



CANADA

2020 MARKET PRIMER



TABLE OF CONTENTS

1. MARKET OVERVIEW

- 3 Economic Conditions
- 4 Population
- 5 Consumer Trends Affecting Wine Sales

2. WINE MARKET TRENDS

- 6 Total Market
- 6 Country of Origin
- 8 Provincial Markets
- 10 Provincial Overview:
 - 10 Ontario
 - 11 Québec
 - 12 British Columbia
 - 13 Alberta

3. DISTRIBUTION CHANNELS

- 14 Overview

4. GOVERNMENT LIQUOR BOARDS

- 15 Listings
- 18 Promotional Programs
- 19 Pricing
- 21 Liquor Board Websites

5. PRIVATE WINE RETAILERS

- 22 Manitoba/Nova Scotia
- 23 Ontario/Québec
- 24 British Columbia
- 25 Alberta

6. LABELLING REQUIREMENTS

- 26 Overview
- 27 Bottle Labels
- 28 UPC/SCC Bar Codes / Lot Codes

7. COMMERCIAL AGENTS

- 29 Overview

TABLES

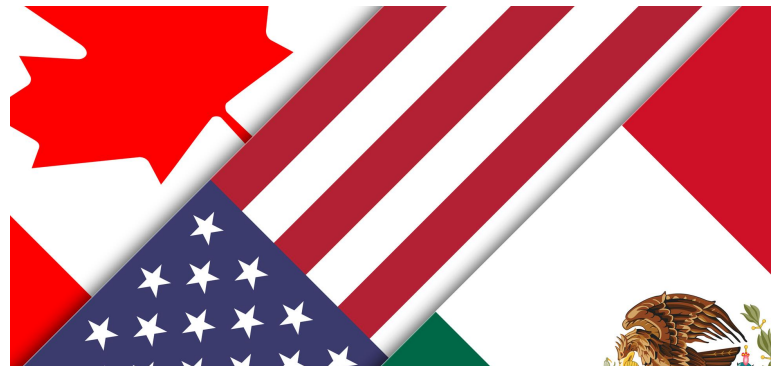
- 32 Ontario - Sales Trends & Market Share
- 33 Québec - Sales Trends & Market Share
- 34 British Columbia - Sales Trends & Market Share
- 35 Alberta - Sales Trends & Market Share
- 36 Nova Scotia - Sales Trends & Market Share
- 37 Manitoba - Sales Trends & Market Share
- 38 Saskatchewan - Sales Trends & Market Share
- 39 New Brunswick - Sales Trends & Market Share
- 40 Newfoundland - Sales Trends & Market Share
- 41 Prince Edward Island - Sales Trends & Market Share
- 42 Total Table Wine by Varietal National
- 43 Total U.S. Table Wine by Varietal

Market Overview

A. ECONOMIC CONDITIONS

Canada's economy is diverse and highly developed. The foundation of the Canadian economy is foreign trade and the United States (U.S.) is by far the nation's largest trade partner. Although Canada sells goods and services around the world, more than 75% of exports and 65% of imports are in trade with the U.S.

Consequently, a forecast of major economic trends in the U.S. will provide a good indication of Canada's economic performance. After more than a year of uncertainty and tense negotiations, the original NAFTA agreement is being replaced by the USMCA, providing trade and economic stability for Canada.



Prior to the outbreak of the COVID-19 pandemic, the Canadian economy was relatively strong and growing with low unemployment, rising wages and moderate consumer spending. As is the case globally, the pandemic is having a major, negative impact on the Canadian economy, especially given that the timing and extent of the economic recovery is uncertain at this time. The Canadian government has provided significant stimulus to both individuals and businesses with the hope that once the crisis has been contained, a robust economic rebound will occur.



Market Overview

B. POPULATION

Canada is ranked 39th in the world in terms of population with 37.7 million people. Canada is made up of ten provinces and three territories. More than 73% of the population lives in the top three provinces and more than 85% live in the top four. Approximately 90% of Canada’s population lives within 100 miles of the U.S. border.

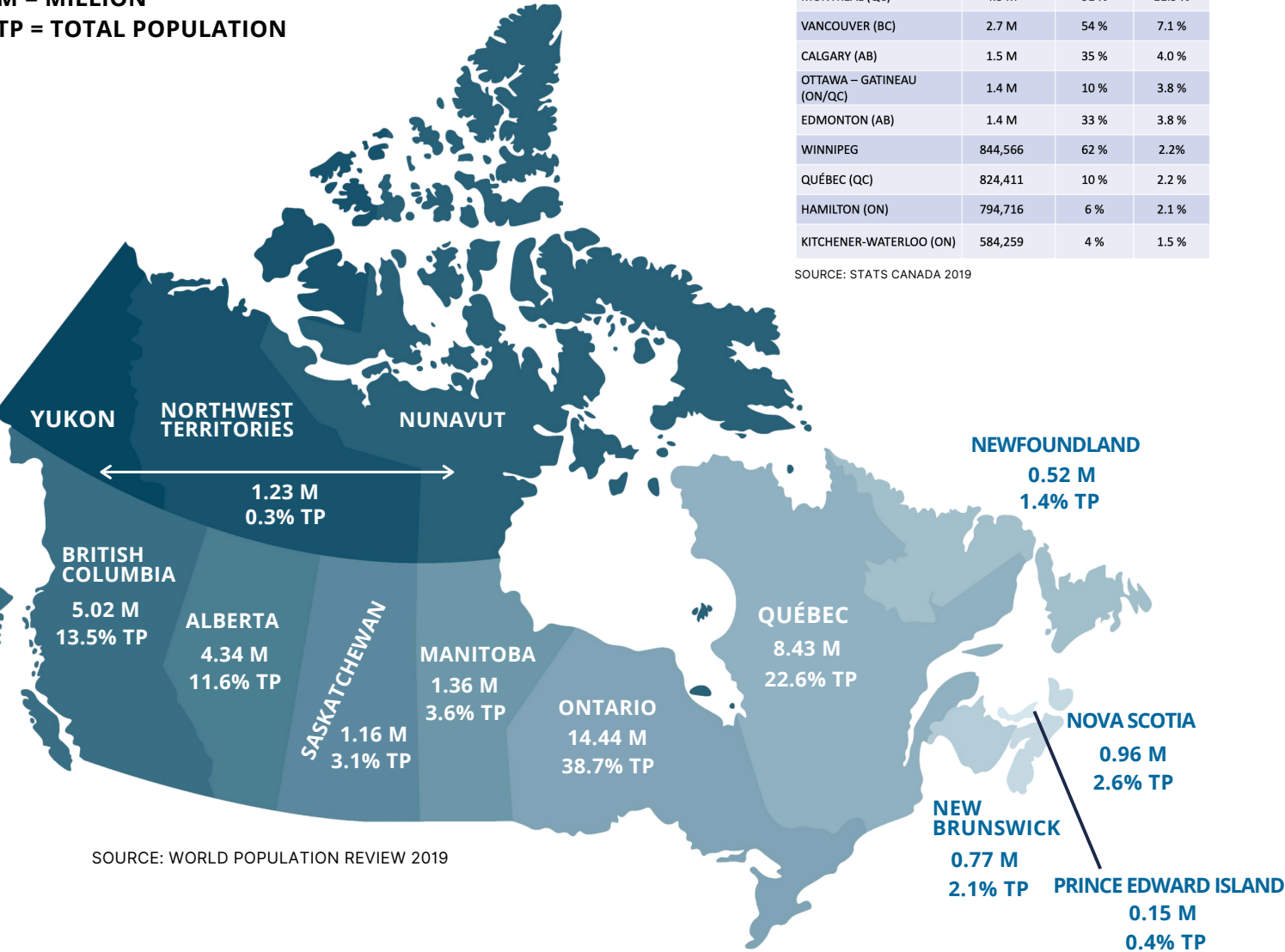
Canada has several major cities; however, there are only six metropolitan areas with more than one million people. The top six cities make up over 43% of the country’s population while the top 10 represent almost 52% of the total population.

TOTAL CANADA POPULATION: 37,714,442

M = MILLION
TP = TOTAL POPULATION

METROPOLITAN AREA	POPULATION	% OF PROVINCE	% OF NATIONAL
TORONTO (ON)	6.5 M	45 %	17.1 %
MONTRÉAL (QC)	4.3 M	51 %	11.5 %
VANCOUVER (BC)	2.7 M	54 %	7.1 %
CALGARY (AB)	1.5 M	35 %	4.0 %
OTTAWA – GATINEAU (ON/QC)	1.4 M	10 %	3.8 %
EDMONTON (AB)	1.4 M	33 %	3.8 %
WINNIPEG	844,566	62 %	2.2 %
QUÉBEC (QC)	824,411	10 %	2.2 %
HAMILTON (ON)	794,716	6 %	2.1 %
KITCHENER-WATERLOO (ON)	584,259	4 %	1.5 %

SOURCE: STATS CANADA 2019



SOURCE: WORLD POPULATION REVIEW 2019

Market Overview

C. CONSUMER TRENDS AFFECTING WINE SALES

There are a number of trends that have impacted the growth of the wine category in Canada including:



- Consumers are more health-conscious in general and drinking less alcohol overall.
- The large baby boomer segment, are declining in numbers and in per capita consumption.
- Despite the overall adult population rising since 2017, the number of regular wine drinkers in Canada has decreased by three million people, shifting from 19.8 to 16.8 monthly wine drinkers.

- Consumption by wine consumers of beer, especially craft beer, has increased significantly over the past four years
(Source: Canada Landscapes Wine Intelligence 2020)
- Wine is expensive compared to craft beer and spirits, which makes it challenging to appeal to frugal millennials.
- The proportion of Canadian consumers who are drinking local wines is increasing, aided by government/liquor board support and "buy local" consumer sentiment which is impacting import wine sales.
- In keeping with the health conscious trend, the Ready to Drink (RTD) segment of low alcohol, low calorie beverages has experienced rapid growth in share in a relatively short time period. While this segment has predominately stolen share from the beer category, it has impacted wine as well.
(Source: Canadian Vintners Association Sept 2019)
- Recreational cannabis was legalized federally in Canada in October 2018, creating another potential competitor to the wine industry.



- One of the most important developments in the Canadian marketplace during the past few years is a movement by provincial governments to increase private, retail distribution channels beyond the government-operated retail stores. This includes expansion of grocery store outlets in B.C. and Ontario. These initiatives will ultimately expand the wine market to benefit California wineries and may also set the stage for further privatization initiatives in other provinces.
- Of significant importance to wine consumption/sales will be the economic viability of the Canadian restaurant industry post-COVID19.

Wine Market Trends

A. TOTAL MARKET

In the 12 months ending April 2020, the size of the table wine market in Canada was 46,083,420 of 9L cases, (excluding Québec grocery) - an increase of 3.1% versus the previous year.

B. COUNTRY OF ORIGIN - TABLE WINE

Wine merchandising in liquor stores is usually set by country of origin. The Canadian consumer has grown accustomed to this format and will most likely first decide on the country (or region) before considering which brand to purchase. Since the consumer already thinks in these terms, many on-premise accounts will also arrange their wine lists by country of origin. Consequently, sales statistics are summarized by country of origin by the various liquor authorities.

