

LCBO

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

It will become effective April 1, 2026, when LCBO becomes the exclusive wholesaler of beverage alcohol in Ontario.

A [Trade Update](#) was issued on February 17, 2026.

LCBO has received questions from suppliers, wholesale customers, and industry associations on the new pricing model and has developed this document to support stakeholders through this change.

Topics include:

- Wholesale pricing model
- Product categories
- Supplier requote process
- Promotions
- Pricing in LCBO retail
- Pricing for duty free
- Other

Wholesale pricing model

Why is the pricing model changing?

The provincial government [announced](#) that a new wholesale pricing model would be developed and introduced in 2026 as part of the provincial government's commitment to a more open, equitable, and competitive beverage alcohol marketplace that benefits consumers and businesses.

The current retail-minus discount model ties wholesale prices to LCBO retail prices.

Moving to a cost-plus model:

- Aligns LCBO with industry standard wholesale practices
- Enables more simplified and streamlined wholesale pricing
- Expands the LCBO's role as exclusive wholesaler starting April 1, 2026

Does this apply to all wholesale customers?

This change applies to:

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

What are the implications for products the Beer Store (TBS) purchases from the LCBO? Are there changes to pricing in TBS retail stores?

LCBO is the wholesaler of import beer as well as domestic and import cider to the Beer Store (TBS). This change impacts pricing on wholesale purchases TBS makes from the LCBO.

Like all retailers, TBS can set their own retail price, subject to Minimum Retail Pricing regulations.

What are the implications for products the Beer Stores sells to hospitality licensees through its Beer for Business Program?

As of April 1, the LCBO is the wholesaler of record for these sales. TBS will continue to facilitate sales to LCBO wholesale customers.

What are the implications for products LCOs purchase from the LCBO? Are there changes to pricing in LCO stores?

LCO's will be subject to the same wholesale pricing model as other wholesale customers. LCOs will also be subject to LCBO's uniform retail prices.

What are the implications for LCBO retail? Are there changes to pricing in LCBO retail stores?

LCBO retail will be subject to the same wholesale pricing model as other wholesale customers. This will change how retail prices are set for LCBO retail stores and LCOs.

See the section below for more information.

How is the wholesale price calculated?

Starting April 1, 2026, the new wholesale price will be determined by a cost-plus formula that adds taxes, mark-ups and fees to a beverage alcohol supplier's quote. It will be calculated as **landed cost + wholesale mark-up + COSD** (if applicable) + **container deposit + HST**.

The new mark-up formula and schedule are available on [LCBOPricingHelpfulToolsandLinks | Doing Business with LCBO](#)

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.

Why is LCBO introducing alcohol by volume (ABV) tiers?

Current mark-ups for wine, spirits and ready-to-drink (RTD) products are ad valorem (%) and there are a number of sub-categories with varying ABV levels. The new tiers simplify these sub-categories and bring consistency with set ABV tiers across categories.

Differentiating products based on ABV levels is a long-standing pricing policy for these categories and is continued under the new wholesale pricing model.

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.

Why are beer mark-ups volumetric instead of ad valorem like the other categories?

Current mark-ups for beer are volumetric (\$ / litre) and vary based on producer size (manufacturer or microbrewer) and product format (packaged or draught).

Differentiating products in this way is a long-standing pricing policy for beer and is continued under the new wholesale pricing model.

What is COSD?

Cost of Service Differential (COSD) only applies to imported wine, cider, spirits, and ready-to-drink beverages. Rates are based on country of origin and are not changing at this time.

More details on COSD can be found in the [Trade Update](#) from February 21, 2021.

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 will apply to suppliers for beer that is handled by LCBO warehouses. This fee reflects the cost that LCBO incurs to move

products through its warehouse. If the LCBO does not handle the product (e.g., supplier-delivered beer), the fee will not be charged.

This fee applies to beer only and reflects the unique volumetric mark-ups and distribution fee structure on beer products.

Will LCBO offer training or onboarding for the new pricing model?

Formal training sessions are not currently planned.

Information and resources are available on doingbusinesswithlcbo.com. This includes pricing calculators to help suppliers if they wish to adjust their quote. These calculators can also help wholesale customers understand what is driving changes in the wholesale price of a product.

For additional support, suppliers can contact their Category Representative and Wholesale customers can contact their Account Manager.

Will the pricing structure for the Direct Delivery Program change?

