



In-State and Craft Distilling in Control Jurisdictions

ALABAMA



Alabama ABC Board

Brian Rodgers

Operations Director

Brian.Rodgers@alabama.gov

334-260-5523

In-State vs Out-State

Bailment	All suppliers treated the same
Margins	Same for all
Listing	Same for all products but in-state generally listed (in limited number of stores). No guarantee of listing.
Delisting	Products can and have been delisted due to poor sales but consideration applied where possible.
Initial Distribution	Limited distribution based on locations near distillery and targeted areas.
Separate shelf Location	No
Distillery Store Sales	Yes to consumers but limited to 1 bottle 750ml per person per day.
Gallonage Threshold	No
Direct Delivery to Licensees	No

IDAHO



Idaho State Liquor Division
Mary Botts, Pricing Specialist
Mary.Botts@liquor.idaho.gov
208-947-9450



Idaho Distillers Association
info@distilledinidaho.com

In-State vs Out-State

Bailment	All products treated the same
Margins	All products treated the same
Listing	All products treated the same. Some consideration provided for local distillers.
Delisting	Same dollars per point of distribution quota requirement.
Initial Distribution	Initial distribution provided to assist brand (with distiller involvement) in achieving the quota requirements.
Separate shelf Location	Separate Idaho (and adjacent states "local product") display
Distillery Store Sales	Distillery can obtain a "contract store license" and the sell direct to consumers (virtual transfer from distillery to store). With additional restaurant license can sell on premise.
Gallonage Threshold	No
Direct Delivery to Licensees	No

IOWA



Iowa Alcoholic Beverages Division
Nicole Scebold, Product Manager
Scebold@iowaabd.com
515-281-7416

In-State vs Out-State

Bailment	All products are bailment
Margins	All products treated the same
Listing	Same process for all products but in-state products generally listed
Delisting	Not yet but being considered
Initial Distribution	NA. Private retailers
Separate shelf Location	NA. Private retailers
Distillery Store Sales	Can sell to consumers direct from distillery storefront with a Micro Distillers license (< 50,000 proof gallons).
Gallonage Threshold	Yes , must be less than 50,000 proof gallons production
Direct Delivery to Licensees	No

MAINE



Maine Liquor & Lottery Commission

Tracy Willett

Manager of Spirit Operations

Tracy.A.Willett@maine.gov

207-287-6753



Maine Distiller's Guild

Ian Michaud

ian@liquidriot.com

718-974-1849

In-State vs Out-State

Bailment	Yes, all products treated the same
Margins	Lower markup for "small" distilleries <50,000 gallons
Listing	Same for all products
Delisting	Same for all products but no craft delisted to-date.
Initial Distribution	NA. Private retailers
Separate shelf Location	NA. Private retailers
Distillery Store Sales	Yes
Gallonage Threshold	"Small" distillery <50,000 cases.
Direct Delivery to Licensees	No

MICHIGAN



Michigan Liquor Control Commission

Kerry Krone
Business Manager
kronek@michigan.gov
517-763-0057



Michigan Craft Distillers Association

Dianna Stampfler
taste@promotemichigan.com
269-330-4228

In-State vs Out-State

Bailment	Same for all products but can sell from distillery without bailment.
Margins	Same for all products
Listing	Same for all products.
Delisting	Same for all products. Must sell minimum quota based on retail price.
Initial Distribution	NA. Private retailers
Separate shelf Location	NA. Private retailers
Distillery Store Sales	Yes via onsite store or restaurant
Gallonage Threshold	Small distiller (produce or manufacture) license allows for distillery sales. Must produce less than 60,000 gallons
Direct Delivery to Licensees	No
Other	Separate section in quarterly price guide in addition to category section

MISSISSIPPI



Mississippi Dept. of Revenue

Dirk Robertson

Director of Administrative Services

Dirk.Robertson@dor.ms.gov

601-856-1342

In-State vs Out-State

Bailment	Same for all products
Margins	Same
Listing	Can be listed (not automatic) without making the regular sales dollar based quota
Delisting	Same for all products
Initial Distribution	NA. Private retailers
Separate shelf Location	NA. Private retailers
Distillery Store Sales	No
Gallonage Threshold	No, but to date no major distillers
Direct Delivery to Licensees	No

