CRAFTING A BETTER DRINKING CULTURE

AN IMPACT REPORT BROUGHT TO YOU BY THE KENTUCKY DISTILLERS’ ASSOCIATION
Founded in 1880, the Kentucky Distillers’ Association is the historic voice for Kentucky’s signature Bourbon and distilled spirits industry. Its diverse and growing membership produces 90 percent of the world’s Bourbon, from legendary, global brands to emerging micro distilleries that foster the next generation of the Commonwealth’s timeless craft and treasured economic engine. Member benefits include media relations, international trade development, private sampling events, technical assistance, economic development support, networking, legal defense, marketing strategies, governmental and regulatory advocacy and innovative tourism experiences through the KDA’s world-famous Kentucky Bourbon Trail® and Kentucky Bourbon Trail Craft Tour® adventures. The KDA maintains an open membership policy, champions a strong commitment to the responsible and moderate consumption of spirits, and fights to curb underage drinking and drunk driving. Learn more at [www.kybourbon.com](http://www.kybourbon.com) and [www.kybourbontrail.com](http://www.kybourbontrail.com).
Kentucky is the birthplace of Bourbon, crafting 95 percent of the world’s supply. Only the Bluegrass State has the perfect natural mix of climate, conditions and pure limestone water necessary for producing the world’s greatest Bourbon.

KDA created the Kentucky Bourbon Trail® in 1999 to give visitors a first-hand experience into crafting the world’s finest Bourbon. It has become one of the country’s hottest tourism attractions, with a record 940,780 visits in 2017.

In 2012, the KDA invented the Kentucky Bourbon Trail Craft Tour® to showcase the state’s emerging craft distilling industry. A record 253,453 people toured its distilleries in 2017.

Bourbon is an $8.5 billion signature industry in Kentucky, generating 17,500 jobs with an annual payroll of $800 million. Spirits production and consumption pours more than $825 million in federal, state and local tax coffers every year.

Bourbon production has increased more than 275 percent since 1999 (455,078 barrels compared to 1,715,541 in 2017), with premium small batch and single barrel brands driving the Bourbon renaissance.

Bourbon is revolutionizing Kentucky tourism and pouring much-needed revenue into local communities. Kentucky Bourbon Trail® visitors spend between $400 and $1,200 on average during their trip. More than 70% of visitors are from outside Kentucky.

The total number of aging barrels in Kentucky is 8.1 million, the most since 1971. This includes Bourbon, brandy and other spirits. There are now almost 2 barrels for every person living in Kentucky.

In 2017, Bourbon production was 1.7 million barrels, only the second time since 1968 that distillers filled that many.

Total Bourbon inventory was 7.5 million barrels as of January 2018, the highest it’s been since 1972.

Kentucky Bourbon and Tennessee whiskey exports surged 14 percent in 2017, making it the largest export category among all U.S. distilled spirits with more than $1.1 billion in revenues.

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The 2018 tax-assessed value of all barrels aging in Kentucky is $3 billion – an increase of $456 million over the previous year. Distillers paid more than $23 million in state and local barrel taxes alone in 2018, a new record.

Our distillers are committed to growing responsibly. In the last year, they have delivered over 3,700 free rides to reduce impaired driving with Lyft and prevented underage access to alcohol by catching 250 fake IDs at their distilleries with Intellicheck.

Kentucky taxes Bourbon and spirits highest among all 536 manufacturing industries in the state. Nearly 60% of every bottle goes to taxes or fees, with seven different taxes on Bourbon – including an ad valorem tax each and every year on aging barrels.

The KDA, a non-profit trade group founded in 1880, represents 40 companies, the most since the Repeal of Prohibition. Its ranks have swelled with new distilleries, strengthening Kentucky’s rightful place as the one, true, authentic home for Bourbon.

More than $1.1 billion in capital projects has been completed or is planned over the next five years, from new distilleries and aging warehouses to bottling facilities and tourism centers.

