

**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH
MARKUP SCHEDULE**

Effective July 01, 2010, the following markup schedule will be used to calculate prices.

	<u>Volume Markup (\$ per litre)</u>	<u>Percentage Markup (Applied to Landed Cost + Vol. Markup)</u>	<u>Cost of ** Service Differential (\$ per litre)</u>
<u>SPIRITS/LIQUEURS</u>			
Canadian	\$0.12	170%	-
U.S.	\$0.12	170%	\$0.31
Other	\$0.12	170%	\$0.39
<u>PRE-MIXED COCKTAILS (7.1% - 13.7% Alc.)</u>			
Canadian	\$0.12	146%	-
U.S.	\$0.12	146%	\$0.31
Other	\$0.12	146%	\$0.39
<u>FORTIFIED WINE</u>			
B.C.	\$0.12	142%	-
Other	\$0.12	142%	\$0.56
<u>TABLE WINE</u>			
B.C.	\$0.12	123%	-
Other	\$0.12	123%	\$0.56
<u>COOLERS/CIDER</u>			
B.C. Packaged	\$0.06	103%	-
Other Packaged	\$0.06	103%	\$0.05
Draught	\$0.06	79%	-
<u>BEER</u>			
<u>Breweries >150,000 Hectolitre)</u>		<u>Markup (\$ per litre)</u>	
B.C. Packaged	- *	\$1.75	-
Other Packaged	- *	\$1.75	\$0.09
Draught	-	\$1.20	-
<u>Breweries >15,000 ≤ 150,000 Hectolitre)****</u>			
B.C. Packaged	- *	\$1.16	-
Other Packaged	- *	\$1.16	\$0.09
Draught	-	\$0.81	-
<u>Breweries ≤ 15,000 Hectolitre)****</u>			
B.C. Packaged	- *	\$1.04	-
Other Packaged	- *	\$1.04	\$0.09
Draught	-	\$0.72	-

* Packaged beer distributed by the LDB will be subject to a distribution charge of \$0.10 per litre applied before markup.

** Cost of Service Differentials are applied after markup.

*** The LDB Container Recycling Fee (CRF) rates are applied after the application of markup. See Note 6.0 for current rates.

**** For Breweries ≤ 150,000 Hectolitres the appropriate documentation is required each year for any brewery affiliations and their annual total production.

**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH
NOTES TO THE MARKUP SCHEDULE**

1.0 CIDER, COOLERS

The display price of low alcohol products with an alcohol level of 4.0% by volume or less will be discounted as follows:

CIDER, COOLERS

1.1% to 3.0%:	\$1.00/dozen (Approximating 4.0 Litres)
3.1% to 4.0%:	\$0.50/dozen (Approximating 4.0 Litres)

To qualify for the above discounts, the cost of the light brand cannot exceed the cost of the "namesake" or comparable regular alcohol brand (regular priced, regular alcohol, 4.1% by volume or greater). In the event that there is no "namesake" or comparable regular alcohol brand, the display price of the light brand will be determined by calculating a price based on regular markup, and Harmonized Sales Tax as above.

2.0 HIGH PRICED PRODUCTS

2.1 Wines - Fortified, Table and Sparkling

The markup for wines will be 100% of applicable markup on landed costs of up to \$10.25 per litre plus the applicable volume markup and a markup of 55% on the remainder.

Where a selling unit has "incremental packaging" (see note 4.0), the above formula will apply to only the beverage portion of the price calculation.

Where a wine is stocked in more than one size, sizes .200L and greater must qualify (based on litre equivalent) for this reduced markup schedule to apply.

2.2 All Other Products

The following formula is used to determine the percentage markup to be applied to the landed cost (including the volume markup) of products other than wine:

on first \$21.00 per litre	100 % of applicable markup
on next \$8.20 per litre	75 % of applicable markup
on next \$8.20 per litre	50 % of applicable markup
on any amount over \$37.40 per litre	35 % of applicable markup

Sizes less than .200 litres do not qualify for reducing markup.

3.0 **MINIMUM PRICES/MARKUPS**

3.1 **Minimum Prices**

Spirits will not be sold below a display price of \$31.66/litre; liqueurs will not be sold below a display price of \$16.15/litre; wine will not be sold below a display price of \$7.20/litre for package sizes smaller than 10 litres, or below \$6.45/litre for package sizes of 10 litres and greater; coolers and ciders will not be sold below a display price of \$3.00/litre; packaged beer will not be sold below a display price of \$3.54/litre; draught cider will not be sold below a display price of \$2.45/litre; draught beer will not be sold below a display price of \$2.22/litre.

3.2 **Minimum Markups**

In no event will the application of normal percent markup to the adjusted landed cost of a product be less than the following absolute dollar amounts:

Spirit/Liqueurs	\$13.12/litre
Wine	\$3.00/litre
Coolers/Cider	\$1.27/litre
Draught Cider	\$0.89/litre

In the event the application of normal percentage markup to the adjusted landed cost of a product results in a gross margin less than \$0.70 per selling unit, a flat markup of \$0.70 per selling unit will be added to the landed cost plus the volume markup.

The minimum prices/markups established for cider and coolers may be reduced to comply with the discount policy of low alcohol products (See Note 1.0).

4.0 **INCREMENTAL PACKAGING**

In the event a product is packaged in "other than its normal bottle/container", the standard applicable percentage markup will only be applied to the adjusted landed cost of the product in its "usual packaging". In the event that a product is not currently listed, then a 40% markup would be applied to the accessory.

5.0 **TAX RATES**

Display prices in Government Liquor Stores includes 12% Harmonized Sales Tax.

6.0 CONTAINER RECYCLING FEE RATES

Container Type	Container Recycling Fee
Wine, Spirit, Decanter & Ceramic Glass <= 1 Litre Wine, Spirit, Decanter & Ceramic Glass > 1 Litre	\$0.14 \$0.16
Beer, Cider, Cooler Non-Refillable Glass <= 1 Litre Beer, Cider, Cooler Non-Refillable Glass > 1 Litre Beer, Cider, Cooler Refillable Glass <= 1 Litre Beer, Cider, Cooler Refillable Glass > 1 Litre	\$0.10 \$0.10 \$0.00 \$0.00
Plastic, Tetra Pak, Gable Top <= 1 Litre Plastic, Tetra Pak, Gable Top > 1 Litre	\$0.04 \$0.08
Bag-in-Box > 1 Litre	\$0.00
Cans – All Sizes	\$0.02