



**Annual Report on the Activities of the Virginia
Beer Distribution Company and the Quantity of
Beer Distributed**

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Commissioner of Agriculture and Consumer Services

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Executive Summary

During fiscal year (FY) 2026, the Virginia Beer Distribution Company (VBDC) advanced its mission to expand wholesale distribution options for Virginia breweries and strengthen access to craft beer across the Commonwealth. The VBDC Board of Directors met five times throughout the fiscal year to oversee the program's early development and key priorities such as refining the operating agreement, hiring an alcohol compliance attorney, and exploring ways to increase awareness among breweries and retailers. Board membership shifted mid-year following a vacancy created in November 2025, and the Board of Agriculture and Consumer Services appointed Chelsea Taglang on May 20, 2026, to fill the wholesale representative seat. Throughout FY 2026, licensing activity grew rapidly, with VBDC onboarding 25 new distribution locations and closing the year with 42 licensed beer wholesale sites and six additional locations pending.

FY 2026 also marked major progress in technology development, operations, and market growth. VBDC earned a Silver w3 Award for its initial platform and worked closely with Tyler Technologies on the launch of Sip Virginia, a unified system for VBDC and Virginia Wine Distribution Company (VWDC) users. Staff conducted a months-long campaign to prepare breweries and retailers for expanded features, including streamlined order minimums, improved reporting, license renewal capabilities, and enhancements to the platform's usability. Marketing efforts strengthened VBDC's public presence through statewide event participation, growth in social media engagement, and advertising in Virginia Craft Beer Magazine. As a result, product movement increased dramatically, rising from 46 barrels in FY 2025 to more than 550 barrels in FY 2026, with total sales exceeding \$303,000. These results illustrate the significant momentum VBDC has built and confirm the program's capacity for continued expansion in FY 2027.

Company Formation

Background

Chapter 597 of the 2023 Acts of Assembly established the Virginia Beer Distribution Company (VBDC), effective July 1, 2024. VBDC is a non-profit, non-stock corporation housed within the Virginia Department of Agriculture and Consumer Services (VDACS) to provide wholesale beer distribution services for licensed Virginia breweries.

Appointment of Board of Directors

The VBDC Board of Directors (Board) consists of the Commissioner of Agriculture and Consumer Services (Commissioner) and four members appointed by the Board of Agriculture and Consumer Services (BACS). Of the four members appointed by BACS, two must be owners or managers of a Virginia beer wholesale licensee, one must be an owner or manager of a brewery or limited brewery licensee, and one must be an owner or manager of a brewery or limited brewery licensee that is not served by a wholesaler at the time such owner or manager is appointed to the Board. In making appointments to the Board, BACS must consider nominations submitted by the Virginia Beer Wholesalers Association regarding wholesale members and nominations submitted by the Virginia Craft Brewers Guild regarding brewery members.

In November 2025, Greg White, a beer wholesale representative, resigned from his employment with Hoffman Beverage, thus also resigning from the Board. This resignation left a vacancy on the Board until a nominee was submitted to BACS in spring 2026. Chelsea Taglang, Vice President of Beer, Cider, and RTDs at Blue Ridge Beverage, was appointed to the Board on May 20, 2026.

Board Meetings and Actions

The Board met five times throughout FY 2026. The top business development items covered throughout the year included refining the operating agreement, hiring an alcohol compliance attorney, and discussing ways to market VBDC to breweries and retailers.

VBDC Board of Directors



Charles Green, VDACS Commissioner



Matt Mullett, Richbrau

Mr. Mullett's term was renewed through June 30, 2030, as an owner/manager of a brewery/limited brewery licensee.



Jason Romano, Lake Anne Brew House

To fill a term from July 1, 2024, through June 30, 2028, as an owner/manager of a brewery licensee that is not served by a wholesaler at the time such owner is appointed to the Board.



Aden Short, P.A. Short Distributing Company

Mr. Short's term was renewed until June 30, 2030, as an owner/manager of a Virginia beer wholesale licensee.



