

Distribution Rights Guidelines

In June of 2014 the Idaho State Police Alcohol Beverage Control received a request to investigate the practice and legality of Idaho distributors, defined in Idaho Code (IC) § 23-1102(5), paying for the exclusive distribution rights of the products produced by small Idaho breweries as defined in IC § 23-1003(d) and 23-1003(e). After completing an investigation into this practice, ABC has determined any distribution agreement where a distributor pays for exclusive distribution rights of the products of a small Idaho brewery violates IC § 23-1032(2). The agency's position is that any agreements that were executed prior to the passage of IC § 23-1032 (which was signed into law March 26, 2014) are not subject to the prohibitions of this new statute. A distribution agreement between a distributor and a small brewery is allowable so long as long as a distributor is not paying for exclusive distribution rights.