

To: All Domestic Suppliers, Industry Representatives and Specialty Wine Stores
From: Manitoba Liquor and Lotteries Purchasing Administration Department
Date: March 3, 2023
RE: **Changes to Freight, Exchange, Excise Rates effective: May 1, 2023**

Please be advised that certain rates will be changing **effective May 1, 2023**, in addition to Canada Revenue Agency (CRA) annual excise rate changes. MBLL has included its annual Consumer Price Index (CPI) changes to Surcharge and Package Equalization as part of the May 1st, 2023 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 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 MBLL Price Change Request Form, and submitted by **11:59 pm Sunday, March 12, 2023**. Updated pricing calculator and price change submission forms are attached. 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,

Mark Ogg,

Manager, Product Administration and Pricing Development

FOREIGN CURRENCIES EXCHANGE RATES
As of May 1, 2023

| COUNTRY | CURRENCY | RATE IN CANADIAN \$ FOR PRICING PURPOSES |
|--------------------|-----------------|---|
| Australia | Dollar | \$0.93* |
| European Community | Euro | \$1.45* |
| New Zealand | Dollar | \$0.85* |
| South Africa | Rand | \$0.08 |
| United Kingdom | Pound | \$1.63* |
| United States | Dollar | \$1.38 |

*** Change in rate**

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

STANDARD DOMESTIC FREIGHT RATES

Effective: May 1, 2023

(Subject to change without notice)

| ZONES | F.O.B. POINT | RATE PER LITRE |
|-----------------|--|----------------|
| Quebec Zone 1 | MONTREAL / POINTE CLAIRE | \$0.80 |
| Quebec Zone 2 | MONTREAL / WINE TOTES | \$0.72 |
| Quebec Zone 3 | MONTREAL – SAQ & MISC. | \$1.08 |
| Quebec Zone 4 | VALLEYFIELD | \$0.75 |
| Ontario Zone 1 | BRAMPTON – BACARDI | \$0.58 |
| Ontario Zone 2 | HAMILTON / NIAGARA | \$0.95 |
| Ontario Zone 3 | TORONTO / MISSISSAUGA - Constellation | \$0.58 |
| Ontario Zone 4 | WINDSOR / WALKERVILLE, CORBY | \$1.05 |
| Ontario Zone 5 | WINONA / GRIMSBY | \$1.06 |
| Ontario Zone 6 | ONTARIO MISC | \$1.13 |
| Alberta Zone 1 | EDMONTON / ST. ALBERT | \$0.26 |
| Alberta Zone 2 | CALGARY | \$0.24 |
| Alberta Zone 3 | LETHBRIDGE | \$0.39 |
| B.C. Zone 1 | B.C. MISC. - SUMAC, OKANAGAN CONSOLIDATION | \$1.67 |
| B.C. Zone 2 | OLIVER - Constellation | \$0.73 |
| B.C. Zone 3 | VANCOUVER - BCLDB, MISCELLANEOUS | \$0.50 |
| B.C. Zone 4 | VANCOUVER - MARK ANTHONY | \$0.50 |
| B.C. Zone 5 | VANCOUVER – HILLEBRAND WESTLINK | \$0.95 |
| 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: May 1, 2023

| LOCATION | RATE PER LITRE FOR PRICING PURPOSES |
|------------------------------|-------------------------------------|
| ARKANSAS - Fort Smith | \$0.55 |
| CALIFORNIA - Modesto - Gallo | \$1.18 |
| CALIFORNIA – American Canyon | \$1.60 |
| ILLINOIS | \$0.70 |
| INDIANA | \$0.76 |
| KENTUCKY | \$1.04 |
| MAINE | \$1.12 |
| MARYLAND | \$1.01 |
| MICHIGAN | \$0.36 |
| MINNESOTA | \$0.38 |
| MISSOURI | \$2.05 |
| NEW JERSEY | \$1.47 |
| NEW YORK | \$1.92 |
| OHIO | \$0.82 |
| PENNSYLVANIA | \$0.52 |
| TENNESSEE | \$1.33 |
| WASHINGTON | \$2.28 |
| WISCONSIN | \$1.16 |