**TOTAL CANADA
TABLE WINE BY COUNTRY OF ORIGIN**

TABLE 1

COUNTRY	VOLUME 9 L CASES	TREND	MARKET SHARE	DOLLAR VALUE	TREND	MARKET SHARE
ITALY	6,803,911	1.0 %	14.7%	\$1,141,387,849	2.5 %	16.2%
FRANCE	5,870,805	4.8 %	12.7%	\$1,139,444,186	6.0 %	16.2%
UNITED STATES	6,123,024	1.2 %	13.2%	\$1,115,377,335	3.1 %	15.9%
CANADIAN/INTL. BLENDS	10,916,296	5.1 %	23.6%	\$1,070,478,785	6.2 %	15.2%
AUSTRALIA	3,301,342	-3.5 %	7.1%	\$490,693,237	-2.8 %	7.0%
CANADA-VQA	2,688,231	3.5 %	5.8%	\$465,911,014	4.3 %	6.6%
SPAIN	2,237,034	16.0 %	4.8%	\$355,262,304	11.3 %	5.1%
CHILE	2,487,535	1.7 %	5.4%	\$311,792,158	1.6 %	4.4%
NEW ZEALAND	1,381,992	2.6 %	3.0%	\$274,574,437	2.9 %	3.9%
ARGENTINA	1,533,968	-1.2 %	3.3%	\$235,410,419	-0.2 %	3.3%
PORTUGAL	1,149,968	5.8 %	2.5%	\$159,693,029	6.8 %	2.3%
SOUTH AFRICA	817,988	-2.2 %	1.8%	\$115,204,051	-0.9 %	1.6%
GERMANY	338,565	-6.9 %	0.7%	\$49,104,788	-4.6 %	0.7%
OTHERS	482,380	-2.8 %	1.0%	\$82,626,312	-1.5 %	1.2%
GRAND TOTAL	46,083,420	2.9%	100.0%	\$7,029,716,774	3.7 %	100.0%

SOURCE: CANADIAN VINTNERS ASSOCIATION MONTHLY REPORTS

Another way to look at the composition of the Canadian wine market is as follows:

MARKET SHARE	BY VOLUME	BY VALUE
CANADIAN WINES	29.4%	21.8%
NEW WORLD WINES	33.8%	36.1%
OLD WORLD WINES	35.7%	40.8%

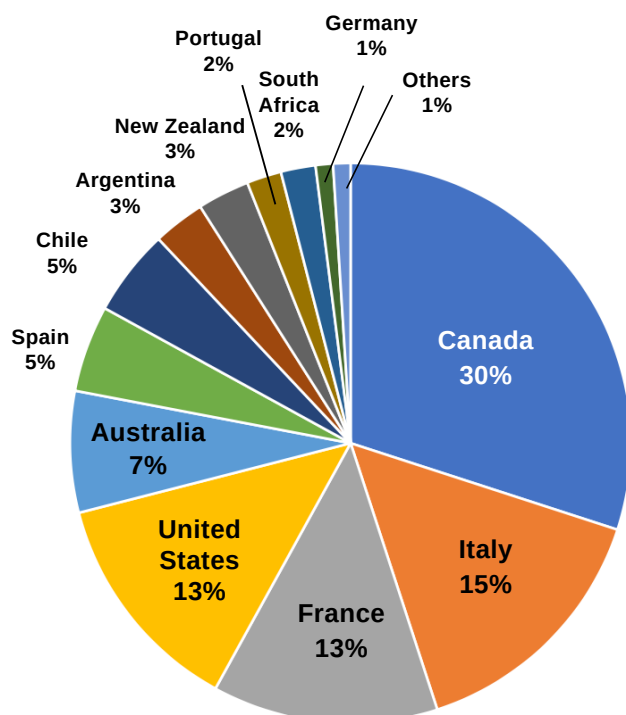
Wine Market Trends

B. COUNTRY OF ORIGIN CONT'D

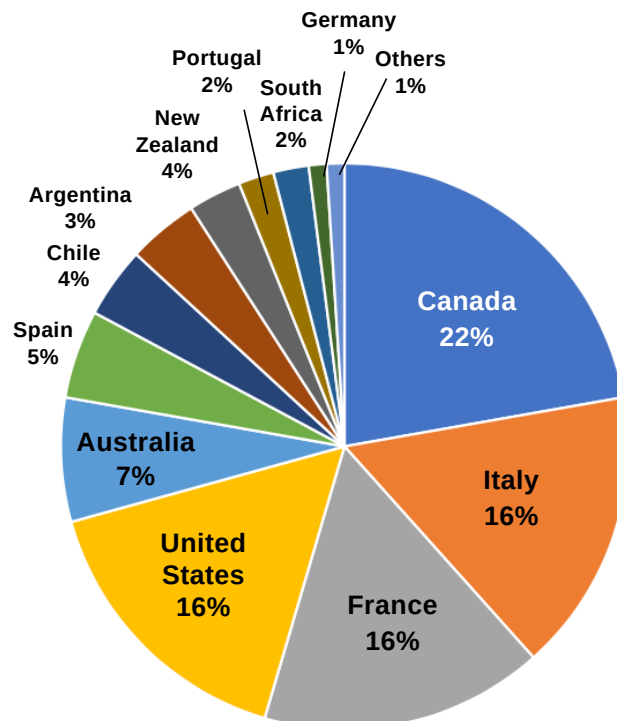
- U.S. wines (>90% from California) sold more than 6.1 million cases and \$1.1 billion in Canada for the 12 months ending April 2020, slightly behind sales from Italy and France. U.S. wines grew 1.2% in volume and +3.1% in value.
- Spanish wines show the strongest growth in the Canadian market at +16% in volume and +11% in value. Wines from France, Portugal and Canadian/International Blends also grew by 6% or more.
- Canadian wine production is either made from Canadian grown grapes (usually identified as VQA wines) or Canadian grapes blended with imported grapes. These are labelled as "International blends from domestic and imported wines". When these two categories are combined, they account 16.5 million cases and 29% share of market.

**NATIONAL TOTAL TABLE WINE BY COUNTRY OF ORIGIN
(APRIL 2020)**

9L CASES



DOLLARS \$



Wine Market Trends

C. PROVINCIAL MARKETS - TABLE WINE

Ontario is the largest provincial market and, together with Québec, represents over 62% of the total volume of table wines in Canada. Combined with B.C. and Alberta, these four provinces make up 90% of the Canadian wine market and 90% of California wine sales in Canada.

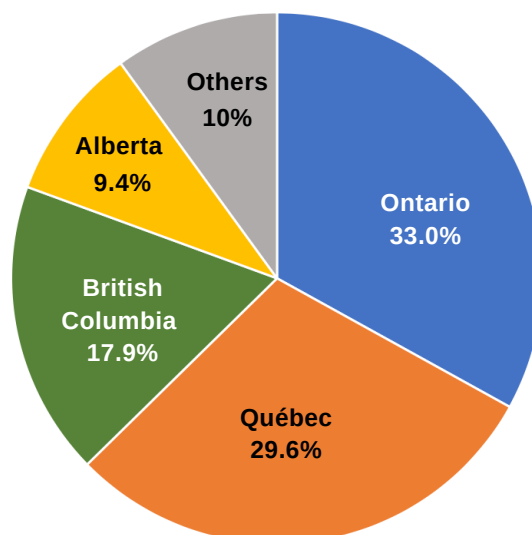
TABLE WINE SALES BY PROVINCE

TABLE 2
(Excluding Québec Grocery)
12 Months Ending April 2020

PROVINCE	9L CASE SALES MAT	% CHANGE	% SHARE OF NATIONAL	POPULATION	LITRES/CAPITA (TOTAL POP.)
ONTARIO	15,221,769	2.8 %	33.0%	14,446,515	9.5
QUÉBEC *	13,659,232	3.4 %	29.6%	8,433,301	14.6
BRITISH COLUMBIA	8,252,842	3.1 %	17.9%	5,020,302	14.8
ALBERTA	4,337,980	4.4 %	9.4%	4,345,737	9.0
TOP 4 PROVINCES	41,471,824	3.2%	90.0%	32,245,855	11.6
MANITOBA	1,224,476	0.2 %	2.7%	1,168,423	9.4
NOVA SCOTIA	1,058,813	4.3 %	2.3%	1,360,396	7.0
SASKATCHEWAN	858,988	0.3 %	1.9%	772,094	10.0
NEW BRUNSWICK	747,106	2.8 %	1.6%	965,382	7.0
NEWFOUNDLAND	444,317	0.1 %	1.0%	523,790	7.6
PEI	169,234	2.0 %	0.4%	154,748	9.8
YUKON, TERRITORIES	108,662	-4.0 %	0.2%	123,754	7.9
GRAND TOTAL	46,083,420	2.9 %	100.0%	37,314,442	11.1

*EXCLUDES QUÉBEC GROCERY EST. 4.4M CASES

PROVINCIAL SHARE OF TOTAL TABLE WINE



Wine Market Trends

C. PROVINCIAL MARKETS - (CONT'D)

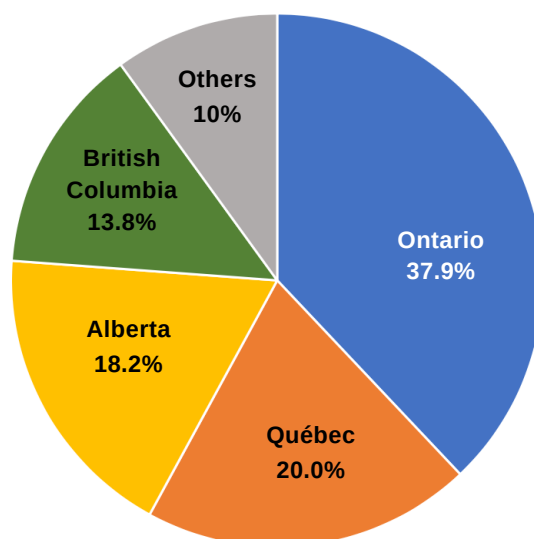
U.S. TABLE WINE SALES BY PROVINCE

(Excluding Québec Grocery)
12 Months Ending April 2020

TABLE 3

PROVINCE	U.S. 9L CASE SALES	U.S. % CHANGE	U.S. % SHARE OF MARKET	% OF U.S. IN CANADA
ONTARIO	2,318,587	6.0	15.2%	37.9%
QUÉBEC	1,225,415	- 4.8	9.0%	20.0%
BC	842,998	2.1	10.2%	13.8%
ALBERTA	1,112,970	4.7	25.7%	18.2%
SUB-TOTAL TOP 4	5,499,970	2.6	13.3%	90.0%
MANITOBA	212,230	1.5	17.3%	3.5%
NOVA SCOTIA	103,384	0.8	9.8%	1.7%
SASKATCHEWAN	129,006	- 3.7	15.0%	2.1%
NEW BRUNSWICK	95,288	- 5.1	12.8%	1.6%
NEWFOUNDLAND	51,985	0.2	11.7%	0.8%
PEI	20,934	- 2.2	12.4%	0.3%
YUKON, TERRITORIES	10,945	- 1.0	10.1%	0.2%
NATIONAL	6,123,024	1.2	13.3	100.0

US TABLE WINE PERCENTAGE SHARE BY PROVINCE 9L CASES

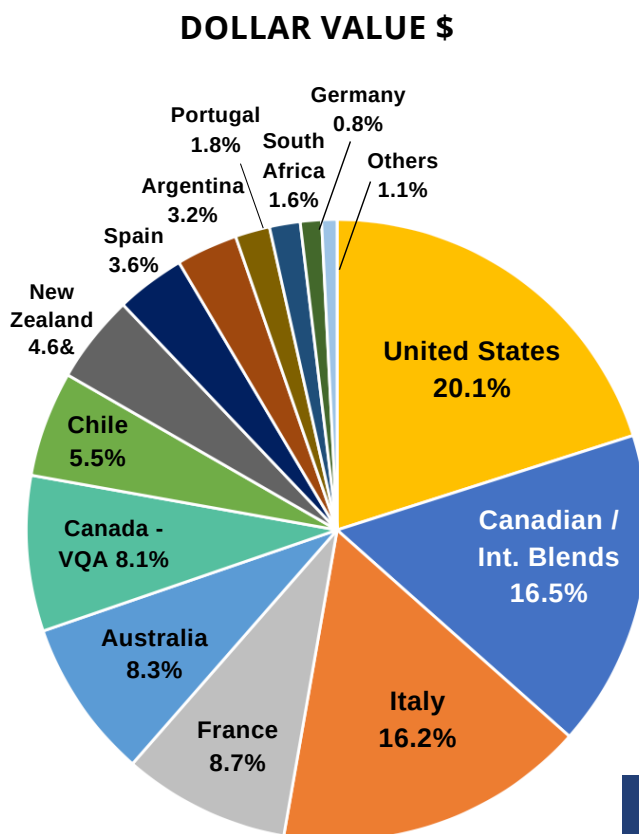
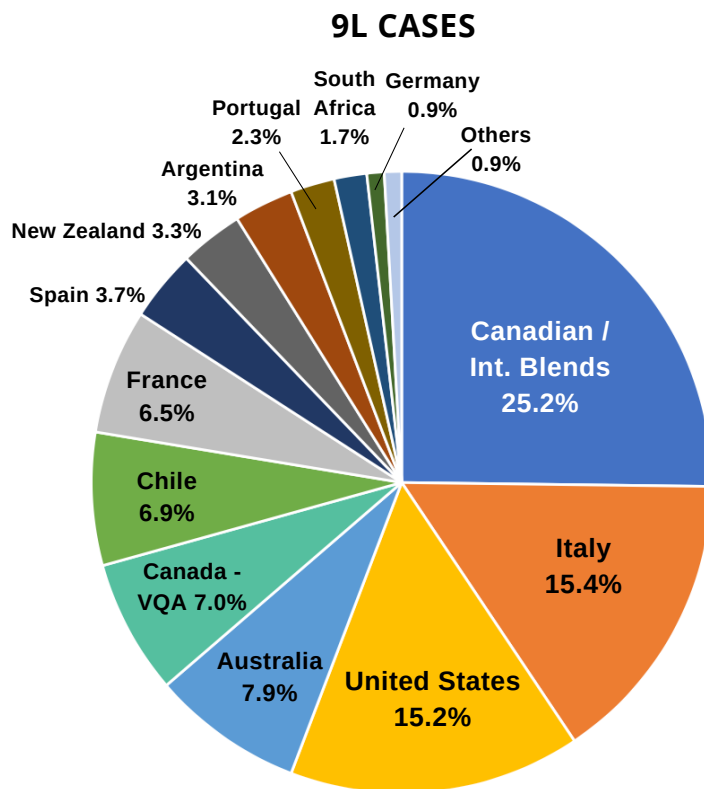


Provincial Overview

- The table wine category in Ontario is 15.2 million cases and >\$2.3 billion in retail sales. Growth for the year-ending April 2020 was +2.8%. **(See Table 4 Appendix)**
- The largest increases in value have come from Spain at +23%, U.S. at +8%, New Zealand at +7% and Portugal at +6%.
- Italy is the largest import category by volume; however, U.S. sales are only slightly behind and should soon pass Italy. U.S. wines are the top category by value by a significant amount with a 20% share and 8% growth.
- Ontario is the largest market for U.S. wines, representing almost 38% of sales in Canada and accounting for 2.3 million cases and >\$471 million in retail sales during the twelve months ending April 2020.
- Ontario is a major producer of Canadian wines, which have gained respect and sales success as a result of the industry's commitment to producing better quality wines under the Vintners' Quality Alliance program (VQA). The Ontario industry is also allowed to import wines to blend with local grapes to create "International blends from domestic and imported wines". Aided by significant government and LCBO support and a "buy local" consumer sentiment, Ontario VQA wines grew by 3.5% last year. There are also 341 Ontario Wine stores, which were grandfathered under the original Free Trade Agreement. These stores sell only Ontario wines and represent a significant amount of the total Ontario wine sales in the province.

