LCBO

Wholesale Pricing FAQ

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

The wholesale pricing model came into effect on April 1, 2026. More details can be found here: Trade Update on Doing Business with LCBO.

LCBO has developed this document to support stakeholders in understanding the model.

FAQ

Wholesale pricing model

Q. What is the purpose of the cost-plus wholesale pricing model?

The cost-plus wholesale pricing model is designed to establish wholesale prices independently of LCBO retail prices. The model supports a simplified wholesale pricing framework, aligns with standard wholesale pricing practices, and reflects LCBO's role as the wholesaler of beverage alcohol in Ontario.

Q. Does the model apply to all wholesale customers?

This wholesale pricing model applies to:

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

Q. How is the wholesale price calculated?

Wholesale prices are calculated using a cost-plus formula that adds applicable taxes, mark-ups, and fees to a supplier's quote. The formula is: landed cost + wholesale mark-up + Cost of Service Differential (if applicable) + container deposit + Harmonized Sales Tax (HST).

The mark-up formula and schedule are available on LCBOPricingHelpfulToolsandLinks | Doing Business with LCBO

Q. 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.

Q. Why are alcohol by volume (ABV) tiers used?

ABV tiers provide a consistent way to categorize wine, spirits, and ready-to-drink (RTD) products based on their alcohol content.

Q. 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.

Q. Why are beer mark-ups volumetric instead or ad valorem like the other product categories?

Beer mark-ups are volumetric ($/litre) rather than ad valorem and vary based on producer size (manufacturer or microbrewer) and product format (packaged or draught). This approach reflects a long-standing beer pricing policy that differentiates products based on these characteristics and is incorporated into the cost-plus wholesale pricing model.

Q. What is Cost of Service Differential?

Cost of Service Differential (COSD) only applies to imported wine, cider, spirits, and ready-to-drink beverages. Rates are based on country of origin.
Additional information on COSD is available in this Trade Update on Doing Business with LCBO.

Q. 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 applies to suppliers for all beer handled through LCBO warehouses. This fee reflects the cost that LCBO incurs to move products through its warehouse and should be considered as a part of supplier quote submissions.

If the LCBO does not handle the product (e.g., kegs, supplier-delivered beer), the fee is not charged.

Q. Does the wholesale pricing model include an environmental levy?

No. The cost-plus wholesale pricing model does not include a separate environmental levy. Wholesale pricing is based on an all-in fixed wholesale mark-up.

Q. What other resources are available to help understand LCBO's wholesale pricing model?

Information and resources are available on LCBO Wholesale Pricing | Doing Business with LCBO. This includes the Pricing Estimation Tool to help suppliers adjust their quote, if needed.

Suppliers and wholesale customers can contact their LCBO representative for support and guidance.

Q. What is the relationship between Minimum Retail Pricing and the cost-plus wholesale pricing model?

The cost-plus wholesale pricing model determines wholesale prices, while Minimum Retail Pricing (MRP) establishes the minimum retail price for licensed retailers.

Retailers retain flexibility to set retail prices above, below, or at the same price as LCBO retail prices, provided they comply with the Minimum Retail Price regulations.

Product categories

Q. What definitions are used for the product categories?

Spirits: Distilled beverages containing ≥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 ≥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 ≥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 ≥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 ≥0.5% ABV made by fermentation of malted barley or wheat with the addition of hops or hop extract with or without addition 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

Q. If a 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%.

Q. Can suppliers challenge a product classification decision?

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

Supporting documentation may be required for LCBO review.

Supplier requote process

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

The schedule of quote submissions is available here.

Q. Can suppliers set different prices for hospitality licensees?

Yes. Brewers may 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 includes the option for the hospitality licensee quote for beer. If a supplier intends licensees to pay the same wholesale price as all other channels, the Licensee Quote Field should be completed with the same Wholesale Quote.

Q. Which quote submission form should suppliers use?

Suppliers should use the quote submission form for all pricing changes. The quote submission form and the Price Estimation Tool is available at LCBO Wholesale Pricing | Doing Business with LCBO.

Q. 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).

Minimum Wholesale Price for Wine

Q. What are Minimum Wholesale Prices for wine?

Minimum Wholesale Prices (MWP) represent the minimum price LCBO will charge when selling wine to all wholesale customers (excluding Duty Free), inclusive of HST and container deposit.

Q. 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.

Q. How will LCBO apply MWPs on consignment orders?

See the MWP price guide on Doing Business with LCBO. Table A will apply to all products ordered via specialty services, whether they are ordered for private consumers or hospitality licensees.

Q. Do Minimum Wholesale Prices 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)

Q. How are Minimum Wholesale Prices determined?

MWPs are set out relative to Minimum Retail prices in regulations. Please refer to the guide online.

Beginning April 1 of each year, 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 apply to all wholesale channels. LCBO will provide updated tables and guidance annually as indexation is applied.

Q. How should suppliers set their quote to account for Minimum Wholesale Prices on wine?

Suppliers can consult the Minimum Wholesale Pricing guide and Pricing Estimation Tool 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.

Q. 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.

Q. How do MWPs apply to non-standard container sizes?

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.).

Q. Do MWPs limit suppliers' ability to offer promotional support or discounts?

Suppliers may continue to provide promotional funding, provided the resulting wholesale price remains at or above the applicable MWP. For more information on LCBO's Wholesale LTO program, please visit: WHOLESALE LIMITED TIME OFFER PROGRAM | Doing Business with LCBO

Q. Do 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.

Promotions

Q. Does LCBO provide any volume-based discounts?

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

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

Yes. For more information on LCBO's Wholesale LTO program, please visit: WHOLESALE LIMITED TIME OFFER PROGRAM | Doing Business with LCBO

Pricing

Q. How does the cost-plus wholesale pricing model relate to retail prices at LCBO retail stores and LCBO convenience outlets (LCOs)?

LCBO retail and LCOs are subject to the same wholesale pricing model as other wholesale customers.

LCBO retail sets its own retail prices across all product categories, subject to Minimum Retail Pricing regulations. Uniform pricing applies across LCBO retail stores.

LCOs are also subject to unform pricing, with the exception of the following product categories where LCOs may set their own retail prices, subject to Minimum Retail Pricing regulations:

- All beer, cider and ready-to-drink products up to and including 7.1% ABV
- All wine up to and including 18% ABV.

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

The wholesale pricing model for duty-free stores is based on a cost-plus pricing structure using the same supplier quote as other channels. However, COSD, HST and Container Deposit do not apply to duty-free sales.

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

Most products sold through the Direct Delivery Program are subject to the cost-plus wholesale pricing model. For more information on pricing through the Direct Delivery Program, please visit Doing Business with LCBO.

Other

Q. Does the wholesale 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.

Q. How do federal excise duty changes affect supplier quotes and LCBO pricing?

Federal excise duty changes may affect both supplier costs and LCBO pricing.

For imported products, LCBO pays applicable duty and excise taxes at the port of entry, and changes to excise rates are reflected in LCBO pricing.

Any imported product purchased domestically will have applicable duties and taxes embedded in the purchase price.

For domestic products, suppliers are responsible for remitting excise duties to the Canada Revenue Agency (CRA). Suppliers may submit updated quotes in accordance with the published quote submission schedule if they wish to reflect changes in their costs.

LCBO communicates annual federal excise duty indexation through its regular pricing update process and updates applicable rates in its systems when they come into effect.

Q. What is LCBO's role in Ontario tax return processes?

LCBO does not administer tax legislation. Suppliers should contact the Ontario Government with questions related to tax return processes.