Chelsea Taglang, Blue Ridge Beverage

Ms. Taglang filled the remainder of Greg White's term, serving July 1, 2024–June 30, 2028, as an owner/manager of a Virginia beer wholesale licensee.

VBDC Activities

Licensing

Throughout FY 2026, VBDC licensed 25 new distribution locations. Concluding FY 2026, VBDC had 42 licensed beer wholesale locations, an over 120 percent increase from June 30, 2025. Another six locations were pending licensure on June 30, 2026. Four locations decided not to renew their beer wholesale license. Three of the four that decided not to renew either did not distribute enough to cover the cost of the license fee or broke even. One location closed its brewery, thus no longer maintaining an active brewery license required to distribute through VBDC.

System Development

Riding on the success of the initial system roll out in FY 2025, VBDC's registration and point-of-sale system was a major focus area throughout the year. Staff worked alongside Tyler Technologies to create a single sign on experience for VBDC and VWDC users under one platform named Sip Virginia.

This software build was a much larger undertaking than originally anticipated due to the differences in product categories, the large amount of data that needed to migrate, and the overall complexity of meshing the two companies into one shared platform. Many of the ideas explored during the discovery phase were broader than what the initial project scope could reasonably support; some early concepts required larger structural changes and more time and resources than the timeline allowed. The complexity of combining the two systems guided the decision to introduce certain enhancements gradually so the platform could grow in a stable and scalable way. Staff worked through building multiple workflows from concepts to complete functioning features of the new platform. From January 2026 through June 2026 and into July, staff ran a months-long campaign highlighting upcoming system features and preparing users for data migration. Users were informed of streamlined workflows for order minimums, volumetric discounts, an enhanced resources page, license renewal capabilities, additional reporting options, and an overall enhancement to the look and feel of the software.

For its initial platform iteration, VBDC was awarded a Silver w3 Award from the Academy of Interactive & Visual Arts in the General Websites – Government/State category. According to the w3 website, this award celebrates creativity and excellence across the web:

Since 2005, the w3 Awards has celebrated excellence in digital content, design and experiences. From global brands and institutions to boutique agencies and independent creators, the platform honors the innovators who set trends, break boundaries and define what's next in digital.

The w3 Awards is sanctioned by the Academy of Interactive and Visual Arts (AIVA), an assembly of 1,100+ industry leaders from acclaimed brands, institutions and agencies like Microsoft, McCANN, Netflix, Havas, New York University, The Walt Disney Company, Work & Co, the National Gallery of Art and more.” (Academy of Interactive & Visual Arts, n.d.)



Marketing

With VBDC still in its early stages as a business, building the company's brand was a continued area of focus. VBDC's social media following on Facebook has grown more than 20 percent during FY 2026 and its Instagram following has grown more than 50 percent.

In August 2025, VBDC began advertising in the Virginia Craft Beer Magazine. This magazine is distributed across the Commonwealth to taprooms, bottle shops, various retail locations, and visitor centers. Magazine content includes brew news, brewery profiles, a Virginia brewery guide, and much more. Also in August, the Virginia Craft Brewers Guild hosted its annual Virginia Craft Beer Summit & Gala. As a part of the gala, VBDC Operations Manager Dakota Rust served on an educational panel focused on how to increase sales, brand awareness, and customer loyalty.

The VBDC Operations Manager presented at the annual Virginia Brewers Conference hosted in Richmond, Virginia, in September 2025. This conference brought together hundreds of Virginia brewers from breweries across the Commonwealth. Previous years' presentations centered on the structure of VBDC, how it operates, fee structures, and when breweries could expect to start distributing through VBDC. This year's VBDC presentation included a panelist discussion of VBDC wholesale agents as they discussed successful distribution strategies and areas of growth.