ONTARIO

ONTARIO TABLE WINE SALES BY COUNTRY OF ORIGIN

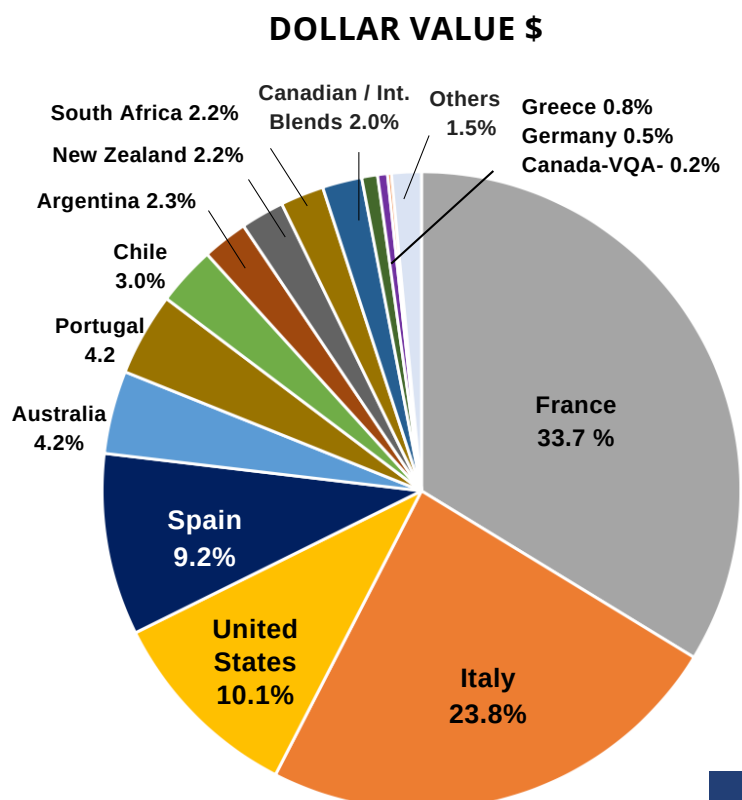
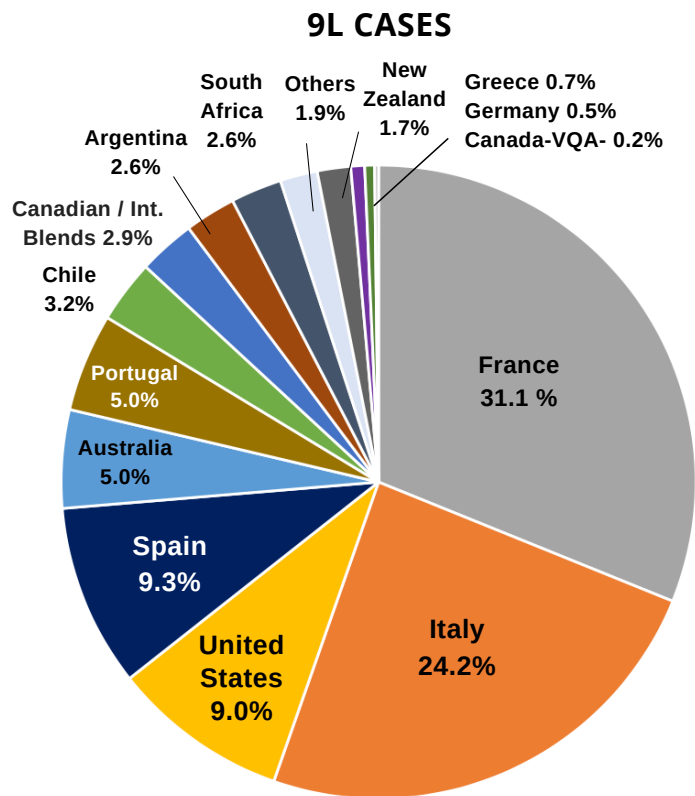


Provincial Overview

- Québec is the only province where French is the official language, although English is also widely spoken in the major cities. With the strong European influence, per capita consumption is high and wine is very much a part of the culture, more so than in any other province. In fact, 73% of all beverage alcohol sales in this province are wine.
- Québec is the second largest table wine market by volume in Canada behind Ontario and second highest, consumption of wine per capita, slightly behind British Columbia (B.C.).
- The table wine category in Quebec is 13.6 million cases and >\$2.4 billion in retail sales. Growth for the year ending April 2020 was + 5.3%. (See Table 5 Appendix)
- This province accounts for 20% of U.S. table wine volume in Canada but sales have slowed considerably during the past few years. One of the factors is consumer and SAQ buyer perceptions that California wines have higher levels of residual sugar. Rebuilding the business in Quebec is the largest challenge and opportunity in Canada for the California wine industry.
- Of imported table wines, France has the largest market share at 33.7% followed by Italy at 23.8%. French wines grew by 8.5% and Italy 4.4% in value during the past year. Spanish wines are very strong in Québec with sales of 1.2 million cases, +9.6% in volume and 10.7% in value and poised to overtake U.S. for third place in Québec.
- One of the policies which impedes U.S. wines from making inroads into this market is the ability for locally bottled wines to be sold in supermarkets and corner stores. In addition to Canadian wines, Québec bottlers also import significant quantities of bulk wine from France, Italy, Chile and Australia in order to qualify for distribution in the grocery stores. Very little U.S. wine is imported for this purpose.

QUÉBEC

QUÉBEC TABLE WINE SALES BY COUNTRY OF ORIGIN



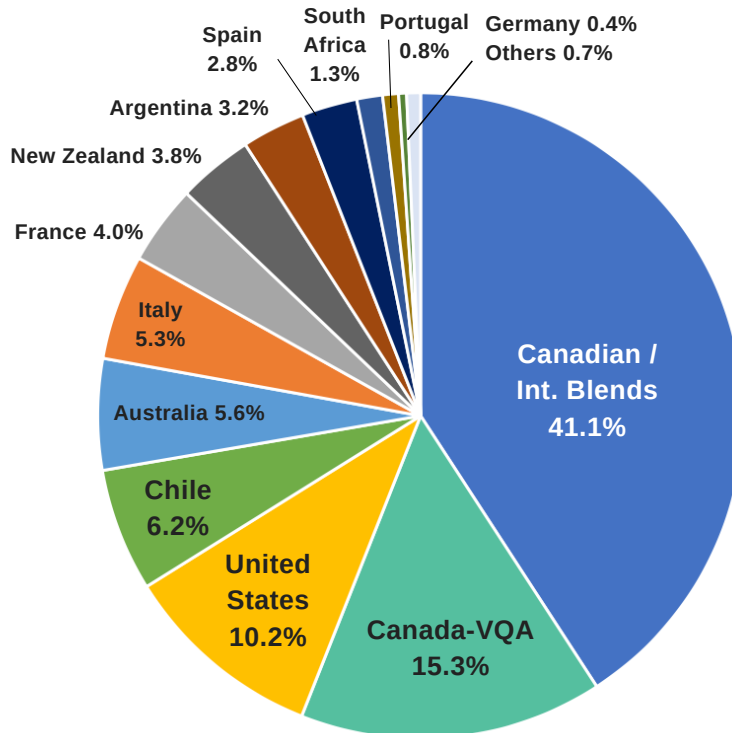
Provincial Overview

- The B.C. table wine market is 8.2 million cases and just over \$1 billion in retail sales. It continues to grow, at +3.1% in volume and 4.3% in value during the past twelve months (See Table 6 Appendix).
- Per capita consumption of wine in B.C. is the highest in English Canada.
- Local wines do very well in this market and account for more than 50% of the wines by volume and by value when you combine 100% B.C. VQA wines with Canadian/International blends. There is a growing number of B.C. wineries and the quality of their wines are very highly regarded (with a VQA program similar to Ontario). This is the only province where VQA wines outsell U.S. wines.
- U.S. case sales increased by 2.1% and value by 5.1% during the past year and U.S. wines are first in the imported segment with a 12.7% market share by value, almost double Italy at 6.5%. B.C. represents almost 14% of U.S. wine sales in Canada.
- Although B.C. is a very important market for U.S. wines, in many respects it is a mature market. The biggest growth period for U.S. wines in this market was during the 1990s when market share was >15%.
- All countries except Australia, Germany and Argentina experienced growth last year.
- There is a significant number of private retail options for wine sales including 33 Private Wine Stores and 670 Licensee Retail Stores (LRS) which are extensions of Pub/Restaurant/Bar licenses. The government has frozen the number of LRS licenses at this current total.

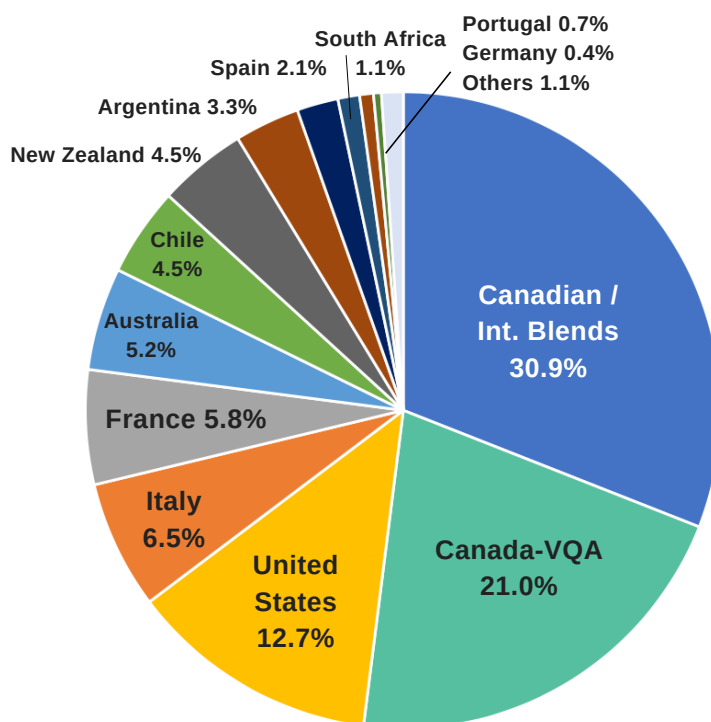
BRITISH COLUMBIA

BRITISH COLUMBIA SALES BY COUNTRY OF ORIGIN

9L CASES



DOLLAR VALUE \$



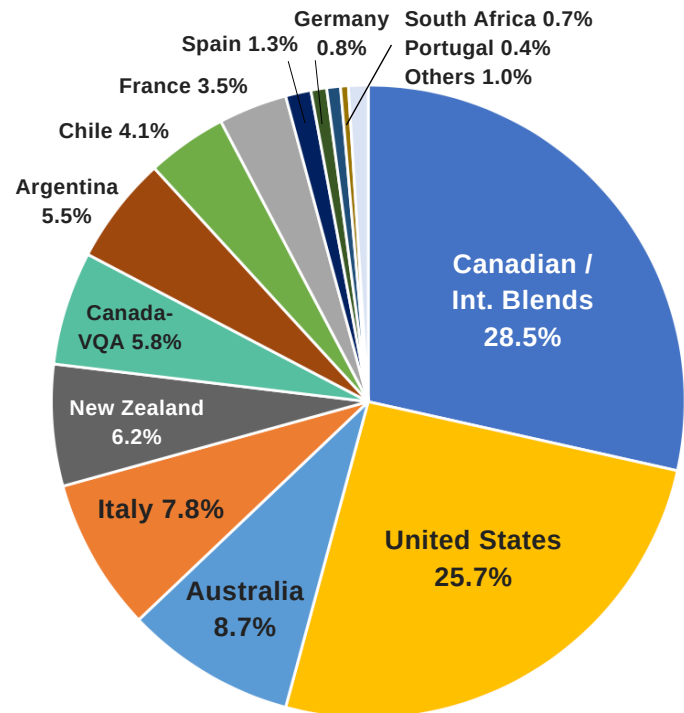
Provincial Overview

- The Alberta table wine market is 4.3 million cases and \$576K in retail sales. It continues to grow, at +4.4% in volume and +6.1% in value during the past twelve months (See Table 7). These growth numbers are surprising and impressive given that the Alberta economy has struggled since 2014 as a result of low oil and gas prices. Not only has this resulted in higher levels of unemployment, but also in a significant decrease in investment by the energy industry.
- U.S. wine is the largest import category with volume of 1,112,970 cases and the top category overall with \$165.7 million in value. U.S. market share in Alberta is 25.7% of volume and 28.7% of value, the highest share of market (SOM) by far in Canada. Alberta accounts for 18.2% of U.S. wine sales in Canada.
- U.S., Italy, New Zealand and France all showed strong growth in this market during the past year.
- Canadian wines are continuing to do well with both VQA and Canadian/International Blends, showing strong growth.

