

LCBO

LCBO is implementing a new wholesale pricing model that is based on a pricing formula that adds mark-ups to the supplier's quote. The new pricing model supports the provincial government's commitment to a more open, equitable, and competitive beverage alcohol marketplace that benefits consumers and businesses.

It will become effective April 1, 2026, when LCBO becomes the exclusive wholesaler of beverage alcohol in Ontario.

A [Trade Update](#) was issued on February 17, 2026.

LCBO has received questions from suppliers, wholesale customers, and industry associations on the new pricing model and has developed this document to support stakeholders through this change.

Topics include:

- Wholesale pricing model
- Product categories
- Supplier requote process
- Promotions
- Pricing in LCBO retail
- Pricing for duty free
- Pricing for Direct Delivery Program
- Other

Wholesale pricing model

Why is the pricing model changing?

The provincial government announced that a new wholesale pricing model would be developed and introduced in 2026 as part of the provincial government's commitment to a more open, equitable, and competitive beverage alcohol marketplace that benefits consumers and businesses.

The current retail-minus discount model ties wholesale prices to LCBO retail prices.

Moving to a cost-plus model:

- Aligns LCBO with industry standard wholesale practices
- Enables more simplified and streamlined wholesale pricing
- Supports LCBO's role as exclusive wholesaler starting April 1, 2026 by decoupling wholesale pricing from LCBO retail

Does this apply to all wholesale customers?

This change applies to:

- Hospitality Licensees (bars, restaurants, clubs, venues)
- Grocery and Convenience stores
- The Beer Store
- LCBO retail and LCBO Convenience Outlets (LCOs)

What are the implications for products the Beer Store (TBS) purchases from the LCBO? Are there changes to pricing in TBS retail stores?

LCBO is the wholesaler of import beer as well as domestic and import cider to the Beer Store (TBS). This change impacts pricing on wholesale purchases TBS makes from the LCBO.

Like all retailers, TBS can set their own retail price, subject to Minimum Retail Pricing regulations.

What are the implications for products the Beer Stores sells to hospitality licensees through its Beer for Business Program?

The Beer Store will be authorized to continue selling beer to hospitality licensees (e.g. bars, restaurants). Licensees will also be able to purchase beer at LCBO retail stores along other products.

What are the implications for products LCOs purchase from the LCBO? Are there changes to pricing in LCO stores?

LCO's will be subject to the same wholesale pricing model as other wholesale customers. LCOs will also be subject to LCBO's uniform retail prices.

What are the implications for LCBO retail? Are there changes to pricing in LCBO retail stores?

LCBO retail will be subject to the same wholesale pricing model as other wholesale customers. This will change how retail prices are set for LCBO retail stores and LCOs.

See the section below for more information.

How is the wholesale price calculated?

Starting April 1, 2026, the new wholesale price will be determined by a cost-plus formula that adds taxes, mark-ups and fees to a beverage alcohol supplier's quote. It will be calculated as **landed cost + wholesale mark-up + COSD** (if applicable) + **container deposit + HST**.

The new mark-up formula and schedule are available on [LCBOPricingHelpfulToolsandLinks | Doing Business with LCBO](#)

What is “landed cost”?

Landed cost refers to the total cost incurred by LCBO to purchase a product including:

- Supplier quote
- Federal excise and customs duties and import fees (if applicable)
- Inbound freight

It does not include LCBO’s wholesale mark-up, container deposit or HST.

Why is LCBO introducing alcohol by volume (ABV) tiers?

Current mark-ups for wine, spirits and ready-to-drink (RTD) products are ad valorem (%) and there are a number of sub-categories with varying ABV levels. The new tiers simplify these sub-categories and bring consistency with set ABV tiers across categories.

Differentiating products based on ABV levels is a long-standing pricing policy for these categories and is continued under the new wholesale pricing model.

What are the wholesale mark-ups?

Wholesale mark-ups vary by product category. Wine, cider, spirits, and ready-to-drink products are subject to ad valorem mark-ups based on alcohol by volume tiers. Beer is subject to volumetric mark-ups that vary by brewer type and product format.