In May 2026, VBDC hosted a trade tasting event alongside VWDC, the VDACS Division of Marketing and Development, Virginia Spirits, and the Virginia Wine Board Marketing Office (pictured above). The event was held at Sweeney Barn in Manassas. 30 producers, including eight from beer, wine, and spirits, were present to represent their brands, share their stories, and pour samples for attending guests. A representative from Oozlefinch Beers & Blending served on a panel

about incorporating Virginia craft beer into beverage menus. The event brought in retailers, media, and industry professionals from across the Commonwealth. The organizations received praise from many attendees for bringing together all three adult beverage categories in one successful event.

Quantity of Beer Distributed

Forecasted Expectations

VBDC began FY 2026 with modest expectations based on early activity from its launch year. Projections estimated steady growth with about 60 transactions per month and roughly \$180,000 in annual sales. These numbers reflected the data available at the time and the slow but steady increase in awareness among breweries and retailers. The forecast also anticipated an increase in sales due to the expected January 2026 launch of Sip Virginia, which would allow thousands of eligible retailers already registered to purchase wine to register for beer with the click of a button. While the software launched later than anticipated, VBDC was still able to expand sales through the platform in FY 2026.

Total Sales

FY 2026 results moved far past initial estimates. Breweries responded quickly to the expanded system, and retailers adopted VBDC at a faster rate than expected. The number of breweries with an active VBDC beer wholesale license grew from 19 to 42, the number of active distributing locations rose from 13 to 37, and total retailer registrations increased to 295. This wider participation created strong demand for products distributed through VBDC.

Sales totaled more than \$303,000 in FY 2026, and order volume reached 1,074 transactions. VBDC distributed more than 550 barrels of beer (equivalent to 7,500 cases) in FY 2026, compared to 46 barrels in FY 2025.

Taxes and Fee Revenues

Sales made through VBDC contributed \$4,451 in beer wholesale taxes to the Virginia Alcoholic Beverage Control Authority (ABC) in FY 2026. Transaction fees totaled \$11,421 for VBDC's non-general fund, which may be used for operational costs and more system upgrades in the future. Details of transactions and totals of quantities, sales, taxes, and fees are shown in the following chart.

<i>FY 2025-2026 (July 1, 2025 - June 30, 2026)</i>								
Brewery Establishment Name	Brewery Type	Location	Order Count	Total Barrels Distributed	Case Equivalent	VBDC Revenue	Total ABC Tax Paid	Total Sales
1781 Brewing Co	Limited	Spotsylvania, VA	6	3.11	42.81	\$ 34.14	\$ 25.12	\$ 1,288.00
7 Dogs Brewpub	Standard	Wytheville, VA	33	12.99	178.92	\$ 227.08	\$ 102.75	\$ 6,487.00
Blindhouse Beer Company	Standard	Roanoke, VA	4	1.60	21.99	\$ 53.76	\$ 12.65	\$ 1,524.00
Barnhouse Brewery	Limited	Leesburg, VA	8	2.67	36.74	\$ 45.00	\$ 20.99	\$ 1,590.00
Buggs Island Brewing Company	Standard	Clarksville, VA	70	17.67	243.38	\$ 403.24	\$ 139.07	\$ 10,321.00
Bacova Beer Company	Standard	Hot Springs, VA	33	12.18	167.77	\$ 309.08	\$ 104.03	\$ 7,967.00
Black Rose Brewing Company	Standard	Partlow, VA	4	0.67	9.19	\$ 16.80	\$ 5.25	\$ 540.00
Caboose Commons	Standard	Fairfax, VA	86	97.06	1,337.24	\$ 2,129.36	\$ 786.18	\$ 54,623.00
Cave Hill Farms Brewery	Limited	McGaheysville, VA	11	6.02	82.89	\$ 68.10	\$ 48.17	\$ 2,629.86
Death Ridge Brewery LLC	Limited	Jeffersonton, VA	1	0.33	4.59	\$ 5.10	\$ 2.62	\$ 230.00
Dirt Farm Brewing	Limited	Bluemont, VA	3	2.48	34.23	\$ 35.49	\$ 19.96	\$ 1,303.00
Dragon Run Brewing	Standard	Shacklefords, VA	5	0.70	9.60	\$ 15.00	\$ 5.77	\$ 405.00
Factory Street Brewing	Standard	South Boston, VA	6	2.17	29.85	\$ 52.20	\$ 17.06	\$ 1,575.00
Full Distance Brewing	Standard	Stafford, VA	119	66.22	912.34	\$ 1,419.00	\$ 533.56	\$ 34,960.00
Gloucester Brewing Company	Standard	Gloucester, VA	77	35.13	484.05	\$ 943.99	\$ 282.45	\$ 24,469.87
Hawksbill Brewing Co	Standard	Luray, VA	5	2.67	36.74	\$ 49.00	\$ 20.99	\$ 1,225.00

