



Export Market Guide

Canada

November 2019



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Canada overview

Canada is an affluent, high-tech industrial society with the 16th largest GDP in the world. Canada is the second largest country in the world after Russia. It is geographically dispersed and with rich natural resources. Approximately 90 per cent of the population lives within 160 kilometres of the US border.

Australia has a strong bilateral relationship with Canada. Both countries have Westminster systems of government and similar standards of living. Canada and Australia have bilateral agreements covering trade, social security, consular services abroad and mutual assistance in criminal matters.¹

The Canadian alcohol market is controlled by provincial liquor control boards which hold a monopoly on the market. Each Canadian province, with the exception of Alberta, has a government-controlled liquor control board which regulate liquor licensing, importation of alcoholic beverages and labelling and packaging standards. Individual provinces may also have their own set of rules.

The information in this report should be used as a guide only. It is recommended that companies intending to export to Canada consult with a provincial liquor control board.

¹ Department of Foreign Affairs and Trade – Canada Country Brief

Demographics

(2018 est.)

Population	35,881,659 (July 2018 est.)
Capital city	Ottawa
Language	English (official) 58.7%, French (official) 22%, Punjabi 1.4%, Italian 1.3%, Spanish 1.3%, German 1.3%, Cantonese 1.2%, Tagalog 1.2%, Arabic 1.1%, other 10.5% (2011)
Population growth rate	0.72%
Ethnic Groups	Canadian 32.3%, English 18.3%, Scottish 13.9%, French 13.6%, Irish 13.4%, German 9.6%, Chinese 5.1%, Italian 4.6%, North American Indian 4.4%, East Indian 4%, other 51.6% (2016 est.)
Religions	Catholic 39% (includes Roman Catholic 38.8%, other Catholic 0.2%), Protestant 20.3% (includes United Church 6.1%, Anglican 5%, Baptist 1.9%, Lutheran 1.5%, Pentecostal 1.5%, Presbyterian 1.4%, other Protestant 2.9%), Orthodox 1.6%, other Christian 6.3%, Muslim 3.2%, Hindu 1.5%, Sikh 1.4%, Buddhist 1.1%, Jewish 1%, other 0.6%, none 23.9% (2011 est.)
Major cities	Toronto 6.082 million; Montreal 4.172 million; Vancouver 2.531 million; Calgary 1.477 million; Edmonton 1.397 million; Ottawa (capital) 1.363 million (2018)

Source: CIA World Factbook

Economics

Currency	Canadian dollar (CAD)
Exchange rates	(Sept 2019 AUD \$1 = 0.901 CAD) www.xe.com
GDP per capita (PPP)	US \$48,400 (# 34 in world comparison)
Inflation	1.6%
Unemployment rate	6.3%
Government type	Constitutional monarchy that is also a parliamentary democracy and a federation
Ports and harbours	Halifax, Saint John (New Brunswick), Vancouver, Montreal, Vancouver, Quebec City, Sept-Isles (St. Lawrence); Fraser River Port (Fraser); Hamilton (Lake Ontario)

Source: CIA World Factbook

Regulatory Environment

The *Federal Importation of Intoxicating Liquors Act 1985* gives Canadian provinces full control over the importation of alcohol into their jurisdictions. Provincial Liquor Control Boards may set their own standards, in which case, the standards of the liquor board prevail.

The Federal Canadian Food Inspection Agency (CFIA) publishes the *Food and Drugs Act 1985* and *Regulations* and the *Consumer Packaging and Labelling Act 1985* and *Regulations*. However, product packaging standards and labelling are administered on a provincial level. The CFIA also administers the *Safe Food for Canadians Act 2018* (SFCA) and *Regulations 2018* (SFCR).

The Canada Border Services Agency regulates the import process.

