

MANUFACTURES MAY QUALIFY FOR MICRO-PRODUCER STATUS FOR THE FOLLOWING PRODUCTS PROVIDED THEY MEET THE BELOW QUALIFYING CRITERIA:

- i. Products must be produced entirely, through active, on-site distillation or fermentation and bottled or packaged at the manufacturing facility.
- ii. Products that meet established compositional standards as defined by [Federal Food and Drug Regulation \(FDR\)](#) and [Canadian Food Inspection Agency \(CFIA\)](#) requirements **EXCEPT**:
 - a. Any products manufactured using Neutral Grain Spirits (NGS) either in whole, as part of a blending, bottling, dilution or re-distillation process will **NOT** qualify for Micro-Producer Markup status from MBLL.
 - b. Any products manufactured using purchased bulk spirits or wine either in whole, as part of a blending, bottling, dilution or re-distillation process will NOT qualify for Micro-Producer Markup status from MBLL.
 - c. Grape based spirits will NOT qualify for Micro-Producer Markup status from MBLL.
 - d. Purified flavoured alcohol as determined by both FDR and CFIA will **NOT** qualify for Micro-Producer Markup status from MBLL.
- iii. MBLL reserves the right to determine markup and surcharges on unstandardized alcoholic beverages that do not meet FDR or CFIA standards or definitions.
- iv. MBLL reserves the right to not register or list products that do not meet FDR or CFIA standards or definitions.
- v. All products sold in Manitoba must be listed or registered with MBLL using the appropriate Product Listing Application form found at [MBLL Partners](#) under *Product Listing Forms*.

CIDERS PRODUCERS

To qualify for the new markup and surcharge rates, cider producers must meet the qualifying criteria and have annual worldwide production of less than 2,500 hectolitres, and submit the following two documents to Liquor & Lotteries no later than **February 12, 2023**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2022** calendar year's production volumes in liters (in English or French)

Note: Documentation from a Certified Independent Auditor or the Canada Revenue Agency are acceptable forms of independent confirmation.

Cider Markup and Surcharge Levels (Effective July 1, 2023)

| LEVEL | HECTOLITRES (100 Litres) | MARKUP TO RETAIL | SURCHARGE \$/Litre |
|-------|-----------------------------|---------------------|-----------------------|
| 1 | ≤2,500 | 40% | \$0.2100 |
| 2 | >2,500 | 95% | \$0.9517 |

MEAD & WINE PRODUCERS

To qualify for the new markup and surcharge rates, mead and wine producers must meet the qualifying criteria and have annual worldwide production of less than 25,000 litres, and submit the following two documents to Liquor & Lotteries no later than **February 12, 2023**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2022** calendar year's production volumes in liters (in English or French)

Mead & Wine Markup and Surcharge Levels (Effective July 1, 2023)

| LEVEL | LITRES | MARKUP TO RETAIL | SURCHARGE \$/Litre |
|-------|---------|---------------------|-----------------------|
| 1 | ≤25,000 | 40% | \$0.4300 |
| 2 | >25,000 | 95% | \$1.9458 |

MICROBREWERIES

To qualify for the new markup and surcharge rates, breweries must meet the qualifying criteria and have annual worldwide production of less than 25,000 hectolitres, and submit the following two documents to Liquor & Lotteries no later than **February 12, 2023**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2022** calendar year's production volumes in hectoliters (in English or French)

As per the memo dated July 26, 2018 in regards to Program Changes for Liquor Products Retailed in Manitoba:

- Any newly listed product with less than 4% residual sugar content may be classified as a beer and will have the standard beer markup rate applied (or the appropriate microbrewery markup rate, if applicable). These products will be available at the price to licensees.
- Any newly listed product with greater than 4% residual sugar content may be classified as a refreshment beverage and will have the standard refreshment beverage markup rate and retail commission applied.

Note: Documentation from a Certified Independent Auditor or the Canada Revenue Agency are acceptable forms of independent confirmation.

Microbrewery Markup and Surcharge Levels (Effective July 1, 2023)

| LEVEL | HECTOLITRES (100 Litres) | MARKUP TO LICENSEE | MARKUP TO RETAIL | MARKUP TOTAL | SURCHARGE \$/Litre |
|-------|-----------------------------|-----------------------|---------------------|-----------------|-----------------------|
| 1 | ≤25,000 | 10% | 26% | 36% | \$0.1070 |
| 2 | >25,000 | 49% | 26% | 75% | \$0.4673 |

DISTILLERIES

To qualify for the new markup and surcharge rates, distilleries must meet the qualifying criteria and have annual worldwide production of less than 25,000 litres of finished product, and submit the following two documents to Liquor & Lotteries no later than **February 12, 2023**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2022** calendar year's production volumes in litres of finished product (in English or French)

As per the memo dated July 26, 2018 in regards to Program Changes for Liquor Products Retailed in Manitoba:

Liquor & Lotteries will adopt Canada Revenue Agency's (CRA) definition of production: [3.1.1 Producers and Packagers of Spirits, Requirement for a spirits licence](#) (Meaning of "produce"):

- To "produce" spirits means to bring spirits into existence by distillation or by any other process, or to recover spirits. Spirits produced through distillation are considered to have come into existence at the earliest point at which they can be reasonably measured after leaving the column of a still.
- To qualify for micro-distillery markup rates, spirits must have been produced entirely per the definition above through active **on-site** distillation or fermentation to finishing and bottling. Products that have been manufactured either in whole, as part of a blending, bottling, dilution or re-distillation process will **NOT** qualify for Micro-Producer Markup status.
- The use of Neutral Grain Spirits or purchased bulk spirits, and grape-based spirits are excluded from the small producer program.

Note: Documentation from a Certified Independent Auditor or Government Reporting forms (such as the Canada Revenue Agency) are acceptable forms of independent confirmation.

Micro Distillery Markup and Surcharge Levels (Effective July 1, 2023)

| LEVEL | LITRES | MARKUP TO RETAIL | SURCHARGE \$/Litre |
|-------|---------|------------------|--------------------|
| 1 | ≤25,000 | 40% | \$0.2700 |
| 2 | >25,000 | 153% | \$1.2568 |

REFRESHMENT BEVERAGE PRODUCERS

To qualify for the new markup and surcharge rates, refreshment beverage producers must meet the qualifying criteria and have annual worldwide production of less than 2,500 hectolitres, and submit the following two documents to Liquor & Lotteries no later than **February 12, 2023**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2022** calendar year's production volumes in liters (in English or French)

Note: Documentation from a Certified Independent Auditor or the Canada Revenue Agency are acceptable forms of independent confirmation.

Refreshment Beverage Markup and Surcharge Levels (Effective July 1, 2023)

| LEVEL | HECTOLITRES (100 Litres) | MARKUP TO RETAIL | SURCHARGE \$/Litre |
|-------|--------------------------|------------------|--------------------|
| 1 | ≤2,500 | 40% | \$0.2100 |
| 2 | >2,500 | 95% | \$0.9517 |