



H.921 An Act Relating to Alcoholic Beverages

H.921 would allow licensed Vermont malt beverage manufacturers to self-distribute up to 3,000 barrels annually under their existing manufacturer license.

Why This Matters

Vermont's beer distribution market has fundamentally changed.

Over the past decade, consolidation among wholesalers has made it increasingly difficult for very small breweries to access bars, restaurants, and retail shelves. In the past two years, three distributors have closed.

- Small breweries are often not attractive accounts for large distributors due to limited volume.
- Even when distribution agreements are possible, small brands frequently receive little sales attention and face reduced margins that further strain already tight finances.

Current law creates a structural barrier to market access.

To self-distribute today, a brewery must form a separate distribution company, maintain separate books and tax filings, carry additional insurance, and pay an annual license fee of roughly \$1,200, all to deliver relatively small amounts of beer locally.

The fee itself is not the primary obstacle.

The real barrier is the legal and administrative burden of creating and operating a second business solely to access nearby markets.

H.921 Creates a Practical On-Ramp for Growth

The goal of H.921 is not to bypass wholesalers, it is to help small breweries grow to the point where they are viable distributor partners.

- Limited self-distribution gives breweries the ability to build demand, prove sales potential, and establish brand presence.
 - In practice, self-distribution is time- and labor-intensive. The 3,000-barrel cap is a ceiling, not an expectation, and most small breweries would remain well below it.
 - Setting the cap too low risks making the policy symbolic rather than functional.
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Vermont Would Align with Neighboring States

Neighboring states already recognize that limited self-distribution is essential for small producers:

- **New Hampshire:** Breweries producing up to 15,000 barrels may self-distribute up to 5,000 barrels annually under a manufacturer license. ([Title XIII, Sec. 178:12 IV\(b\)](#))
- **Maine:** Small breweries producing up to 30,000 barrels may sell directly to licensed retailers without a wholesale license. ([Title 28-A, Sec. 1355-A\(3\)\(B\)\(2\)](#))
- Allowing Vermont's small brewers to self-distribute up to 3,000 bbl annually ensures that businesses are not placed at a competitive disadvantage in the region.

Addressing Common Concerns

Three-Tier System:

- Vermont already includes limited, carefully defined exceptions. H.921 is a similarly narrow, capped adjustment, not a dismantling of the system.

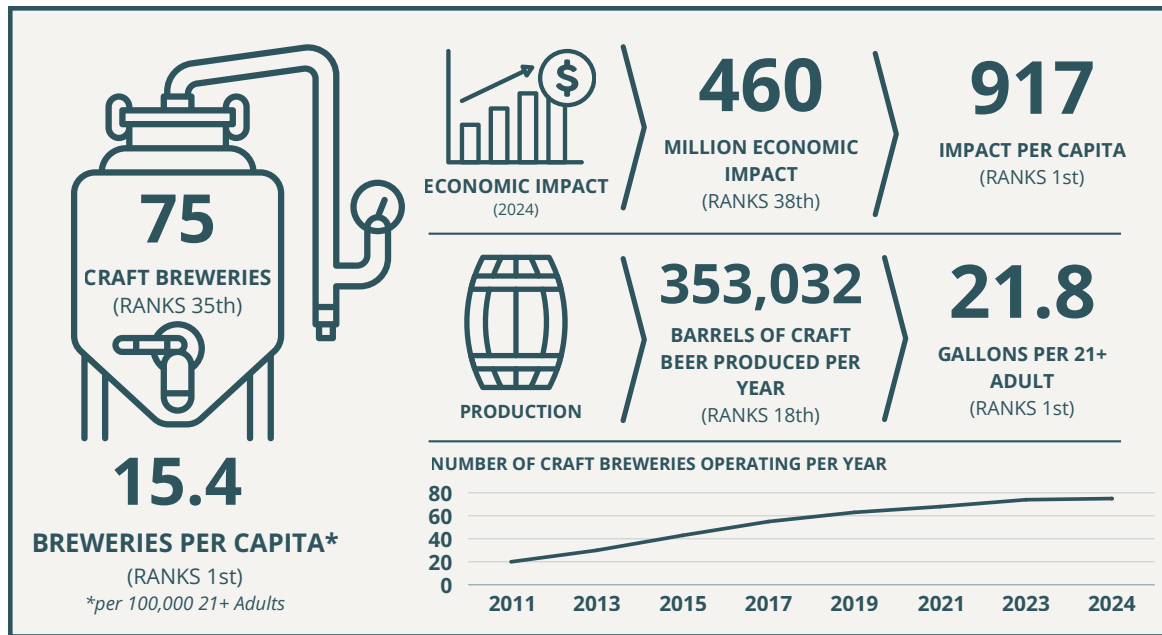
Group or Cooperative Distribution:

- Not permitted. The privilege applies only to a brewery distributing its own product. Distributing another producer's beer would still require a wholesaler license under existing law.

Bottom Line

H.921 is a modest, practical policy update that reflects current market realities. The VBA is seeking authority, similar to authority granted in ME and NH, for craft brewers to distribute a limited amount of beer directly to retailers without establishing a separate business and paying a substantial annual fee.

2024 Vermont Sales & Production Statistics



2025 VBA Membership Production Quantities