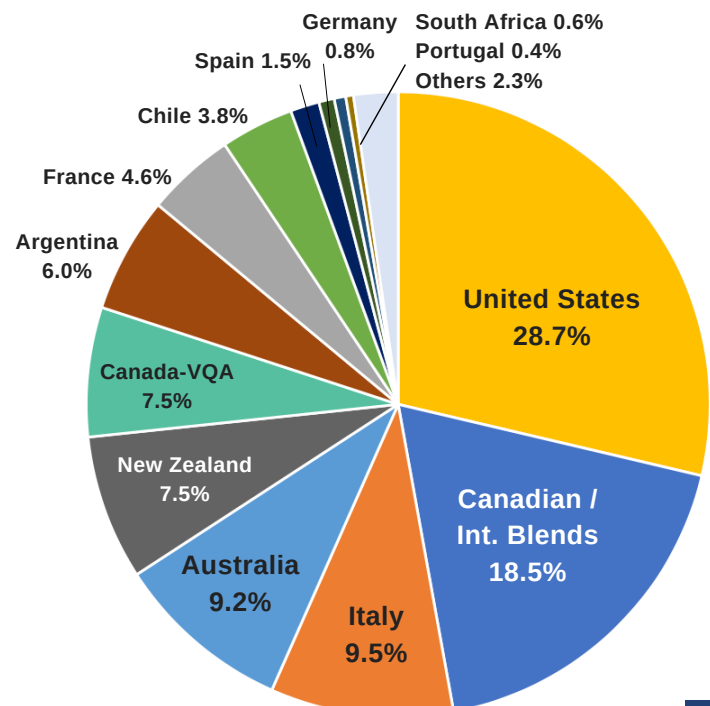
ALBERTA

ALBERTA TABLE WINE SALES BY COUNTRY OF ORIGIN

9L CASES



DOLLAR VALUE \$



Distribution Channels

OVERVIEW

The distribution of alcoholic beverages in Canada is a provincial jurisdiction and the government monopolies are the only legal importers and wholesalers of alcohol beverages in the country.

Despite an on-going trend toward retail privatization, the vast majority of wine sales in Canada are still sold through government-owned liquor stores. Each provincial liquor board acts autonomously and must be approached individually. Although they have similar policies regarding distribution, pricing and promotion, they each have their own unique approach toward these operating practices.

One of the most important developments in the Canadian marketplace during the past few years is a movement by provincial governments to increase private, retail distribution channels beyond the government-operated retail stores, including expansion into grocery store outlets.

WINE RETAIL OUTLETS BY TYPE IN CANADA

PROVINCE	GOVERNMENT STORES	RURAL AGENCY STORES	PRIVATE WINE STORES /LRS	GROCERY/ CONVENIENCE	WINERY OWNED STORES	TOTAL
B.C.	200	227	703	31	157	1,318
ALBERTA	0		2,250			2,250
SASKATCHEWAN	39	190	4			233
MANITOBA	65	167	8			240
ONTARIO	666	209		157	454	1,486
QUÉBEC	409	428		8,000 *		8,837
NOVA SCOTIA	100	60	4		7	171
NEW BRUNSWICK	42	86		66		194
NEWFOUNDLAND	29	146				175
P.E.I.	17	8				25
TOTAL	1,567	1,521	2,969	8,254	618	14,929

- Only wines bottled in Quebec are sold in Quebec grocery and convenience stores
- In Ontario, there are also 393 grocery stores that are licensed to sell beer and cider only

Government Liquor Boards

DOING BUSINESS WITH GOVERNMENT LIQUOR RETAILERS

Every province - with the exception of Alberta, which is a fully privatized beverage alcohol marketplace - operates with some form of provincial government controlled sale and distribution of beverage alcohol.

Governments earn substantial revenue from the sale of alcohol and use these funds to provide goods and services, such as healthcare and education to the population.

Operating as crown corporations, in some regions these retailers retain a monopoly on the sale of beverage alcohol in the province. However, over the past several years with calls for modernization of the sale of beverage alcohol, the majority of jurisdictions (eight of the 13 provinces and territories) allow sales of alcohol from privately operated liquor stores. In most regions, liquor boards remain a dominant and important customer for wines with a majority share of wine sales taking place through their retail systems.

BC LIQUORSTORES

LCBO

SAQ

A. LISTINGS

Generally speaking, if you have a high volume product, it should be sold through the government liquor board channel. Even if your volume is limited, there still may be a good opportunity to sell your wine through the Liquor Board specialty list.

The government-operated liquor board stores only carry products that have been "listed" by their head office.

Products listed by the boards usually fall into one of two categories:

1. GENERAL LISTINGS
2. SPECIALTY LISTINGS

Each province has its own guidelines and forms for listing applications. Suppliers should consult with their agent or the liquor board's purchasing department for specific requirements in each province.

All Liquor Distribution Branches (LDBs) use a tender or product needs process to review and determine new listings.

1. GENERAL LISTINGS

The majority of General Listings are high volume products in the low to mid-price range. Those products that have obtained General Listing status will enjoy wide distribution and will be reordered automatically by the boards however, they must achieve a provincially determined annual sales quota in order to maintain distribution.

Some of the criteria used by the liquor boards when considering new listing applications are:

- Category market trends
- Price/Quality ratio
- Anticipated retail price
- Performance in other markets (especially other provinces)
- Marketing plans and budget to support the product
- Label and Packaging appeal
- Tasting panel assessment
- Reliability and commitment of the supplier
- Innovation
- Third party accolades
- Environmentally friendly packaging, sustainable grape growing and/or production practices

Government Liquor Boards

2. SPECIALTY LISTINGS

Many suppliers, especially small and mid-size, are learning that it is much easier to obtain a Specialty rather than a General Listing for their product. For some, an effective strategy is to first prove the sales performance of a product as a Specialty Listing before applying for the more permanent status of a General Listing. Specialty Listings are also attractive to suppliers who are unable to supply the quantities needed to achieve wide distribution.

Depending on the province, applications for Specialty Listings may be submitted at any time although, as with general listings, it is beneficial to discuss proposals with the liquor board before submitting an actual application. From time to time, the SAQ, the B.C. Liquor Distribution Branch and Vintages in Ontario will issue calls for specific product types or from specific regions.

THE SPECIALTY PORTFOLIO USUALLY CONSISTS OF THE FOLLOWING SELECTION OF PRODUCT TYPES.

- **ONE-TIME BUYS**
- **PREMIUM PRODUCTS THAT DO NOT REQUIRE FULL PROVINCIAL DISTRIBUTION**
- **UNIQUE OR ALLOCATED PRODUCTS THAT ARE ONLY AVAILABLE IN SMALL QUANTITIES**
- **NEW PRODUCTS THAT WANT TO ESTABLISH A TRACK RECORD BEFORE APPLYING FOR A GENERAL LISTING**

The liquor boards do not automatically reorder Specialty Listings but will do so if there is sufficient consumer demand. All provinces have designated specific stores that will carry Specialty Listings approved by the Board. However, any store may list any Specialty Listing, if there is anticipated consumer demand in a specific area.

Government Liquor Boards

In Ontario, the specialty wines and spirits unit is called **VINTAGES**.

The program has three components:

- **FRONT LINE RELEASES:** 120+ new, limited quantity products are released every two weeks, supported by a print and online catalogue. These products must achieve a minimum 80% sell-through within two months in order to avoid a 20% rebate on existing inventories.
- **AN ESSENTIALS COLLECTION:** a limited and carefully curated portfolio of customer favourites. It is expected that the Essential listings will be supported by an annual promotional spend and will exceed an annual sales target.
- **CLASSICS CATALOGUE:** monthly selection of wines and spirits from the world's most prestigious, sought-after estates, offered in limited allocations. The collection is available on-line or by phone on a first-come, first served basis.

The logo for Vintages, featuring the word "VINTAGES" in a serif font, with a large, stylized "V" in the background.

OTHER OPPORTUNITIES WITH LCBO/VINTAGES INCLUDE:

- **DIRECT OFFERS** - Throughout the year, Vintages partners with suppliers to offer small lots, rare and older vintages and large formats. These offers usually have greater demand than supply and will be allocated per customer.
- **DESTINATION COLLECTION** - A niche portfolio of interesting products that caters to the unique needs of specific communities. These are a selection of low volume products not usually offered through LCBO Wines or Vintages. They are available online or in specific "Destination" stores. The Destination store for California wines is located at Store #1 at Highway 401 and Weston Road in Toronto.
- **E-COMMERCE** - The LCBO has been slowly building its e-commerce platform over the past few years and have recently introduced same day pickup service and other on-line merchandising opportunities to promote your products. This program will also promote on-line exclusives.

PRIVATE STOCK AND CONSIGNMENT

Most of the provinces have a Private Stock program whereby a customer can order a case or more of a specific wine if the supplier wishes to make it available. Usually a deposit is required to confirm the order, which may take up to three months to deliver to the customer.

Some provinces also allow agents to bring in wine on "spec" and in quantities larger than private orders. In B.C. these are called Speculative Listings and in Ontario products are brought in through the Consignment Warehouse Program. In Quebec, the program is called Private Order. These wines are mostly sold to on-premise accounts and to the private wine stores in B.C.

Promotions

B. PROMOTIONAL PROGRAMS

Various promotional programs are available in each province that usually require an application process and a participation fee is charged based on the type of programme.

These may include:

IN STORE DISPLAY SPACE: shelf extenders, end aisles, special fixtures, case displays, refrigerated space, display windows.

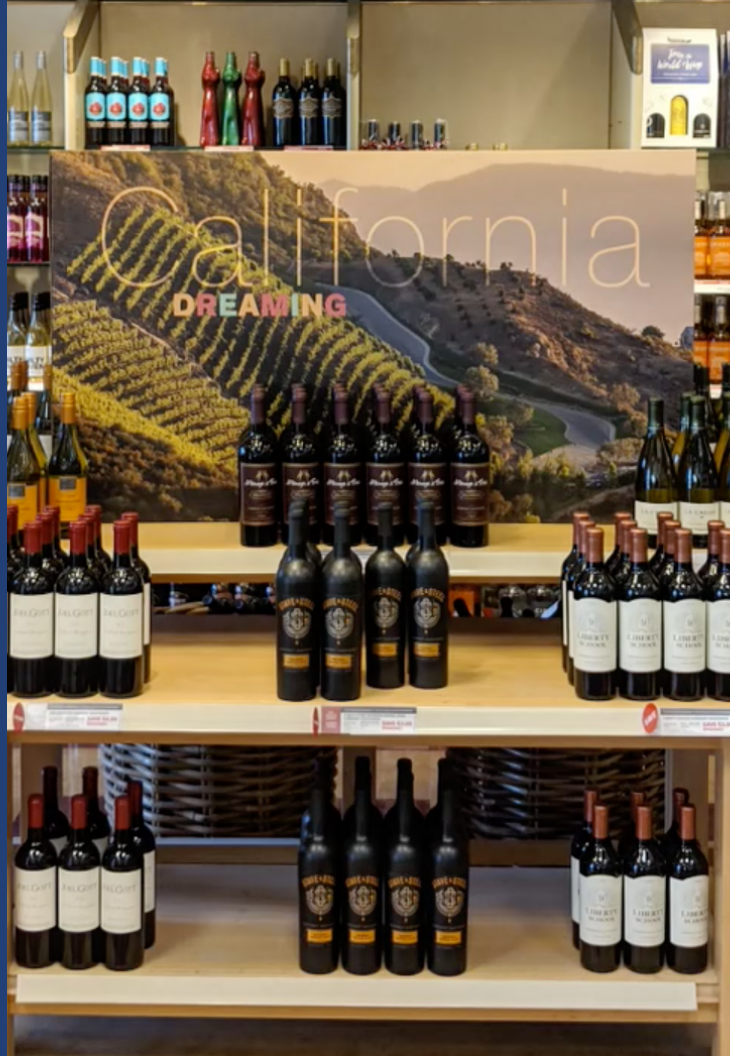
MERCHANDISING OPPORTUNITIES: shelf talkers, case cards, backer cards, value adds, neck tags, medallion stickers, contests.

