



March 28, 2017

To: All Trade Councils
Re: **New Excise and Wine Markup**

Dear Trade Partners,

Shari Mogk-Edwards

Vice President, Products, Sales &
Merchandising

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The Federal Government announced last week that excise rates on beverage alcohol will increase 2% effective immediately and be automatically adjusted by the Consumer Price Index on April 1 of every year starting in 2018. These increases will be applied to the landed cost of products where applicable.

The following price changes will occur to incorporate the new excise rates and wine markup:

- LCBO products and Vintages Essentials/Continuous products will be re-priced on Monday April 17th with the new excise rates applied.
- New LCBO products priced for the first time will have the new excise rates applied to prices effective Wednesday March 29th.
- Specialty Services orders priced for the first time will have the new excise rates applied to prices effective Tuesday March 28th.
- The increased markup on wine and cider will be applied to products effective Monday April 17th (subject to approval by the LCBO Board of Directors). Previous correspondence indicated the date would be Monday April 24th. The change in date is to minimize the number of price changes in a short period of time.
- Products participating in the LTO program for period 1 will have the new excise and wine markup, if applicable, applied to the retail price on Monday April 24th



- Products participating in the LTO program for period 2, which begins April 24th, will have the LTO discount applied to the retail price in effect on Monday April 17th.
- Supplier re-quotes, with retail price effective dates of April 17th or April 24th will not be accepted.
- The quote change deadline of Monday March 27th (for quotes effective April 24th) has been extended until Monday April 3rd 9:00am. Please note quotes effective Monday April 24th will impact prices on Monday May 22nd (or later for imports). Import suppliers wishing to have prices adjusted for May 22nd are required to cover the cost of a rebate on existing inventory on hand and on order. Agreement to rebate the inventory must be clearly stated on the quote letter.
- Pricing calculators available online will be updated with new excise rates by Wednesday March 29th.

If you have any questions, please contact David Cacciottolo at david.cacciottolo@lcbo.com

A handwritten signature in blue ink, appearing to read 'Shari Mogk-Edwards', with a horizontal line underneath.

Shari Mogk-Edwards
Vice President
Products, Sales & Merchandising