MONTANA



Montana Department of Revenue
Jamie Williams, Purchasing Agent
JWilliams@mt.gov
406-444-4003



Montana Distillers Guild
John McKee, President
john@headframespirits.com
406-498-5045

In-State vs Out-State

Bailment	All products treated the same.
Margins	Mark up rates and taxes based on size of company not distillery location.
Listing	No, same case sales criteria required as out of state products
Delisting	Same criteria for all
Initial Distribution	Same for all products
Separate shelf Location	NA. Private retailers
Distillery Store Sales	Sales of 1.75L per day per consumer for off premise consumption and 2 ounces for on premise tasting consumption.
Gallonage Threshold	See markup and taxes under "Margins" section. Production of >25,000 gallons results in loss of tasting room privileges and distillery store off premise sales.
Direct Delivery to Licensees	Can direct deliver (not invoice) to agency liquor stores. This also applies to any other craft distiller (out of state) producing <25,000 proof gallons.

MONTGOMERY CO., MD



Montgomery County DLC

Kathie Durbin

Chief of Licensure & Regulation

Kathie.Durbin@montgomerycountymd.gov

240-777-1900



Maryland Distillers Guild

Jamie Windon, President

info@marylandspirits.org

443-333-9181

In-State vs Out-State

Bailment	NA. Montgomery County does not have a bailment warehouse
Margins	Same for all products
Listing	Only one distiller in county and products automatically brought in.
Delisting	Not to date.
Initial Distribution	All stores.
Separate shelf Location	Yes for "local" products including VA and DC.
Distillery Store Sales*	A Class 9 license holder can sell up to 3 bottles to consumers from the distillery store or with a Class B-BWL or Class D-BWL license can also sell for on premise consumption on-site
Gallonage Threshold	Class 9 license cannot distill more than 100,000 gallons of liquor in a calendar year. A Class B or D license cannot sell more than 15,500 gallons per year.
Direct Delivery to Licensees	Yes, can sell and deliver to both on premise licensees and county stores or can sell via warehouse.

* Class B&D license legislation is pending

NEW HAMPSHIRE



NH State Liquor Commission

Mark Roy
Spirit Buyer
Mark.Roy@liquor.state.nh.us
603-230-7007

NH Craft Spirits Organization

Brian Ferguson
brian@flaghill.com
603-659-2949

In-State vs Out-State

Bailment	NH craft product stored in state owned warehouse with no fee. All other products are bailment at Exel for a fee. To be made available to On Premise product must be in Exel.
Margins	Same except for Distillery Shop sales where the state does not take any margin (other than sales tax)
Listing	Same for all products
Delisting	Same for all products
Initial Distribution	Craft does not go into full test market distribution but is treated as a OTB with a limited number of stores.
Separate shelf Location	Yes
Distillery Store Sales	Yes
Gallonage Threshold	Yes (legislation underway to properly define)
Direct Delivery to Licensees	No. Direct ship permits not available to in-state manufacturers.

NORTH CAROLINA



North Carolina ABC Commission
Laurie Lee
Pricing Division
Laurie.Lee@abc.nc.gov
919-779-8354



Distillers Assoc. of North Carolina
Scott Maitland
scott@topodistillery.com
919-699-8703

In-State vs Out-State

Bailment	In bailment but no "out of stock fees"
Margins	Same for all products
Listing	Automatic listing (single size only to start)
Delisting	Not enforced to date.
Initial Distribution	No difference. All boards need to be "sold in" by a broker or the distiller representative.
Separate shelf Location	Yes but also cross merchandized.
Distillery Store Sales	Consumers can purchase 1 bottle per person per year and only in conjunction with a distillery tour.
Gallonage Threshold	No
Direct Delivery to Licensees	No

