

Manufacturers, Importers, and Distributors Non-Retail Division Bulletin No 22-01

Date:January 6, 2022To:Retail and Non-Retail Industry MembersSubject:Industry Update on Minimum Orders, Premium Products and Delivery Schedules.

We have been made aware of issues within the industry regarding delivery schedules, minimum orders and scarcity of product. This update is being provided to clarify the current law and rule regarding interactions between Industry Members and Retailers

1: **Minimum orders** are not allowed per RCW 66.28.285(6)(d). If a distributor is delivering product in a local market, they must deliver to all licensees regardless of order size.

2: **Premium products** must be made available to all retailers in a local market per RCW 66.28.285(6)(J). Due to the scarcity of some products, distributors may limit amounts or use other methods to ensure equal opportunity to purchase for all retailers in the local market. Fulfillment of orders may not be based on sales volume or "preferred account" status.

3: **Delivery Schedules** may be set by market conditions and retailers are encouraged to work with their distributors if they need deliveries more often. Distributors are encouraged to provide alternative methods to satisfy all retailers in a local market such as: Allowing pick-up at the warehouse or providing alternate delivery times or days for retailers not open during normal delivery hours. In addition, retailers may purchase wine and spirits from other retailers with a reseller endorsement. Beer must be purchased from a brewery, distributor, or out-ofstate certificate-of-approval holder with direct shipper endorsements. Retailers may not purchase beer from other retailers.

The URL's below access the legislative website for copies of the applicable law and rule. <u>https://app.leg.wa.gov/RCW/default.aspx?cite=66.28.285</u> <u>https://app.leg.wa.gov/WAC/default.aspx?cite=314-13-010</u>

We hope this clarifies these issues. If you have additional questions, please contact MIW Lieutenant Robert Knowles by email at <u>robert.knowles@lcb.wa.gov</u> or by phone at 509 630-3446.

Thank you.