

## Pricing FAQs

### **Pricing Information**

Q: Where can I find information about pricing at the LCBO?

A: Most documents related to pricing are posted on [www.doingbusinesswithLCBO.com](http://www.doingbusinesswithLCBO.com) in the Documents section; this includes pricing calculators, quote change schedule, beer price submission form, standard freight rates and currency rates. Letters to the trade are also posted on the website.

### **Product Quotes**

Q: How often can a Supplier change the wholesale quote of a continuously available LCBO product?

A: Quotes can be adjusted 13 times per year according to a published schedule. Quotes received by the first day of a fiscal period will be effective on the first day of the next fiscal period.

Q: How does a Supplier adjust the wholesale quote for an existing LCBO product?

A: Suppliers can adjust their quote 13 times per year by sending in a revised signed quote on Supplier letterhead to [pricing@lcbo.com](mailto:pricing@lcbo.com). Quotes are posted on a schedule and are effective on the first day of the fiscal period. Quote decreases can be effective immediately if requested by the Supplier. Quote decreases should be clearly indicated in the subject line of the message if they are to be effective immediately. Revised quotes are effective on purchase orders issued on or after the quote effective date.

Quotes for Vintages products should be sent directly to Vintages for approval. If approved, Vintages staff will submit the quote to Pricing Administration to be posted effective immediately.

Q: Following a quote submission, when does the retail price change?

A: For domestic products, the retail price will change on the first day of the period following the quote effective date (4 weeks later). The price of an imported product is adjusted following the receipt of a purchase order at the revised quote amount. The new retail price will be effective two periods following receipt of the new purchase order; for example, if a new purchase order is received in Period 1, the revised retail price will be effective on the first day of Period 3. The approval of an LTO may delay a price change as the retail price cannot change four weeks leading up to an LTO. In such cases, the price

change will occur in the period following the LTO.

Q: How does a Supplier determine the quote required to achieve a desired retail price?

A: Pricing calculators are available at [www.doingbusinesswithLCBO.com](http://www.doingbusinesswithLCBO.com) in the Documents section. These calculators can be used to determine a retail price based on a quote and other factors. Please ensure that the freight rate entered is correct as well as all other product attributes entered into the calculator. Freight rates for most Vintages products (other than continuous listings) are standard and can also be found on the website.

Q: How can a Supplier adjust the retail price of an imported product without waiting for a new purchase order to arrive?

A: A Supplier can request to 'rebate' the value of existing inventory on hand and on order to achieve a lower retail price. This is done by submitting a revised quote with written agreement to pay to reduce the cost of inventory on hand and on order. This request is sent to [pricing@lcbo.com](mailto:pricing@lcbo.com) with 'Rebate' stated in the subject line. The new retail price will go into effect about two weeks later. The Supplier will receive a debit for the cost of reducing the value of the inventory to achieve the lower retail price based on inventory on the day the price was reduced. Please note that prices cannot be adjusted in the four weeks leading up to a Limited Time Offer.

### **New Product Pricing**

Q: How is a new product priced?

A: The administration of new products is done by the buying category. When the final laboratory analysis is complete, the Category Administrator will request pricing for the product. Pricing Administration will calculate the retail price based on the landed cost, which includes the supplier quote, freight cost and any duty or excise. If the quote is in a foreign currency, the rate in effect when the purchase order arrived will be applied. The Supplier quote for new products will have been entered into NISS by the Agent when the application was first completed. The final calculated retail price is provided back to the buying category for review and approval. If the pricing is approved, it will be implemented for the next day and the product can be sold. If the calculated price does not work out to the agreed-upon price, the Supplier may be asked to provide a revised lower quote to achieve the desired price.

Q: Why did the price of my product change after it was released? I didn't change the quote cost.

A: The retail price of a product may change if there is any change to the landed cost or mark-up applied. The landed cost can change due to freight and currency rates as well as changes in duty or excise. Products sourced from North America require a NAFTA certificate annually, which may impact the duty applied to the product in January of each year. Mark-up rates are also adjusted, which impact the final retail price of products.

## **Beer Pricing**

Q: How does a brewery go about setting prices for listings at The Beer Store?

A: For products listed at TBS, it is the Agent's responsibility to apply for pricing, including pack-up pricing and licensee pricing. This is done by completing a Beer Price Submission Form, which is found on [www.doingbusinesswithlcbo.com](http://www.doingbusinesswithlcbo.com) in the Pricing Documents section. The completed form is sent to [pricing@lcbo.com](mailto:pricing@lcbo.com), and the prices will be set up according to the TBS beer pricing protocol schedule. Submissions are due on Monday by 4 p.m. and become effective two weeks later.

Q: How does an Ontario brewery go about changing a price of an existing product listed at the LCBO or TBS?

A: For existing products listed exclusively at the LCBO, the Brewer should submit a written request to adjust the price on brewery letterhead and signed. This should be sent to [pricing@lcbo.com](mailto:pricing@lcbo.com), and the pricing will be put into effect within approximately two weeks. For products listed at TBS or both TBS and LCBO, the Beer Price Submission Form should be completed and sent to [pricing@lcbo.com](mailto:pricing@lcbo.com) by Monday at 4 p.m.

Q: How does a brewery from outside Ontario go about changing a price of an existing product listed at the LCBO or TBS?

A: The brewery is permitted to adjust the quote price as per the Quote Change Schedule available on [www.doingbusinesswithlcbo.com](http://www.doingbusinesswithlcbo.com). The quote is submitted to [pricing@lcbo.com](mailto:pricing@lcbo.com), and the new quote will be posted by the date indicated on the schedule. New orders will be placed at the revised quote amount, and the price will change following arrival of the new purchase orders; in this case, the retail price may take several months to change. Product prices can also be lowered within a two week period if the Supplier agrees to pay to reduce the cost of inventory on hand and on order as described earlier. For products listed at TBS, the Brewer is permitted to increase or decrease the price weekly, although no additional payment is made to the Supplier for existing inventory if the price is increased. Decreases will be charged back to the Supplier.

Q: What payment is made to a brewery for direct-delivery beer?

A: Breweries that direct-deliver beer to LCBO stores are paid the Supplier quote and HST. The Supplier quote, corresponding to a specific retail price, can be determined by using the Ontario Beer Price Calculator found online in the Pricing Calculators section. The quote is based on the retail price with the fees subtracted. HST of 13% is applied to this value. For products listed at TBS, the Supplier is also paid the container deposit. In this scenario, TBS will invoice the Supplier for deposits paid out to customers when the containers are returned for refund. Product not listed at TBS will not be paid the container deposit and therefore the Supplier will not receive an invoice for returned containers. Payment is made 30 days following receipt of goods at LCBO stores.