

## Rums of Puerto Rico

### Marketing and Production Incentive Summary by Brands

*Marketing incentives* – The ROPR program grants marketing incentives which are used by the brands to advertise and promote events as part of co-branding campaigns with ROPR. In order to participate in the program, each brand must submit a marketing plan that must be approved by the ROPR Program Director and its Board of Directors. All ads produced in this category contain the branding of both the individual rum and the Rums of Puerto Rico.

*Production incentives* – Because Puerto Rico lacks some raw materials used in the production of rum, the ROPR program provides some incentives to help reduce the cost of imported ingredients.

	FY 06	FY07	FY08	FY09	FY10
<b>Bacardi</b>					
Marketing Incentive – Bacardi Advertising	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$9,600,000
Production Incentives	\$2,500,000	\$2,500,000	\$2,700,000	\$3,700,000	\$3,000,000
Ron Castillo	\$850,000	\$850,000	\$850,000	\$850,000	\$1,250,000
<b>Sub Total</b>	<b>\$9,850,000</b>	<b>\$9,850,000</b>	<b>\$10,050,000</b>	<b>\$11,050,000</b>	<b>\$13,850,000</b>
<b>Diageo</b>					
Marketing Incentive – Captain Morgan Advertising	\$3,950,000	\$3,500,000	\$3,500,000	\$0	\$0
<b>Serralles</b>					
Production Incentives	\$2,500,000	\$2,500,000	\$2,500,000	\$3,500,000	\$2,500,000
Marketing Incentive – Don Q Advertising	\$0	\$1,000,000	\$1,000,000	\$1,500,000	\$3,000,000
<b>Sub Total</b>	<b>\$2,500,000</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>	<b>\$5,000,000</b>	<b>\$5,500,000</b>
<b>Heaven Hills</b>					
Marketing Incentive – Ron Llave	\$143,470	\$122,000	\$125,000	\$125,000	\$163,500
<b>Edmundo B. Fernandez</b>					
Production Incentive – Ron del Barrilito	\$0	\$0	\$0	\$0	\$80,000
<b>Trigo Corp</b>					
Marketing Incentive – Reserva Añeja	\$0	\$0	\$0	\$0	\$200,000
<b>Brands Total</b>	<b>\$16,443,470</b>	<b>\$16,972,000</b>	<b>\$17,175,000</b>	<b>\$16,175,000</b>	<b>\$19,973,500</b>
<b>Rums of Puerto Rico Administrative &amp; Marketing<sup>1</sup></b>	<b>\$8,556,530</b>	<b>\$8,028,000</b>	<b>\$7,825,000</b>	<b>\$8,825,000</b>	<b>\$9,206,500</b>
<b>Grand Total</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>	<b>\$29,000,000<sup>2</sup></b>

<sup>1</sup> The ROPR program develops, creates and places advertising that highlights rums produced in Puerto Rico, in the context of promoting the island's entire rum industry.

<sup>2</sup> The Rums of Puerto Rico program rolled over \$4 million in unused funds from FY 2009 to FY 2010.

## Rums of Puerto Rico

### ROPR Allocation of Total Rum Tax Grants

<b>Territorial Fiscal Year</b>	<b>Puerto Rico Rum Tax Grants</b>	<b>Rums of Puerto Rico Budget</b>	<b>ROPR % of Budget</b>
<b>FY 06</b>	<b>\$ 379 million</b>	<b>\$25 million</b>	<b>6.6%</b>
<b>FY 07</b>	<b>\$ 427 million</b>	<b>\$25 million</b>	<b>5.9%</b>
<b>FY 08</b>	<b>\$ 399 million</b>	<b>\$25 million</b>	<b>6.3%</b>
<b>FY 09</b>	<b>\$ 451 million</b>	<b>\$25 million</b>	<b>5.5%</b>
<b>FY 10 Est.</b>	<b>\$ 451 million</b>	<b>\$29 million*</b>	<b>6.4%</b>

\* The Rums of Puerto Rico program rolled over \$4 million in unused funds from FY 2009 to FY 2010.

**Government of Puerto Rico**  
Rum Tax Allocation