The regulatory framework is established under the following principal regulations:

- *Federal Importation of Intoxicating Liquors Act* (R.S.C., 1985, c. I-3)
- *Food and Drugs Act* (R.S.C., 1985, c. F-27)
- *Food and Drug Regulations* (C.R.C., c 870)
- *Consumer Packaging and Labelling Act* (R.S.C., 1985 c. C-38)
- *Consumer Packaging and Labelling Regulations* (C.R.C., c. 417)
- *Safe Food for Canadians Act* (SOR/2018-108)
- *Excise Act 2001* (S.C. 2002, c. 22)

Duties and Taxes

The government of Canada levies four taxes on alcohol beverage products:

- Customs Duty
- GST (Goods and Services Tax)
- HST (Harmonised Sales Tax) – in some provinces HST replaces GST and Provincial Sales Tax
- Provincial Sales Tax (collected by the provinces)

Customs Duty

Under the Comprehensive and Progressive Trans-Pacific-Partnership (CPTPP) Australian cider and perry enter Canada tariff free. The CPTPP tariff rate applies to Australian cider and perry.

The CPTPP which was signed by all 11 member countries on 8 March 2018. It entered into force on 30 December 2018 for Australia, Canada, Japan, Mexico, NZ, Singapore and Vietnam (it is still undergoing internal ratification in Brunei, Chile, Malaysia and Peru). Further details can be seen here – dfat.gov.au/trade/agreements/in-force/cptpp

Tariff Heading	Description	MFN Tariff ¢ / litre	CPTPP Tariff %
22.06	Other fermented beverages (for example, cider, perry, mead, saké); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included:		
	--- Cider:		
2206.00.11	Sparkling, of an alcoholic strength by volume not exceeding 22.9% vol	28.16¢/litre	0
2206.00.12	Other Sparkling	28.16¢/litre	0
2206.00.18	Other cider, of an alcoholic strength by volume not exceeding 22.9% vol	3%	0
2206.00.19	Other	3%	0
	--- Perry:		
2206.00.31	Sparkling, of an alcoholic strength by volume not exceeding 22.9% vol	21.12¢/litre	0
2206.00.39	Other	21.12¢/litre	0

Source: Canada Border Services Agency

The Canadian Revenue Agency levies an excise tax on alcoholic beverages produced in Canada at rates the same as the import duty. The excise tax is not imposed on imported alcoholic beverages.

GST/HST and Provincial Sales Tax

Goods and Services Tax (GST) and Harmonised Sales Tax (HST) are levied at the federal level by the Canada Revenue Agency (CRA) while the Provincial Sales Tax (PST) is a provincial tax. The HST is a combination of the GST and the PST. The taxes are a consumption tax paid by the consumer at the point of sale. Canadian business owners must collect and remit the HST/GST to the CRA.

Province	PST	GST	HST
Alberta	0%	5%	-
British Columbia	7%	5%	-
Manitoba	7%	5%	-
New Brunswick	-	-	15%
Newfoundland & Labrador	-	-	15%
Nova Scotia	-	-	15%
Ontario	-	-	13%
Prince Edward Island	-	-	15%
Québec	9.975%	5%	-

Saskatchewan	6%	5%	-
Northwest Territories	0%	5%	-
Nunavut	0%	5%	-
Yukon	0%	5%	-

Provincial Tax Structure

This information should be used as a **guide only**. Information has been sourced from various Liquor Control Board websites. All provincial liquor boards must act as the first importer of alcoholic beverages. Alberta has only privately-owned liquor stores while British Columbia operates both private and government-owned retail outlets. All prices shown are CAD.

Alberta (at 13 September 2019)

Category	Mark-up per litre
Fruit Wine & Mead (sold from estate winery/meadery farm gates and/or farmers' and artisan markets)	\$0.70
Spirits > 22% to ≤ 60%	\$13.76
Spirits ≤ 22%	\$10.36
Wine & Sake > 16%	\$6.56
Wine & Sake ≤ 16%	\$3.91

The AGLC calculates a wholesale price using the supplier's price then adding federal customs and excise taxes and duties, a recycling fee, a container deposit and the provincial mark-up. Mark-up rates depend on product type and alcohol percentage. They are assigned according to an approved rate schedule that is established by policy and reviewed regularly.

British Columbia (effective 1 April 2015)

BC'S Liquor Distribution Branch uses a cost plus mark-up model.

