

A woman with dark hair is looking down at a tablet computer she is holding. The scene is dimly lit, with a strong blue color cast. In the background, there are out-of-focus lights, creating a bokeh effect. The overall mood is professional and focused.

NABCA

IN-STATE AND CRAFT DISTILLING IN CONTROL JURISDICTIONS

JUNE 2021



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ALABAMA

In-State vs Out-of-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 2.25 liters per customers per day.
Gallonage Threshold	No
Direct Delivery to Licensees	No

Alabama Alcoholic Beverage Control Board

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IDAHO

In-State vs Out-of-State

Bailment	All products treated the same.
Margins	All products treated the same.
Listing	All products treated the same.
Delisting	All products treated the same.
Initial Distribution	Initial distribution treated the same for all products based on ISLD Retail Group Allocation List with additional consideration given for regional demographics.
Separate shelf Location	Separate Idaho/Regional (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 premises.
Gallonage Threshold	No
Direct Delivery to Licensees	No

<p>Idaho State Liquor Division 208-947-9400</p>	<p>Manufacturer/Distillery License Application manufacturerLicense@liquor.idaho.gov</p> <p>Idaho Distillers Association info@distilledinidaho.com</p>
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IOWA

In-State vs Out-of-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 native distillery license.
Gallonage Threshold	Volume of distillery store sales allowed is higher if production is less than 100,000 proof gallons annually (9 liters per person per day if < 100k; 1.5 liters per person per day if > 100k).
Direct Delivery to Licensees	No

Iowa Alcoholic Beverages Division

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MAINE

In-State vs Out-of-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 native distillery license.
Gallonage Threshold	Volume of distillery store sales allowed is higher if production is less than 100,000 proof gallons annually (9 liters per person per day if < 100k; 1.5 liters per person per day if > 100k).
Direct Delivery to Licensees	No

Maine & Liquor Lottery Commission

Tracy Willett, Manager of Spirit Operations | tracy.a.willett@maine.gov | 207-287-675

Maine Distiller's Guild

Ned Wight | ned@newenglanddistilling.com | 207-878-9759

MONTGOMERY CO., MD

In-State vs Out-of-State

Bailment	NA. Montgomery County does not have a bailment warehouse.
Margins	Same for all products.
Listing	Small Maryland made distilleries can opt to have a LOC tag allowing them to self-distribute within the ABS stores.
Delisting	Not to date.
Initial Distribution	All stores.
Separate shelf Location	Yes. A Maryland Made section at the front of our 27 stores. Maryland Made products are also integrated on shelves, when possible, for double facings. Shelf tags with a Maryland Made logo are placed by items for attention.
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, Class D-BWL or Class BD-BWL license can also sell for on premises consumption on-site.
Gallonage Threshold	Not Applicable
Direct Delivery to Licensees	Yes, can sell and deliver to both on premises licensees and county stores or can sell via warehouse.

Montgomery County Alcoholic Beverage Services

Kathie Durbin, Director | kathie.durbin@montgomerycountymd.gov | 517-763-0057

Maryland Distillers Guild

Jamie Windon | info@marylandspirits.org | 443-333-9181

MICHIGAN

In-State vs Out-of-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.

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

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MISSISSIPPI

In-State vs Out-of-State

Bailment	Same for all products.
Margins	Same
Listing	Limited SKUs may 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	Yes
Gallonage Threshold	No
Direct Delivery to Licensees	No

Mississippi Department of Revenue

Kristen, Doty, ABC Purchasing Manager | kristen.doty@dor.ms.gov | 601-856-1318

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MONTANA

In-State vs Out-of-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 premises consumption and 2 ounces for on premises tasting consumption per day per consumer.
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 premises 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 gallons.

Montana Department of Revenue

Lisa Patzer, Purchasing Agent | lisa.patzer@mt.gov | 406-444-4003

Montana Distillers Guild

Jim Harris, President | jim@bozemanspirits.com | 406-581-7777

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NEW HAMPSHIRE

In-State vs Out-of-State

Bailment	NH craft product carried in our stores is stored in state owned warehouse with no fee. All other products are bailment at DHL Supply Chain warehouse for a fee. To be made available to On Premises product must be in DHL.
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 one-time-buy with a limited number of stores.
Separate shelf Location	Spirits are located in respective sections. Wine is located in a “NH Wines” section.
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.

New Hampshire 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

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NORTH CAROLINA

In-State vs Out-of-State

Bailment	Same for all products.
Margins	Same for all products.
Listing	Automatic listing for NC Distillers (single size only to start).
Delisting	Not enforced at this time for NC Distillers.
Initial Distribution	Same for all products.
Separate shelf Location	Yes. "Made in NC" section.
Distillery Store Sales	Consumers can purchase unlimited bottles per person per year, but only in conjunction with a distillery tour.
Gallonage Threshold	No
Direct Delivery to Licensees	No

North Carolina ABC Commission

Greg Stallings, Director of Operations | greg.stallings@abc.nc.gov | 919-948-7903

Distillers Association of North Carolina

Pete Barger | pete.barger@southerndistilling.com | 704-978-7175

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OHIO

In-State vs Out-of-State

Bailment	All products are bailment for Agency sale. Ohio distilleries have the option to list a product for distillery only sale.
Margins	Yes. There is an 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	Product located in category but generally grouped together on top shelf.
Distillery Store Sales	Yes. Sales can occur 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.