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There’s no doubt about it – Kentucky is home to the world’s best Bourbon and distilled spirits. Our legendary distilleries take great care in crafting the spirits you enjoy, and they take great care in supporting their communities, too.

In 2017, the Kentucky Distillers’ Association hired its first Director of Social Responsibility, Ali Edelstein, to lead the industry’s effort to pursue social responsibility, environmental sustainability, and community investment together. Her first task was to survey legislators, non-profit partners, and other key stakeholders. These partners confirmed a desire to see the KDA act as a standards guardian for its member distilleries – defining what it means to be responsible, then sharing those best practices with others.

Our industry’s sincere thanks goes to those stakeholders for informing our efforts and strengthening their impact over the past two years. Together, the KDA and its members have worked with businesses, non-profits, and policymakers to identify and promote solutions that target Kentucky’s alcohol-related harms and celebrate its responsible consumers.

In the coming pages, you’ll read about the voluntary, data-driven initiatives we pursue to reduce impaired driving, promote mindful consumption, prevent underage access to alcohol, and respect non-drinkers.

After doing so, we hope you feel inspired to partner with us and get engaged. Crafting a better drinking culture requires time and collaboration.

Will you join us?

Eric Gregory
President
Kentucky Distillers’ Association
The KDA's responsibility strategy seeks to reduce alcohol-related harms, provide a positive experience with distillers’ brands, and preserve our signature industry’s ability to grow. We draw upon public health’s socio-ecological model to guide our efforts and craft a better drinking culture through individual, organizational, community, and policy-level change.

**OUR STRATEGY & IMPACT**

**OUR STRATEGY IS BUILT ON THE 4 KEY COMMITMENTS BELOW:**

**REDUCE IMPAIRED DRIVING WITH**

**PROMOTE MINDFUL CONSUMPTION WITH**

**PREVENT UNDERAGE ACCESS TO ALCOHOL WITH**

**RESPECT THE NON-DRINKER WITH**

**THE MOCKTAIL PROJECT**

**TOGETHER WE HAVE:**

- Strengthened access to rideshare in rural communities and delivered thousands of free sober rides across the state.
- Audited distilleries’ responsible retailing practices, certifying they uphold 76% of KDA’s Best Practices in Alcohol Responsibility on average.
- Caught over 350 fake IDs, preventing underage access to alcohol at distilleries.
- Engaged dozens of alcohol retailers in the mocktail movement, creating safer, more inclusive environments for expecting mothers, designated drivers, and other non-drinkers.
REDUCE IMPAIRED DRIVING

We believe that impaired driving is unacceptable and harmful to communities. The KDA seeks to impact this issue by increasing the awareness and availability of transportation options throughout Kentucky and supporting effective assessment, monitoring, and treatment options for DUI offenders.

• We work with Kentucky Bourbon Trail® sponsors Mint Julep, Copper Still Tours, and Central Kentucky Tours to provide safe and fun tour experiences.

• In 2017, we partnered with Lyft to bring on-demand ride services to some of Kentucky’s more rural communities. This work earned KDA a top national highway safety award from The Foundation for Advancing Alcohol Responsibility.

• In 2018, the KDA partnered with Louisville’s Transportation Authority of River City (TARC) to prevent impaired driving and increase ridership on its free LouLift service by creating a co-branded brochure that outlines how to use LouLift to visit Louisville’s Kentucky Bourbon Trail® and Urban Bourbon Trail® locations.

• In 2019, the KDA partnered with Kentucky Senate Judiciary Chairman Whitney Westerfield, Mothers Against Drunk Driving, and a coalition of traffic safety stakeholders to advocate for the successful passage of Senate Bill 85, which strengthened Kentucky’s DUI laws and made Kentucky the 33rd state to allow ignition interlock devices for all DUI offenders.

• In 2019, the KDA also incorporated Safe Ride KY as an independent non-profit organization. Safe Ride KY is an alliance that provides Lyft discounts on high traffic holidays to complement the Kentucky Office of Highway Safety’s Drive Sober or Get Pulled Over education and enforcement efforts.