<i>FY 2025-2026 (July 1, 2025 - June 30, 2026)</i>									
Brewery Establishment Name	Brewery Type	Location	Order Count	Total Barrels Distributed	Case Equivalent	VBDC Revenue	Total ABC Tax Paid	Total Sales	
Hidden Wit Brewing Co.	Standard	Moseley, VA	17	13.92	191.76	\$ 283.32	\$ 112.88	\$ 7,743.00	
Lost Barrel Brewing	Standard	Middleburg, VA	18	10.39	143.11	\$ 174.20	\$ 82.09	\$ 4,556.00	
Maker's Craft Brewery	Standard	Norfolk, VA	5	2.17	29.85	\$ 41.52	\$ 17.06	\$ 1,248.00	
Old Rappahannock Brewing Company	Standard	Warsaw, VA	185	67.01	923.23	\$ 1,480.32	\$ 550.93	\$ 38,221.00	
Oozlefinch Beers & Blending	Standard	Fort Monroe, VA	74	36.17	498.36	\$ 855.16	\$ 301.49	\$ 22,489.00	
PRN+	Standard	Staunton, VA	6	1.99	27.36	\$ 45.89	\$ 15.90	\$ 1,267.20	
Seven Arrows Brewing Company	Standard	Waynesboro, VA	9	4.19	57.67	\$ 78.02	\$ 36.38	\$ 1,950.30	
Shotwell Run Brewing Co	Standard	Etlan, VA	10	1.54	21.27	\$ 58.03	\$ 12.32	\$ 1,480.75	
Sinistral Brewing Co	Standard	Manassas, VA	14	8.22	113.27	\$ 117.96	\$ 65.04	\$ 3,159.00	
Small Batch Brewing	Standard	North Chesterfield, VA	9	3.33	45.92	\$ 96.00	\$ 26.24	\$ 2,400.00	
Southern Revere Brewing Co.	Standard	Louisa, VA	22	9.12	125.66	\$ 234.44	\$ 75.64	\$ 6,256.00	
Sweetbay Brewing Company	Standard	Abingdon, VA	20	4.61	63.53	\$ 92.88	\$ 37.08	\$ 2,382.00	
Talleysville Brewing Company	Limited	New Kent, VA	1	0.17	2.30	\$ 2.36	\$ 1.31	\$ 108.50	
The Board Room	Standard	Arlington, VA	9	9.50	130.89	\$ 126.20	\$ 74.78	\$ 3,425.00	
Thin Brew Line Brewing Co	Standard	Virginia Beach, VA	14	4.00	55.13	\$ 82.00	\$ 31.49	\$ 2,140.00	

<i>FY 2025-2026 (July 1, 2025 - June 30, 2026)</i>								
Brewery Establishment Name	Brewery Type	Location	Order Count	Total Barrels Distributed	Case Equivalent	VBDC Revenue	Total ABC Tax Paid	Total Sales
Trippin Billies Craft Brewery	Standard	Blackstone, VA	33	20.25	279.04	\$ 444.24	\$ 162.44	\$ 11,466.00
Trouvaille Brewing Company	Standard	Haymarket, VA	7	6.94	95.56	\$ 159.22	\$ 56.23	\$ 4,580.50
Vanish Brewery	Limited	Leesburg, VA	59	30.22	416.37	\$ 401.51	\$ 244.45	\$ 13,742.00
Vibrant Shore Brewing Company	Standard	Virginia Beach, VA	15	9.48	130.67	\$ 152.32	\$ 75.07	\$ 4,018.00
Vibrissa Beer	Standard	Winchester, VA	60	38.41	529.24	\$ 589.19	\$ 303.86	\$ 15,869.70
Wheatland Spring Brewery	Limited	Waterford, VA	16	5.00	68.90	\$ 100.26	\$ 41.89	\$ 3,372.00
37 active wholesale locations			1074	550.26	7,581.42	\$ 11,421.38	\$ 4,451.18	\$ 303,011.68

