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Report Name: Canada to Allow Direct-to-Consumer Alcohol Sales

Country: Canada

Post: Ottawa

Report Category: Agriculture in the News, Policy and Program Announcements, Wine

Prepared By: Mihai Lupescu

Approved By: Mary Ellen Smith

Report Highlights:

Canada will open the direct-to-consumer marketing channel for the sale of alcoholic beverages among provinces. The measure applies only to products manufactured in Canada, including those that use imported alcoholic products as ingredients, such as wine blends, and spirit-based coolers.

On July 21, 2026, building on the commitments made in December 2025, nine provinces (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador) signed an agreement to remove certain internal barriers to trade by allowing direct-to-consumer (DTC) sales of alcoholic beverages between Canadian provinces. This agreement is part of a series of measures recently adopted in Canada to eliminate remaining inter-provincial barriers to trade[1], and is also aligned with Canada's trade diversification and increased self-reliance strategies, including via a new National Food Security Strategy. These actions have been motivated by increased tensions in the Canada-United States bilateral relationship, and by Canada's desire to reduce its dependence on the United States as a trade partner.

Individual consumers will be allowed to place orders in other provinces, for personal consumption, and only for products covered by the local producer's alcohol license (typically products manufactured by the producer). Covered alcoholic beverages include wine, beer, spirits, cider, and refreshment drinks. Imported products are excluded, as well as bulk products (imported, or originating in another province) only bottled by the seller. According to the agreement, provincial liquor boards are allowed to charge mark-ups, as well as various fees, taxes, and commercial, environmental, and social charges, on all products subject to DTC sales.

Missing from the signatories of the agreement was Quebec, although media reported that Premier Fréchette said she supports the deal, citing legislative amendments as a prerequisite to implementation.

These new measures are estimated to have a minimal impact on imported alcoholic beverages, except for those bulk imports used in manufacturing a Canadian alcoholic beverage – such as imported wines blended with domestic wines, or imported spirits used as base for manufacturing a Canadian spirit drink or spirit-based cooler. The DTC marketing channel is expected to become operational as soon as provincial liquor boards adjust their regulations and set up the necessary requirements for these alcohol sales.

Canada has two major wine-producing regions, Ontario and British Columbia, with two other secondary regions following far behind: Nova Scotia and Quebec. Micro-breweries and micro-distilleries exist in all provinces, increasingly appealing to millennial consumers. Coolers (ready-to-drink alcoholic beverages) and hard ciders are also produced in all provinces, these being popular among the younger consumers. The DTC agreement will allow producers of all these alcoholic beverages to ship their products directly to consumers located outside the province of origin.

Attachments:

No Attachments.

[1] Measures include the adoption of *One Canadian Economy Act*, the implementation of the *Free Trade and Labour Mobility in Canada Act*, and the elimination of Federal Exceptions in the Canadian Free Trade Agreement (CFTA).