OHIO



Ohio Division of Liquor Control

Jennifer Richardson
Merchandising Manager
Jennifer.Richardson@com.state.oh.us
614-728-4784



Ohio Distillers Guild

Ryan Lang
Middle West Spirits, LLC
Ryan.Lang@middlewestspirits.com

In-State vs Out-State

Bailment	All products are bailment
Margins	Yes with in-state grown fruit exception (see other)
Listing	Same listing requirements for all products if sold by agency stores.
Delisting	No in-state products delisted to-date.
Initial Distribution	Limited to local area until sales warrant expansion.
Separate shelf Location	NA. Private agency stores
Distillery Store Sales	Yes, to consumers only via either retail shop or distillery restaurant.
Gallonage Threshold	Micro Distillery gallonage capped at 100k gallons allowing them to have full service restaurant and retail shop.
Direct Delivery to Licensees	No
Other	Products distilled from Ohio grown fruit (does not include grain) have a 10% state margin applied.

OREGON



Oregon Liquor Control Commission
Nikki Leslie, Purchasing Coordinator
Nikki.Leslie@oregon.com
503-872-5024



Oregon Distillers Guild
Ted Pappas
Big Bottom Distilling
ted@bigbottomwhiskey.com
503-608-7816

In-State vs Out-State

Bailment	All products are bailment
Margins	All products have the same margin applied
Listing	In-State products are automatically listed
Delisting	If in-state product doesn't sell sufficiently via agents product status changed to SLO or Distillery Shop only
Initial Distribution	In-state distillers have to promote to agents same as all other products
Separate shelf Location	Yes
Distillery Store Sales	Consumer sales only. All sales have to be reported to the OLCC and margin paid
Gallonage Threshold	No
Direct Delivery to Licensees	No

PENNSYLVANIA



Pennsylvania Liquor Control Board
Dale Horst
Director Marketing & Merchandising
DAHORST@pa.gov
717-346-7963

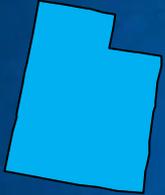


PA Craft Distillers Guild
Robert Cassell
Millstone Spirits Group
Robert.Cassell@millstonespirits.com
484-948-7686

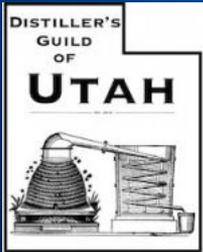
In-State vs Out-State

Bailment	In-state craft (and some other non PA wines and spirits) are not part of the bailment system.
Margins	Same for all products
Listing	In-state wineries and distilleries may select up to 10 products to place in up to 10 Fine Wine & Good Spirits stores of their choosing and can also be sold through the FineWineandGoodSpirits.com online store.
Delisting	Each winery or distillery must sell at least one case of wine or spirits per month to continue participating in the in-store sales program.
Initial Distribution	10 stores of the distillery's choosing
Separate shelf Location	Yes. "Made in Pennsylvania" section and also in category section.
Distillery Store Sales	Limited Distillery licenses can sell direct from the distillery to consumers and can sell to and deliver to On Premise licenses without sending any margin to the state (other than taxes).
Gallonage Threshold	Small distillers "limited" license <100,000 gallons
Direct Delivery to Licensees	Yes

UTAH



Utah Dept. of Alcoholic Beverage Control
Chris Brunelli, Purchasing Agent
cbrunelli@utah.gov
801-977-6800



Distillers Guild of Utah
Marc Christensen
marc@dentedbrick.com
801-883-9837

In-State vs Out-State

Bailment	All products treated the same.
Margins	Reduced mark up rates 47% vs 84% for craft brands from a small distillery (distillery must apply for this reduced rate)
Listing	Same for all products
Delisting	Yes, performance based
Initial Distribution	Limited number of stores (distiller can request specific locations)
Separate shelf Location	No, products kept within category. SPA floor stock for one fiscal period
Distillery Store Sales	Yes with type 5 agency license.
Gallonage Threshold	Small distillery must produce less than 30,000 proof gallons in a calendar year
Direct Delivery to Licensees	No

