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Virginia’s State-Backed Beer Distributor Moved Nearly 12 Times More Volume in Fiscal 2026

The nonprofit channel shipped 550 barrels, exceeded its sales goal by $123,000, reaching 42 brewery licensees.

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A state-created wholesale channel for Virginia craft brewers expanded sharply in the fiscal year that ended June 30, moving almost twelve times as much beer as it did a year earlier, according to an annual report released Thursday by the Virginia

Department of Agriculture and Consumer Services.

The Virginia Beer Distribution Company, known as VBDC, distributed 550.26 barrels during fiscal 2026, equal to about 7,581 case equivalents. In fiscal 2025, the company had distributed 46 barrels. That was an increase of 504.26 barrels, or about 1,096%, from a very small starting base.

Sales through the program reached $303,011.68 across 1,074 transactions in the July 2025 through June 2026 period, the report said. VBDC had started the year expecting about $180,000 in annual sales and roughly 720 transactions. The actual result was $123,011.68 above that sales target and 354 orders above the projected count.

The company was created under a 2023 Virginia law and began operating on July 1, 2024. It is a nonprofit corporation housed within the state agriculture department and was designed to give licensed Virginia breweries another wholesale route into stores and other retail accounts. The model is aimed in particular at smaller breweries that may not have access to traditional beer wholesalers or enough volume to attract them.

The report described the 2026 figures as evidence that breweries and retailers adopted the state-backed channel faster than expected as awareness improved. At the same time, the department noted that the gains came from an early-stage program with low initial volume and should not be read as a measure of the broader Virginia beer market.

Participation in the network grew quickly during the year. The number of breweries with an active VBDC beer wholesale license rose from 19 to 42 by June 30, an increase of 121%. The number of active distributing locations rose from 13 to 37, up 185%. Retailer registrations reached 295.

The department said VBDC licensed 25 new distribution locations during the fiscal year. Four locations did not renew their licenses. Three of those sites, the report said, either did not distribute enough beer to cover the license fee or only broke even. A fourth location closed its brewery and therefore no longer held the brewery license required to use the VBDC system.

The annual report tied part of the growth to system and outreach work during the year. Staff worked with Tyler Technologies on a single sign-on platform called Sip Virginia, which combines access for users of the beer distribution company and the Virginia Wine Distribution Company. The launch came later than first expected, but the department said the platform still helped broaden use by simplifying retailer registration and adding functions such as license renewals, reporting tools, and changes to order minimums.

The VBDC board met five times during the year and focused on its operating agreement, compliance work, and marketing to breweries and retailers, according to the report. A wholesale representative seat on the board was vacant for several months after Greg White left his job in November 2025. The Board of Agriculture and Consumer Services appointed Chelsea Taglang, vice president of beer, cider, and ready-to-drink beverages at Blue Ridge Beverage, to fill the seat on May 20, 2026.

The department also said VBDC increased its public profile through trade events, presentations, and advertising. Its operations manager appeared at industry conferences in Richmond and at the Virginia Craft Beer Summit and Gala. In May, VBDC joined state wine and spirits organizations for a trade tasting in Manassas that brought together producers, retailers, media, and other industry attendees.

The program generated tax and fee revenue as volumes increased. Sales through VBDC produced $4,451.18 in beer wholesale taxes for the Virginia Alcoholic Beverage Control Authority in fiscal 2026. Transaction fees totaled $11,421.38 for the company’s non-general fund, which the report said can be used for operating costs and future system upgrades.

The report included brewery-level data from the 37 active wholesale locations that shipped through the program. Among the largest volumes were Caboose Commons in Fairfax, with 97.06 barrels distributed; Old Rappahannock Brewing Company in Warsaw, with 67.01 barrels; Full Distance Brewing in Stafford, with 66.22 barrels; Vibrissa Beer in Winchester, with 38.41 barrels; and Oozlefinch Beers & Blending in Fort Monroe, with 36.17 barrels. The figures show that the program’s volume remained spread across many small producers rather than concentrated in a few large accounts.

Looking ahead, the department projected $375,000 in sales for fiscal 2027. That would be about $71,988.32, or 23.8%, above the fiscal 2026 result, though the figure is only a forecast and has not been realized. The projection assumes an average of 103 transactions a month and an average invoice of about $300, producing about $31,250 in monthly sales.

As of the report’s publication date, the department said VBDC had 45 licensed locations, with two more pending. It also projected about $5,500 in beer wholesale taxes and about $15,000 in transaction fees in fiscal 2027 if the sales forecast is met. Staff said they are preparing user guides and video tutorials for Sip Virginia and expect to discuss another round of platform changes with Tyler Technologies later this fall.