Why are beer mark-ups volumetric instead of ad valorem like the other categories?

Current mark-ups for beer are volumetric (\$ / litre) and vary based on producer size (manufacturer or microbrewer) and product format (packaged or draught).

Differentiating products in this way is a long-standing pricing policy for beer and is continued under the new wholesale pricing model.

What is COSD?

Cost of Service Differential (COSD) only applies to imported wine, cider, spirits, and ready-to-drink beverages. Rates are based on country of origin and are not changing at this time.

More details on COSD can be found in the [Trade Update](#) from February 21, 2021.

What is the warehouse handling fee for beer, and how should suppliers account for it in their quote?

A warehouse handling fee of \$2.17 per case will apply to suppliers for all beer that is handled by LCBO warehouses. This fee reflects the cost that LCBO incurs to move products through its warehouse and should be considered as a part of quote submissions.

If the LCBO does not handle the product (e.g., kegs, supplier-delivered beer), the fee will not be charged. This fee applies to beer only and reflects the unique volumetric mark-ups and distribution fee structure on beer products.

Is the new warehouse handling fee the same as the cost-of-service fee?

No, the in-store and out-of-store cost of service fees will no longer apply under the new wholesale pricing model. The new wholesale pricing model has an all-in fixed wholesale mark-up and eliminates separate levies and discounts.

In the new wholesale pricing model, has the environmental levy been removed?

The environment levy at \$0.0893/per container will no longer apply. The new wholesale pricing model has an all-in fixed wholesale mark-up and eliminates separate levies and discounts.

Will LCBO offer training or onboarding for the new pricing model?

Information and resources are available on [LCBO Wholesale Pricing | Doing Business with LCBO](#). This includes pricing calculators to help suppliers if they wish to adjust their quote. These calculators can also help wholesale customers understand what is driving changes in the wholesale price of a product.

For additional support, suppliers can contact their Category Representative and Wholesale customers can contact their Account Manager.

Will the pricing structure for the Direct Delivery Program change?

Wine, spirits, cider and RTD: Direct Delivery Program pricing remains unchanged.

Beer: Beer that will be sold through the Direct Delivery Program will be subject to the new cost plus wholesale pricing structure and beer mark-ups.

Will the new pricing model change Minimum Retail Pricing (MRP)?

No. The new pricing model does not change Ontario's Minimum Retail Pricing (MRP) regulations. MRP continues to apply as set out in [Ontario Regulation 746/21](#) and [Ontario Regulation 750/21](#), including the annual adjustment of MRP for products where indexation applies (cider, wine based-RTDs, wine).

MRP requirements for licensed grocery and convenience stores remain in place, meaning retailers may price products above, below, or at the same price as LCBO retail, provided compliance with the minimum retail price set out in regulation.

Product categories

What definitions will be used for the product categories?

Spirits: Distilled beverages containing $\geq 0.5\%$ ABV. This includes whisky/whiskey, rum, vodka, gin, tequila, mezcal, brandy, cognac, armagnac, eau de vie, grappa, baijiu, soju/shochu, liqueurs / liquors, with or without flavourings, that can be consumed with or without other drink components.

Wine: Any beverage containing $\geq 0.5\%$ ABV by the fermentation of fruit (excluding apples and pears) or other agricultural products containing sugar (incl. rice, honey and

milk). This includes still, sparkling, red, white, rose, fortified wines or mead. Includes flavoured wine, cream wine or sake. Excludes ciders.

RTD: A ready-to-consume beverage $\geq 0.5\%$ ABV that is typically consumed from its container, or single poured, that could contain a base alcohol from wine, spirits, malt, cider and/or sugar-brews, to which other ingredients are added such as flavourings, water, juice, coffee, soda, cream, etc. This includes product styles like seltzers, sodas, iced teas, coolers, canned and premixed cocktails.

Cider: Any beverage containing $\geq 0.5\%$ ABV by the fermentation of apples or pears, or from the concentrated juice of apples or pears, to which is added herbs, water, honey, sugar or sometimes other fruits.

