LCBO

September 8, 2017

TO: All Trade Partners

RE: Increase to markup on beer effective November 1, 2017, and new deadlines

David Cacciottolo

Manager, Pricing Administration

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55 Lakeshore Blvd. East Toronto, ON, M5E 1A4 Icbo.com Dear trade partners,

On Wednesday, November 1, 2017, 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), LCBO and grocery will be re-priced to reflect this change.

To administer this change, the submission schedule for price changes will be modified by one week, as follows:

Tuesday, October 10 – submissions and supplier quotes due by 4 p.m. for November 1 change

Monday, October 16 - no price change submissions will be accepted

Monday, October 23 – no beer price changes; submissions accepted for November 6 change

Monday, October 30 – no beer price changes; submissions accepted for November 13 change

Wednesday, November 1 - new markup and retail prices in effect

For brewers of Ontario beer listed at TBS, LCBO or grocery

To maintain the current retail price, no action is required. The product will be re-priced to reflect the change in markup and the supplier quote will be reduced accordingly with no change to the retail price. If a change in price is desired, please submit the Beer Price Submission form.

For brewers of Imported beer

To maintain the current retail price, a revised wholesale quote is required along with a completed <u>Beer Price Submission</u> form. The quote <u>must</u> state, "The supplier will pay to reduce the cost of inventory on hand and on order." If no revised quote or Beer Price Submission form 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 email to pricing@lcbo.com by the deadline indicated above.



<u>Please note</u>: products approved for the LTO program (LCBO) are not permitted to change prices in the four weeks leading up to a promotion or during the promotional period. Period 9 LTOs begin Monday, November 6.

If you have any questions, please contact me at (416-365-5869 or david.cacciottolo@lcbo.com.

Thank you for your continued support and partnership,

David Cacciottolo

Manager, Pricing Administration