To date, Safe Ride KY has provided 7,391 sober rides and recruited 483 new users throughout Kentucky with support from the KDA.
NEVER DRIVE IMPAIRED. DOWNLOAD THE LYFT APP ON YOUR PHONE TO SCHEDULE A SAFE RIDE HOME IN MINUTES!
PROMOTE MINDFUL CONSUMPTION

When consumed in moderation, spirits can be a source of pleasure and a positive experience for many. However, consumed irresponsibly, it can have negative or even devastating consequences. As a result, the KDA and its members take great care in promoting more mindful consumption amongst drinkers.

• Through a series of public service announcements, the KDA establishes alcohol responsibility as an attractive and essential element of Kentucky’s Bourbon and distilled spirits culture. Titled “How do Kentuckians enjoy their Bourbon?”, the PSAs were recognized with four Traverse Awards and a Judge’s Choice Award from the Kentucky Travel Industry Association for their positive and influential impact on Kentucky tourism.

• All employees that serve or sell alcohol at KDA member distilleries complete a responsible server training program like Training for Intervention Procedures (TIPS) or Server Training in Alcohol Laws and Regulations (STAR) to help identify, prevent, and handle situations involving overconsumption.

• Consumers are invited to complete the DrinkIQ quiz, located in the official Kentucky Bourbon Trail Welcome Center at Frazier Museum in Louisville. Based on the world-class exhibit at Diageo’s Guinness facility in Dublin, the quiz measures and informs individuals’ knowledge about how alcohol affects their bodies.

• The KDA serves as a standards guardian by establishing best practices that help its members actively embed alcohol responsibility into their consumer-facing visitor centers, marketing, and events in partnership with Michigan-based benefit corporation, Better Drinking Culture (BDC) – a grassroots movement that promotes a more positive relationship with alcohol. In 2017, Better Drinking Culture customized their national certification program for distilleries using KDA’s Best Practices in Alcohol Responsibility for Visitor Centers.

BDC audited distilleries’ responsible retailing practices, certifying they uphold 76% of KDA’s Best Practices in Alcohol Responsibility on average.
PREVENT UNDERAGE ACCESS TO ALCOHOL

Studies show that alcohol consumption by minors negatively affects brain development and increases likelihood of substance abuse or misuse in adulthood. KDA and its members are committed to preventing and reducing underage drinking through education, age verification and community partnerships - particularly with local universities.

• The KDA encourages parents to maintain a zero-tolerance policy for underage consumption and empowers them to have alcohol-related conversations with their children early and often. We direct parents who visit the Kentucky Bourbon Trail® tours to resources offered by the Foundation for Advancing Alcohol Responsibility (FAAR) and provide a safe space for alcohol craft, science, and history discussions between parents and children within The Frazier History Museum’s new Kentucky Bourbon Trail® Welcome Center™ and Spirit of Kentucky exhibition in Louisville.

• More than 21 distilleries throughout the state employ Intellicheck’s AgeID software to authenticate visitor IDs against a national DMV database to prevent the sale of alcohol to minors.

• KDA members work collaboratively with student health offices at universities throughout the state - supporting their efforts to promote abstention, spread awareness, and provide effective responsible consumption programming through groups like Better Drinking Culture and tools like AlcoholEdu. Much of this work is performed by the University of Louisville’s BRICC Coalition, which is funded by Beam Suntory and Brown-Forman.

OUR COMMITMENTS

To date, Intellicheck’s AgeID software has helped distilleries prevent underage access to alcohol by catching more than 350 fake IDs.
RESPECT THE CHOICE OF NON-DRINKERS

People choose not to drink alcohol for a variety of reasons. The KDA seeks to build a culture where abstinence is always respected. Kentucky’s Bourbon and distilled spirits industry actively works to create a welcoming environment where visitors, employees, and the broader community can engage without alcohol - still indulging in Kentucky spirits’ history, culture, and craft.

- Distilleries along the Kentucky Bourbon Trail® tour tell stories of industry icons and share the science of what makes their products so great, while sponsors like Ale-8 One soda and Art Eatables chocolate provide non-alcoholic tastes of Kentucky, as well.