PRICING PROMOTIONS: Limited Time Offers (L.T.O.) normally for one period, temporary price reductions for a few periods, Weekly Deals, special weekend offers such as Holiday Weekend Sales.

ON-LINE PROMOTIONS: feature products, regional promotions, themed promotions.

Selection for participation may be based on the product's merits, past sales history or a thematic that may be occurring. Costs for participation varies on type of program and province and should be considered in determining promotional dollars needed to promote the product.

It is important to participate in the promotional programs that each of the Liquor Boards offer. Not only is it a way to get your product in front of the consumer, but also the Boards favourably view participation as a supplier's "partnership" and commitment to their product's success.



Pricing

PRICING MODEL LIQUOR BOARDS

Liquor boards are usually one of the largest sources of revenue to the Provincial Treasuries as well as making a significant contribution to the Federal government. To achieve their financial objectives, the liquor boards impose mark-ups in the range of 100% plus. This mark-up is levied on top of the cost of the goods, freight, customs duty and federal excise duty. After provincial and federal sales taxes are added, the retail price of a case of wine can be 3 to 4 times the wholesale selling price charged by California vintners. In calculating their prices, most liquor boards apply some or all of the following components:

PRICE CALCULATION FOR MOST LIQUOR BOARDS

- If you quote in US\$, the LCD will convert to CDN\$ using their own exchange rate factor. However, due to currency fluctuations, it is recommended to quote in CDN\$ in order to generate a target and maintain a stable retail shelf price. Convert the U.S. FOB or ex-cellars price into Canadian dollars.
- Add freight charges - will vary according to order quantity and consolidation costs
- Add federal excise duty - \$0.665/L effective April 1, 2020.
- Apply provincial markup (varies by province).
- Add cost-of-service charges (if separate from markup).
- Add various fees for non-refillable containers, alcohol education, etc.
- Add provincial sales tax (PST) and Goods & Services Tax (GST). Most provinces combine these two taxes and identify it as HST.

LCBO WINE PRICING CALCULATOR CAN BE FOUND [HERE](#)

LCBO PRICING EXAMPLE FOR TABLE WINE USMCA (FORMELY NAFTA) PRODUCTS 12 X 750 ML CASES

CASE QUOTE US\$		\$ 90.00
EXCHANGE RATE	1.35%	
CASE QUOTE CDN\$		\$ 121.50
FREIGHT RATE		8.21
FEDERAL EXCISE	\$ 0.6650/L	5.9850
IMPORT DUTY	0.00	0.00
TOTAL LANDED COST		\$ 135.695
LCBO MARK-UP	71.5%	97.0219
LCBO WINE LEVY	\$ 1.62/L	14.58
SUB-TOTAL/CASE		\$ 247.2969
SUB-TOTAL/BOTTLE		\$ 20.6081
COST OF SERVICE	\$ 0.3159/L	0.2369
LCBO VOLUME LEVY	\$ 0.29/L	0.2175
LCBO ENVIRONMENTAL LEVY	\$ 0.0893/L	0.0893
BASIC PRICE (ROUNDED)		\$ 21.19
HST	13%	2.76
CONTAINER DEPOSIT		0.20
CONSUMER PRICE		\$24.15

Pricing

WHOLESALE PRICING

In B.C., imported wines are first shipped to a third-party warehouse for storage before sending to the LDB warehouse and subsequent delivery to retail and/or on-premise customers. This requires an additional warehousing step, increases costs and creates a price structure different from the other provinces. The LDB establishes a wholesale price while retailers set the shelf price that consumers pay. All liquor retailers in the province, including BC Liquor Stores, purchase products from the LDB at the wholesale price.

In this market, the winery sells the wine to their agent who then invoices the B.C. Liquor Distribution Board. The invoice from the agent to the LDB includes:

- Prime Cost per case (may include agent's commission)
- Domestic Charges (includes freight to B.C, warehouse/storage costs and labelling/stickering, if required). Depending on the order size and storage duration, this can range between \$10.00 and \$20.00 per case.

The LDB then adds Excise tax at \$5.99/case, 89% markup and \$0.14/bottle recycling fee to create a Wholesale Price before tax.

B.C. Liquor Stores usually markup products @ 23% and Private Licensee stores have a range of 20-40%.

High wine prices are a fact of life in Canada. Of more importance for California wineries is the relative price of their wines compared to wines from other countries. Most liquor boards now have product lists available on-line (see provincial contact list for websites), making it easy for suppliers to determine competitive price targets.

CALIFORNIA WINE PRICES IN CANADA (CDN \$) SHARE OF TOTAL

RETAIL PRICE	ONTARIO	QUÉBEC	B.C. (WHOLESALE \$)
< \$15.00	31.5%	43.2%	44.8%
\$15.00 - \$19.99	42.3%	35.1%	20.4%
\$20.00 - \$29.99	21.7%	14.6%	22.3%
\$30.00 - 39.99	1.6%	2.0%	5.5%
> \$40.00	2.9%	5.1%	6.6%

Additional Resources

E. LIQUOR BOARD WEBSITES

All of the provincial liquor boards have websites to inform consumers about product availability, prices, store locations, promotions etc. Most have also done an excellent job of making their annual reports, purchasing and marketing policies accessible through their websites. Please visit the following:

BRITISH COLUMBIA	bcliquorstores.com wholesale.bcldb.com bcldb.com/doing-business-ldb/agents-suppliers
ALBERTA	aglc.gov.ab.ca
SASKATCHEWAN	slga.com saskliquor.com
MANITOBA	liquormarts.ca
ONTARIO	lcbo.com vintages.com doingbusinesswithlcbo.com
QUÉBEC	saq.com saq-b2b.com
NEW BRUNSWICK	anbl.com
NOVA SCOTIA	mynslc.com mynslc.com/en/About-NSLC/Doing-Business-With-Us
NEWFOUNDLAND	nfliquor.com
PRINCE EDWARD ISLAND	peilcc.ca

Private Wine Retailers

During the past few years, there has been a growing trend to increase the level of retail privatization in some parts of Canada. It is very important to consider your portfolio and availability when deciding whether to approach private retailers. High volume products sold through the liquor boards can also be sold through private stores but these independent stores can also sell products that the liquor boards have not listed.



MANITOBA

There are seven private wine stores in Manitoba. They carry some of the top sellers available at the Manitoba Liquor Mart government stores, but focus on wines that would be exclusive to the private wine store network. However, if the MLCC decides to list any of the wines that are currently exclusive to Private Wine Stores, the MLCC will sell the product for the highest retail price amongst the stores for one year from the date it decides to list it. After that time, the MLCC will revert to the actual retail price based on the case selling price.

NOVA SCOTIA

There are now four private wine stores in the province. The terms of the contract allows each store to stock products listed on the Port of Wine Specialty Listings, Port of Wine Select Listings, previously de-listed products as well as any other beverage alcohol products (wine, spirits, beer, coolers) that are not currently listed or available through regular Nova Scotia Liquor Commission stores.

The private stores are guaranteed two-year exclusivity from date of application of an unlisted product they introduce to the Nova Scotia market. However, if the NSLC decides to list a product, it will offer it at the highest price among the private wine stores. Then it will revert to its actual retail price based on the NSLC pricing structure, and the private wine stores will have to charge the same retail.

Private Wine Retailers



QUÉBEC

In Québec, most corner stores and supermarkets are allowed to sell locally bottled wines. This includes wines that have been imported in bulk and subsequently blended and bottled in one of Québec's bottling plants. Imported wines that were bottled in their country of origin cannot be sold in these private stores. This channel represents approximately one-third of the wine market in this province.

Although large quantities of French, Chilean and Italian wines are currently bottled in Quebec, there is very little U.S. wine that is imported for this purpose - one of the reasons for the low market share for U.S. wines.

ONTARIO

Since 2016, the Ontario government has gradually expanded wine, beer and cider sales into the grocery channel. There are currently 157 grocery stores that sell domestic and imported wine and another 69 wine boutiques that are owned by Ontario wineries. The rules are evolving - at this time, local wineries enjoy preferential access to shelf space and there are other restrictions that limit grocers to selling only import wines that are already General Listings at the LCBO. Most grocery sales are by big brands at <C\$20.00 per bottle.

In Ontario, the local wineries are permitted to operate retail stores in order to sell their own products. Although the number of Ontario Wine stores has been frozen since the implementation of the US-Canada Free Trade Agreement in 1989, there are 341 stores currently open in the province. They are usually on-site or located in high traffic locations and account for more than one million cases of sales annually. These stores can also provide delivery service to on-premise accounts. There are no private retail outlets for imported wines.

There are also a number of agency stores in the province, usually located in smaller/rural communities. They represent a very small proportion of overall wine sales.



Private Wine Retailers



BRITISH COLUMBIA

In B.C., there are approximately 670 Licensee Retail Stores (Cold Beer & Wine) spread out across the province. Although beer typically represents the majority of their sales, some of these stores located in the major urban centres, also sell a significant amount of wine. There are also 33 Private Wine Stores and although these private outlets only represent a small percentage of the market, they can offer a sometimes quicker and less cumbersome distribution alternative to the LDB, especially for premium wineries who have only small quantities available.

Private Wine Retailers

ALBERTA

All retail distribution of alcohol beverage has been privatized in Alberta since 1993, when all 204 Alberta Liquor Control Board stores were either sold or closed. By May 2020, the number of licensed stores had increased to >2,200. Although many are individually owned, some chains have emerged who have bought up some of the smaller stores to create significant purchasing power.

Grocery stores are eligible to apply for licenses, however, current regulations require separate, freestanding locations and prohibits them from selling alcohol beverages within their existing grocery sections. Despite this restriction, all the major chains - including Costco - have opened free-standing liquor stores in the parking lots adjacent to their supermarket locations.

At the same time that privatization was implemented, the ALCB introduced a "flat tax" system to replace the previous ad valorem mark-up structure. As a result, less expensive products increased in price while premium brands came down in price.



WILLOW PARK
WINES & SPIRITS



Despite the price increase on economy brands, it appears that consumers are generally pleased with privatization. Convenience and selection have increased significantly under the new system. Overall, the number of alcohol products available in the market has increased from around 3,000 items to more than 29,000 SKU's. However, the selection offered by the average store is definitely less than what was available in the typical ALCB store before privatization.

The renamed Alberta Gaming & Liquor Corporation still acts as the importer/wholesaler, with all products shipped to them on consignment. Suppliers and/or their agents control the order and inventory levels but are also responsible for warehouse storage charges.

There are many advantages when comparing the new system to the previous structure. The biggest advantage is the flexibility suppliers and agents have to distribute and promote products. With the elimination of arbitrary listing policies, new products can be introduced at any time. In-store promotions can also be organized with individual retailers. In the past, relations with the liquor board head office were one of the most important factors in achieving success in this market. Today, the focus has shifted to finding and supporting the right agent who will take advantage of the opportunities that are available in this market and build relationships with individual retailers and chain accounts.

Alberta is the only province that has a flat markup (\$ 3.91/L) and no provincial sales tax. There are more than 29,000 unique alcohol products available in the system.

Labelling Requirements

Basically, there are two sets of labelling requirements that are strictly enforced:

1. Federal Government regulations established by the Canadian Department of Consumer Affairs. These are the minimum standards adhered to by all provincial jurisdictions.
2. Québec Provincial Government regulations established by the Société des alcools du Québec (SAQ), which are over and above Federal requirements.

The Québec regulations incorporate all the federal regulations plus additional specifications required only by the SAQ. Québec is the only province to set labelling rules that supplement the federal regulations. Hence, it is reasonable to assume that a label that is acceptable to the SAQ should also be acceptable to all other liquor boards in Canada. Some suppliers use stickers to modify their domestic labels to comply with Canadian requirements; however, packaging appearance must also be considered. Labels must be submitted for approval before listings are granted.



