**Beware the Powdered Drunk**

Powdered alcohol could be in stores for purchase as early as this summer. In March 2015, the U.S. Alcohol and Tobacco Tax and Trade Bureau approved four powdered alcohol products, all under the name Palcohol, a commercial company specializing in powdered alcohol. Since then, a fifth has been added to that line up.

While earlier reports claimed the Food and Drug Administration approved the product, the FDA later clarified that its role in the process was to evaluate the nonalcoholic ingredients of the product, and the FDA had no legitimate basis for blocking the products’ entry into the US market.

This is what you need to know about Palcohol, powdered alcohol, and how it affects your business.

**What is it? What is it *not*?**

Powdered alcohol, Palcohol in particular, is a white powder that has alcohol content. When mixed with a liquid, it becomes an alcoholic beverage. It is marketed as a more convenient way to travel with alcohol when regular bottles, glasses, and mixers would be inconvenient. Packets, which contain powder equivalent to one shot, are 4x6 inches with a 2-inch gusset.

Palcohol is not inherently concentrated. It takes 29 grams of powder to equal one shot. The convenience factor that they market is due to the fact that you can travel with light packets instead of heavy bottles, and that the entire drink can be contained to one packet and some water, rather than a bottle of alcohol, glass, mixers, etc. It also eliminates much of the clean up.

**Concerns About Overserving or Serving Minors**

The introduction of powdered alcohol into the mainstream market creates new threats to restaurants and bars concerning their liability when it comes to overserving or serving minors.

Servers and bartenders can easily overserve a patron who is adding additional alcohol content to the alcoholic beverages they are being served. They can drink twice as much as they are served, and unless the servers or bartenders see the patron mix powder into their drink, they will not be aware.

With powdered alcohol, any drink can be quickly turned into an alcoholic beverage. Minors can stir powder they obtained elsewhere into their sodas, and if they become drunk at your establishment, you could likely be held liable.

The good news is, studies show that cost is one of the biggest factors when minors decide to drink illegally. Powdered alcohol will cost more than other forms of alcohol, and therefore it is likely that most restaurants and bars will not encounter issues with minors smuggling in powdered alcohol.

That being said, you’ll still want to know what you are looking for. In addition to bottles of liquid, your employees will need to be on the look out for powders as well. Familiarize yourself with the Palcohol packaging so you can easily identify it. The powder must be stirred to dissolve, so watch for patrons stirring their drink vigorously.

While Palcohol has not distributed any samples, it is likely that there could be residue on glasses from partially undissolved powder. That is something servers, busboys, and bartenders can be on the lookout for. Another good thing to note is that cold drinks are harder to mix the powder with, as it will take longer to dissolve.

These same tips will assist restaurant managers in spotting situations where patrons may be intaking more alcohol than they are being served, and thus are at risk for being overserved. Check for vigorous stirring, possible residue in glasses, and be on the lookout for packets.

**Concerns About Cutting Into Profits**

Separate from the legal concerns that powdered alcohol could make you liable for situations you did not cause in your establishment, is the understandable concern that powdered alcohol could potentially be smuggled into your restaurant or bar, thus cutting into profits. Customers can now order a regular soft drink, or even just a glass of water, and turn it into their own cocktail.

While powdered alcohol is a new product, treat it the same way you would flasks or other powdered flavors that people can now conveniently carry with them. Your staff should be alert and aware of this new product and how to spot it. While it may take some staff training, most of the signs they should already be aware of. Tables who are becoming intoxicated at a disproportionate rate compared to the amount they are ordering are a red flag. People stirring sodas or water excessively for seemingly no reason are cause for concern.

Each packet contains 29 grams, and is too large to be well hidden in a palm or sleeve. Watch for excess powder on the table and be on the lookout for packets.

While Palcohol hasn’t released any samples, keep in mind that they are currently only releasing five flavors: rum, vodka, Powderita (Margarita), Cosmopolitan, and Lemon Drop. Of those, three of those flavors (Powderita, Cosmopolitan, and Lemon Drop) must be mixed with water to maintain the correct flavoring, and will likely taste terrible if mixed with soda. From the video on the Palcohol website, at least the Cosmopolitan variety is colored, which will be very apparent if customers try to use it with water in your establishment.

While these facts certainly don’t eliminate the risk profit shrinkage, they certainly help to abate the threat.

**Action Steps to Take Now**

Check with your local legislation. While Palcohol was approved by the U.S. Alcohol and Tobacco Tax and Trade Bureau, it is ultimately up to the states to regulate alcohol sales at the retail level. As of this publication, 27 states have banned powder alcohol, with several more placing a temporary ban or otherwise restricting its use. For establishments within those states, powdered alcohol is not going to affect your business.

In states that will allow the sale of powdered alcohol, restaurant managers may want to consider signing up for Palcohol’s mailing list. Currently, the release date is still unknown. Signing up for their email list will enable managers to stay abreast of the situation and to be made aware immediately when it goes on sale or new developments are made. Their emails may give additional information regarding the packaging or other helpful tips that will allow you to be more informed and train your staff adequately.

Lastly, talk to your staff. Make sure they are aware when Palcohol eventually hits the shelves. Allow them to see the product firsthand so they know what they are looking for. Consider allowing them to sample the beverage. Educate them (or remind them) of the community benefits of supporting local establishments, and give them talking points regarding the quality of your drinks and the impact your business has in your neighborhood.

If any customer inquires about powdered alcohol, you will want your servers to be able to talk intelligently about the product while still gently steering the customer away from using it as a replacement for nights out. Acknowledging Palcohol and being up to date with your information will serve your establishment much better than ignoring the new product and potentially appearing uninformed.

**Last Thoughts**

There are still a lot of unknowns about this new product. The release date is still in flux, and there’s even the chance more states could pass legislation, if your state hasn’t already.

While they are marketing the product as a convenient way to enjoy a delicious drink, anything could happen once this hits shelves near you. Because they aren’t distributing samples, it’s hard to know what their drinks will taste like or if it will be well received by the public. The pouches could prove to be inconvenient, the options too limiting, and the taste could pale in comparison to a conventional drink.

This is certainly something to keep an eye on and to take proactive measures for, but the jury’s still out on its ultimate impact on the industry.