- In the community, the KDA partners with The S.V. Foundation to increase non-alcoholic “mocktail” menus at local retailers, promote inclusion, and raise money for addiction recovery efforts through an initiative called The Mocktail Project.

- Each October, following Bourbon Heritage Month, the KDA hosts “Mocktober” week to celebrate non-drinkers and raise awareness of The Mocktail Project’s efforts.

In 2018, over 30 distilleries and retailers participated in Mocktober - serving mocktails and creating safer, more inclusive environments for non-drinkers.
Together, the Kentucky Distillers’ Association, its members, stakeholders, and Kentucky Bourbon Trail® consumers are crafting a better drinking culture through intentional conversations and responsible behaviors.

The KDA has solidified its role as an industry standards guardian with the development of best practices in alcohol responsibility for marketing, events, and visitor centers. These best practices reinforce the efforts of our heritage members, encourage further industry accountability and ensure no craft member is left behind.

Moving forward, we will continue to position our industry as an alcohol responsibility leader – by sharing resources with local retailers, speaking at national conferences, and maintaining membership in the world-class organizations listed below.

2017/2018 Conferences:
• Responsible Retailing Forum
• Northwest Alcohol Conference
• Montana Alcohol Education Summit
• Governors Highway Safety Association
• National Conference of State Liquor Administrators
• National Center for DWI Courts’ Reform & Responsibility Tour
• National Association for Women in Highway Safety
• Bourbon Women

Global Partners:
• Governors Highway Safety Association
• Foundation for Advancing Alcohol Responsibility
• International Alliance for Responsible Drinking
OUR MISSION SINCE 1880
Passionately and Responsibly Unite, Promote, Protect & Elevate Kentucky’s Signature Bourbon and Distilleries Industry

BEST PRACTICES MEETING 2018
Over the last decade, the KDA has transformed Kentucky Bourbon and distilled spirits’ identity from a “sin” to “signature” industry.

Our economic impact and responsibility commitment have strengthened our partnership with Kentucky’s legislature and helped pass landmark alcohol legislation.

- Senate Bill 133 (2015) made ignition interlock monitoring devices mandatory for all repeat and high-BAC DUI offenders.
- Senate Bill 11 (2016) allowed distilleries to sell alcohol by the glass, giving manufacturers limited retail privileges.
- House Bill 100 (2017) strengthened the production standards for Kentucky whiskey and allowed the sale of vintage spirits at retail locations.
- Senate Bill 400 (2018) permitted the shipment of spirits from distilleries’ visitor centers.

These legislative privileges have strengthened the business of distilling. Moreover, these privileges have been acknowledged with a tremendous commitment to responsibility.

They’ve allowed distilleries to add unique visitor experiences like cocktail classes and vintage whiskey bars that increase consumers’ knowledge and appreciation of Kentucky Bourbon and other distilled spirits.
In 2019, the KDA proudly aligned our responsibility and advocacy efforts by partnering with Kentucky Senate Judiciary Chairman Whitney Westerfield, Mothers Against Drunk Driving, and a coalition of traffic safety stakeholders to advocate for the successful passage of Senate Bill 85.

Reps. Richard Heath, Dennis Keene, Jim Duplessis, Brandon Reed, and Kevin Bratcher also aided the bill’s passage in the Kentucky House by sharing their personal experiences about drunk driving’s impact on their friends, family members and communities.

SB 85 strengthens Kentucky’s DUI laws and makes Kentucky the 33rd state to allow ignition interlock devices for all DUI offenders.

It draws upon evidence-based best practices from other states to incentivize participation, streamline administration, ensure affordability, monitor compliance, and encourage treatment for individuals struggling with substance abuse and misuse.

The new bill will keep drunk drivers off Kentucky roadways, change behaviors, and ultimately save lives.

It is a critical part of KDA’s comprehensive effort to partner with others to prevent impaired driving and craft a better drinking culture.