

LCBO

let's get together.

March 23, 2016

TO: All Trade Partners

RE: Increase in Wine Markup and Freight Rate Review (LAFR)

Dear Trade Partners,

Wine Markup

On Monday, June 20, 2016, the *ad valorem* markup for wine products will increase two percentage points.

The rates will be adjusted as follows:

Wine Categories	Current	June 20, 2016
Ont. Table	65.5%	67.5%
U.S., Other Cdn. & Import Table	71.5%	73.5%
Ont Max 7%(Sparkling)	58.6%	60.6%
U.S., Other Cdn. & imports Max 7%	64.6%	66.6%
Ont. Cider	54.6%	56.6%
U.S., Other Cdn. & Import Cider	60.6%	62.6%
Draught Cider All	40.4%	42.4%
Ont Cream or Flavoured	108.0%	110.0%
U.S., Other Cdn. & import Cream or Flavoured	114.0%	116.0%
Ont. Fortified	63.3%	65.3%
U.S., Other Cdn. & Import Fortified	69.3%	71.3%
Ontario Coolers	54.6%	56.6%
U.S., other Cdn. & import coolers	60.6%	62.6%

LCBO

let's get together.

Suppliers have the opportunity to submit new wholesale quotations according to the following schedule:

Monday, April 25, 2016	Revised wholesale quote deadline
Monday, May 23, 2016	Wholesale quotes effective
Monday, June 20, 2016	Retail price changes effective

Quotes must be emailed to pricing@lcbo.com. Faxed quotes are no longer accepted.

For import suppliers wishing to maintain a retail price, the signed quotation should clearly state "REBATE", with an indication the supplier agrees to pay to reduce the cost of the inventory on hand and on order. The rebate will be applied to all inventory on hand and on order as of June 20, 2016.

Price calculators with the new rates are available on <http://www.doingbusinesswithlcbo.com/> in the Documents section.

Logistics Average Freight Review (LAFR)

The quarterly review of the LAFR will be complete by Monday, April 4. Suppliers affected by this review will receive notification by this date. Any supplier wishing to adjust their quote as a result of this review must submit revised quotes by Monday, April 25, 2016. New quotes should take into account the freight rate and revised markup rate (if applicable).

Quotes must be emailed to pricing@lcbo.com. Faxed quotes are no longer accepted.

Thank you for your continued support,



David Cacciottolo
Manager, Pricing Administration

Cc: Nancy Cardinal
Shari Mogk-Edwards
Edison Yon