There is **MANDATORY INFORMATION** that must appear on all wine labels in Canada including:

- **IDENTIFICATION OF THE PRODUCT** – the common or generic name of the product which must appear in both English and French, with both languages occupying the same amount of space and prominence. For example: **WINE** **VIN**
- **DECLARATION OF QUANTITY** – must be stated in metric terms. It is very important to use the exact format for stating these quantities. For quantities under one litre, show millilitres as 750 ml or 750 mL (not 750 ML or 750 MI), without any punctuation points. Numerics must also be in BOLD and a min of 3.2mm in height for a 750 or 1.5 size label. All other text is min of 1.6mm based on small m.
- **STATEMENT OF ALCOHOL CONTENT** - Must be shown as ____% alc./vol., with punctuation points after both alc. and vol. or ____% alcohol by volume (not alc./vol. ____% or ____%ALC./VOL.) Must be bilingual. Please note that the statement of alcohol content reported on the label must be accurate with a tolerance of +/- 1% as all wines are subject to laboratory analysis upon arrival. Numerics must also be in bold and a min of 3.2mm in height for a 750 or 1.5 size label. All other text is min of 1.6mm based on small m.
- **COUNTRY OF ORIGIN** – You must also show the country of origin in both English and French, with both languages receiving equal space and prominence. For example: Product of United States, Produit des États-Unis.
- In Québec, all information and wordings included on the main label, back label, neck label and packing carton or affixed to the container and appearing in a language other than French must also be printed in French in characters of equal or greater height than those of the wordings in the other language. In addition, all descriptive marks and informative wordings in a language other than French must be translated into French.

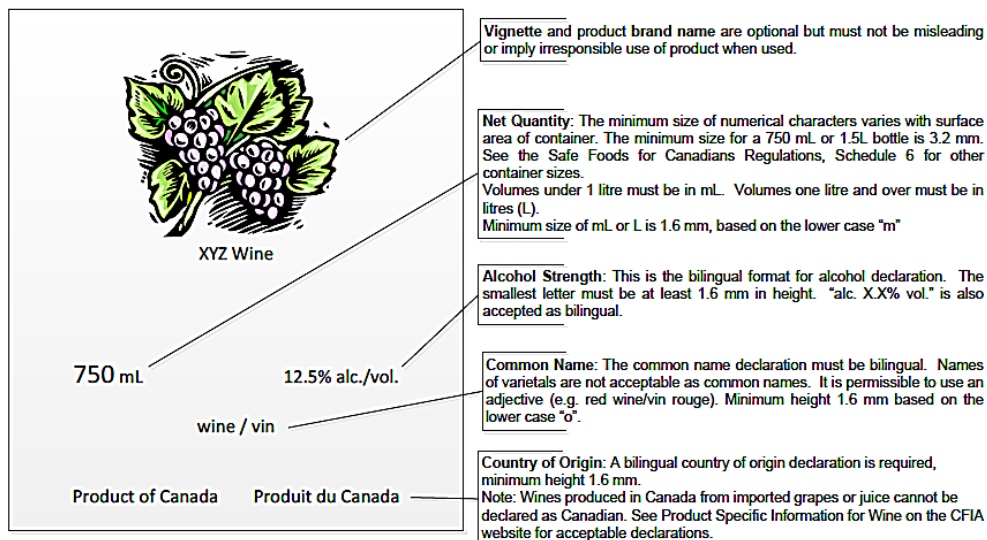
Labelling Requirements

A. BOTTLE LABELS

THE LCBO TRADE WEBSITE PROVIDES THE FOLLOWING SUMMARY OF LABELLING GUIDELINES:

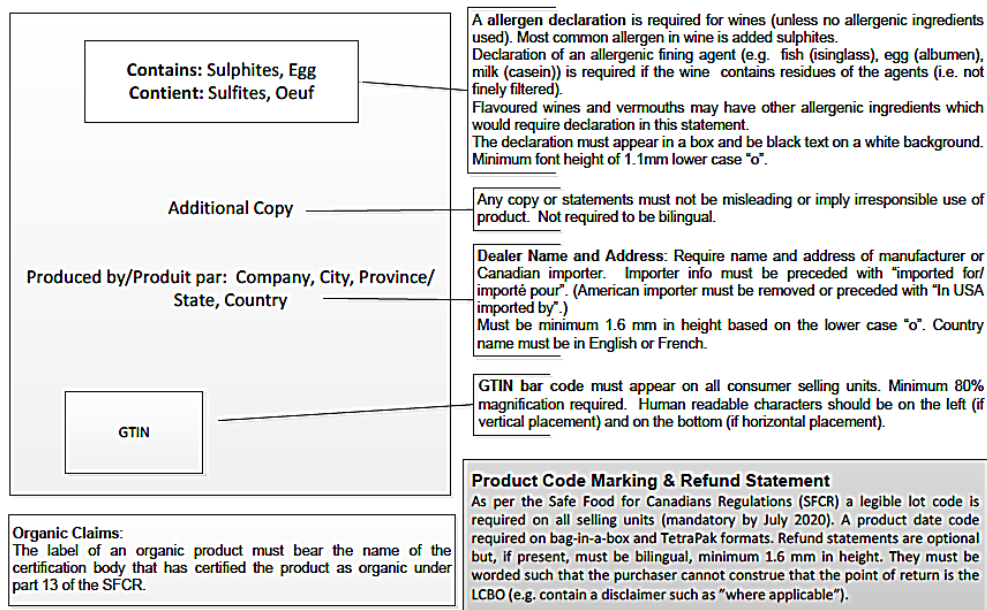
Simplified Canadian Labelling Requirements: Wine

For products that meet the Standard of Identity for wine as per the Food & Drug Regulations Division 2



Single Field of Vision

Common name, net quantity, alcohol strength and country of origin must be visible in a single field of vision (not split between the front and back labels). These mandatory items can either be together on the back or front label.



Published May 2019, updated to align with the CFIA's Food Modernization Initiative and the Safe Food for Canadians Act & Regulations. In producing these simplified guidelines, some requirements may not have been included and some may be ambiguous. The LCBO takes no responsibility for any problems / errors in label design resulting from using these guidelines. It is the supplier responsibility to ensure that a product label complies with all applicable Canadian laws, Canadian Association of Liquor Jurisdictions (CALJ) standards, and LCBO Product Packaging Standards and other LCBO operational and policy requirements.

- U.S. wineries will be able to use the same UPC numbers they are currently using in the domestic market and may keep the same number for different vintages if the product is a general listing.

- Although these standards are mostly consistent with the guidelines of the Uniform Code Council, there are a few instances where they are different, especially with the placement of a shipping container code on the cases. For example, the Canadian regulations require application of the code on two adjacent sides of the shipping case.

- The federal labelling and packaging standards and requirements are clearly described on the LCBO's trade website in a document called "Product Packaging Standards and Guidelines for Chemical Analysis"
http://www.doingbusinesswithlcb.com/tro/Packaging-Quality/Downloads/PPS_EN.pdf

- For more information about Québec labelling standards, please visit: <http://www.saq-b2b.com/>
(click on English and then Quality Management)

Labelling Requirements

NEW REGULATORY UPDATES

Exporting wineries should be aware of upcoming changes to wine labels in Canada, as well as additional proposed changes that have not yet been finalized. The changes are based on several Canadian Federal laws with different implementation dates. The first round of in-market compliance will start on July 15, 2020 for some elements and continue through December 14, 2022. Canada will begin checking for compliance prior to those dates. In addition to the information below, please consult this excellent presentation from the LCBO on the topic. The LCBO has also produced a guidance document: [CLICK HERE](#)

Allergen Declaration (slide 7)

Applies to all wines produced after 2012, effective December 14, 2021. If the available display surface is less than 100 cm² (15.5 in²) the declaration "Contains: Sulphites / Contient: Sulfites", or similar phrasing, may remain on the same line. If the available display surface is above 100 cm² (15.5 in²) then the English and French declarations must be on separate lines, as demonstrated in the example and in the LCBO document. For a full list of formatting requirements please consult Article B.01.010.3 of Canada's Food and Drug Act.

EXAMPLE:

Contains: Sulphites, Egg
Contient: Sulfites, Oeuf

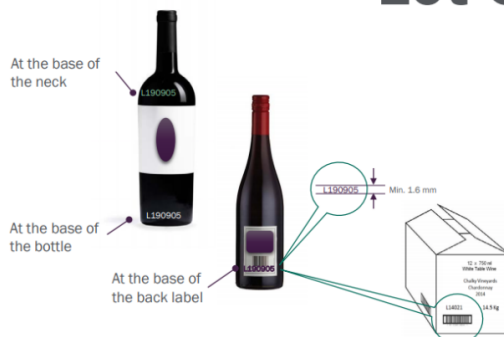
Lot Codes

Due to the Safe Food for Canadians Act, all wines now exported to Canada must have a lot code on the container. Canada will require in-market compliance on July 15, 2020. Location of the code on a bottle is not specified but it must be visible to the purchaser under normal conditions of use.

B. UPC/SCC BAR CODES

All Liquor Boards use the Universal Product Code/Shipping Container Code system and all products require these codes on labels and cases to be sold in their stores.

Lot Code



SFCR Definition

“A code that can be used to identify a lot that was manufactured, prepared, produced, stored, graded, packaged or labelled, under the same conditions”

Legibility Requirements

Must be clearly and prominently shown and readily discernible and legible to the purchaser under the customary conditions of purchase and use.



Commercial Agents

THE ROLE OF AN AGENT

Most liquor boards will not list a product unless it is represented by an agent. An agent acts as the commercial representative for suppliers who want to distribute and promote their wines in each specific market. The most important job of an agent is secure listings for a supplier and promote the products to both on-premise and off-premise customers. An agent can advise the exporter with regard to which products should be submitted, packaging compliance requirements and target price points and marketing programs.



THE AGENT IS RESPONSIBLE FOR

- Coordinating all aspects of the listing application to the various liquor boards. This includes the completion of all necessary forms, the delivery of samples and lobbying for board approval of the product.
- Maintaining regular contact with the liquor board and keeping the supplier up to date on all opportunities that exist in the market.
- Although the liquor board system does not allow agents to sell directly, the agent "sells" by encouraging individual liquor board stores, restaurants and private stores to carry the supplier's products.
- Responsible for all promotional activities associated with the products listed in Canada. This includes taking advantage of any liquor board merchandising programs, coordinating on-premise promotions and keeping the wine media informed about the products. Promotional funds are provided by the supplier and are usually based on a percentage of sales of a predetermined budget estimate.

SELECTING AN AGENT

Choosing an agent is one of the most important decisions a supplier will make when entering the Canadian market. The agent is the producer's link to the provincial liquor boards and to the Canadian market in general. The key to success is finding an agent whose expertise and existing portfolio is well suited to the exporter's brand. The search for such an agent should be carefully conducted.

Commercial Agents

GENERAL COMMENTS

An exporter should have clearly defined objectives and expectations for the Canadian market in order to select the agent who can best fulfill those objectives. One of the first decisions may be whether to be represented by a national or a regional agent.

In general, an exporter must assess how his/her brand fits into the agency's overall portfolio and how much attention the brand is likely to receive. The first step in this assessment is to review the list of suppliers and products currently represented by the agency. This will provide exporters with a clear indication about the orientation of a given agency.

Another method of evaluating the interest and ability of a potential agent is to request a short market analysis indicating the potential for your products. This will provide exporters with a better understanding of the agency's market knowledge and their skill in preparing professional presentations.

Before selecting an agent, a producer should first try to talk to the liquor boards, other California wine exporters, the Wine Institute representative or any other contacts in the market. Although these parties may not be willing to provide an unqualified endorsement to any single agent, these inquiries may yield valuable clues as to how a specific agent is perceived in the market.

NATIONAL AGENCY

A national agent will almost always offer an extensive sales organization and a central marketing and administrative support staff. It can be the simplest way to cover the Canadian market since an exporter need only deal with one office and often with only one individual. On the other hand, it sometimes takes longer for information to pass to the field from the central sales or marketing office. This may result in a slower reaction to problems and opportunities in the field.

REGIONAL OR PROVINCIAL AGENCY

Provincial or regional agencies tend to be smaller and more focused on a specific geographical area. Many are owned by entrepreneurs with no affiliation to larger companies. Most (but not all) do not have large sales forces and by choosing a series of regional agents, a supplier may find it more time-consuming to deal with the Canadian market. The advantage is that smaller agents are very focused and motivated, since they are usually self-employed and can react very quickly to opportunities in their market. Small and medium size wineries often go in this direction.

Commercial Agents

BRITISH COLUMBIA AND ALBERTA

It is important to remember that agents play an even bigger role in the provinces of British Columbia and Alberta with respect to ordering product and inventory management.