*** 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: May 1, 2023

| COUNTRY | RATE PER LITRE FOR PRICING PURPOSES | COUNTRY | RATE PER LITRE FOR PRICING PURPOSES |
|------------------------------|---|-------------------------------|---|
| Argentina – FCA & FOB | \$2.13 | Jamaica – FOB | \$1.78 |
| Australia – FCA & FOB | \$1.74 | Jamaica – Exworks | \$1.78 |
| Australia – Exworks | \$2.87 | Netherlands | \$2.12 |
| Austria | \$4.98 | New Zealand – FCA | \$1.57 |
| Belgium | \$2.21 | Poland | \$2.33 |
| Chile – FCA & FOB | \$1.79 | Portugal – FCA & FOB | \$1.96 |
| Czech Republic | \$2.42 | Portugal – Exworks & Islands | \$2.43 |
| Denmark | \$2.54 | South Africa – FCA & FOB | \$2.59 |
| France | \$2.57 | Spain - Barcelona - FCA & FOB | \$2.16 |
| Germany – FCA & FOB | \$1.79 | Spain – Exworks | \$2.25 |
| Germany – Exworks | \$2.35 | Sweden – FOB | \$3.92 |
| Greece – Exworks, FCA & FOB | \$4.92 | Sweden – Exworks | \$1.78 |
| Hungary | \$4.37 | Ukraine | \$0.00 |
| Iceland (thru Halifax) | \$1.06 | United Kingdom – FCA & FOB | \$1.79 |
| Ireland – Exworks, FCA & FOB | \$2.25 | United Kingdom – Exworks | \$1.95 |
| Israel – Exworks | \$3.61 | Uruguay (thru Chile) | \$3.42 |
| Italy | \$2.12 | | |

*** 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.

CUSTOMS AND EXCISE DUTY RATES

Effective April 1, 2023

| DESCRIPTION | Customs Duty Rate | Excise Duty Rate |
|--|-------------------|------------------|
| SPIRITS | | |
| Gin | 4.92/LAA | 13.864/LAA |
| Rum | 24.56/LAA | 13.864/LAA |
| Vodka | 12.28/LAA | 13.864/LAA |
| Liqueur | 12.28/LAA | 13.864/LAA |
| Miscellaneous Spirits | 12.28/LAA | 13.864/LAA |
| Whisky(ey), Brandy, Tequila | | 13.864/LAA |
| WINE | | |
| Vermouth & Aperitif Wine | N/A | 0.731/L |
| Fortified Wine | | |
| Exceeding 13.7% alc/vol but not 14.9% alc/vol | 4.68/L | 0.731/L |
| AU/NZ 2.75/L | | |
| Exceeding 14.9% alc/vol | N/A | 0.731/L |
| Table/Still Wine | | |
| Not exceeding 7% alc/vol and < 2 litres | 1.87/L | 0.351/L |
| >2 litres | N/A | 0.351/L |
| 7% - 13.7% alc/vol and < 2 litres | 1.87/L | 0.731/L |
| >2 litres | N/A | 0.731/L |
| Exceeding 13.7% alc/vol but not 14.9% alc/vol | 4.68/L | 0.731/L |
| Exceeding 14.9% alc/vol | N/A | 0.731/L |
| Sparkling Wine | | |
| Not exceeding 7% alc/vol | N/A | 0.351/L |
| Exceeding 7% alc/vol | N/A | 0.731/L |
| REFRESHMENT BEVERAGES | | |
| Not exceeding 7% alc/vol | | |
| - Spirit Based | 12.28/LAA | 0.351/L |
| - Wine Based <2 litres | 1.87/L | 0.351/L |
| - Wine Based >2 litres | N/A | 0.351/L |
| - Wine Based and Ciders | 0.2816/L | 0.351/L |
| BEER and Malt Based Coolers | | |
| (Rates may vary on supplier production levels) | | |
| Not exceeding 1.2% alc/vol | N/A | 0.03072/L |
| Exceeding 1.2% alc/vol but not 2.5% alc/vol | N/A | 0.1851/L |
| Exceeding 2.5% alc/vol | N/A | 0.3701/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

