



A Short Guide to Bulk Spirits Pricing and Shipping

Litres of Alcohol

- 1. Why are bulk spirits sold by litres of alcohol?** Very few spirits are bottled at the strength at which they are aged – their *cask strength*. Instead, most are diluted to *bottle strength*, typically around 40%. Spirits lose a small amount of their alcoholic strength as they are aged – therefore you could fill fewer bottles with 100 litres of a twenty years old whisky than you could with a three years old one, as the alcoholic strength would be less. This strength is important when pricing spirits, as a stronger spirit is worth more than a weaker one (that is otherwise the same) because you can fill more bottles from the stronger one.
- 2.** Because this dilution is a simple process – simply adding the correct amount of water – spirits are usually shipped at cask strength to avoid needlessly transporting the water used to dilute the spirit.
- 3.** To convert a figure in Litres of Alcohol (*LA*) – to one in Litres of Bulk Spirit simply divide the *LA* figure by the *ABV*: e.g. 100 *LA* at 67% would be 150 litres of spirit. This figure is useful when working out transport requirements, as clearly the volume of a container (see *paragraph 6*) is measured in litres of spirit.
- 4.** To work out the cost of the contents of a typical bottle of spirits, multiply the price in *LA* by the alcoholic strength and the volume of the bottle (in litres); e.g. £10 per litre of alcohol would equate to £2.80 per standard, European bottle (£10 x 40% x 0.7 litres).
- 5. What is meant by OLA, ELA and RLA?** These terms indicate what method has been used to measure the quantity of alcohol:

OLA: Original Litres of Alcohol – the figure for the litres of alcohol when the spirit was first distilled. This figure is typically used to price young spirits sold by the cask; the product may be sold on an *OLA* basis (a rough *ELA* figure can be determined using the *OLA* and the age) or the product may be measured as described in *RLA* below.

ELA: Estimated Litres of Alcohol – a figure for the strength is worked out based on the original strength of the product and the time it has been aged for. This is usually used for younger spirits, where the loss during aging will be slight, and therefore the *ELA* figure will be acceptably accurate.

RLA: Re-gauged Litres of Alcohol – an accurate figure for the *LA*, measured immediately prior to the sale. This is the most accurate way of pricing spirits, however there is some cost involved in measuring the strength, and therefore *RLA* may not be economical for small quantities of younger spirits.



Shipping

6. There are three main methods of shipping spirits, shown in the table below.

Container	Volume (Litres)	Number to a standard pallet	Number to a 20' ISO container	Notes
Plastic drum	Between 200 and 250	4	40 (on pallets) 80 (stacked)	
IBC container	1000	1	10 (on pallets) 20 (stacked)	
ISO Tanker	24,000	N/A	N/A	Tanker equivalent of a 20' ISO container

Glossary

Term	Meaning
ABV	Alcohol by Volume – the percentage of a spirit that is pure alcohol
CFI	Carriage, Freight and Insurance – the quoted price includes all transport costs, typically to the port of arrival in the country of delivery
ELA	Estimated Litres of Alcohol - <i>see paragraph 5</i>
Ex-works	The basic cost of the goods at a factory or warehouse – no transport is included in the price
FOB	Free-On-Board – the price includes transport to a port in the country of departure
ISO Container	A shipping box of standard size – normally 20 feet long for transporting alcohol. A European standard 20' container can hold 10 EURO pallets.
LA	Litres of Alcohol
OLA	Original Litres of Alcohol - <i>see paragraph 5</i>
P/ELA	Per Estimated Litre of Alcohol – e.g. price Per Estimated Litre of Alcohol
P/LA	Per Litre of Alcohol
P/OLA	Per Original Litre of Alcohol
P/RLA	Per Re-gauged Litre of Alcohol
RLA	Re-gauged Litres of Alcohol - <i>see paragraph 5</i>