Wine, spirits, cider and RTD: Direct Delivery Program pricing remains unchanged.

Beer: Beer that will be sold through the Direct Delivery Program will be subject to the new cost plus wholesale pricing structure and beer mark-ups.

Will the new pricing model change Minimum Retail Pricing (MRP)?

No. The new pricing model does not change Ontario's Minimum Retail Pricing (MRP) regulations. MRP continues to apply as set out in [Ontario Regulation 746/21](#) and [Ontario Regulation 750/21](#), including the annual adjustment of MRP for products where indexation applies (cider, wine based-RTDs, wine).

MRP requirements for licensed grocery and convenience stores remain in place, meaning retailers may price products above, below, or at the same price as LCBO retail, provided compliance with the minimum retail price set out in regulation.

Product categories

What definitions will be used for the product categories?

Spirits: Distilled beverages containing $\geq 0.5\%$ 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 $\geq 0.5\%$ 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 $\geq 0.5\%$ 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 $\geq 0.5\%$ 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 $\geq 0.5\%$ ABV made by fermentation of malted barley or wheat with the addition of hops or hop extract with or without additional 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, spirits or cider. These would be categorized / marked-up according to that alcohol.

My 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%.

Can I challenge a product classification?

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

Supporting documentation may be required.

Supplier requote process

Can a supplier re-quote its products under the new model?

Yes. Re-quoting is permitted under the new model, subject to LCBO's re-quote schedule and submission requirements.

LCBO has extended the deadline for the next requote opportunity to February 26, 2026 (effective March 2, 2026). After that, the next opportunity is March 30, 2026 (effective April 27, 2026).

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 day 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.

Please note Weekly Ontario Beer quotes will be accepted up until March 2 for price change and quote effective date of March 16. Submissions will not be accepted for the following dates: March 9, 16, 23 and 30 due to the planned cutover. Next available submission for beer will be April 6, with a price change and effective quote date on April 20.

The quote schedule is available at [LCBOPricingHelpfulToolsandLinks | Doing Business with LCBO](#).

Can suppliers set different prices for hospitality licensees?

Yes. Certain suppliers may provide a 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 will include the option for the hospitality licensee quote for beer.

What happens if a supplier misses a re-quote window?

The current price would remain in effect until the next scheduled window.

Can suppliers quote in foreign currencies?

Quotes in foreign currency will continue to be accepted for imported products.

Promotions

Does LCBO provide any volume-based discounts?

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

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

LCBO consulted stakeholders and work is underway to develop a new program. More information on this initiative will be shared later this year.

Pricing in LCBO retail

How will prices be set in LCBO retail stores?

LCBO retail will no longer be subject to fixed retail mark-ups. LCBO will have the discretion to apply its retail mark-ups using the same wholesale price as a starting point, like other retailers that set their own retail prices today.

Uniform pricing will continue to apply across LCBO's retail network. This means that the price of any given product will continue to be the same in all LCBO retail stores and LCOs.

Will changes to supplier quotes impact LCBO retail?

Yes, LCBO retail will be subject to the same wholesale prices as other wholesale customers.

When suppliers submit a quote, it is used to determine both the wholesale price and the LCBO retail price.

Will LCBO continue to display prices that include tax?

Yes, LCBO will continue to display “all-in” prices.

Pricing for duty-free

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

Cost + mark-up structure already applies to duty free operators. COSD, HST and Container Deposit do not apply to duty-free sales.

What happens to categories such as one-pour/pre-mixed cocktail, light wine and spirits and wine coolers?

All ready-to-drink products will be subject to the ready-to-drink mark-up structure, which differentiates by ABV level.

Other

Will invoicing or payment terms change under the new model?

No, there are no changes to invoicing or payment terms at this time. Wholesale customers will continue to follow their existing payment arrangements with LCBO.

Does the new 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.

Are there any changes to minimum retail pricing requirements?

Minimum retail pricing regulations remain unchanged. As of April 1, 2026, minimum retail prices for wine and cider will be indexed. Rates are available on [MRP Indexation | Doing Business with LCBO](#)

Will LCBO continue to rebate the in store beer Cost of Service fee to brewers on sales to grocery and convenience customers?

The in-store Cost of Service fee rebate will no longer apply as of March 31, 2026.

In addition, there is no in-store or out of store cost of service fees in the cost plus wholesale pricing model.