



Good Morning

My name is Maryanne Origlio and I am delighted to speak to you today about our third generation beer company, Origlio Beverage. The company was founded in 1933 by my husband's grandfather, an immigrant from Sicily in search of the American dream. Our sons work in the business when they can, and of course, they don't think their parents know anything!

Origlio Beverage employs nearly 300 individuals and more than 80% of them are members of Teamsters Local 830. Our employees are part of our extended family – we think of them as 300 families relying upon the wages, comprehensive health benefits and retirement programs funded by the company. We know the names of their children, attend graduation parties and weddings. We mourn with them when they lose loved ones.

Wholesale beer businesses in Pennsylvania and across the nation are companies that are nearly all family owned. According to Beer Institute statistics for 2008, wholesale beer distribution provided 5,377 jobs, paid out \$339,572,800 in wages and accounted for \$920,598,507 in output. By comparison, Pennsylvania's brewing industry employed 1,451 jobs, paid \$79,950,178 in wages and accounted for \$769,929,038 in output. The average wage paid by a wholesaler in Pennsylvania is \$63,152 a year which compares very favorably to the Median Household Income for 2007 as provided by the U.S. Census Bureau. That figure is \$48,562. Those numbers are from 2007 and they are the most recent numbers I could find.

I promise you I am done with statistics. While I find these figures illustrative, they are boring and most importantly, they don't adequately tell the story of my end of the beer business.

Actually, I am the butt of jokes. I am a "middle man". Thanks to very effective advertising by some national retailers, a middle man is a lazy, shiftless business person who needlessly marks up prices and does nothing to earn his keep other than deliver product to retail.

Nothing is further from the truth.

Sure we deliver beer and very well, I might add. But there is so much more to it.

In a nut shell: we build brands on behalf of our suppliers and our customers, the retailers. It takes a lot of planning, financial commitment, training, selling, manpower and capital expenditures to get the cases and kegs out the door. When you build a brand, it is

important to get the message out that a particular beer is something special. Despite our best efforts, there is no guarantee that the consumer will buy the beer, but it's not for lack of trying. Product cycles are shorter these days, demand is down as a result of our ailing economy and consumers' preferences change. Some things are just beyond our control.

But that doesn't mean we aren't having fun. And, we are close partners with our suppliers and our customers to maximize sales. I have to brag a little bit here. The Brewer's Association honored Origlio Beverage in 2009 by naming us Craft Brew Wholesaler of the Year. The only way you can win this award is by being nominated by a lot of brewers. It was great to have our work recognized by our supplier partners.

Okay. Now what did we do to win this award? More specifically, how do we successfully bring our beers to market?

It all comes down to investment, planning and execution.

Whether a brand is large or small, we sit down with our suppliers annually to jointly develop programming, pricing and budgets to spend behind the brands. Origlio contributes a significant amount of money to these marketing budgets. We have skin in the game.

As you might expect, the national and international brewing corporations have more resources at their disposal. Most craft brewers do not and that's where we (the wholesalers) have the most impact.

I lead the Corporate Communication team. It is my job to use the written word to educate retailers, our employees and consumers about our beers. Each one has a unique story.

We have created a website where licensed retailers can order beer 24 hours a day. The website has information on beer styles, current trends, alcohol responsibility and beer articles, which we have commissioned, written by an award winning beer journalist. And then there are product descriptions for all our beers that include suggestions on pairing beer with food – just like wine purveyors. You should check it out. It is origlio.com

Origlio Beverage publishes 2 magazines five times a year. One is for retailers called Heady Times; the other is for consumers and it is called Draught Lines. Then we do pamphlets, design bill boards that we attach to our trucks and participate in beer festivals and dinners where we sample beer and educate retailers' bartenders and wait staff about our products. And by the way, we have TIPS certified hundreds of our customers employees. That means we teach them how to responsibly sell alcohol.

I think you get the picture.

It is a labor of love on my part.

I am proud to be a middleman.