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RNDC's retreat reshapes U.S. alcohol distribution

Beer wholesalers have snapped up its markets, accelerating a cross-category push into wine, spirits and ready-to-drink beverages.

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The U.S. beverage alcohol distribution business is being reshaped as large wholesalers move beyond their traditional lanes in beer, wine, or spirits and build broader portfolios across categories, a shift that has accelerated after Republic National Distributing Company began selling operations in multiple states and filed for bankruptcy.

The change is especially visible in the scramble for RNDC assets. Beer distributors have been among the most active buyers, stepping into markets that had long been controlled by one of the country’s largest wine and spirits wholesalers. Craig Purser, president and chief executive of the National Beer Wholesalers Association, said the larger beer network moved in as RNDC pulled back so products could continue reaching stores without major disruption.

Among the companies acquiring former RNDC markets are Reyes Beverage Group, Quality Brands, Columbia Distributing, Morales Beverage Group, and Manhattan Beer & Beverage. The biggest move came from Chicago-based Reyes, the largest U.S. beer wholesaler, which bought a large share of RNDC’s business in a deal covering 11 markets that generated more than $5 billion in revenue last year. That expansion has pushed Reyes Beverage Group Spirits and Wine to the No.3 position among U.S. wine and spirits wholesalers, behind Southern Glazer’s and Breakthru.

Reyes has framed the shift as part of a broader strategy rather than a one-off response to RNDC’s collapse. Tom Day, chief executive of Reyes Beverage Group, said the company has been adding markets, personnel, supplier relationships, and operating capabilities through acquisition and expansion. He said Reyes is working to build what it calls category fluency across the company so it can execute a total beverage strategy, backed by new investment in technology, infrastructure, and staff.

The same push is taking place on the wine and spirits side of the business. Southern Glazer’s, the largest wine and spirits wholesaler in the country, said in July that it will remove “Wine & Spirits” from its corporate name in early 2027. Mark Chaplin, president of commercial sales, said the change was meant to reflect a business that already reaches well beyond its traditional core. He said beer, ready-to-drink products, and non-alcoholic beverages were central reasons for the move, while adding that the company is not abandoning its core wine and spirits business.

Southern Glazer’s already generates more than $1 billion a year in beer revenue, according to the company. It has used acquisitions to deepen that presence. Last year, it agreed to buy Anheuser-Busch’s New York City distribution operation and created Southern Glazer’s Beverage Company of New York, covering Manhattan, Queens,

Staten Island, and the Bronx. This year, it followed with deals for Clare Rose on Long Island and Eagle Rock Distributing Company in Colorado. Chaplin said one of the company's main priorities has been bringing the digital tools and sales technology developed in its legacy business to newly acquired operations.

Other distributors are also broadening their reach. In Massachusetts, Martignetti Companies agreed last month to acquire Girardi, a fourth-generation family-owned distributor based in central and western Massachusetts, for an undisclosed amount. Girardi handles the Anheuser-Busch portfolio as well as other beer, wine, and spirits brands. Martignetti said the planned deal, expected to close this fall, would support its goal of offering customers in New England a fuller beverage alcohol lineup across wine, beer, spirits, and ready-to-drink products. The transaction would mark Martignetti's third recent expansion in Massachusetts beer distribution, following its moves for Quality Beverage and the AB One Boston operation in 2024.

Breakthru Beverage has also been moving in the same direction. Its 2022 purchase of J.J. Taylor in the Minnesota market expanded its presence in beer and widened its total beverage footprint. This year, Breakthru had planned to buy RNDC's interests in Kentucky and Indiana, but it withdrew from that proposed deal in August. After that, Keg 1 River City signed a purchase agreement for the Kentucky assets, while Morales Beverage Group signed a letter of intent to acquire the Indiana business.

What is taking shape is a distribution system with fewer rigid boundaries between beer, wine, spirits, ready-to-drink cocktails, and non-alcoholic drinks. For decades, many wholesalers built their businesses around a single category, often with separate sales forces, warehouse systems, and supplier relationships. Now, scale, logistics, retailer demand, and shifting consumer habits are pushing the industry toward broader portfolios that can place multiple types of products on the same truck and under the same sales organization.

For producers, importers, and brand owners, that change could have major effects on access to the U.S. market. As distributors add categories and absorb more territories, more suppliers may find themselves working with a smaller number of large companies that can represent beer, wine, spirits, and other beverages at the same time. That may

give some brands wider reach and more integrated sales support, but it also concentrates commercial relationships in the hands of fewer distributors.

Retailers are likely to feel the shift as well. A larger wholesaler that carries beer, spirits, wine, and ready-to-drink products can offer stores and restaurants a broader book of business through one supplier relationship. At the same time, the growing size of these distributors may change negotiating dynamics, especially in markets where acquisitions leave only a limited number of major players.

The current wave of deals has been driven in large part by the disruption caused by RNDC’s retreat, but industry executives are presenting it as part of a longer-term realignment rather than a temporary response. The companies making acquisitions are investing not only in territories and brand rights, but also in systems that can support cross-category selling. That includes frontline sales software, centralized digital platforms, and warehouse and delivery networks designed to handle a wider range of products.

The result is a U.S. distribution map that is being redrawn market by market. Beer houses are becoming wine and spirits distributors. Wine and spirits wholesalers are expanding in beer. Family-owned regional operators are using acquisitions to keep pace with national groups. And as those lines continue to blur, the structure of how wines, beers, spirits, and newer beverage segments reach stores, bars, and restaurants is changing with them.