Product Types	New Wholesale Rates	Mark-up boundaries	Mark-up applied	Product category (cost p/L)
Wines (incl. fortified wines)	89% with graduated mark-up for cost portion above \$11.75/L	On first \$11.75/L cost per litre	89%	\$0-\$11.75
		On any amount over \$11.75/L cost per litre	27%	\$11.76+
Spirits	124% with graduated mark-up for cost portion over \$21/L	On first \$21 cost per litre	124%	\$0-\$21
		On next \$8.20 cost per litre	93%	\$21.01-\$29.20
		On next \$8.20 cost per litre	62%	\$29.21-\$37.40
		On any amount over \$37.40 cost per litre	43%	\$37.41

Manitoba (effective 6 July 2015)

Product	Size /ml	Mark-up %	Per Package Minimum Mark-up	Per Package Surcharge	Package equalization per unit	Imports Only Commercial Consideration Per package	
						U.S.	Other
Refreshment Beverages (Coolers & Ciders)	330	95	0.9765	0.2746	0.0500	0.0726	0.1353
	341	95	1.0087	0.2837	0.0500	0.0750	0.1398
	355	95	1.0504	0.2954	0.0500	0.0781	0.1456
	375	95	1.1099	0.3120	0.0500	0.0825	0.1538
	473	95	1.4000	0.3935	0.0700	0.1041	0.1939
	650	95	1.8547	0.5408	0.0700	0.1430	0.2665
	710	95	2.0157	0.5907	0.1000	0.1562	0.2911
	750	95	2.1401	0.6240	0.4400	0.1650	0.3075
	1000	95	2.8534	0.8320	0.1400	0.2200	0.4100
	1140	95	3.2529	0.9485	0.1600	0.2508	0.4674
	1364	95	3.4989	1.1348	0.2000	0.3001	0.5592
	1420	95	3.6425	1.1814	0.2000	0.3124	0.5822
	1750	95	3.8351	1.4560	0.2500	0.3850	0.7175
	1980	95	3.9055	1.6474	0.3000	0.4356	0.8118
	2000	95	3.9450	1.6640	0.2800	0.4400	0.8200
2046	95	4.4781	1.7023	0.3000	0.4501	0.8389	
4260	95	9.3238	3.5443	0.6000	0.9372	1.7466	

NOTES:

- Calculations of Per Package Surcharge for each category are done on a per litre basis but have been listed for each size.
- Calculations of Package Equalization for each category are done on a per package basis unique to each size in the category.
- Calculations of commercial consideration for each category are done on a per litre basis. Commercial consideration is applied to all import products as well as MLCC distributed beer.
- Retail prices are calculated by applying the greater of the minimum dollar mark-up as above or mark-up percentage as above, on the landed cost per bottle or per can cost. The Per Package Surcharge are added to this amount. For imported products and MLCC distributed beer, a fixed dollar-per-litre 'commercial consideration' is then added. Provincial sales tax of 8% and Goods and Services Tax of 5% is applied at the cash register.
- All alcoholic beverages, excluding beer which are in non-deposit but recyclable containers, have an environmental protection tax built into the pricing structure (5¢ for bottles less than 750ml and 10¢ for bottles of 750ml or more).
- Gift items (including liquor in special bottles, gift packs, special packaging, etc.) are priced by applying the full mark-up to the landed cost of the liquor. No mark-up is applied to the gift and/or packaging of the product.
- Refreshment beverages include spirit, wine based coolers, malt based coolers over 4% residual sugar or sweetened with artificial sweeteners, stevia or other sweetening agents and ciders.

Manitoba Cottage Winery Mark-up and Surcharge Levels

To qualify for the mark-up and surcharge rates, cottage wineries must have annual worldwide production of less than 100,000 litres of finished product.

