



## Customer FAQs

### Items Out of Stock

*As of Nov. 1, 2021*

#### Why are there so many products out of stock?

There are several factors contributing to the shortage of various products on ABC's store shelves, many of which are outside of ABC's control. As of Oct. 28, of the 5,287 products that Virginia ABC sells, 184 are out of stock. Since the beginning of the pandemic in March 2020, the highest number of out-of-stock products was 250 in January 2021 and the lowest was 55 in April 2020.

Distilled spirits have been impacted by widespread disruptions in the supply chain like other products in retail stores.

- Bottles and raw materials are in short supply. Many of ABC's suppliers have indicated that glass and key raw materials for plastic closures are scarce. Manufacturers of these raw materials are also experiencing labor shortages, putting additional pressures on their ability to produce a finished product. The need to quarantine due to exposure to COVID-19 is also affecting workers worldwide. As a result, some of ABC's suppliers are looking into alternative container options.
- The trucking industry has experienced its own set of challenges due to the pandemic, further impacting our suppliers. There are more loads than available trucks to haul the freight, and semiconductor shortages continue to cause delays in new truck production. Additionally, the pandemic has resulted in a decline in driver availability due to quarantines and illnesses.
- Congestion at the major U.S. ports is impacting the supply of imported liquor. There is a bottleneck of incoming ships due to staff shortages to process imports. The port congestion has impacted products such as cognac, Scotch whisky, Irish whiskey, gin and vodka, and the availability of raw materials.

Although the out-of-stock issue has largely been the result of external supply chain problems, some of the shortages in stores have been because of adjustments made during the transition to the new distribution center in Hanover County. Throughout September, ABC maintained shipping and receiving operations from both facilities which put a strain on production. In early October, we began shipping entirely from the new distribution center, which is expected to significantly reduce shipment delays to our 395 stores. If we have the inventory, we are shipping it to our stores as soon as possible. Any distribution delays resulting from the warehouse transition are expected to be resolved by early December.

#### What is Virginia ABC doing to address out of stocks?

If ABC has the inventory in our distribution center, we are shipping it to our stores as soon as possible. We have accepted and continue to accept substitute products such as different sizes and brands to fill gaps where we are experiencing shortages. We are also working with our suppliers across the country to reconfirm inventory commitments and identify potential product shortages due to supply chain disruptions and any possibilities to alleviate such shortages. Additionally, ABC is properly staffed in both the stores and the distribution center to handle current consumer demand.

#### Will ABC have enough products for holiday shoppers this year?

Supply chain disruptions are expected to continue into the holiday season. For that reason, we are cautiously optimistic that customers will find what they need in our stores. However, if consumer demand is much higher than a supplier anticipated for certain products, you may have to purchase a different size bottle, select a different variety, or try a different brand.



Due to the difficulty in forecasting consumer demand and the current volatility of out-of-stocks, ABC has decided to forego Black Friday and Cyber Monday sales. It would be unfair to incentivize customers to visit stores in the anticipation of saving money only to be disappointed to find their brands out of stock. Also, the higher sales generated by the promotion would likely result in additional out-of-stocks.

### **When do you expect inventory levels to get back to normal?**

Some of ABC's suppliers have indicated that if current sales trends, logistics challenges and the scarcity of raw materials continues, it may be mid-2022 or later before they are able to sustain inventory levels to fulfill consumer demand.

### **How can I find out if an item is out of stock?**

Due to the volatility of out-of-stock items, customers are encouraged to be informed about the status of the products they wish to purchase before placing an order or visiting a store. Check ABC's website [www.abc.virginia.gov](http://www.abc.virginia.gov) for product inventory or call the local store to ensure availability of a particular product before heading out. If you can't find a particular product because it's out of stock, ask a store employee about whether a comparable product is available at their store or a nearby store.

### **I saw in the news that other alcohol control states like North Carolina and Pennsylvania are experiencing a shortage of distilled spirits. Is the alcohol shortage worse in the control states?**

The alcohol shortage is nationwide and not specific to alcohol control states. You may be hearing more about the control states in the news because those states have a government agency responsible for controlling the sale of distilled spirits at the wholesale level. It is much easier for the media to gather information from one statewide source than multiple private retailers within a state.