Alberta has a consignment system of inventory management, whereby the ordering, consolidation, shipment and ownership of all inventory is the responsibility of suppliers and/or agents representing the suppliers. This provides suppliers with control over the types of products they sell and the levels of inventory carried in this province.

In BC, all products imported into the province must be stored in a bonded warehouse prior to delivery to the Liquor Distribution Branch. This is called the Agent Stocking Program and it leaves responsibility for prompting purchase orders and inventory management in the hands of the local agents. It is also a consignment program since the Liquor Branch does not pay for any product until it is delivered to Branch's warehouse.

In both B.C. and Alberta, the suppliers will incur handling and storage charges in order to access third-party warehousing.



CANADIAN AGENTS LIST

A list of Canadian agents is available on www.calwinexport.com or from the Wine Institute's Trade Relations representative Danielle Giroux at danielle@calwine.com

Other sources for finding information on agents are the industry association websites in the major provinces.

Ontario – Drinks Ontario - www.drinksontario.com

Quebec – A3 Quebec – www.a3quebec.com/en/

British Columbia – Import Vintners & Spirits Association (IVSA) – www.ivsa.ca

TABLE 4 ONTARIO

MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
USA	2,318,587	6.0 %	15.2%		\$471 242 425	8.1 %	20.1%
CANADIAN/INTL BLENDS	3,829,214	1.9 %	25.2%		\$386 812 997	2.9 %	16.5%
ITALY	2,346,678	0.4 %	15.4%		\$380 497 231	2.2 %	16.2%
FRANCE	986,230	-0.8 %	6.5%		\$204 502 242	2.8 %	8.7%
AUSTRALIA	1,202,434	-1.7 %	7.9%		\$194 131 760	-1.1 %	8.3%
CANADA-VQA	1,061,047	3.5 %	7.0%		\$191 180 338	3.6 %	8.1%
CHILE	1,043,028	-0.7 %	6.9%		\$128 066 916	-0.2 %	5.5%
NEW ZEALAND	504,674	8.0%	3.3%		\$107 678 620	7.3 %	4.6%
SPAIN	564,949	43.8%	3.7%		\$85 112 564	23.2 %	3.6%
ARGENTINA	469,421	-2.6%	3.1%		\$74 181 687	-1.7 %	3.2%
PORTUGAL	347,483	6.0 %	2.3%		\$43 356 663	6.0 %	1.8%
SOUTH AFRICA	266,169	-5.6 %	1.7%		\$37 162 610	-5.0 %	1.6%
GERMANY	135,255	-6.5%	0.9%		\$17 679 010	-6.2 %	0.8%
ALL OTHERS	146,597	-6.5%	0.9%		\$27,087,455	10.5%	1.1%
TOTAL	15,221,769	2.8%	100.0%		\$2,348,692,517	3.9%	100.0%

TABLE 5 QUÉBEC

MOVING ANNUAL TOTAL APRIL 2020

EXCLUDING QUÉBEC GROCERY STORES

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
FRANCE	4,243,922	7.2 %	31.1%		\$815,710,495	8.5 %	33.7%
ITALY	3,333,813	2.7 %	24.4%		\$576,387,915	4.4 %	23.8%
USA	1,225,415	-4.8 %	9.0%		\$244,478,157	-2.8 %	10.1%
SPAIN	1,272,591	9.6 %	9.3%		\$223,230,479	10.7 %	9.2%
AUSTRALIA	681,194	-8.2 %	5.0%		\$102,390,904	-5.8 %	4.2%
PORTUGAL	677,849	5.6 %	5.0%		\$101,202,140	7.7 %	4.2%
CHILE	436,971	2.7 %	3.2%		\$71,508,995	4.6 %	3.0%
ARGENTINA	352,825	5.1 %	2.6%		\$56,205,691	8.0 %	2.3%
NEW ZEALAND	236,458	-1.2 %	1.7%		\$53,987,332	-0.9 %	2.2%
SOUTH AFRICA	349,170	2.1 %	2.6%		\$52,313,301	4.2 %	2.2%
CANADIAN/INTL BLENDS	397,707	10.5 %	2.9%		\$48,154,058	15.8 %	2.0%
GREECE	91,424	25.1 %	0.7%		\$18,645,607	25.2 %	0.8%
GERMANY	73,795	-2.3 %	0.5%		\$11,541,784	2.9 %	0.5%
CANADA-VQA	27,536	-11.1 %	0.2%		\$5,574,198	-7.4 %	0.2%
ALL OTHERS	258,563	-9.5 %	1.9%		\$35,649,372	-2.4 %	1.5%
TOTAL	13,659,232	3.4 %	100.0%		\$2,416,980,429	5.3 %	100.0%

TABLE 6
BRITISH COLUMBIA
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	3,389,303	3.7 %	41.1%		\$314 450 435	5.6 %	30.9%
CANADA-VQA	1,261,091	2.8 %	15.3%		\$214 130 818	5.3 %	21.0%
USA	842,998	2.1 %	10.2%		\$129 795 126	5.1 %	12.7%
ITALY	438,527	0.4 %	5.3%		\$66 699 417	2.7 %	6.5%
FRANCE	326,546	3.8 %	4.0%		\$59 481 894	6.3 %	5.8%
AUSTRALIA	460,080	-4.5 %	5.6%		\$53 403 109	-4.9 %	5.2%
CHILE	508,133	6.7 %	6.2%		\$46 095 236	5.4 %	4.5%
NEW ZEALAND	276,977	4.0 %	3.8%		\$46 077 381	3.8 %	4.5%
ARGENTINA	262,816	-2.6 %	3.2%		\$33 535 327	-3.9 %	3.3%
SPAIN	229,337	19.3 %	2.8%		\$21 843 504	6.3 %	2.1%
SOUTH AFRICA	105,152	3.0 %	1.3%		\$10 981 200	4.2 %	1.1%
PORTUGAL	65,782	17.9 %	0.8%		\$6 794 070	16.0 %	0.7%
GERMANY	33,636	-7.9 %	0.4%		\$4 566 178	-2.3 %	0.4%
OTHER	52,463	0.0%	0.7%		\$10,785,885	7.0%	1.1%
TOTAL	8,252,842	3.1%	100.0%		\$1,018,639,578	4.3%	100.0%

TABLE 7
ALBERTA

MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	Current Year	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
USA	1,112,970	4.7 %	25.7%		\$165 706 842	7.9 %	28.7%
CANADIAN/INTL BLENDS	1,236,762	4.6 %	28.5%		\$106 394 511	6.6 %	18.5%
ITALY	338,164	7.9 %	7.8%		\$55 003 557	8.2 %	9.5%%
AUSTRALIA	377,008	-2.9 %	8.7%		\$52 965 973	-0.6 %	9.2%
NEW ZEALAND	271,014	12.9 %	6.2%		\$43 399 038	14.6 %	7.5%
CANADA-VQA	251,367	12.4 %	5.8%		\$38 391 909	9.3 %	6.7%
ARGENTINA	237,859	-0.1 %	5.5%		\$34 391 178	0.2 %	6.0%
FRANCE	150,389	8.2 %	3.5%		\$26 332 075	11.6 %	4.6%
CHILE	179,710	1.6 %	4.1%		\$21 975 182	-0.6 %	3.8%
SPAIN	57,083	-1.9 %	1.3%		\$8 493 624	0.3 %	1.5%
GERMANY	36,338	-3.6 %	0.8%		\$4 641 435	-3.1 %	0.8%
SOUTH AFRICA	29,905	-6.3 %	0.7%		\$3 598 646	-3.6 %	0.6%
PORTUGAL	18,924	3.7%	0.4%		\$2 358 014	2.3 %	0.4%
ALL OTHERS	40,489	-6.5%	1.0%		\$12,749,737	-7.2%	2.3%
TOTAL	4,337,980	4.4%	100.0%		\$576,401,722	6.1%	100.0%

TABLE 8
NOVA SCOTIA
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	383,477	4.1 %	36.2%		\$49 855 900	5.0 %	29.0%
AUSTRALIA	161,464	1.2 %	15.2%		\$23 915 904	0.8 %	13.9%
ITALY	112,361	4.7 %	10.6%		\$21 812 265	6.3 %	12.7%
USA	103,384	0.8 %	9.8%		\$20 820 903	0.9 %	12.1%
CHILE	93,591	13.4 %	8.8%		\$13 303 275	12.3 %	7.8%
FRANCE	48,844	4.6 %	4.6%		\$11 332 540	6.6 %	6.6%
ARGENTINA	50,597	0.9 %	4.8%		\$9 649 511	3.9 %	5.6%
NEW ZEALAND	25,566	8.9 %	2.4%		\$6 749 238	9.4 %	3.9%
SOUTH AFRICA	25,015	5.0 %	2.4%		\$4 323 027	5.1 %	2.5%
SPAIN	20,879	2.8 %	2.0%		\$4 101 678	4.7 %	2.4%
GERMANY	14,087	-11.6 %	1.3%		\$2 626 177	-10.2 %	1.5%
PORTUGAL	14,479	49.7 %	1.4%		\$2 079 934	46.4 %	1.2%
CANADA-VQA	2,463	-13.0 %	0.2%		\$ 505 187	-11.8 %	0.3%
ALL OTHERS	2,606	50.5%	0.2%		\$571,599	53.0%	0.3%
TOTAL	1,058,813	4.3 %	100.0%		\$171 647 138	4.9 %	100.0%

TABLE 9
MANITOBA
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	476,442	2.3 %	38.9%		43,993,377	1.4 %	27.5%
USA	212,230	1.5 %	17.3%		32,099,086	3.5 %	20.0%
AUSTRALIA	115,367	-6.2 %	9.4%		17,735,212	-6.3 %	11.1%
ITALY	81,994	-5.1 %	6.7%		13,242,515	-1.2 %	8.3%
CHILE	87,035	-6.7 %	7.1%		10,637,070	-8.3 %	6.6%
ARGENTINA	50,072	0.1 %	4.1%		8,466,960	1.5 %	5.3%
CANADA-VQA	42,139	0.3 %	3.4%		7,785,479	-3.9 %	4.9%
FRANCE	39,316	-0.4 %	3.2%		6,806,732	1.4 %	4.2%
NEW ZEALAND	28,825	6.8 %	2.4%		6,120,284	6.6 %	3.8%
SPAIN	35,229	26.0 %	2.9%		4,961,686	13.1 %	3.1%
GERMANY	18,042	-6.3 %	1.5%		2,975,618	-6.3 %	1.9%
SOUTH AFRICA	18,557	-7.8 %	1.5%		2,610,387	-8.3 %	1.6%
PORTUGAL	12,646	4.4 %	1.0%		1,836,949	7.3 %	1.1%
ALL OTHERS	6,713	-1.8%	0.5%		\$969,553	2.9%	0.3%
TOTAL	1,224,476	0.2 %	100.0%		\$160,240,909	-0.0 %	100.0%

TABLE 10
SASKATCHEWAN
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	457,984	4.5 %	53.3%		\$36,841,731	2.8 %	38.0%
USA	129,006	-3.7 %	15.0%		\$18,463,722	-3.3 %	19.0%
AUSTRALIA	74,502	-10.6 %	8.7%		\$10,466,543	-11.1 %	10.8%
ITALY	38,240	3.1 %	4.5%		\$6,217,238	2.3 %	6.4%
ARGENTINA	41,398	-0.7 %	4.8%		\$5,923,709	-3.5 %	6.1%
CHILE	30,035	-11.0 %	3.5%		\$3,729,697	-11.2 %	3.8%
NEW ZEALAND	18,475	6.5 %	2.2%		\$3,696,169	7.9 %	3.8%
CANADA-VQA	15,890	-4.8 %	1.8%		\$3,076,876	-5.3 %	3.2%
FRANCE	16,574	-3.5 %	1.9%		\$3,006,517	-3.2 %	3.1%
SPAIN	16,017	10.1 %	1.9%		\$2,371,653	9.7 %	2.4%
GERMANY	7,227	-10.3 %	0.8%		\$1,131,782	-10.7 %	1.2%
SOUTH AFRICA	6,823	-19.1 %	0.8%		\$989,745	-17.9 %	1.0%
PORTUGAL	5,191	8.3 %	0.6%		\$746,538	8.2 %	0.8%
ALL OTHERS	1,628	-0.1 %	0.2%		\$969,553	-2.0%	0.3%
TOTAL	858,988	0.3 %	100.0%		\$96,958,313	-1.6 %	100.0%