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>

MANITOBA LIQUOR & LOTTERIES CORPORATION MARKUP EFFECTIVE: MAY 1, 2023

(Sales Through Stores & Liquor Vendors)

| | Size/ml | Markup | Per Package | | | Commercial Consideration | |
|--|--------------|--------|----------------|----------------------|----------------------|--------------------------|--------|
| | | | Minimum Markup | Per Package Surchage | Package Equalization | Per Package | |
| | | | \$ | \$ | \$ | U.S. | Other |
| | | % | | | | \$ | \$ |
| Spirits | | | | | | | |
| <i>*See Micro Distillery Markups on p.9 if applicable.</i> | | | | | | | |
| | 50 | 153 | 1.2245 | 0.0628 | 0.2288 | 0.0190 | 0.0325 |
| | 200 | 153 | 4.2262 | 0.2514 | 0.3431 | 0.0760 | 0.1300 |
| | 375 | 153 | 7.7643 | 0.4713 | 0.4575 | 0.1425 | 0.2438 |
| | 700 | 153 | 13.1854 | 0.8798 | | 0.2660 | 0.4550 |
| | 750 | 153 | 14.1272 | 0.9426 | | 0.2850 | 0.4875 |
| | 1000 | 153 | 17.4711 | 1.2568 | | 0.3800 | 0.6500 |
| | 1140 | 153 | 20.8514 | 1.4328 | 0.2860 | 0.4332 | 0.7410 |
| | 1750 | 153 | 31.5493 | 2.1994 | 0.3431 | 0.6650 | 1.1375 |
| | 3000 | 153 | 51.7795 | 3.7704 | | 1.1400 | 1.9500 |
| | 3750 | 153 | 63.2126 | 4.7130 | | 1.4250 | 2.4375 |
| Liqueurs | | | | | | | |
| | 50 | 153 | 1.2245 | 0.0628 | 0.2288 | 0.0155 | 0.0340 |
| | 200 | 153 | 4.2262 | 0.2514 | 0.3431 | 0.0620 | 0.1360 |
| | 375 | 153 | 7.7643 | 0.4713 | 0.4575 | 0.1163 | 0.2550 |
| | 700 | 153 | 13.1854 | 0.8798 | | 0.2170 | 0.4760 |
| | 750 | 153 | 14.1272 | 0.9426 | | 0.2325 | 0.5100 |
| | 1000 | 153 | 17.4711 | 1.2568 | | 0.3100 | 0.6800 |
| | 1140 | 153 | 20.8514 | 1.4328 | 0.2860 | 0.3534 | 0.7752 |
| | 1750 | 153 | 31.5493 | 2.1994 | 0.3431 | 0.5425 | 1.1900 |
| Wines (Still, Fortified & Effervescent) | | | | | | | |
| | 50 | 95 | 0.2540 | 0.0973 | | 0.0075 | 0.0220 |
| | 200 | 95 | 1.0196 | 0.3892 | | 0.0300 | 0.0880 |
| | 375 | 95 | 1.9085 | 0.7297 | | 0.0563 | 0.1650 |
| | 500 | 95 | 2.5470 | 0.9729 | | 0.0750 | 0.2200 |
| | 750 | 95 | 3.2073 | 1.4594 | 0.2860 | 0.1125 | 0.3300 |
| | 1000 | 95 | 3.6709 | 1.9458 | 0.2860 | 0.1500 | 0.4400 |
| | 1500 | 95 | 5.3377 | 2.9187 | 0.6634 | 0.2250 | 0.6600 |
| | 2000 | 95 | 6.8850 | 3.8916 | 0.7436 | 0.3000 | 0.8800 |
| | 3000 | 95 | 9.9912 | 5.8374 | 0.8008 | 0.4500 | 1.3200 |
| | 4000 | 95 | 12.3277 | 7.7832 | 1.3384 | 0.6000 | 1.7600 |
| | 10000 | 95 | 26.5379 | 19.4580 | 1.7388 | 1.5000 | 4.4000 |
| | 16000 | 95 | 43.0561 | 31.1328 | 6.5089 | 2.4000 | 7.0400 |
| | 18000 | 95 | 48.4383 | 35.0244 | 7.3210 | 2.7000 | 7.9200 |
| Refreshment Beverages | | | | | | | |
| (Coolers & Ciders) | | | | | | | |
| | 330 | 95 | 1.0341 | 0.3141 | 0.0572 | 0.0726 | 0.1353 |
| | 341 | 95 | 1.0683 | 0.3245 | 0.0572 | 0.0750 | 0.1398 |
| | 355 | 95 | 1.1124 | 0.3379 | 0.0572 | 0.0781 | 0.1456 |
| | 375 | 95 | 1.1755 | 0.3569 | 0.0572 | 0.0825 | 0.1538 |
| | 473 | 95 | 1.4827 | 0.4502 | 0.0801 | 0.1041 | 0.1939 |
| | 710 | 95 | 2.1347 | 0.6757 | 0.1144 | 0.1562 | 0.2911 |
| | 750 | 95 | 2.2664 | 0.7138 | 0.1258 | 0.1650 | 0.3075 |
| | 1000 | 95 | 3.0219 | 0.9517 | 0.1601 | 0.2200 | 0.4100 |
| | 1364 (4/341) | 95 | 3.7054 | 1.2981 | 0.2288 | 0.3001 | 0.5592 |
| | 1420 (4/355) | 95 | 3.8576 | 1.3514 | 0.2288 | 0.3124 | 0.5822 |
| | 1980 (6/330) | 95 | 4.1361 | 1.8844 | 0.3432 | 0.4356 | 0.8118 |
| | 2000 | 95 | 4.1779 | 1.9034 | 0.3203 | 0.4400 | 0.8200 |
| | 2046 (6/341) | 95 | 4.7425 | 1.9472 | 0.3432 | 0.4501 | 0.8389 |
| | 4260(12/355) | 95 | 9.8743 | 4.0542 | 0.6864 | 0.9372 | 1.7466 |

