

MANUFACTURES MAY QUALIFY FOR MICRO-PRODUCER STATUS FOR THE FOLLOWING PRODUCTS:

- 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. Grape based spirits will **NOT** qualify for Micro-Producer Markup status from MBLL.
 - c. 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*.

MICROBREWERY

To qualify for the new markup and surcharge rates, breweries must have annual worldwide production of less than 75,000 hectolitres, and submit the following two documents to Liquor & Lotteries no later than **January 19, 2020**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2019** calendar year's production volumes in hectoliters

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 will 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 will be classified as a cooler 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 April 2, 2018)

Levels	Hectolitres	Markup %	Surcharge \$/ltr
Level 1 - Draught	< 2,000	10%	0.107
Level 1	< 2,000	12%	0.107
Level 2 - Draught	2,001 - 4,000	15%	0.107
Level 2	2,001 - 4,000	16%	0.107
Level 3 - Draught	4,001 - 7,000	19%	0.107
Level 3	4,001 - 7,000	20%	0.107
Level 4	7,001 - 10,000	23%	0.107
Level 5	10,001 - 13,000	24%	0.107
Level 6	13,001 - 25,000	26%	0.107
Level 7	25,001 - 37,000	27%	0.156
Level 8	37,001 - 75,000	30%	0.188
Level 9	>75,000	49%	0.4085

MICRO DISTILLERY

To qualify for the new markup and surcharge rates, distilleries must have annual worldwide production of less than 50,000 litres of finished product, and submit the following two documents to Liquor & Lotteries no later than **January 19, 2020**:

1. A completed copy of the Annual Declaration of Production form (attached in the email)
2. Independent confirmation of **2019** calendar year's production volumes in litres of finished product

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.
- Grape-based spirits are not eligible for micro distillery markup rates.

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 April 2, 2018)

Levels	Litres	Markup %	Surcharge \$/ltr
Level 1	<10,000	85%	\$0.27
Level 2	10,001-25,000	100%	\$0.30
Level 3	25,001-50,000	105%	\$0.33
Level 4	>50,000	153%	\$1.09

COTTAGE WINERY

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

- **The cottage winery markup structure will be eliminated effective April 1, 2020.**
- Existing cottage winery markup rates will continue to be applied to all eligible products as well as any eligible new products ordered before March 31, 2020.

The new markup rates outlined above will be effective from **April 16, 2020 to March 31, 2021**. The completed Annual Declaration of Production form and independent confirmation documentation must be submitted to Liquor & Lotteries no later than January 19, 2020, via email to:

ProductManagementCoordination@mbll.ca.