass to your decision. Thanks for your time.

Dave Hochrein

Region Manager – MD/DC/SC

Deep Eddy Vodka

201-273-1965



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Heaven Hill Sales Co. - A Heaven Hill Brands Company

Neilsen Case data 2-1/2025 – 52 week data

02/01/25

Grwth Rank	9L Rank	CATEGORIES	9L	9L Diff	9L % Chg	9L Shr TY	Shr % Chg
TOTAL TDS			156,391,825	1,389,579	0.9%	100.0%	
Grwth Rank	9L Rank	CATEGORIES	9L	9L Diff	9L % Chg	9L Shr TY	Shr % Chg
10	1	VODKA	39,937,952	-1,506,132	-3.6%	26%	-1.2%
9	2	WHISKEY	37,947,719	-1,269,230	-3.2%	24%	-1.0%
1	3	PRPRD COCKTAILS	35,464,381	4,735,544	15.4%	23%	2.9%
2	4	TEQUILA	13,937,330	814,644	6.2%	9%	0.4%
8	5	RUM	10,306,908	-693,558	-6.3%	7%	-0.5%
5	6	CORDIALS	8,588,705	-151,183	-1.7%	5%	-0.1%
7	7	GIN	3,890,711	-208,644	-5.1%	2%	-0.2%
4	8	BRANDY	3,541,099	-139,933	-3.8%	2%	-0.1%
6	9	COGNAC	2,624,719	-185,402	-6.6%	2%	-0.1%
3	10	GRAIN ALCOHOL	152,301	-6,528	-4.1%	0%	0.0%

Neilsen Dollar data – 2/1/2025 – 52 week data

Grwth Rank	\$ Rank	CATEGORIES	\$	\$ Diff	\$ % Chg	\$ Shr TY	Shr % Chg
TOTAL US TDS							
TOTAL TDS			\$31,293,764,938	-\$62,695,051	-0.2%	100.0%	
Grwth Rank	\$ Rank	CATEGORIES	\$	\$ Diff	\$ % Chg	\$ Shr TY	Shr % Chg
10	1	WHISKEY	\$10,774,283,730	-\$219,602,171	-2.0%	34%	-0.6%
9	2	VODKA	\$5,789,789,399	-\$209,123,541	-3.5%	19%	-0.6%
1	3	TEQUILA	\$5,455,243,063	\$368,948,051	7.3%	17%	1.2%
2	4	PRPRD COCKTAILS	\$2,749,887,441	\$343,542,250	14.3%	9%	1.1%
4	5	CORDIALS	\$2,108,312,091	-\$22,509,040	-1.1%	7%	-0.1%
7	6	RUM	\$1,576,451,446	-\$97,546,745	-5.8%	5%	-0.3%
8	7	COGNAC	\$1,467,142,234	-\$173,431,123	-10.6%	5%	-0.5%
6	8	GIN	\$806,127,017	-\$27,191,943	-3.3%	3%	-0.1%
5	9	BRANDY	\$536,355,925	-\$24,587,212	-4.4%	2%	-0.1%
3	10	GRAIN ALCOHOL	\$30,172,592	-\$1,193,579	-3.8%	0%	0.0%