

TO: All Domestic Suppliers, Industry Representatives and Specialty Wine Stores
FROM: Manitoba Liquor and Lotteries Purchasing Administration Department
DATE: February 18, 2020
RE: **Changes to Freight and Exchange Rates effective: April 16, 2020**

Dear Sir or Madam:

Please be advised that certain freight and exchange rates will be changing effective April 16, 2020, in addition to Canada Revenue Agency (CRA) annual excise rate changes. MBLL has included its annual Consumer Price Index (CPI) changes to Minimum Markup, Surcharge and Package Equalization as part of the April 16, 2020 price change. Please see the attached schedules for new rates.

Manitoba Liquor & Lotteries is giving all suppliers and marketing representatives the opportunity to re-quote invoice costs in order to adjust desired retail prices. As outlined in the memo *"Price Change Process Improvements"* distributed October 22, 2019, **if there is no desired change to retail price no action is required, and case cost will be automatically adjusted to maintain current retail price.**

Please see the attached schedules for new rates.

Please note all submissions must be submitted to the price change submission mailbox pricechange@mbll.ca. Submissions to other email addresses will not be actioned. Price change requests must be completed on the attached MBLL Price Change Request Form, and submitted by **4:00 pm Tuesday, February 25, 2020**. Updated pricing calculator and price change submission forms are attached; please refrain from using any old versions as they will **not** be accepted.

In order to increase accuracy, please ensure your submission is completed in a single Excel worksheet (on a single tab).

Reminder effective April 9, 2018, the retail price overrides were removed from all Fringe (C) items. You are now required to submit pricing information along with General (A) and Specialty (B) items. Listed Fringe (C) items are no longer eligible for case cost adjustments on open purchase orders outside of the established price change schedule and process.

If you have any questions, please contact ProductManagementCoordination@mbll.ca.

Regards,



Laurie Kennedy,
Manager, Supply Chain Administration

FOREIGN CURRENCIES EXCHANGE RATES
As of April 16, 2020

COUNTRY	CURRENCY	RATE IN CANADIAN \$ FOR PRICING PURPOSES
Australia	Dollar	\$0.90
European Community	Euro	\$1.50
New Zealand	Dollar	\$0.85
South Africa	Rand	\$0.10
United Kingdom	Pound	\$1.70
United States	Dollar	\$1.35

*** Change in rate**

Note: All other exchange rates are actual Bank of Canada rates at time of receipt of goods.

CUSTOMS AND EXCISE DUTY RATES

Effective April 16, 2020

Description	Customs Duty Rate	Excise Duty Rate
SPIRITS		
Gin	4.92/L	12.610/LAA
Rum	24.56/L	12.610/LAA
Vodka	12.28/L	12.610/LAA
Liqueur	12.28/L	12.610/LAA
Miscellaneous Spirits	12.28/L	12.610/LAA
Whisky(ey), Brandy, Tequila	N/A	12.610/LAA
WINE		
Vermouth & Aperitif Wine	N/A	0.665/L
Fortified Wine		
Exceeding 13.7% alc/vol but not 14.9% alc/vol	4.68/L	0.665/L
	AU/NZ 2.75/L	
Exceeding 14.9% alc/vol	N/A	0.665/L
Table/Still Wine		
Not exceeding 7% alc/vol and < 2litres	1.87/L	0.319/L
> 2litres	N/A	0.319/L
7% - 13.7 % alc/vol and < 2litres	1.87/L	0.665/L
> 2litres	N/A	0.665/L
Exceeding 13.7 % alc/vol	N/A	0.665/L
Sparkling Wine		
Not exceeding 7% alc/vol	N/A	0.319/L
Exceeding 7% alc/vol	N/A	0.665/L
REFRESHMENT BEVERAGES		
Not exceeding 7% alc/vol		
- Spirit Based	12.28/L	0.319/L
- Wine Based and Ciders	N/A	0.319/L
Beer and Malt Based Coolers		
(Rates may vary on supplier production levels)	N/A	0.3366/L

LAA = Litre of Absolute Alcohol (**Formula:** Size of selling unit (L) x Alcohol by volume x applicable rate)

L = Litre (**Formula:** Size of selling unit (L) x applicable rate)

Domestic products are subject to Excise rates only

Products with Certificate of Origins submitted for Signed Trade Agreements will not have customs applied.