Levels	Litres	Current Mark-up %	Surcharge \$/ltr
Level 1	< 25,000	34%	\$1.2607
Level 2	25,001 – 50,000	40%	\$1.2607
Level 3	50,001 – 100,000	66.5%	\$1.2607
Level 4	> 100,000	95%	\$1.701

Ontario (at April 2019)

LCBO Pricing Examples for Cider (\$CDN for 0.473 l bottle)

Price Components		Domestic	EU	NAFTA	Other
Payment to Supplier		1.0334	1.0334	1.0334	1.0334
Federal Excise Tax ¹	\$0.313 / litre	0.1480	0.1480	0.1480	0.1480
Federal Import Duty	Free	-	-	--	
Freight		-	0.2038	0.2038	0.2038
Total Landed Cost		1.1815	1.3853	1.3853	1.3853
LCBO Mark-up ²	60.6%	0.7160	0.8395	0.8395	0.8395
LCBO Wine Levy	N/A	-	-	-	-
Cost of Service ³	Varies	-	0.2845	0.1494	0.3073
LCBO Volume Levy	\$0.28 per litre	0.1372	0.1372	0.1372	0.1372
LCBO Environment Levy ⁴	\$0.0893 per container	0.0893	0.0893	0.0893	0.0893
LCBO Rounding Revenue ⁵		-	0.0077	0.0100	0.0292
Basic Price		2.12	2.74	2.61	2.79
HST	13%	0.28	0.36	0.34	0.36
Container Deposit ⁶	\$0.10 per container	0.10	0.10	0.10	0.10
Consumer Price⁷		\$2.50	\$3.20	\$3.05	\$3.25

1. The excise rate will be automatically adjusted by the Consumer Price Index on April 1 of every year, starting in 2018.
2. LCBO mark-up as a share of Landed Cost.
3. Cost of service charges are applied at a flat per litre rate by region except for domestic products.
4. Environmental levy applies to containers that cannot be returned for refilling by manufacturer.
5. Consumer price is rounded up to the next nickel.
6. Products are subject to container deposit rates based on container size.
7. Wine products are subject to floor pricing.

Quebec (at February 2016)

Non-Fortified Wine Pricing Structure (based on a 12-bottle case of 750 ml or equivalent)

Base Price	Fixed Mark-Up ^{Error!} Reference source not found.	Ad-Valorem Mark-Up	Educ Alcool Fee	Collecte Sélectiv Tax	Specific Tax
\$20.00 - \$40.00	3.28%	121%	12¢	0.03¢	\$0.89
\$40.00 - \$55.00	3.28%	108%	12¢	0.03¢	\$0.89
\$55.00 - \$75.00	3.28%	80%	12¢	0.03¢	\$0.89
\$75.00 - \$175.00	3.28%	40%	12¢	0.03¢	\$0.89
Greater than \$175.00	3.28%	65%	12¢	0.03¢	\$0.89

Breakdown of the sales price

Imported wine, 750 ml format (in CAD and percentages)

Mark-up*	\$6.17	41.1%
Supplier price, in CAD, including shipping	5.34	35.6
Provincial sales tax	1.30	8.7
Specific tax paid to the Govt. of Quebec	1.05	7.0
Federal GST	0.65	4.3
Excise taxes and customs duties paid to Govt. of Canada	0.49	3.3
Retail Price (per bottle)	\$15.00	100.0%

* The mark-up covers selling, merchandising, distribution and administrative expenses and generates net income.

Cider Standards

The following standards are based on the national Canadian *Food and Drug Regulations* (C.R.C c. 870). Cider is defined in Part B, Division 2. Provincial Liquor Control Boards may set their own standards, in which case, the standard of the liquor board prevails. Analytical parameters for provinces not outlined below should be obtained from the various liquor control boards.

Cidermaking ingredient	Maximum Concentration or Limit	
	Function	Application Scope
Alcohol by volume		
<ul style="list-style-type: none"> Cider Sparkling cider 		2.5% to 13.0% Not less than 7.0%
Yeast	Additive	GMP
Concentrated apple juice	Additive	GMP
Sugar, dextrose, invert sugar, glucose, glucose solids or aqueous solutions	Additive	GMP
Yeast foods	Additive	GMP
Sulphurous acid, including salts	Additive	<ul style="list-style-type: none"> 70 ppm in the free state 350 ppm total calculated as sulphur dioxide
Tartaric acid and potassium tartrate	Additive	GMP
Citric acid	Additive	GMP
Lactic acid	Additive	GMP
Pectinase and amylase	Additive	GMP
Ascorbic or erythorbic acid, or salts thereof	Additive	GMP
Activated carbon	Fining agent	GMP
Clay	Fining agent	GMP
Diatomaceous earth	Fining agent	GMP
Gelatin	Fining agent	GMP
Albumen	Fining agent	GMP
Sodium chloride	Fining agent	GMP
Silica gel	Fining agent	GMP
Casein	Fining agent	GMP
Tannic acid	Fining agent	200 ppm
Polyvinylpyrrolidone	Fining agent	2 ppm in the finished product
Caramel		GMP
Brandy, fruit spirit or alcohol derived from the alcoholic fermentation of a food source distilled to not less than 94% abv	Additive	GMP