VERMONT



Vermont Dept. Of Liquor Control

Tonia Pryce

Liquor Purchasing Coordinator

tonia.pryce@vermont.gov

802-828-2171



Distilled Spirits Council Of Vermont

Jeremy Elliott

jeremy@smugglersnotchdistillery.com

802-309-3077

In-State vs Out-State

Bailment	In-State products are purchased by the state, all other products are bailment.
Margins	Same for all products
Listing	Must go through listing procedure but generally all in-state products are accepted (one size only)
Delisting	Same dollar sales value requirements as other products
Initial Distribution	Top 20 agents after approval (same as other products)
Separate shelf Location	Yes
Distillery Store Sales	To consumers only. Requires a manufacturers license <u>and</u> a 4th class license (off premise license only available to VT manufacturers).
Gallonage Threshold	No
Direct Delivery to Licensees	No

VIRGINIA



VA Dept. of Alcoholic Beverage Control

John Shiffer, Director of Marketing

John.Shiffer@abc.virginia.com

804-213-4522



Virginia Distillers Association

Amy Ciarametaro, Executive Director

amy@vadistillersassociation.org

757-535-5829

In-State vs Out-State

Bailment	All products treated the same
Margins	Same for all products
Listing	Same for all products but in-state generally listed (in limited number of stores). No guarantee of listing.
Delisting	Sales and sales/store thresholds by category and price tier. VA products will be held to 50% of relevant category/price tier criteria.
Initial Distribution	Limited based on past performance. This is also done with other non-state spirits.
Separate shelf Location	"Virginia Products" section in select stores, but also cross merchandised in category section.
Distillery Store Sales	Yes. Any producer may become a distillery store. The only qualifications to get a distillery store privilege is that you have a distillery license in Virginia and enter into a contract with Va. ABC to establish a state store at the distillery location.
Gallonage Threshold	No threshold for privileges. License fee based on distillery output size.
Direct Delivery to Licensees	Distillery stores may sell directly to mixed beverage licensees and they may deliver to the licensee. Distillery stores (since they are an agent of VABC) sell to restaurant licensees at the same price as is found at a traditional ABC store. VABC pays distillery store an 8% commission on all sales from their location.

WEST VIRGINIA



West Virginia ABC Administration
Kim Canterbury
Spirits, Wine and Order Entry Manager
Kimberly.D.Canterbury@wv.gov
304-356-5562

In-State vs Out-State

Bailment	Yes, distillery shop inventory also considered bailment
Margins	Same for all except Micro Distillers (see gallonage threshold)
Listing	Automatically granted for main size only.
Delisting	No
Initial Distribution	NA. Private retailers
Separate shelf Location	NA. Private retailers
Distillery Store Sales	Yes with maximum sales to a consumer of 10 gallons. On Premise licensees can purchase from the distillery.
Gallonage Threshold	Micro Distillery license - 25% of product must be produced in-state with less than 25,000 gallons per year and sales can only be made from distillery shop. State margin 2% vs 28% for all other products.
Direct Delivery to Licensees	No. State will work with licensed retail store to make product available to on premise licensees.

WYOMING



Wyoming Department of Revenue
Angela Lebeda, Purchasing Manager
Angela.Lebede@wyo.gov
307-777-6451



Wyoming Distiller Guild
wyomingdistillersguild@gmail.com
307-472-1275

In-State vs Out-State

Bailment	NA. Wyoming is not a bailment state
Margins	Same for all products 17.6% markup to the retailer
Listing	All products must present for listing. In many cases SLO activity recommended prior to listing.
Delisting	All products treated same and must maintain sales quota.
Initial Distribution	NA Private retailers
Separate shelf Location	NA Private retailers
Distillery Store Sales	A distillery can apply for a "satellite" license. This allows the distillery to ship product to the state warehouse and then buy back as a retailer/restaurant the sell to consumers.
Gallonage Threshold	No
Direct Delivery to Licensees	No

Thank you.