



January 30, 2015

ATTENTION: Beverage Alcohol Industry Partners


Today, Attorney General and Minister of Justice Suzanne Anton announced a change to the wine mark-up structure in the new wholesale pricing model.

As you know, the wine mark-up structure contains two tiers. In the first tier, an 89% mark-up will be applied to the first \$11.75 cost per litre.

In the second tier – on any amount over \$11.75 cost per litre – a 27% mark-up will be applied. This 27% mark-up replaces a 67% mark-up that was previously announced.

This diagram illustrates today’s announced change to the wine mark-up structure, which will take effect April 1, 2015 as part of the new wholesale pricing model:

Product type	Wholesale Rates			
		Mark-up boundaries	Mark-up applied	Product category (cost per litre)
Wines (including fortified wines)	89% with graduated mark-up for cost portion above \$11.75/L	On first \$11.75 cost per litre	89%	\$0 - \$11.75
		On any amount over \$11.75 cost per litre	27% 67%	\$11.76+



A 27% mark-up will be applied (instead of a 67% mark-up)

To view the wholesale pricing mark-up structure in its entirety, please visit <http://www.bcldb.com/doing-business-ldb>.

During the transition to the new wholesale pricing model, the LDB will continue to provide information updates to industry partners.

For the most up-to-date information on the new wholesale pricing model, please visit www.bcldb.com/doing-business-ldb and send your questions to LDBChanges@bcldb.com.