



Tuesday, September 22, 2015

To: All Trade Councils

Re: Increase to markup on beer effective November 2, 2015

Dear Trade Partners,

On Monday, November 2, 2015, the markup on beer produced by both Beer Manufacturers and Microbrewers will increase by three cents per litre. All beer sold at The Beer Store (TBS) and LCBO will be re-priced to reflect this change. In order to administer this change, the schedule for beer price changes will be modified by one week. The revised schedule is as follows:

Tuesday, October 13 – submissions and supplier quotes due by 4 pm

Monday, October 19 – no price change submissions will be accepted

Monday, October 26 – no beer price changes

Monday, November 2 – new markup and retail prices in effect

Ontario Beer listed at TBS or LCBO

If the brewer wishes to maintain the current retail price, no action is required. The product will be re-priced to reflect the change in markup and no change will be made to the retail price.

If a change in price is desired, please submit the [Beer Price Submission](#) form.

1. Please note, brewers who direct deliver beer to the LCBO are responsible for invoicing the correct amount per case based on the cost of the beer at the time of delivery. Following the change in markup, in most cases, the cost per case will need to be adjusted. An Excel-based tool is available [here](#) to calculate the case cost based on a retail price. The markup rates in the tool will be adjusted by November 2.

Imported Beer

If the brewer wishes to maintain the current retail price or change the price, the brewer is required to submit a revised wholesale quote along with a completed [Beer Price Submission](#) form. If the price is maintained or decreased, the quote must state, "The supplier will pay to reduce the cost of inventory on hand and on order." If no revised quote is received, the new markup will be applied to the current quote and the product will be re-priced accordingly. Please note: for products listed at TBS, no changes will be made to licensee prices or pack-up prices unless requested by the brewer on the Beer Price Submission form.

All quotes and price submissions must be submitted via e-mail to pricing@lcbo.com by the deadline indicated above.

Please note that products approved for the LTO program (LCBO) are not permitted to change prices in the four weeks leading up to a promotion. Period 9 LTOs begin Monday, November 9th.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'D.C.', followed by a period.

David Cacciottolo
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