Carbon dioxide	Additive	GMP
Oxygen	Additive	GMP
Ozone	Additive	GMP
Sorbic acid or salts thereof	Additive	500 ppm calculated as sorbic acid
Volatile acid	Composition	0.2% w/v calculated as acetic acid*

* determined by official method FO-2, Determination of Volatile Acidity of Wine, Cider and Champagne Cider, October 15, 1981.

Quebec (SAQ)

Quebec Analytical Parameter	Specification Maximum	Application Scope
Alcohol by volume		
<ul style="list-style-type: none"> Cider 	1.5% to not more than 15%	
<ul style="list-style-type: none"> Cidre bouché 	1.5% to not more than 7.0%	
<ul style="list-style-type: none"> Apple brandy 	Not less than 52% to not more than 80%	
Alcohol (actual vs declared)		
<ul style="list-style-type: none"> Cider 2.5 – 5.5% 	± 0.5%	
<ul style="list-style-type: none"> Cider 5.6 – 13.0% 	± 1.0%	
Sorbic acid or potassium sorbate	500 ppm calculated as sorbic acid	
Volatile acidity (expressed as sulphuric acid)		
<ul style="list-style-type: none"> Cider 	1.64 g/L (or 2 g/L expressed as acetic acid)	
<ul style="list-style-type: none"> Cidre bouché 	0.8 g/L	
Sulphur dioxide including salts		
<ul style="list-style-type: none"> Free 	70 ppm	
<ul style="list-style-type: none"> Total 	420 ppm	
Sulphur dioxide in Organic Products		
<ul style="list-style-type: none"> Less than 5% residual sugar 	30 ppm free / 100 ppm total	
<ul style="list-style-type: none"> 5% or more but less than 10% residual sugar 	35 ppm free / 150 ppm total	
<ul style="list-style-type: none"> 10% or more residual sugar 	45 ppm free / 250 ppm total	
Potassium ferrocyanide	Undetectable after processing	
Arsenic	0.1 ppm	
Lead	0.2 ppm	
Methyl alcohol		
<ul style="list-style-type: none"> Cider 	420 ppm	
<ul style="list-style-type: none"> Ice Cider 	700 ppm	
Pesticide residues standardized for raw materials	PMRA standards for appl	
Other pesticide residues*	0.1 ppm	
Acidification by tartaric, citric, malic or lactic acid	2 g/L expressed as sulphuric acid	
Deacidification by calcium carbonate, neutral potassium tartrate and double calcium salt of tartaric and malic acids	2 g/L expressed as sulphuric acid	

* For a given pesticide residue in which no standard has been established by the Health Canada Pest Management Regulatory Agency (PMRA), the maximum allowed concentration of the residue is 0.1 ppm for any given food.

For all other permitted additives refer to the list above. For detailed information refer to legisquebec.gouv.qc.ca/en

Ontario (LCBO)