Additional information on custom rates can be found:

<https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2020/01-99/ch22-2020-eng.pdf>

And additional information on excise rates can be found:

https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/edrates/excise-duty-rates.html#_Toc505753867

STANDARD DOMESTIC FREIGHT RATES

Effective: April 16, 2020
(Subject to change without notice)

ZONES	F.O.B. POINT	RATE PER LITRE
Quebec Zone 1	MONTREAL / POINTE CLAIRE	\$0.28
Quebec Zone 2	MONTREAL / WINE TOTES	\$0.32
Quebec Zone 3	MONTREAL – SAQ & MISC.	\$0.45
Quebec Zone 4	VALLEYFIELD	\$0.29
Ontario Zone 1	BRAMPTON – BACARDI	\$0.25*
Ontario Zone 2	HAMILTON / NIAGARA	\$0.35*
Ontario Zone 3	TORONTO / MISSISSAUGA - Constellation	\$0.25*
Ontario Zone 4	WINDSOR / WALKERVILLE, CORBY	\$0.42
Ontario Zone 5	WINONA / GRIMSBY	\$0.43
Ontario Zone 6	ONTARIO MISC	\$0.62
Alberta Zone 1	EDMONTON / ST. ALBERT	\$0.14
Alberta Zone 2	CALGARY	\$0.14
Alberta Zone 3	LETHBRIDGE	\$0.30
B.C. Zone 1	B.C. MISC. - SUMAC, OKANAGAN CONSOLIDATION	\$1.40
B.C. Zone 2	OLIVER - Constellation	\$0.38
B.C. Zone 3	VANCOUVER - BCLDB, MISCELLANEOUS	\$0.31
B.C. Zone 4	VANCOUVER - MARK ANTHONY	\$0.29
B.C. Zone 5	VANCOUVER – HILLEBRAND WESTLINK	\$0.32
Atlantic Zone 1	ATLANTIC PROVINCES	\$1.34
Manitoba Zone 1	WETT SALES WAREHOUSE	\$0.00

* Change in rate

The following ship points do not have standard rates.

Retails will be based on estimates for each purchase order issued.

- Ontario – Bloomfield Exworks
- Ontario – Concord FCA
- Saskatchewan - Saskatoon
- Regina
- Any New Locations

IMPORT FREIGHT RATES PER LITRE

UNITED STATES

Effective: April 16, 2020

LOCATION	RATE PER LITRE FOR PRICING PURPOSES
ARKANSAS - Fort Smith	\$0.41
CALIFORNIA - Modesto - Gallo	\$0.64*
CALIFORNIA – American Canyon	\$0.64*
ILLINOIS	\$0.34
INDIANA	\$0.52
KENTUCKY	\$0.55
MAINE	\$0.86
MARYLAND	\$0.76
MICHIGAN	\$0.24
MINNESOTA	\$0.25
MISSOURI	\$1.42
NEW JERSEY	\$0.88
NEW YORK	\$0.48
OHIO	\$0.63
PENNSYLVANIA	\$0.35
TENNESSEE	\$0.58
WASHINGTON	\$1.75
WISCONSIN	\$0.55

* **Change in rate**

The following ship points do not have standard rates.
Retails will be based on estimates for each purchase order issued.

