

Voluntary Report – Voluntary - Public Distribution

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Report Name: More Alcohol at Wholesale Prices for British Columbia
Restaurants and Bars

Country: Canada

Post: Ottawa

Report Category: Beverages, Trade Policy Monitoring, Wine

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Report Highlights:

British Columbia restaurants and bars will be able to purchase alcoholic beverages at wholesale prices through March 31, 2021; hospitality sector businesses have traditionally paid full retail prices. The temporary policy is intended to support the hospitality sector during the COVID-19 pandemic and should level the playing field for imported wines.

On June 16, 2020, the British Columbia (BC) provincial government [announced](#) it will temporarily apply a wholesale pricing model for hospitality liquor licensees to support the food service and tourism industries coping with the COVID-19 pandemic. The measure will enter into force at “the end of July 2020,” and remain in effect until March 31, 2021, when it will be reassessed.

With the exception of [BC VQA wines](#), restaurants and bars in British Columbia have had to purchase alcoholic beverages (including U.S. wine, beer, and spirits) at full retail prices. The BC hospitality sector has long requested the government allow wholesale pricing, and the request was supported by the April 2018 Business Technical Advisory Panel (BTAP) [report](#). In 2017, the BTAP was [tasked](#) by the provincial government to advise on possible policy and regulatory changes to improve the efficiency and outcomes of alcohol-related policies in the province.

Despite the historical requirement for restaurants and bars to pay full retail price for liquor purchases, BC wineries have been able to sell [BC VQA wine](#) (made from 100 percent BC grapes) at wholesale prices plus a retail margin – calculated by the BC Liquor Distribution Branch (LDB) – which has resulted in lower than retail prices. According to 2018/19 [data](#), the BC hospitality sector was responsible for about 17 percent by value and 12 percent by volume of all wine sold in the province. Of the total wine sold through the hospitality sector, approximately 50 percent by value and 60 percent by volume was BC wine (VQA and non-VQA).

The hospitality sector in BC is hopeful that the provincial government will extend the wholesale pricing policy beyond March 2021, in line with the recommendations of the 2018 BTAP report. The BC Alliance of Beverage Licensees [estimates](#) that wholesale pricing would reduce the cost of alcohol purchases by restaurants and pubs by up to 20 percent.

Attachments:

No Attachments.