Looking Ahead to FY 2027

FY 2026 proved that VBDC can grow quickly once breweries and retailers understand the value of centralized distribution. The program surpassed all major forecasts and showed that its operations can support further expansion in FY 2027.

Licensing

Throughout FY 2027, VBDC expects to see growth in the number of licensed beer wholesale locations throughout the Commonwealth. VBDC has already onboarded an additional six locations since June 30, 2026. This brings the total number of licensed locations to 45, with two additional locations pending as of the date of this publication.

Sales Forecasting

Based on transaction data from July 2025 through June 2026, the average transaction total is approximately \$300. FY 2026 averaged about 90 transactions per month, but activity increased in the second half of the year, with 764 orders from January through June 2026 and the most recent 90-day period producing 342 orders, or roughly 114 per month. Backed by increased retailer visibility, new brewery registrations, and more comprehensive marketing strategies, VBDC anticipates processing an average of 103 transactions per month in FY 2027. With an average invoice of about \$300, this results in an average of approximately \$31,250 in monthly sales for a gross annual total of \$375,000. With these aggregates, VBDC could expect to pay a total of \$5,500 in beer wholesale taxes to ABC and collect approximately \$15,000 in transaction fees in FY 2027.

Marketing

In FY 2027, VBDC will focus on strengthening awareness, visibility, and engagement across Virginia's craft beer industry. At the start of the new fiscal year, VBDC partnered with Reingold to expand its marketing capacity and improve communication with breweries and retailers. This collaboration will help VBDC build a clearer and more consistent presence across its channels and communicate the value of Sip Virginia as Virginia's centralized pathway for purchasing and distributing local craft beer.

During FY 2027, VBDC will work to better connect with breweries and retailers by improving how information is delivered and how audiences understand the benefits of participating. Breweries are motivated by growth opportunities and by tools that reduce the time they spend managing distribution. Retailers respond most to efficiency and to purchasing processes that are easy to understand and adopt. With these motivators in mind, VBDC will refine messaging and strengthen educational materials so both audiences can clearly see how Sip Virginia supports their business goals. These improvements will make future outreach more effective.

VBDC will also devote more attention to its presence at industry events across the Commonwealth. Events create valuable opportunities to meet decision makers, answer questions, and gather insight from the field. Throughout FY 2027, VBDC will participate in brewery and retailer gatherings that reinforce awareness of Sip Virginia and build relationships with organizations that support Virginia's craft beer community. Partnerships with brewery associations, hospitality and tourism organizations, and business development networks will help extend VBDC's reach.

In addition, FY 2027 will include new outreach efforts designed to help VBDC connect with breweries and retailers not yet participating in Sip Virginia. These efforts will complement VBDC's ongoing communication channels and introduce the platform to audiences who may need a clearer understanding of how VBDC can support their operational or purchasing needs. As FY 2027 moves forward, these combined efforts, which include expanded communication, a stronger presence at events, and new targeted outreach, will help VBDC build momentum and increase adoption across Virginia's craft beer market.

System Development

VBDC staff has begun creating user guides for Sip Virginia and plans to create video tutorials in FY 2027. In fall 2026, VBDC staff and Tyler Technologies will begin discussing system enhancements. VBDC will bring Reingold into these discussions to determine the most appropriate pathways for measuring user behavior, identifying friction points, and improving how breweries and retailers navigate Sip Virginia. This coordination will help ensure that future enhancements support both platform usability and the broader marketing strategy that encourages consistent adoption and repeat use.