Beer: A beverage $\geq 0.5\%$ ABV made by fermentation of malted barley or wheat with the addition of hops or hop extract with or without additional flavouring ingredients. Flavoured beers must have some discernable beer character derived from the use of malt and hops. Excludes products containing other alcohol bases, such as wine, spirits or cider. These would be categorized / marked-up according to that alcohol.

What is the rationale behind the three ABV threshold tiers for spirits, wine, cider and RTDs?

Pricing categories for mark-ups are overly complex. The new wholesale pricing model uses alcohol-by-volume (ABV) tiers across all product categories (except beer) to simplify and streamline the pricing structure and how mark-ups are applied. Note that these ABV categories apply for pricing purposes only.

My product is 7.1% ABV—does it fall in the lower or middle tier?

Products at 7.1% ABV fall in the lowest tier (0.5–7.1%). The next tier begins at 7.2%.

Can I challenge a product classification?

Yes. If you believe your product has been misclassified (e.g., ABV tier or category), you may submit a formal request for review through your LCBO Category Representative.

Supporting documentation may be required.

Are there any changes to the ABV thresholds for Grocery and Convenience?

The ABV thresholds for grocery and convenience sales remain unchanged at this time.

Supplier requote process

Can a supplier re-quote its products under the new model?

Yes. Re-quoting is permitted under the new model, subject to LCBO's re-quote schedule and submission requirements [available on this page](#).

How often can a supplier re-quote?

Suppliers can adjust their wholesale quote 13 times per year by filling out LCBO's standard Quote Submission Form and sending into pricing@lcbo.com. Quotes are

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posted according to LCBO's fiscal period schedule and are effective on the first Monday day of the next period.

Ontario beer suppliers may submit wholesale quote changes on a weekly basis. Forms must be submitted to the pricing mailbox by 4:00 p.m. each Monday for a price change effective two weeks later.

Submissions will not be accepted for the following dates: March 9, 16, 23 and 30 due to the planned cutover. Next available submission for beer will be April 6, with a price change and effective quote date on April 20.

The quote schedule is [available here](#).

Can suppliers set different prices for hospitality licensees?

Yes. Brewers may continue to provide one different supplier quote for hospitality licensees than for other wholesale customers for beer only.

The quote submission form is available at [Pricing | Doing Business with LCBO](#) and will include the option for the hospitality licensee quote for beer. If a supplier intends for licensees to pay the same wholesale price as all other channels, the Licensee Quote field should be left blank in the form.

Which quote submission form should suppliers use? Do suppliers have to submit a quote submission form if they want to maintain their current quote? Suppliers should use the new quote submission form for all pricing changes effective April 1. As above, the quote submission form is available at and the Wholesale Pricing Calculator is available at [LCBO Wholesale Pricing | Doing Business with LCBO](#)

If a supplier wishes to maintain the current wholesale price, they must still submit the [quote submission form](#). The next opportunity to submit a change in quote is March 30, 2026 (effective April 27, 2026).

What happens if a supplier misses a re-quote window?

The current quote would remain in effect until the next scheduled window. The wholesale price may still change if other cost components change (such as excise and freight).

Can suppliers quote in foreign currencies?

Quotes in foreign currency will continue to be accepted for imported products.

How should suppliers quote gifting items under the new wholesale pricing model?

Pricing for gifting items remains unchanged.

When will new wholesale prices become effective? Will the new wholesale pricing model apply to inventory already purchased by the LCBO or currently in transit?

As of April 1, all sales to wholesale customers will be subject to LCBO's new wholesale pricing model, including inventory already purchased by the LCBO or inventory in transit.

Minimum Wholesale Price for Wine

Why do Minimum Wholesale Prices only apply to wine?

Minimum Wholesale Prices (MWP) are being introduced to help create a level playing field for all wine producers because it creates a price floor from which suppliers can compete.

Why do fortified wines have a different MWP than other wine?

Minimum Wholesale Prices are set relative to Minimum Retail Prices, which has a separate fortified wine price table.

