



February 7, 2019

TO: All Trade Partners

**RE: Beer Basic Fee and LCBO Beer Cost of Service Rates**

The Ontario Government will pause the 1.9 per cent beer basic tax rate increase previously scheduled to take effect on March 1. As a consequence of this decision, the LCBO markup on beer products will remain at current rates until further notice.

**LCBO Cost of Service Rates – applicable to ALL beer products**

Please be advised that index-linked increases to the LCBO in-store and out-of-store cost of service rates will take effect Friday March 1, 2019. The revised rates are listed in the table below.

Fees (\$/Litre)	Current	March 1, 2019
In-store cost of service	\$0.6362	\$0.6483
Out of store cost of service	\$0.1722	\$0.1754
Out of store cost of service (draught beer)	\$0.1069	\$0.1089

To administer this change for March 1, LCBO will not accept requotes starting on Monday, February 11. Requotes for subsequent dates will be accepted, however, based on the following timelines:

- Monday, February 11 – no price change submissions will be accepted
- **Tuesday, February 19 – submissions and supplier quotes due by 4 p.m. for March 11 change**
- Monday, February 25 – no beer price changes; no price change submissions will be accepted
- Friday March 1 – new rates and retail prices in effect
- Monday, March 4 – no beer price changes (except LCBO/TBS LTOs); price change submissions will be accepted for March 18 change

**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 Cost of Service, and the supplier quote will be reduced accordingly with no change to the retail price. If a change in price is desired on March 11, please submit the [Beer Price Submission](#) form.

Kyle Baker  
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Administration

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**For brewers of imported beer**

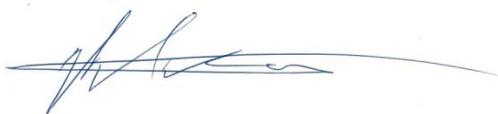
Retail prices will be adjusted on March 1 to reflect the change in Cost of Service. To revise the retail price for March 11, a revised wholesale quote is required along with a completed [Beer Price Submission](#) form. The quote must state: "The supplier will pay to reduce the cost of inventory on hand and on order." 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](mailto:pricing@lcbo.com) by the deadlines indicated above.

Questions may be directed to [pricing@lcbo.com](mailto:pricing@lcbo.com).

Thank you for your continued support and partnership.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kyle Baker', with a long horizontal flourish extending to the right.

Kyle Baker

Manager, Pricing Administration