

Yukon Liquor Corporation mark-up schedule for all product categories:

SPIRITS			
	Mark-up Boundaries	Mark-up Applied	Product Category Cost per Litre
Large Manufacturers – Total annual production over 20,701 litres (L)	On first \$17.40/L landed cost	155%	\$0.00 - \$17.40
	On next \$36.00/L landed cost	75%	\$17.41 - \$53.40
	Remaining/L landed cost	25%	\$53.41+
Small Manufacturers – Total annual production up to and including 20,700L	Mark-up Boundaries	Mark-up Applied	Product Category Cost per Litre
	On first \$53.40/L landed cost	75%	\$0.00 - \$53.40
	Remaining/L landed cost	25%	\$53.41+

TABLE WINES			
	Mark-up Boundaries	Mark-up Applied	Product Category Cost per Litre
Large Manufacturers – Total annual production over 7,651L	On first \$7.50/L landed cost	135%	\$0.00 - \$7.50
	On next \$13.50/L landed cost	65%	\$7.51 - \$21.00
	Remaining/L landed cost	25%	\$21.01+
Small Manufacturers – Total annual production up to and including 7,650L	Mark-up Boundaries	Mark-up Applied	Product Category Cost per Litre
	On first \$21.00/L landed cost	65%	\$0.00 - \$21.00
	Remaining/L landed cost	25%	\$21.01+

FORTIFIED WINES			
	Mark-up Boundaries	Mark-up Applied	Product Category Cost per Litre
Large and Small Manufacturers are subject to the same mark-ups	On first \$7.50/L landed cost	155%	\$0.00 - \$7.50
	On next \$13.50/L landed cost	75%	\$7.51 - \$21.00
	Remaining/L landed cost	25%	\$21.01+

COOLERS

All beer, wine and spirit-based cooler products are subject to the same 94% mark-up on landed costs.

PACKAGED BEER & CIDER

	Mark-up Boundaries	Mark-up Applied	Product Category Cost per Litre
Large Manufacturers – Total annual production over 25,001 hectolitres (hL)	On first \$2.60/L landed cost	94%	\$0.00 - \$2.60
	Remaining/L landed cost	10%	\$2.61+

Small Manufacturers – Total annual production up to and including 25,000 hL have a 23.1% mark-up on landed costs

DRAUGHT BEER & CIDER

Large Manufacturers – Total annual production over 25,001 hL have a \$1.15/L mark-up on landed costs

Small Manufacturers – Total annual production up to and including 25,000 hL have a \$0.55/L with tiered mark-up* for production volume

NON-ALCOHOL PRODUCTS

All beverages that contain 0.5% or less of alcohol by volume have a 10% mark-up on landed costs

* Draught Beer and Cider Graduated Mark-ups

Each eligible brewer will receive an effective mark-up rate determined by its Annual Worldwide Production (AWP) volume as follows:

Mark-up Draught Beer and Cider:

1 – 12,500 hL produced - \$0.25
12,501 hL – 25,000 hL - \$0.55
25,001 hL and over - \$1.15

Brewers must report their previous year's Annual Worldwide Production (AWP) volume to the Yukon Liquor Corporation on an annual basis to be considered for small brewer mark-ups. Where AWP is not reported, YLC may default to the standard mark-up per litre (large brewer). The **small brewer** category produces 1 to 25,000 hL annually. **Large or standard brewer** produces 25,001 hL or more per year.



Product category descriptions:

Spirits: bitters, brandy, cognac, gin, liqueur, rum, tequila, vodka, whiskey, as well as premixed and other categories as listed.

Table Wines: red, white, sparkling and other wine subcategories such as aperitifs, vermouth and sake.

Fortified Wines: wine products that are fortified with alcohol and have an alcohol volume greater than 17%, which includes port, sherry, madeira and dessert wines.

Coolers: beer, wine and spirit-based coolers, as well as ready-to-serve beverages.

