

LCBO PRICING EXAMPLES FOR TABLE WINE⁽¹⁾

**Direct Delivery to Licensee Customers
(\$ Canadian for 750 ml bottle)**

		Ontario Wine Manufacturer Direct Delivery of VQA Wines ⁽¹¹⁾	Ontario Wine Manufacturer Direct Delivery of non-VQA Wines ⁽⁴⁾	Ontario Wine Manufacturer Tied-House Non-VQA ⁽⁴⁾⁽⁹⁾
PRICE COMPONENTS				
Payment to Supplier		9.5904	4.8165	4.8165
Federal Excise ⁽²⁾	\$0.63 per litre	-	0.4725	0.4725
Federal Import Duty ⁽³⁾		-	-	-
Freight ⁽⁴⁾		-	-	-
Total Landed Cost		9.5904	5.2890	5.2890
LCBO Mark-up ⁽⁵⁾	69.5%	-	3.6759	3.6759
LCBO Wine Levy	\$1.62 per litre	-	1.2150	1.2150
LCBO Volume Levy	\$0.29 per litre	0.2175	0.2175	0.2175
LCBO Environmental Levy ⁽⁶⁾	\$0.0893 per container	0.0893	0.0893	0.0893
LCBO Admin Fee ⁽⁷⁾	6.1%	0.5850	N/A	N/A
LCBO Rounding Revenue ⁽⁸⁾		-	-	-
Basic Price		10.48	10.49	10.49
Licensee Discount	10% of Basic Price	1.0482	1.0487	1.0487
Basic Licensee Price		9.43	9.44	9.44
LCBO Licensee Mark-up	6% of Basic Licensee Price	0.5660	0.5663	0.5663
Net Licensee Price	Basic Licensee Price plus mark-up	10.00	10.00	10.00
HST	13% of Net Licensee Price	1.30	1.30	1.30
Container Deposit ⁽¹⁰⁾		0.20	0.20	0.20
CONSUMER PRICE		\$ 11.50	\$ 11.50	\$ 11.50
REVENUE DISTRIBUTION \$				
Supplier (including freight provider)		8.54	4.93	4.93
Government of Ontario		2.26	5.40	5.40
Government of Canada		0.50	0.97	0.97
Container Deposit ⁽¹⁰⁾		0.20	0.20	0.20
CONSUMER PRICE		\$ 11.50	\$ 11.50	\$ 11.50
REVENUE DISTRIBUTION %				
Supplier (including freight provider)		74%	43%	43%
Government of Ontario		20%	47%	47%
Government of Canada		4%	8%	8%
Container Deposit		2%	2%	2%

NOTES:

1. Wine purchased by the LCBO is subject to floor pricing. Effective March 1, 2017, the lowest consumer price for a 750 ml bottle is \$6.45.
2. There is no excise on domestic wine made from 100% Canadian-grown agricultural products. The rates are automatically adjusted by the Consumer Price Index on April 1 of every year, starting in 2018.
3. This example use free for U.S. import and \$0.0374 per litre for other imports.
4. Ontario wine manufacturers receive a freight rebate of \$1.41 per 9 litre case on direct deliveries of Non-VQA wines. This amount is deducted from the remittance to the LCBO.
5. LCBO mark-up as a share of Landed Cost is 69.5% for Ontario wine.
6. Environmental levy applies to containers that cannot be returned for refilling by manufacturer.
7. 6.1% of Landed Cost.
8. Consumer price is rounded up to the next nickel.
9. The Tied-House Discount for Non VQA Direct Delivery is deducted from their remittance to the LCBO and is 10% of the Basic Price. This affects the revenue distribution see above.
10. Container deposit rates are as follows: \$0.10 for a container greater than 100 ml and less than or equal to 630 ml; \$0.20 for a container greater than 630 ml; and \$0.00 for a container less than or equal to 100 ml.
11. Includes Ontario fruit wines.

LCBO Policy

Direct Delivery to Licensees (Ontario Wine and Cider)

April 2017

LCBO PRICING EXAMPLES DIRECT DELIVERY NON VQA WINE COOLERS & CIDERS⁽¹⁾ (\$ Canadian for 4 bottles x 341 ml)

		Ontario Wine Coolers (100% ON)	Ontario Wine Coolers (<100% ON)
PRICE COMPONENTS			
Payment to Supplier		4.7790	4.3684
Federal Excise ⁽²⁾	\$0.301 per litre	-	0.4106
Federal Import Duty ⁽³⁾	\$0.1228/LAA	-	-
Freight		-	-
Total Landed Cost		4.7790	4.7790
LCBO Mark-up ⁽⁴⁾	58.60%	2.8005	2.8005
LCBO Volume Levy	\$0.28 per litre	0.3819	0.3819
LCBO Environmental Levy ⁽⁵⁾	\$0.0893 per container	0.3572	0.3572
LCBO Rounding Revenue ⁽⁶⁾		-	-
Basic Price		8.32	8.32
Licensee Discount	10% of Basic Price	0.8319	0.8319
Basic Licensee Price		7.49	7.49
LCBO Licensee Mark-up	6% of Basic Licensee Price	0.4492	0.4492
Net Licensee Price	Basic Licensee Price plus mark-up	7.94	7.94
HST	13% of Net Licensee Price	1.03	1.03
Container Deposit ⁽⁷⁾		0.40	0.40
CONSUMER PRICE		\$ 9.37	\$ 9.37
REVENUE DISTRIBUTION \$			
Supplier (including freight provider) ⁽⁸⁾		4.99	4.58
Government of Ontario		3.58	3.58
Government of Canada		0.40	0.81
Container Deposit ⁽⁷⁾		0.40	0.40
CONSUMER PRICE		\$ 9.37	\$ 9.37
REVENUE DISTRIBUTION %			
Supplier (including freight provider)		53%	49%
Government of Ontario		38%	38%
Government of Canada		5%	9%
Container Deposit		4%	4%

NOTES:

1. Non-draft ciders and wine coolers sold in Ontario are subject to a baseline rate as follows: \$66.831 per LAA with alcohol content equal to or greater than 5.6%; \$3.599 per litre for wine coolers with alcohol content equal to or exceeding 4.9% and less than 5.6%; \$3.507 per litre for wine coolers with alcohol content equal to or greater than 4.1% but less than 4.9%; and \$3.457 per litre for wine coolers with alcohol content less than 4.1. The minimum retail price for wine coolers is the baseline rate per litre, plus container deposit, plus the environmental levy (\$0.0893) per non-refillable container, plus an amount equal to the HST (13%) and 4% of the environmental levy.
2. There is no excise on domestic wine coolers and ciders made from 100% Canadian-grown agricultural products. The rates are automatically adjusted by the Consumer Price Index on April 1 of every year, starting in 2018.
3. Rate for coolers is free for U.S. imports and \$0.1228/LAA for other imports. This example uses a cooler with 5% alcohol. Ciders are charged 3% of quote.
4. LCBO mark-up as a share of Landed Cost is 64.6% for imports and other domestic, and 58.6% for Ontario Coolers and Ciders.
5. Environmental levy applies to containers that cannot be returned for refilling by manufacturer.
6. Consumer price is rounded up to the next nickel.
7. Container deposit rates are as follows: \$0.10 for a container greater than 100 ml and less than or equal to 630 ml; \$0.20 for a container greater than 630 ml; and \$0.00 for a container less than or equal to 100 ml.
8. Ontario wine manufacturers receive a freight rebate of \$1.41 per case on direct deliveries of Non-VQA wines. This amount is deducted from the LCBO's mark-up.