How will LCBO apply MWPs on consignment orders?

Table A will apply to all products ordered via specialty services, whether they are ordered for private consumers or hospitality licensees.

When do Minimum Wholesale Prices take effect?

MWPs take effect June 22, 2026, following the introduction of the new wholesale pricing model on April 1, 2026.

Does this apply to all wholesale customers?

MWPs apply to the following LCBO wholesale customers, including:

- Hospitality licensees
- Grocery and convenience stores
- LCBO retail
- LCBO Convenience Outlets (LCOs)
- Direct Delivery wine sales to LCOs and hospitality licensees (including by-the-glass sales)

How are Minimum Wholesale Prices determined?

MWPs are set out relative to Minimum Retail prices in regulations. Table A MWPs will be indexed on an annual basis and LCBO will update schedules to reflect these increases.

How should I set my quote to account for a Minimum Wholesale Price on wine?

Suppliers can consult the Minimum Wholesale Pricing guide and Wholesale Pricing calculator [LCBOPricingHelpfulToolsandLinks | Doing Business with LCBO](#)

If a quoted wholesale price is below the applicable MWP, the LCBO will adjust wholesale prices to meet the floor.

How do MWPs apply to multi-packs or mixed packs?

MWPs apply based on the total container size of the product. If the exact size is not listed, the “container size not shown” rule applies.

How do MWPs apply to non-standard container sizes?

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If a container size is not listed, the LCBO will calculate the MWP using the established methodology for Minimum Retail Prices (O. Reg. 750/21.).

Do MWPs limit my ability to offer promotional support or discounts?

Supplier-funded promotions remain unchanged, but wholesale prices cannot fall below the applicable MWP.

For products participating in the LCBO Retail LTO program during Period 4 2026/27, the wholesale price will be brought to the MWP where applicable. LCBO retail prices will be reviewed based on the MWP and adjusted if necessary, by the Category team.

Retail promotions must also comply with Minimum Pricing regulations.

Will MWPs affect the listing process or product selection?

MWPs do not change LCBO's product listing, category management, or purchasing processes. Suppliers can consider the MWP for the wholesale channel when providing their quote.

How will MWPs impact LCBO retail prices?

MWPs apply to the wholesale sale.

LCBO retail sets its own retail mark-up and prices taking into consideration the wholesale price.

Will MWPs change over time?

Yes. Beginning April 1, 2027, MWPs in Table A will be adjusted annually using a similar index factor applied to Minimum Retail Prices under O. Reg. 750/21.

When containers in Table A are indexed to be higher than Table B, then Table A rates will be applied to all wholesale channels. LCBO will provide updated tables and guidance annually as indexation is applied.

Promotions

Does LCBO provide any volume-based discounts?

No, volume-based discounts are not offered by LCBO at this time.

Does LCBO have a program for Limited Time Offers (LTOs) for grocery and convenience stores?

LCBO consulted stakeholders and work is underway to develop a new program. More information on this initiative will be shared later this year.

Do hospitality licensees still receive Limited Time Offers (LTOs)?

LTOs will continue to be available to hospitality licensees at this time.

Pricing in LCBO retail

How will prices be set in LCBO retail stores?

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LCBO retail will no longer be subject to fixed retail mark-ups. LCBO will have the discretion to apply its retail mark-ups using the same wholesale price as a starting point, like other retailers that set their own retail prices today.

Uniform pricing will continue to apply across LCBO's retail network. This means that the price of any given product will continue to be the same in all LCBO retail stores and LCOs.

Will changes to supplier quotes impact LCBO retail?

When a supplier submits a quote to the LCBO, it determines the wholesale price all wholesale customers are subject to including LCBO retail.

How can suppliers provide a new quote without knowing what the LCBO retail mark-up will be? How can suppliers maintain current LCBO retail pricing?

LCBO retail will maintain the Period 13 retail price for Periods 1 and 2 (up until May 25, 2026).

