

To: Liquor Suppliers, Representatives & Industry Partners
From: Robert Holmberg, Executive Vice President, Liquor & Cannabis
Date: May 9, 2022
RE: Supply Chain Logistics Disruptions

The ongoing challenges and delays facing the global shipping industry includes disruptions and other impacts to our partners and ultimately the consumer.

Global shipping demands as well as inflation and fuel prices have steadily increased along with a worldwide shortage of available shipping containers, trucks, trailers, closures of ports and disruptions to shipping lanes.

These and other factors are in turn leading to increased shipping costs. As our logistics partners continue to navigate these new supply chain challenges, we anticipate continued difficulty in meeting traditional lead times. Products with lower volumes, infrequent orders or sourcing from remote ship points are experiencing the most instability.

In addition to transportation disruptions, suppliers are experiencing issues with availability of packaging materials (e.g. bottles, corks, labels). This is impacting manufacturing cycles and ultimately lead times, as products may not be ready to ship as expected.

Manitoba Liquor & Lotteries works closely with our logistics providers to forecast lead times based on purchasing patterns, with the goal of maintaining a wide assortment of products for Manitobans. It's anticipated that disruptions will continue to negatively impact the supply chain through 2022 and beyond.

Of note, there are currently several interruptions and delays impacting products sourced through ship points in the southern hemisphere. MBLL will work with suppliers to source imported goods from a domestic consolidation point, where and if possible. Further adjustments to supply chain operations will be made as needed, taking into consideration the constraints of the evolving global supply chain environment, while striving to maintain normal purchasing patterns. These efforts are taken to avoid excess ordering or stock piling, while reducing unnecessary strain on already struggling supply chain channels and being mindful of warehousing and storage capacities.

The good news is that many international routes are still shipping cargo within the historical delivery windows, with limited disruptions to product availability. MBLL continues to work collaboratively with our logistics providers to ensure that these ship points remain productive and to proactively identify potential challenges.

We appreciate the impact this uncertainty has on all our commercial retail partners, suppliers, and industry representatives. During this period, we remain committed to providing our partners with information as its received and work collectively to uncover options to the greatest degree possible.

If you have concerns or questions, please reach out to your supply chain contacts at Manitoba Liquor & Lotteries.



Robert Holmberg

Executive Vice President, Liquor & Cannabis