



PRIMARY SOURCE LAWS

Primary source **laws require that wholesalers purchase alcohol products from the primary source of supply** for that brand: the brand owner (producer) or its authorized agent, such as an importer.



Primary source laws guarantee the authenticity and integrity of products sold by licensed retailers resulting in transparency, traceability, and consumer safety in the supply chain.

BENEFITS OF PRIMARY SOURCE LAWS

By requiring wholesalers to purchase only from the brand's primary source, primary source laws help maintain a **clear chain of custody traceable by alcohol enforcement agents** starting the moment a batch of alcohol is produced to the moment it is sold to a consumer.

THIS CHAIN OF CUSTODY IS VITAL TO:



Prevent counterfeit or adulterated items from entering the market by ensuring that all alcohol entering the U.S. supply chain was produced by a licensed alcohol producer.



Prevent diversion of alcoholic beverages into gray or black markets.



Immediately **identify and remove** bottles from a retail shelf in the event a product is **recalled**.



MODEL LEGISLATION

PRIMARY SOURCE REQUIREMENT:

"The manufacturer; the owner of alcoholic liquor at the time it becomes a marketable product; or the manufacturer's or owner's exclusive agent who, if the beverage alcohol cannot be secured directly from such manufacturer or owner by American wholesalers, is the source closest to such manufacturer or owner in the channel of commerce from which the product can be secured by American wholesalers."

WHOLESALE REQUIREMENT:

"All beverage alcohol ordered, purchased or received by any wholesaler in this state must be obtained from a supplier that is the primary source of supply for the brand ordered, purchased, or received."

RETAILER REQUIREMENT:

"All beverage alcohol ordered, purchased, or received by a retailer must be obtained from (1) A licensed wholesaler who has purchased the brand from the primary source of supply; or (2) A wholesaler who is the designated representative of the primary source of supply in this state and who has purchased the alcoholic beverage from the designated representative of the primary source of supply within or outside this state."