- Florida - Miami
- South Dakota
- Any New Locations
- **NOTE: Rates are subject to change without notice**

IMPORT FREIGHT RATES PER LITRE

Effective: April 16, 2020

COUNTRY	RATE PER LITRE FOR PRICING PURPOSES	COUNTRY	RATE PER LITRE FOR PRICING PURPOSES
Argentina – FCA & FOB	\$1.05	Jamaica – FOB	\$0.90
Australia – FCA & FOB	\$0.80	Jamaica – Exworks	\$0.92
Australia – Exworks	\$1.17	Netherlands	\$0.80*
Austria	\$1.70	New Zealand – FCA	\$0.89
Belgium	\$0.82	Poland	\$0.95*
Chile – FCA & FOB	\$0.71	Portugal – FCA & FOB	\$0.95
Czech Republic	\$2.00	Portugal – Exworks & Islands	\$1.23
Denmark	\$2.00	South Africa – FCA & FOB	\$1.02*
France	\$1.17	Spain - Barcelona - FCA & FOB	\$0.92
Germany – FCA & FOB	\$0.63	Spain – Exworks	\$1.17
Germany – Exworks	\$0.97	Sweden – FOB	\$0.69
Greece – Exworks, FCA & FOB	\$1.56	Sweden – Exworks	\$1.70
Hungary	\$2.35	Ukraine	\$0.75
Iceland (thru Halifax)	\$1.00	United Kingdom – FCA & FOB	\$0.72
Ireland – Exworks, FCA & FOB	\$0.86	United Kingdom – Exworks	\$0.85
Israel – Exworks	\$3.48	Uruguay (thru Chile)	\$1.76
Italy	\$0.98		

*** Change in rate**

The following ship points do not have standard rates.
 Retails will be based on estimates for each purchase order issued.

- Switzerland
- Any New Locations

Note: Rates subject to change without notice.

MANITOBA LIQUOR & LOTTERIES CORPORATION MARKUP EFFECTIVE: April 16, 2020

(Sales Through Stores & Liquor Vendors)

	Size/ml	Markup %	Per Package			Commercial Consideration	
			Minimum Markup \$	Per Package Surchage \$	Package Equalization \$	U.S. \$	Other \$
<u>Spirits</u>							
<i>*See Micro Distillery Markups on p.9 if applicable.</i>							
	50	153	1.1695	0.0562	0.2046	0.0190	0.0325
	200	153	4.0365	0.2248	0.3069	0.0760	0.1300
	375	153	7.4158	0.4215	0.4092	0.1425	0.2438
	700	153	12.5935	0.7868		0.2660	0.4550
	750	153	13.4930	0.8430		0.2850	0.4875
	1000	153	16.6868	1.1240		0.3800	0.6500
	1140	153	19.9154	1.2814	0.2558	0.4332	0.7410
	1750	153	30.1330	1.9670	0.3069	0.6650	1.1375
	3000	153	49.4551	3.3720		1.1400	1.9500
	3750	153	60.3750	4.2150		1.4250	2.4375
<u>Liqueurs</u>							
	50	153	1.1695	0.0562	0.2046	0.0155	0.0340
	200	153	4.0365	0.2248	0.3069	0.0620	0.1360
	375	153	7.4158	0.4215	0.4092	0.1163	0.2550
	700	153	12.5935	0.7868		0.2170	0.4760
	750	153	13.4930	0.8430		0.2325	0.5100
	1000	153	16.6868	1.1240		0.3100	0.6800
	1140	153	19.9154	1.2814	0.2558	0.3534	0.7752
	1750	153	30.1330	1.9670	0.3069	0.5425	1.1900
<u>Wines (Still, Fortified & Effervescent)</u>							
	50	95	0.2426	0.0870		0.0075	0.0220
	200	95	0.9738	0.3480		0.0300	0.0880
	375	95	1.8228	0.6525		0.0563	0.1650
	500	95	2.4327	0.8701		0.0750	0.2200
	750	95	3.0633	1.3051	0.2558	0.1125	0.3300
	1000	95	3.5061	1.7401	0.2558	0.1500	0.4400
	1500	95	5.0981	2.6102	0.5933	0.2250	0.6600
	2000	95	6.6759	3.4802	0.6650	0.3000	0.8800
	3000	95	9.5427	5.2203	0.7161	0.4500	1.3200
	4000	95	11.7743	6.9604	1.1969	0.6000	1.7600
	10000	95	25.3466	17.401	1.5550	1.5000	4.4000
	16000	95	41.1233	27.8416	5.8209	2.4000	7.0400
	18000	95	46.2639	31.3218	6.5472	2.7000	7.9200
<u>Refreshment Beverages</u>							
(Coolers & Ciders)							
	330	95	0.9877	0.2809	0.0512	0.0726	0.1353
	341	95	1.0203	0.2902	0.0512	0.0750	0.1398
	355	95	1.0625	0.3021	0.0512	0.0781	0.1456
	375	95	1.1227	0.3192	0.0512	0.0825	0.1538
	473	95	1.4161	0.4026	0.0716	0.1041	0.1939
	710	95	2.0389	0.6043	0.1023	0.1562	0.2911
	750	95	2.1647	0.6383	0.1125	0.1650	0.3075
	1000	95	2.8862	0.8511	0.1432	0.2200	0.4100
	1364 (4/341)	95	3.5391	1.1609	0.2048	0.3001	0.5592
	1420 (4/355)	95	3.6844	1.2086	0.2048	0.3124	0.5822
	1980 (6/330)	95	3.9504	1.6852	0.3072	0.4356	0.8118
	2000	95	3.9904	1.7022	0.2864	0.4400	0.8200
	2046 (6/341)	95	4.5296	1.7414	0.3072	0.4501	0.8389
	4260(12/355)	95	9.4310	3.6257	0.6144	0.9372	1.7466

