

TO: All Liquor Suppliers, Marketing Representatives, and Agents

FROM: Brad Fulham

DATE: January 7, 2021

RE: Markup and Surcharge Levels: Micro Producers - Revised

Both current and new manufacturers who wish to apply to micro producer markup and surcharge rates for 2021/2022 must submit all documentation outlined below to Manitoba Liquor and Lotteries no later than January 29, 2021 at 11:59 pm.

It is important to note that any manufacturer currently receiving a reduced markup must submit the required documentation in order to continue to have a reduced markup rate applied:

- Only one submission per supplier/producer per email.
- All documentation for a supplier/producer must be contained within a single email.
- Only submissions that include all completed paperwork and required third part documentation will be considered for approval.
- In the absence of an approved submission, markups will default to regular markup rates starting April 16, 2021.
- If micro-status is removed case cost will be adjusted and the current retail will be maintained.
- The next opportunity to have case cost adjusted for micro-products will be as a part of the July Price Change and no payment adjustments will be made on the sales during the lapsed period.

Please note that only small craft producers that produce product entirely through active, on-site distillation or fermentation through to finishing and bottling and sell directly to Manitoba Liquor and Lotteries will be eligible for the reduced markup and surcharge rates outlined below.

For additional information and qualifying products please refer to the attachment titled "Requirements for Micro Producers".

All documentation must be provided in English or French for review on attached Annual Declaration of Production with 3rd party verification no later than January 29, 2021 at 11:59 pm.

Incomplete or late submissions will not be processed, and the full regular markup rate and surcharges will apply.

If you have any questions please don't hesitate to contact Product Management Coordination at ProductManagementCoordination@mbll.ca

Best Regards,

Brad Fulham Director, Supply Chain