

# Craft Beer – Distribution Made Easy

by Lisa Silber

**D**an Kennedy, a savvy new entrepreneur, made his dream a reality this past February when he launched his new business — Free State Craft Beer Delivery. With the love and support of his wife and family, Dan left a fifteen-year career in college administration to pursue a new passion and solve a very big problem for local Maryland craft breweries. His partner, William Randall, joined him as an investor.

After talking with many breweries and owners and hearing their problems with distribution, Dan decided to start Free State Craft Beer Delivery. He did his homework and, with the help of attorney Hank

Abromson of Miles & Stockbridge, obtained the proper permits, licenses, and warehouse space, and opened his doors.

**Q:** What was one of the obstacles you faced at the beginning?

**Dan:** I had to learn the many franchise and craft beer laws that are unique to Maryland. Maryland laws state that breweries that produce under 22,500 barrels of beer per year can self-distribute up to 3,000 barrels annually. Since they are able to self-distribute, they can assign who delivers their products — and that's where Free State comes in. This differs from Virginia, for example, where beer must be delivered by

a local wholesaler. Each state has very specific rules and regulations.

**Q:** Why would breweries want you distribute for them?

**Dan:** The logistical and financial aspects of delivering beer can be daunting — with procuring refrigerated vehicles, cold storage and warehousing products, hiring drivers, fuel, insurance costs — this will add up very fast for small craft brewers. They want to make delicious craft beer, not deliver it. We remove that obstacle and challenge for them.

**Q:** Where is your company located?

**Dan:** I have a climate-controlled warehouse in Frederick with cold storage.

**Q:** What is the scope of your business?

**Dan:** I pick up the beer from the craft breweries and warehouse it in a climate-controlled environment until it needs to be delivered. I then deliver the product to each brewer's retail customers. I have also partnered with another small business called Keg Metrics, which can track kegs electronically using QR codes. Kegs can be tracked during the entire process from any device, and the risk of missing kegs is reduced. I also pick up empty kegs and return them to each brewery. I'm looking to add additional services in the future, as well.

**Q:** What is your goal with your company?

**Dan:** I want to do what I do five times better than what a craft brewer can do on his or her own! My goal is to be a value-added partner to every craft brewer in the state of



Maryland and the surrounding region, while giving back and supporting small, independent business owners and local charitable causes.

**Q:** Where did your knowledge and love of craft beer begin?

**Dan:** I lived in Colorado for 10 years and began drinking craft beers from Left Hand Brewing Company and New Belgian Brewing Company, among others. When I moved to Maryland six years ago, I discovered the many amazing craft breweries in this state — it's too difficult to name a

CRAFT BEER cont. pg 22



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Dan Kennedy, founder and drayman of Free State Craft Beer Delivery