Packaged beer and cider: all packaged beer and cider in bottles, cans and growlers

Draught beer and cider: all beer and cider sold in kegs and containers greater than 20 litres.

Non-alcohol products: beverages that contain 0.5% or less of alcohol by volume.

Components of Retail Selling Price Calculations:

This pricing structure is used to calculate the retail selling price for all products sold at any Yukon Liquor Corporation retail store except for kegs of beer and cider, which are subject to the new pricing structure that was announced July 5, 2016. The wholesale pricing structure, which is used by all licensees is shown on the next page.

Component:	Explanation:
Product Cost	Price at which the supplier sells its product to YLC
Federal Import Duty	Applied only to imported goods; similar in structure to excise tax
Federal Excise Tax	A variable tax based on volume and alcohol content
Freight	Rate based on existing YLC freight contracts
= Landed Cost	Total cost that YLC incurs in order to get a product into the distribution center
+ YLC Mark-up	Mark-up rates are applied according to type of product: <i>See Table 1 – YLC’s Mark-up Structure</i>
= Basic Cost	Total cost of product including the YLC mark-up dollar amount
+ Liquor Tax	Fixed rate of 12% applied to the basic cost per <i>Liquor Tax Act</i> .
+ Goods & Services Tax (GST)	Fixed rate of 5% applied to the basic cost
+ Refundable deposit	Amounts vary depending on volume of container
+ Recycling fee	Applied to all non-refillable products at a fixed rate
= YLC Retail Purchase Price (rounded to nearest nickel)	

Please note: YLC’s pricing structure is currently under review and may be subject to change. Product prices are subject to change based on changes in landed cost and prices are updated on a regular basis. Official price books will be updated semi-annually to communicate retail price points on products at the time of publishing.

Components of Wholesale Purchase Price Calculations:

This pricing structure is used to calculate the wholesale purchase price for all products. Only those businesses licensed by YLC to sell liquor are eligible for wholesale prices.

Component	Explanation
Product Cost	Price at which the supplier sells its product to YLC
Federal Import Duty	Applied only to imported goods; similar in structure to excise tax
Federal Excise Tax	A variable tax based on volume and alcohol content
Freight	Rate based on existing YLC freight contracts
= Landed Cost	Total cost that YLC incurs in order to get a product into the distribution center
+ YLC Mark-up	Mark-up rates are applied according to type of product: <i>See Table 1 – YLC’s Mark-up Structure</i>
= Basic Cost	Total cost of product including the YLC mark-up dollar amount
- 10% wholesale discount (all categories except draught)	Licensees receive a 10% wholesale discount on all categories of product <u>except</u> draught beer and cider, since that category is calculated to a wholesale purchase price rather than retail purchase price. Note: Kegs sold to non-licensees are subject to a retail mark-up.
= Wholesale Basic Cost	
+ Liquor Tax	Fixed rate of 12% applied to the wholesale basic cost per <i>Liquor Tax Act</i> .
+ Goods & Services Tax (GST)	Fixed rate of 5% applied to the wholesale basic cost
+ Refundable deposit	Amounts vary depending on volume of container
+ Recycling fee	Applied to all non-refillable products at a fixed rate
= Wholesale Purchase Price (rounded to the nearest nickel)	

Please note: YLC’s pricing structure is currently under review and may be subject to change. Product prices are subject to change based on changes in landed cost and prices are updated on a regular basis. Official price books will be updated semi-annually to communicate retail price points on products at the time of publishing.

Authority:

Under the Liquor Act, Yukon Liquor Corporation is responsible for the purchase, distribution and sale of liquor within the Yukon, controlling the sale of liquor through licensed outlets and enforcing all matters related to the Liquor Act, subject to all other applicable acts and regulations. Section 8(1)(b) of the Liquor Act states the Corporation has the authority to establish pricing, which is delegated under Schedule C of the Protocol Agreement to the President to “undertak[ing] those responsibilities in section 8(1) of the Act.”