



# Cannabis Markup Structure Yukon Liquor Corporation

Effective December 13, 2021



# Cannabis Markup Structure

Contents

- Cannabis Markup Structure ..... 2**
  - Cost of Service..... 2
- Calculating Wholesale and Retail Price ..... 3**
- Pricing Examples..... 4**



## Cannabis Markup Structure

- The Yukon Liquor Corporation (YLC) Cannabis wholesale markup structure was updated December 13, 2021. The markup schedule includes a wholesale markup, as well as retail markup for all products sold by YLC to licensees and on the YLC e-commerce platform.
- Licensee orders placed with the YLC warehouse location are eligible for the wholesale price. Orders must be placed using the YLC Order Form (T-71.)
- YLC pricing structure includes a Cost of Service (COS) charge on all cannabis products sold. The COS is an estimate of a portion of the costs associated with procurement, and warehousing by YLC.
- YLC reserves the right to review and adjust the wholesale markup as needed should changes be required.
- YLC is responsible for the purchase, distribution and sale of cannabis within the Yukon, controlling the sale of cannabis through licensed outlets. Section 9(1)(b) of the Cannabis Control and Regulation Act provides the distributor corporation with the authority to set the price at which cannabis may be sold to licensees.

### Cost of Service

- Cost of Service (COS), includes the cost of sourcing, procuring, and warehousing. A Cost of Service differential (COS differential) is the difference between the COS applied to the products of another country and the COS applied to domestic products.
- The COS is subject to annual review to ensure accuracy and compliance with trade agreements.



## Calculating Wholesale and Retail Price

Pricing Element	Explanation
<b>Supplier Cost</b>	Supplier cost is the price YLC pays to a licensed producer for a product.
Excise Duty	Federal tax of \$1 per gram or equivalent gram*.
Freight <b>3.5%</b>	Transportation and inbound logistics costs to land the product at YLC in Whitehorse.
<b>Landed Cost</b>	Total cost of product, duty and freight to land the product at YLC Whitehorse.
Wholesale Markup <b>20.0%</b>	The wholesale markup is a percentage amount YLC applies to the supplier cost to determine the end wholesale price that will be charged to private cannabis retail licensees.
Cost of Service <b>Dried flower, preroll and milled 2 grams or more = \$2.15 per unit Up to 2 grams = \$0.50 per unit</b>  <b>All other products \$0.15 per unit</b>	Estimated cost of sourcing, procurement, and distribution of cannabis product by YLC.
<b>Wholesale Price</b>	The wholesale price is what a cannabis retail licensee pays to YLC for a product (i.e. Landed cost plus the wholesale mark-up and the cost of service). The wholesale price does not include transportation costs from YLC to the licensee.
YLC Retail Markup <b>28.0%</b>	Markup percentage set by YLC at YLC's e-commerce site.

\* Equivalent grams are equal to 10% of the unit cost for all flower over \$10 per gram, and any non-flower products



## Pricing Examples

All pricing examples are based on the YLC Cannabis Markup Schedule effective December 13, 2021.

<b>Pricing Element</b>	<b>3.5 g Flower</b>	<b>30 ml Oil</b>	<b>1 g Pre-Rolled</b>
<b>Supplier Cost</b>	\$26.25	\$25.00	\$11.00
Excise Duty	\$3.50	\$2.50	\$1.10
Freight <b>3.5%</b>	\$1.04	\$0.96	\$0.42
<b>Landed Cost</b>	<b>\$30.79</b>	<b>\$28.46</b>	<b>\$12.52</b>
Wholesale Markup <b>20.0%</b>	\$6.16	\$5.69	\$2.50
Cost of Service <b>*See Schedule</b>	\$2.15	\$0.15	\$0.50
<b>Wholesale Price</b>	<b>\$39.10</b>	<b>\$34.30</b>	<b>\$15.52</b>
YLC Retail Markup <b>28.0%</b>	\$10.95	\$9.60	\$4.35
<b>YLC Retail Price</b>	<b>\$50.05</b>	<b>\$43.90</b>	<b>\$19.87</b>

*\* Equivalent grams are equal to 10% of the unit cost for all flower over \$10 per gram, and any non-flower products*

**For questions regarding the Cannabis Markup Structure, please contact:**

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