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# Maryland lets ready-to-drink alcohol brands choose wholesalers county by county

The new rule covers some wine- and spirits-based canned cocktails up to 20% alcohol by volume, blocking daisy-chain distribution

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Maryland has changed how certain ready-to-drink alcoholic beverages can be distributed, giving suppliers more flexibility to use different wholesalers in different parts of the state.

A revised state rule that took effect Monday, November 9, allows suppliers to appoint different wholesalers for the same brand of qualifying ready-to-drink products on a county-by-county basis. The change applies to a category the state now calls “non-conforming beverages,” a group that includes some wine- and spirits-based canned or bottled cocktails with up to 20% alcohol by volume.

Before the change, Maryland generally required a supplier to choose one licensed wholesaler to distribute a wine or distilled spirits brand across the entire state. That statewide model often pushed companies with beer, wine and spirits portfolios to rely on a “master distributor” and a network of sub-distributors to cover Maryland while keeping broader regional sales plans intact.

Under the revised rule, that structure is no longer the only option for qualifying ready-to-drink products. Suppliers can now split distribution by county, which could give them a more direct way to match wholesalers to local markets. At the same time, the change does not fully mirror Maryland’s beer distribution system. Suppliers cannot make

partial-county appointments for these products and must choose one wholesaler for each county, including Baltimore City.

The rule defines a non-conforming beverage as an alcoholic drink that is intended as a single serving in an individually sealed commercial container with a lid or cap that cannot be resealed, contains 20% or less alcohol by volume, includes wine or distilled spirits in whole or in part, and also contains a non-alcoholic beverage component. In practice, that definition captures a range of ready-to-drink cocktails and similar products that have grown quickly in the beverage market.

Maryland also created a path for suppliers to seek exemptions. A supplier may ask the executive director to designate a product as eligible even if it does not fit the definition exactly, or to approve an exception to the packaging requirements.

The revision carries new limits as well as new flexibility. According to an alert published November 9 by the law firm ArentFox Schiff, Maryland now bars the daisy-chain distribution model that many suppliers had used for these products. The rule also requires exclusive territory designations, except during a 30-day transition period when a supplier is switching wholesalers.

If a supplier decides to change wholesalers, the supplier must give 30 days’ notice to the affected wholesalers and to the Maryland Alcohol, Tobacco, and Cannabis Commission. Existing statewide appointments do not have to be filed again if they remain unchanged.

The new framework does not alter Maryland’s broader distribution rules for wine and distilled spirits. Products that do not meet the non-conforming beverage definition, and products that do not receive an exemption, remain subject to the longstanding requirement that a supplier appoint a single wholesaler for the entire state.

For beverage companies, the rule change could affect both market access and contract strategy. Suppliers of ready-to-drink cocktails may now be able to build county-based wholesaler networks that are better aligned with local sales opportunities, but they may also need to revisit franchise relationships, territorial maps and transition plans. Companies that had tried to keep their ready-to-drink products on the same footprint as

their beer brands may face added complexity because Maryland still requires one wholesaler per county for these products rather than allowing partial-county designations.

The change comes as ready-to-drink beverages continue to blur the traditional lines between beer, wine and spirits distribution systems. In Maryland, the new rule creates a narrower exception for certain products without reopening the state’s overall approach to wine and spirits wholesaling. That distinction is likely to matter for suppliers whose portfolios include multiple beverage categories and who must now decide whether a county-by-county approach offers commercial advantages that outweigh the costs of changing established distribution arrangements.