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Maryland will let suppliers assign exclusive wholesalers by county for some ready-to-drink cocktails

The rule takes effect November 9 for certain canned beverages made with wine or spirits at 20% alcohol by volume or less

Friday, November 6, 2026

Maryland will allow manufacturers and suppliers of some ready-to-drink alcoholic beverages to assign different exclusive wholesalers by county under new rules that take effect November 9, the state's Alcohol, Tobacco, and Cannabis Commission said in an advisory issued Thursday, November 5.

The change applies to certain canned cocktails and other ready-to-drink products made with wine or distilled spirits. Under the new regulations, a supplier may appoint one wholesaler to distribute a qualifying brand in one county and another wholesaler to handle the same brand in a different county. Each wholesaler would have exclusive rights within its assigned territory.

The Maryland Alcohol, Tobacco, and Cannabis Commission, or ATCC, said the updated rules are intended to make distribution arrangements clearer, give suppliers and wholesalers more flexibility, and maintain consistent regulatory oversight.

The shift creates a new distribution option in a fast-growing part of the beverage business. Ready-to-drink cocktails have become an important category for producers, distributors and retailers, and the new county-by-county model could change how brands enter the Maryland market, structure exclusivity deals and choose local partners.

The agency said territories must cover entire counties. A supplier could, for example, appoint one wholesaler for Baltimore City and another for Montgomery County for the same canned cocktail brand. Suppliers may also continue using a single wholesaler for statewide distribution if they prefer.

The rules cover ready-to-drink alcoholic beverages that contain wine or distilled spirits mixed with a non-alcoholic beverage, have an alcohol content of 20% or less by volume, and are packaged in individually sealed, single-serving containers that cannot be resealed.

That means the changes are aimed at a specific slice of the alcohol market rather than the broader beverage industry. The commission said traditional wine, distilled spirits, beer and products sold in multi-serving containers generally are not covered by the new rules, though the regulations include some exceptions.

The ATCC also said it revised the definition of “supplier” so that it applies to the initial source of supply for a product. Because that narrower definition recognizes only one supplier, a “daisy chain” distribution system for beverage alcohol is no longer allowed in Maryland under these rules.

For manufacturers and suppliers, the new framework means they may establish exclusive county-based wholesale territories for qualifying ready-to-drink brands, but they must follow new appointment and notification requirements. For wholesalers, the rules open the door to receiving exclusive rights for specific counties even when another distributor handles the same brand elsewhere in the state.

Retailers will still buy alcoholic beverages through authorized wholesalers, the commission said. But the wholesaler serving a particular ready-to-drink brand may now differ depending on the county where the retailer operates.

The change could have practical effects across the beverage sector. Suppliers that want more localized distribution strategies may gain room to tailor relationships by region instead of relying on one statewide wholesaler. Distributors could see new opportunities to pick up rights in selected counties without taking on a full Maryland footprint. Retailers may need to adjust ordering and account relationships when the

designated wholesaler for a brand differs from one county to another.

The advisory also said existing statewide distribution appointments do not need to be resubmitted if they remain unchanged. That means businesses already using a statewide arrangement can keep it in place without filing new paperwork, as long as they are not altering the appointment.

The commission urged businesses to review the full advisory before changing distribution arrangements. It said the regulations include additional requirements tied to distributor appointments, territory changes and notifications.

The new rules are reflected in amendments tied to COMAR 14.23.01.20 and COMAR 14.23.01.08, according to the advisory. The ATCC published the full notice as “New Regulations for Non-Conforming Beverages (Ready-to-Drink Products),” dated November 4.

The update gives Maryland alcohol businesses a more defined framework for a category that has expanded quickly in recent years, while keeping the state’s three-tier distribution structure in place. For companies selling ready-to-drink cocktails made with wine or spirits, the most immediate issue is whether to keep statewide distribution intact or begin dividing territory by county once the rules take effect on November 9.