TABLE 11
NEW BRUNSWICK
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	245,647	5.7 %	32.9%		\$28,713,289	5.2 %	24.7%
USA	95,288	-5.1 %	12.8%		\$17,976,069	-4.1 %	15.5%
AUSTRALIA	121,671	2.0 %	16.3%		\$17,620,748	-1.8 %	15.2%
ITALY	75,235	-1.7 %	10.1%		\$13,936,587	0.3 %	12.0%
CHILE	57,778	5.8 %	7.7%		\$9,158,656	7.6 %	7.9%
ARGENTINA	39,513	-3.5 %	5.3%		\$7,084,279	-0.9 %	6.1%
FRANCE	30,818	-0.9 %	4.1%		\$6,820,289	1.1 %	5.9%
NEW ZEALAND	15,301	6.2 %	2.0%		\$4,306,080	8.0 %	3.7%
SPAIN	20,114	0.9 %	2.7%		\$3,405,864	5.3 %	2.9%
SOUTH AFRICA	12,732	5.6 %	1.7%		\$2,156,007	6.7 %	1.9%
CANADA-VQA	8,967	8.6 %	1.2%		\$1,752,087	7.8 %	1.5%
GERMANY	9,116	-4.3 %	1.2%		\$1,736,814	-2.9 %	1.5%
PORTUGAL	4,357	36.2 %	0.6%		\$798,580	51.0 %	0.7%
ALL OTHERS	4,197	152.8%	1.4%		\$656,150	-23.8%	0.6%
TOTAL	747,106	2.8 %	100.0%		\$116,121,499	1.6 %	100.0%

TABLE 12
NEWFOUNDLAND
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	147,868	1.3 %	33.3%		\$21,896,750	2.5 %	26.2%
AUSTRALIA	67,620	-3.5 %	15.2%		\$12,944,976	-3.8 %	15.5%
USA	51,985	0.2 %	11.7%		\$11,403,570	3.8 %	13.6%
ITALY	55,817	4.0 %	12.6%		\$11,260,627	6.5 %	13.5%
FRANCE	20,799	0.8 %	4.7%		\$6,619,483	-2.1 %	7.9%
CHILE	31,022	1.2 %	7.0%		\$5,332,281	2.8 %	6.4%
ARGENTINA	24,871	2.3 %	5.6%		\$4,827,294	1.3 %	5.8%
NEW ZEALAND	11,433	1.2 %	2.6%		\$2,964,852	2.5 %	3.5%
GERMANY	9,969	-12.7 %	2.2%		\$1,833,653	-11.3 %	2.2%
SPAIN	7,957	-4.5 %	1.8%		\$1,671,184	-4.8 %	2.0%
SOUTH AFRICA	8,192	-7.5 %	1.8%		\$1,519,164	-6.3 %	1.8%
PORTUGAL	3,074	-3.0 %	0.7%		\$604,894	2.9 %	0.7%
CANADA-VQA	2,511	-5.1 %	0.6%		\$577,913	-4.4 %	0.7%
ALL OTHERS	1,199	23.2%	0.3%		\$189,893	23.4%	0.2%
TOTAL	444,317	0.1 %	100.0%		\$83,646,535	1.0 %	100.0%

TABLE 13
PRINCE EDWARD ISLAND
MOVING ANNUAL TOTAL APRIL 2020

	VOLUME IN 9 LITRE CASES				DOLLAR VALUE		
COUNTRY	CURRENT YEAR	% TREND	MARKET SHARE		CURRENT YEAR	% TREND	MARKET SHARE
CANADIAN/INTL BLENDS	74,188	3.6 %	43.8%		\$9,001,631	18.3 %	35.0%
USA	20,934	-2.2 %	12.4%		\$3,666,928	16.0 %	14.2%
AUSTRALIA	19,106	-0.9 %	11.3%		\$2,871,515	11.9 %	11.2%
ITALY	15,845	4.6 %	9.4%		\$2,853,823	19.2 %	11.1%
ARGENTINA	10,503	-0.8 %	6.2%		\$1,902,639	14.7 %	7.4%
NEW ZEALAND	6,067	5.4 %	3.6%		\$1,486,070	21.8 %	5.8%
CHILE	8,216	-9.9 %	4.9%		\$1,255,691	1.0 %	4.9%
FRANCE	5,059	4.2 %	3.0%		\$1,077,385	22.2 %	4.2%
SPAIN	2,764	1.5 %	1.6%		\$495,054	17.2 %	1.9%
GERMANY	2,325	29.4 %	1.4%		\$436,157	52.7 %	1.7%
SOUTH AFRICA	2,618	6.9 %	1.5%		\$415,439	24.7 %	1.6%
PORTUGAL	910	20.6 %	0.5%		\$159,012	30.1 %	0.6%
CANADA-VQA	2,511	-13.1 %	0.1%		\$30,537	-4.3 %	0.1%
ALL OTHERS	530	161.4%	0.3%		\$87,595	131.7%	0.2%
TOTAL	169,234	2.0 %	100.0%		\$25,739,479	17.2 %	100.0%

TABLE 14
NATIONAL
TOTAL WINE BY VARIETAL

VARIETAL GROUP	9L CASES	% CHG (9L)	% SHARE	SALES DOLLARS	% CHG (\$)	% SHARE
RED BLEND	7,745,134	-1.8 %	15.6 %	\$1,245,346,732	-1.1 %	15.7%
CABERNET SAUVIGNON	6,426,483	5.8 %	12.9 %	\$1,052,774,436	6.7 %	13.3%
WHITE BLEND	4,719,033	-1.5 %	9.5 %	\$662,965,669	1.2 %	8.3%
PINOT GRIGIO	4,457,200	7.3 %	9.0 %	\$606,102,959	7.7 %	7.6%
CHARDONNAY	3,516,362	4.1 %	7.1 %	\$559,045,345	6.0 %	7.0%
SAUVIGNON BLANC	3,279,743	6.1 %	6.6 %	\$518,414,822	5.7 %	6.5%
SHIRAZ	2,252,973	-4.8 %	4.5 %	\$328,065,772	-4.0 %	4.1%
MERLOT	2,013,304	-4.4 %	4.1 %	\$276,719,669	-3.4 %	3.5%
ROSE	1,631,647	9.7 %	3.3 %	\$267,290,651	11.8 %	3.4%
OTHER	1,505,804	-2.6 %	3.0 %	\$232,637,861	-0.3 %	2.9%
PINOT NOIR	1,157,644	11.9 %	2.3 %	\$270,811,453	10.1 %	3.4%
MALBEC	1,127,197	-1.1 %	2.3 %	\$166,714,543	-1.2 %	2.1%
TEMPRANILLO	965,005	19.9 %	1.9 %	\$143,095,125	13.4 %	1.8%
SANGIOVESE	867,862	-0.6 %	1.7 %	\$161,488,938	-2.8 %	2.0%
MUSCAT	833,003	0.6 %	1.7 %	\$118,954,928	-0.1 %	1.5%
GLERA	666,321	13.4 %	1.3 %	\$134,615,855	14.9 %	1.7%
ZINFANDEL	295,699	-12.9 %	0.6 %	\$98,450,317	-12.6 %	1.2%
RIESLING	578,644	-2.9 %	1.2 %	\$104,873,191	0.6 %	1.3%
GRENACHE	379,762	0.5 %	0.8 %	\$68,274,528	2.3 %	0.9%
MONTEPULCIANO	290,942	-1.7 %	0.6 %	\$32,030,875	0.5 %	0.4%
Grand Total	49,634,443	2.2 %	100%	\$7,941,196,953	3.4 %	100%

TOTAL WINE BY VARIETAL 9 LITRE CASES NATIONAL

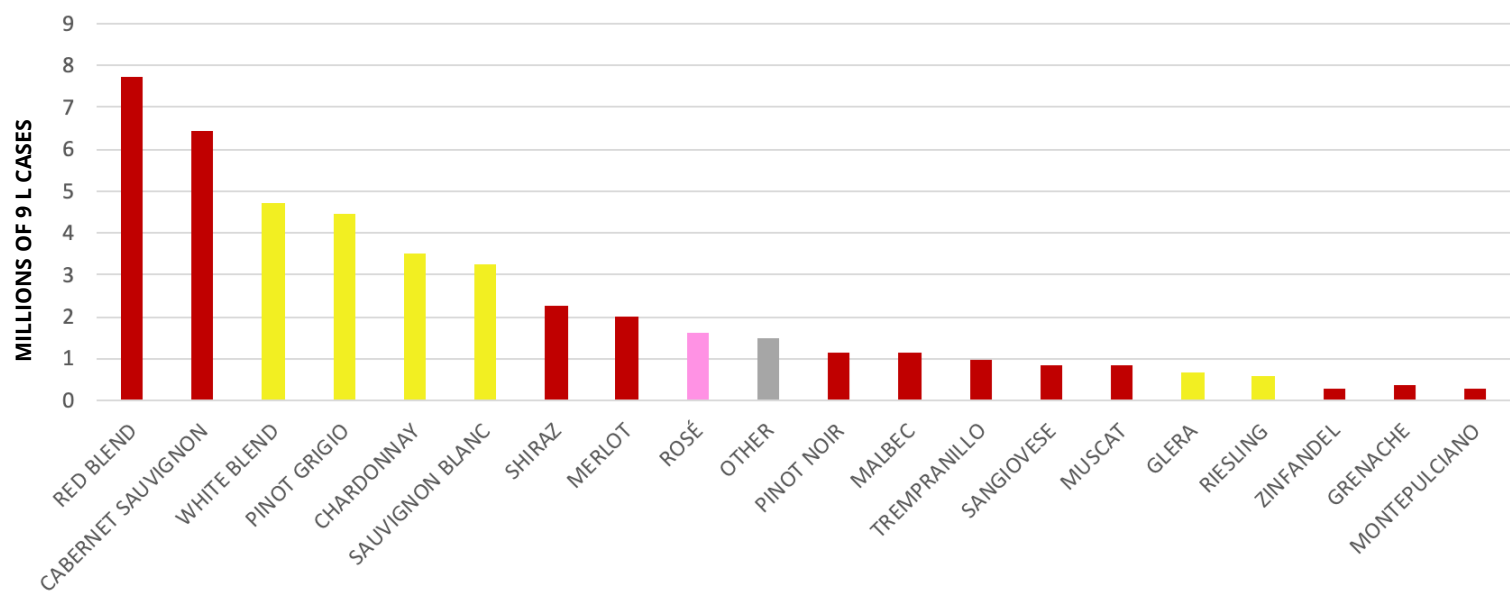


TABLE 15
NATIONAL
U.S. WINE BY VARIETAL

VARIETAL GROUP	9L CASES	% CHG (9L)	% SHARE	SALES DOLLARS	% CHG (\$)	% SHARE
CABERNET SAUVIGNON	1,938,859	11.1 %	33.7 %	431,750,344	11.1 %	40.0%
RED BLEND	780,609	-13.0 %	13.6 %	131,015,454	-13.6 %	12.1%
CHARDONNAY	615,956	3.3 %	10.7 %	128,749,342	5.3 %	11.9%
PINOT GRIGIO	440,119	-0.4 %	7.6 %	56,872,226	12.0 %	5.3%
ROSE	429,189	-4.4 %	7.5 %	11,042,147	-4.4 %	1.0%
PINOT NOIR	308,979	23.9 %	5.4 %	79,776,320	19.4 %	7.4%
OTHER	224,853	-9.4 %	3.9 %	32,075,261	-5.3 %	3.0%
MUSCAT	209,923	2.1 %	3.6 %	22,624,228	-1.4 %	2.1%
ZINFANDEL	176,898	12.0 %	3.1 %	26,078,885	-14.9 %	2.4%
SAUVIGNON BLANC	160,560	-4.2 %	2.8 %	25,080,943	-2.1 %	2.3%
MERLOT	141,817	-10.1 %	2.5 %	27,688,463	-9.0 %	2.6%
WHITE BLEND	111,950	-21.4 %	1.9 %	14,126,762	-22.8 %	1.3%
SHIRAZ	80,876	0.3 %	1.4 %	13,376,839	3.8 %	1.2%
RIESLING	26,378	2.0 %	0.5 %	4,606,758	-4.4 %	0.4%
GRENACHE	18,893	-6.0 %	0.3 %	1,848,376	-5.1 %	0.2%
PETITE SYRAH	14,500	-5.4 %	0.3 %	3,981,771	-3.0 %	0.4%
MALBEC	13,158	13.5 %	0.2 %	1,533,997	15.9 %	0.1%
CHENIN BLANC	7,784	3.2 %	0.1 %	1,008,159	10.4 %	0.1%
GEWURZTRAMINER	6,799	-23.7 %	0.1 %	935,551	-25.9 %	0.1%
VIOGNIER	2,492	-45.3 %	0.0 %	557,194	-43.6 %	0.1%
Grand Total	5,759,282	0.1 %	100%	\$1,078,960,600	1.9 %	100%

TOTAL U.S. WINES BY VARIETAL 9 LITRE CASES NATIONAL