MANITOBA LIQUOR & LOTTERIES CORPORATION MARKUP EFFECTIVE: MAY 1, 2023

(Sales Through Stores & Liquor Vendors)

| | Size/ml | Markup | Per Package | | Package Equalization | Commercial Consideration | |
|--|---------|--------|----------------|-----------------------|----------------------|--------------------------|--------|
| | | | Minimum Markup | Per Package Surcharge | | Per Package U.S. | Other |
| <u>Beer</u> | | % | \$ | \$ | \$ | \$ | \$ |
| <i>*See Microbrewery Markups on p.9 if applicable.</i> | | | | | | | |
| Per Litre <1 litre | 1000 | 75 | 2.1812 | 0.4673 | | 0.5700 | 0.6400 |
| Per Litre 1.001 - 3.000 litres | 1000 | 75 | 1.9586 | 0.4673 | | 0.5700 | 0.6400 |
| Per litre 3.001 - 13.000 litres | 1000 | 75 | 1.8918 | 0.4673 | | 0.5700 | 0.6400 |

Beer (Kegs-All Sizes) Licensee Only

| | | | | | | |
|------|----|--------|--------|--|--------|--------|
| 1000 | 75 | 1.4467 | 0.4673 | | 0.5700 | 0.6400 |
|------|----|--------|--------|--|--------|--------|

Beer - Package Equalization

| | |
|--------------------|--------|
| 24 bottle packages | 0.4104 |
| 8 can packages | 0.1720 |
| 15 can packages | 0.1620 |
| 20 can packages | 0.2280 |
| 30 can packages | 0.2850 |
| 36 can packages | 0.2844 |

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