Ohio Division of Liquor Control

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

Ohio Distillers Guild

Greg Lehman, Watershed Distillery
greg@watersheddistillery.com

OREGON

In-State vs Out-of-State

Bailment	All products are bailment.
Margins	All products have the same margin applied.
Listing	In-State products are automatically listed up to three products. The distiller can have more than three products when the listed products have sufficient sales.
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	Depending on the stores, most stores have an Oregon products section.
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

Oregon Liquor Control Commission

Nikki Leslie, Distribution & Purchasing Director | nikki.Leslie@oregon.com | 503-872-5024

Oregon Distillers Guild

Ted Pappas, Big Bottom Distilling | ted@bigbottomwhiskey.com
503-608-7816

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PENNSYLVANIA

In-State vs Out-of-State

Licensing	PA makes no distinction between in-state and out-of-state distilleries for licensing purposes, rather limited distillery licenses are granted to those producing up to 100,000 gallons per year (regardless of home state) and distillery licenses are granted to those distilling 100,000 gallons or more per year.
Bailment	A small number of PA producers are in the bailment program, but most do not have sales volume warranting bailment.
Margins	Vary by product as costs and retail prices are negotiated for each item, but PA distillers must offer a minimum 30% margin.
Listing	In-state distilleries may select up to 10 products to place in up to 10 Fine Wine & Good Spirits retail stores of their choosing and for sale online at FWGS.com. Subject to PLCB approval.
Delisting	Each distillery must sell at least one case of spirits per store, per month to continue participating in the in-store program.
Initial Distribution	Ten (10) stores of the distillery's choosing.
Separate shelf Location	Yes, "Made in Pennsylvania" sections feature select local products, and Pennsylvania products are also merchandised within the appropriate category section.
Distillery Store Sales	Limited distilleries can sell direct to consumers and licensees without sending any margin to the state (other than taxes).
Gallonage Threshold	Limited distilleries may produce up to 100,000 gallons per year.
Direct Delivery to Licensees	Yes

Pennsylvania Liquor Control Board

Deborah Rivera, Chief Merchandising Officer | debrivera@pa.gov | 717-787-8652

UTAH

In-State vs Out-of-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

Utah Department 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

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VERMONT

In-State vs Out-of-State

Bailment	In-State products, with the exception of barrel select and special labels, 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 premises license only available to VT manufacturers).
Gallonage Threshold	No
Direct Delivery to Licensees	No

Vermont Department of Liquor Control

Tonia Pryce, Liquor Purchasing Coordinator | tonia.pryce@vermont.gov
802-828-2171

Distilled Spirits of Council of Vermont

Jeremy Elliott | jeremy@smugglersnotchdistillery.com | 802-309-3077

VIRGINIA

In-State vs Out-of-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. Virginia 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 Virginia 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 Virginia ABC) sell to restaurant licensees at the same price as is found at a traditional ABC store. Virginia ABC pays the distillery store an 8% commission on all sales from their location.

<p>Virginia Alcoholic Beverage Control Authority</p> <p>John Shiffer, Director of Marketing john.shiffer@virginiaabc.com 804-213-4522</p>	<p>Virginia Distillers Association</p> <p>Amy Ciarametaro, Executive Director amy@virginiaspirits.org 757-535-5829</p>
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WEST VIRGINIA

In-State vs Out-of-State

Bailment	Yes, distillery may limit product inventory which is considered and taxed as bailment inventory.
Margins	Same for all except Mini Distillers and Micro Distillers (see gallonage threshold).
Listing	Automatically granted.
Delisting	Yes
Initial Distribution	NA. Private licensed retail liquor outlets.
Separate shelf Location	NA. Private licensed retail liquor outlets.
Distillery Store Sales	Yes, with maximum sales to a consumer of 10 gallons. On Premises licensees cannot purchase from the distillery.
Gallonage Threshold	Micro Distillery - 75% of product must be produced in-state with no more than 10,000 gallons per year. Mini Distillery – 75% of product must be produced in-state (25% of raw product must be produced on-premises) with no more than 50,000 gallons per year. State markup 5% for distillery sales to general public vs 32% for all other retail liquor outlets.
Direct Delivery to Licensees	No. State will work with licensed retail liquor outlets to make product available to on premises licensees.

West Virginia ABC Administration

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WYOMING

In-State vs Out-of-State

Bailment	NA. Wyoming is not a bailment state.
Margins	Same for all products: 17.6% markup to the retailer. (W.S. 12-2-303(a)).
Listing	All products must present for listing. In many cases SLO activity recommended prior to listing.
Delisting	All products are treated the same and must maintain sales quota to retain listing.
Initial Distribution	Spirits are distributed by the Wyoming Liquor Division. (W.S. 12-301(a)).
Separate shelf Location	NA Private retailers.
Distillery Store Sales	A distillery can apply for not more than two "satellite" licenses. This allows the distillery to ship product to the state warehouse and then buy back as a retailer/restaurant the to sell to consumers. (W.S. 12-2-203).
Gallonage Threshold	No
Direct Delivery to Licensees	No, except per state law to a distillery satellite on the same premises as the distillery. (W.S. 12-2-203(g)(i)).

Wyoming Department of Revenue

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Wyoming Distiller Guild

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