The LCBO retail estimator tool available at [LCBO Retail Pricing | Doing Business with LCBO](#) will be discontinued from April 1. This is because under the new wholesale pricing model, LCBO retail will be subject to the same wholesale price as all other wholesale customers and apply its own variable retail markup like grocery and convenience stores.

LCBO Merchandising commits to working collaboratively with suppliers and agents to ensure appropriate retail positioning based on category strategy, brand positioning, and market conditions to support profitable sales for everyone.

Will LCBO continue to display prices that include tax?

Yes, LCBO will continue to display "all-in" prices.

Pricing for duty-free

How does the wholesale pricing model apply to duty-free stores?

Cost + mark-up structure already applies to duty free operators. COSD, HST and Container Deposit do not apply to duty-free sales.

What happens to categories such as one-pour/pre-mixed cocktail, light wine and spirits and wine coolers?

All ready-to-drink products will be subject to the ready-to-drink mark-up structure, which differentiates by ABV level.

Pricing in Direct Delivery Program

How does the wholesale pricing model apply to sales made through the Direct Delivery Program?

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There are no changes to the Direct Delivery Program at this time for wine, spirits and RTD. Brewers who become authorized under the program as of April 1st will be subject to the new wholesale mark up rates.

Do Ontario Breweries joining the Direct Delivery Program need to submit licensee prices to LCBO Pricing ahead of April 1?

No. Breweries authorized under the Direct Delivery Program must report sales on a monthly or quarterly basis on the applicable reporting templates posted on Doing Business with LCBO. These reports are due 20 days after the end of the month or quarter. The reporting templates are available at [Financial Reporting Templates | Doing Business with LCBO](#)

Other

Will invoicing or payment terms change under the new model?

No, there are no changes to invoicing or payment terms at this time. Wholesale customers will continue to follow their existing payment arrangements with LCBO.

Does the new pricing model apply to products in the Specialty Services Consignment Program?

Yes, the wholesale pricing structure applies to specialty services orders facilitated to eligible wholesale customers.

Agents can request a re-price on any purchase order at any time by following LCBO pricing policies. Requests should be submitted via email to psinfo@lcbo.com.

When will federal excise duty changes come into effect?

LCBO pays all duty and excise taxes on imported product at the port of entry. Starting March 2, LCBO will be purchasing domestic products excise paid which means domestic suppliers will be responsible for managing all excise payments to Canada Revenue Agency (CRA).

LCBO communicates federal excise duty indexation in March consistent with our regular annual schedule. Approved excise rates will flow into LCBO systems on April 1 and suppliers will have the opportunity to re-quote on March 30 with an effective date at the start of P2.

Are there any changes to minimum retail pricing requirements I need to account for in my quote submission?

Minimum Retail Pricing regulations remain unchanged. As of April 1, 2026, minimum retail prices for wine and cider will be indexed. Rates are available on [MRP Indexation | Doing Business with LCBO](#)

For products at floor price that need to move up to the new floor, how do suppliers know what wholesale quote to submit without an LCBO retail margin estimate?

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Because LCBO retail will set its own retail markup, suppliers will not be able to calculate the exact retail price. LCBO Retail will ensure that the final shelf price complies with Ontario's minimum retail pricing regulations.

Please note: Limited Time Offers that fall below floor will be cancelled.

Is the minimum price requirement of \$10.95 still applicable for Grocery and Convenience?

Yes, the minimum retail price for Grocery and Convenience remains unchanged.

Will LCBO continue to rebate the in store beer Cost of Service fee to brewers on sales to grocery and convenience customers?

The in-store Cost of Service fee rebate will no longer apply as of March 31, 2026.

In addition, there is no in-store or out-of-store cost of service fees in the cost-plus wholesale pricing model.

Will any Ontario tax return processes be changing because of LCBO modernization?

For tax-related questions, suppliers should contact the Ontario Government, as LCBO does not administer tax legislation.

Will the LCBO publish approximate margin expectations under the new wholesale structure?

No, the LCBO will not publish margin expectations under the new wholesale pricing model. Retailers set their own prices and margins within their own pricing strategies, subject to Minimum Retail Pricing regulations.