LCBO Analytical Parameter	Specification Maximum
	Application Scope
Arsenic	100 µg/L
Cadmium	20 µg/L
Cobalt	20 µg/L
Diethylene glycol	10 mg/L
Ethyl alcohol (actual vs declared)	
• Cider less than 5.6% abv	± 0.5 %
• Cider 5.6% to 13.0% abv	± 1.0 %
• Non-standardised product	± 0.5 %
Ethyl carbamate	30 µg/L
Lead	200 µg/L
Methyl Alcohol	400 mg/L
Sodium	500 mg/L
Sorbic acid	
• < 10 g/L sugar	200 mg/L
• > 10 g/L sugar	500 mg/L
• Organic cider	Non-detectable
Sulphur dioxide	
Free	
• > 35 g/L residual sugar	70 mg/L
• < 35 g/L residual sugar	50 mg/L
Total	
• > 35 g/L residual sugar	400 mg/L
• < 35 g/L residual sugar	300 mg/L
Organic cider	
Free	
• < 50 g/L residual sugar	30 mg/L
• 50-99 g/L residual sugar	35 mg/L
• >99 g/L residual sugar	45 mg/L
Total	
• < 50 g/L residual sugar	100 mg/L
• 50-99 g/L residual sugar	150 mg/L
• >99 g/L residual sugar	250 mg/L
Total reducing sugars	No limit
Turbidity	4 Nephelometric Turbidity Units (NTU)
Volatile acidity (expressed as acetic acid)	1.30 g/L

Further information can be found here: www.doingbusinesswithlcbo.com/tro/Packaging-Quality

Maximum Residue Limits

This list is not exhaustive. Refer to the MRL Database on Health Canada's website for further details – <http://pr-rp.hc-sc.gc.ca/mrl-lrm/index-eng.php>

MRL	Specification Maximum	
	Maximum Residue Limit mg/kg	Type of Food
Acetamiprid	1	Apples, pears
Aminoethoxyvinylglycine hydrochloride	0.08	apples
Bifenthrin	0.9	Pears
Buprofezin	3 6	Apples Pears
Carbendazim	5	Apples, pears
Cyantraniliprole	1.5	Apples, pears
Cyclaniliprole	0.3	Apples
Diphenylamine	5	Apples
Ethephon	3	Apples
Fenpyroximate	0.3	Apples, pears
Flupyradifurone	0.7	Apples
Fosetyl-aluminum	1	apples
Imidacloprid	0.6	Apples
Methidathion	0.5	Apples, pears
Metrafenone	1.5	Apples
Novaluron	2	Apples, pears
Prohexadione calcium	3	apples
Propargite	3	apples
Thiabendazole	10	Apples, pears
2,4-D	0.5	Pears
Kresoxim-methyl	0.5	Pears

Ontario (LCBO) Maximum Residue Limits

The LCBO imposes a maximum concentration level of 100 µg/L for agricultural chemicals. Organic products must have no detectable levels of any agricultural chemicals.

Ontario (LCBO) Agri-Chemicals Routinely Tested in Alcoholic Beverages

Carbaryl (Sevin)	Euparen (Dichlofluanid)	Myclobutanil
Chlorpyrifos-methyl ester	Fenarimol	Parathion
Diazinon	Guthion (Azinphos-methyl)	Phosalone
Dichloran	Imidan (Phosmet)	Procymidone
Dicofol	Iprodione (Rovral)	Triadimefon
Dimethoate	Methiocarb (Mesuro)	Vinclozolin

Labelling

Reference	Mandatory Items	Minimum Height	Position
A1	Common Name	> 1.6 mm	PDP*
A2	Volume Statement	> 3.3 mm	PDP*
A3	Country of Origin	> 1.6 mm	PDP*
A4	Alcohol Statement	> 1.6 mm	PDP*
A5	Name & Address	> 1.6 mm	Not defined
A6	Lot Number	Not defined	Not defined
A7	Product Date Coding ²	> 1.6 mm	Not defined
A8	Allergens Statement	> 1.1 mm	Any panel
A9	List of Ingredients ³	> 1.1 mm	Any panel
A10	Product Code	Province-specific	Not defined
Reference	Optional Items	Height	Position
A11	Recycling Statement	> 1.6mm	Not defined
A12	Health or Nutrition Claims	Not defined	Not defined
A13	Age Claims	Not defined	Not defined
A14	Sugar Content Claims	Not defined	Not defined

The following information is based on *Canadian Food and Drug Regulations* (C.R.C. c.870), the *Consumer Packaging and Labelling Regulations* and the *Safe Food for Canadians Regulations*. The Canadian government's guide to labelling alcoholic beverages can be viewed here –

www.inspection.gc.ca/food/labelling/alcohol. The [SAO](#) and [LCBO](#) also provide detailed guides for labelling and packaging requirements.

