

April 4, 2019

To: All Trade Councils

Re: No Alcohol/Low Alcohol Wines Pricing

Dear Trade Partners,

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We recently issued a product call for No Alcohol/Low Alcohol Wines (NISS ID 2849). Some members of the trade have had questions relating to how these products will be priced and we would like to provide further clarity.

1. Low alcohol wines are priced in a similar way to other table wines. Agents can use the Wine Pricing Calculator available on the www.doingbusinesswithLCBO.com. Wines with alcohol content of 7% or less benefit from a reduced markup. When using the Wine Pricing Calculator, select 'Light Wine' from the drop down menu in the 'Type of Wine' field. Light wines also benefit from a lower federal excise tax. Details are available on the 'Reference' tab within the pricing calculator file.
2. Non-alcoholic wines (up to 0.5% ABV) are not classified as a liquor product and not subject to the wine levy, volume levy, LCBO markup, environmental fee, COSD or container deposit. Federal import and excise tax may be applicable. In NISS applications, Agents should enter the supplier's most competitive wholesale quote and a suggested retail price based on the product's competitive positioning in the market.
3. For products under serious consideration for purchase, the Category team may reach out to the Agent to discuss the retail price positioning and may suggest adjustments to maximize product success. Generally, the retail price of a non-alcoholic wine should be the same or similar to the brand family if it's present in the market.

Feel free to reach out to the appropriate Category Manager should you have any further questions.

Best regards,

Marie Cundari

Kathy Cannon

Cc: C. O'Grady-Gold