MANITOBA LIQUOR & LOTTERIES CORPORATION MARKUP EFFECTIVE: April 16, 2020

(Sales Through Stores & Liquor Vendors)

	Size/ml	Markup %	Per Package	Per Package Surcharge \$	Package Equalization \$	Commercial Consideration	
			Minimum Markup \$			U.S. \$	Per Package Other \$
Beer							
<i>*See Microbrewery Markups on p.9 if applicable.</i>							
Per Litre <1 litre	1000	75	2.0833	0.4179		0.5700	0.6400
Per Litre 1.001 - 3.000 litres	1000	75	1.8707	0.4179		0.5700	0.6400
Per litre 3.001 - 13.000 litres	1000	75	1.8069	0.4179		0.5700	0.6400

Beer (Kegs-All Sizes) Licensee Only

	1000	75	1.3818	0.4179		0.5700	0.6400
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Beer - Package Equalization

24 bottle packages	0.3700
8 can packages	0.1500
15 can packages	0.1400
20 can packages	0.2000
30 can packages	0.2600
36 can packages	0.2600

NOTES

1. Calculations of Per Package Surcharge for each category are done on a per litre basis but have been listed for each size.
2. Calculations of Package Equalization for each category are done on a per package basis unique to each size in the category.
3. Calculations of commercial consideration for each category are done on a per litre basis. Commercial Consideration is applied to all import products as well as beer distributed out of Manitoba Liquor & Lotteries Warehouse.
4. Retail prices are calculated by applying the greater of the minimum dollar markup as above or markup percentage as above, on the landed cost per bottle or per can cost. The Per Package Surcharge are added to this amount. For MBLL distributed, imported products, a fixed dollar-per-litre "commercial consideration" is then added. Provincial sales tax of 7% and Goods and Services Tax of 5% is then applied.
5. All alcoholic beverages, excluding beer, which are in non-deposit but recyclable containers, have an environmental protection tax built into the pricing structure (5¢ for bottles less than 750 ml and 10¢ for bottles of 750 ml or more).
6. Gift items (including liquor in special bottles, gift packs, special packaging, etc.) are priced by applying the full markup to the landed cost of the liquor. No markup is applied to the gift and/or packaging of the product.
7. Refreshment beverages include spirit, wine-based coolers, malt-based coolers over 4% residual sugar or sweetened with artificial sweeteners, stevia or other sweetening agents and ciders