

LCBO

December 11, 2017

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TO: All Trade Partners

RE: New Cider Freight Rebate in Direct Delivery to Licensees and Grocery Stores
Effective January 1, 2018

Dear Trade Partners,

On Monday, January 1, 2018, changes to the calculation of freight rebates applied to Direct Delivery cider sales in the Licensees and Grocery channels will take effect, implementing recommendations formulated by the Premier's Advisory Council on Government Assets.

Direct Delivery to Licensees

Effective January 1st, 2018, a freight rebate of \$0.1567/litre will be applied to all cider sales, regardless of package size. This follows the announcement and implementation of the Small Cidery and Small Distillery Support Program by Agricorp. All cideries should use the updated Winery Reporting Template circulated by LCBO Financial Analysis to report January 2018 sales. Please direct any questions on the change to Vincent Caron, Senior Policy Advisor, Corporate Affairs at vincent.caron@lcbo.com. Question on the Winery Reporting Template should be directed to winery.reporting@lcbo.com.

Direct Delivery to Grocery

All direct delivery cider shipments to grocery stores for orders placed on or after January 1st, 2018 will be applied a freight rebate of \$0.1567/litre. The current rate of \$0.0833/litre applies to grocery orders placed prior to January 1st, 2018. Please direct any questions to Leanne Rhee, Manager, Vendor Relationships and Customer Accounts, Grocery Operations at leanne.rhee@lcbo.com.

Thank you for your continued support.

Ian Loadman