This guide incorporates recent changes under the *Food and Drug Regulations*. The transition period for changes under the new regulations will take effect on 14 December 2021 after which time product labels must be compliant.

Exporters should keep in mind that standard drinks and preservative and allergens statements that are not labelled in accordance with Canadian specifications should not be included on labels for Canada.

Language

The labelling of certain mandatory information must be presented in both French and English including the country of origin, common name and name and address.

² Only required for Bag-In-Box or Tetra-pak products.

³ Only non-standard cider requires an ingredient list.

Quebec

If the product is to be marketed in Quebec 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 Item Position

* PDP – Principal Display Panel

The *Safe Food for Canadians Regulations* define principal display panel as the part of the label that is applied to all or part of the principal display surface. The principal display surface in respect of a container of pre-packaged food means:

- a. if the container has a surface that is displayed or visible under customary conditions of sale or use, the total area of that surface, excluding any surface that is the top of the container
- b. if the container has a lid that is the part of the container that is displayed or visible under customary conditions of sale or use, the total area of the top surface of the lid

The information required to appear on the PDP includes:

- Alcohol Statement
- Volume Statement
- Country of Origin
- Common Name

Each character must also use identical 'leading' of at least 2.5 mm. Leading is the space between lines of type and is measured from the baseline of the letters in one line of type to the baseline of the letters in the line of type above it.

References to labelling requirements

A1 Common Name

The common name by which the beverage is known must appear on the PDP in both English and French in bold face type but not in italics. If the common name has a prescribed standard, then that name must be used. The Canadian regulations define the terms 'cider/cidre' and 'sparkling cider/cidre mousseux'. Minimum print height is 1.6mm.

Product Type	Definition
Cider/Cidre	<ul style="list-style-type: none">• The product of the alcoholic fermentation of apple juice;• Containing not less than 2.5% and not more than 13.0% absolute alcohol by volume• Complies with the manufacturing standards outlined in Cider Standards (above)
Champagne Cider/Sparkling Cider/ Cidre mousseux	<ul style="list-style-type: none">• Cider that is impregnated with carbon dioxide under pressure by:

- Conducting the afterpart of the fermentation in closed vessels, or
- Secondary fermentation in closed vessels with or without the addition of sugar, dextrose, invert sugar, glucose or glucose solids or aqueous solutions thereof,
- Containing not less than 7% absolute alcohol by volume

Quebec definitions

Product Type	Definition
Cider/Cidre	<ul style="list-style-type: none"> ● Alcoholic beverage obtained by the alcoholic fermentation of apple juice ● Containing not less than 1.5% alcohol by volume and not more than 15% by volume
Crackling cider/Cidre pétillant	<ul style="list-style-type: none"> ● If the alcoholic beverage contains between 1.5 and 2.5 volumes of dissolved carbon dioxide per volume of finished product
Sparkling cider/Cidre mousseux	<ul style="list-style-type: none"> ● If the alcoholic beverage contains between 3.5 to 5.5 volumes of dissolved carbon dioxide per volume of finished product.
Apple brandy/eau-de-vie de cidre	<ul style="list-style-type: none"> ● Unrectified mixture of alcohol and water obtained by the distillation of the must of apples ● Containing not less than 52% and not more than 80% alcohol by volume
Aperitif cider/cidre apéritif	<ul style="list-style-type: none"> ● Cider to which flavouring substances, sugar or apple juice may have been added ● Through fermentation or the addition of neutral alcohol or apple brandy, has an actual alcoholic strength of not less than 15% and not more than 20% by volume ● must have the typical characteristics of an aperitif wine or the sensory characteristics of apples or cider ● may be replaced by 'vermouth cider' or 'apple vermouth' if the cider has the typical characteristics of a vermouth as a result of the flavouring obtained by the use of derived substances, in particular the Artemisia species
Flavoured cider/cidre aromatisé	<ul style="list-style-type: none"> ● Cider to which fruit or fruit juice, honey or maple syrup has been added ● has an actual alcoholic strength of not less than 1.5% and not more than 15% by volume ● has the sensory characteristics of apples or cider
Cidre bouché	<ul style="list-style-type: none"> ● Cider to which apple juice may be added, that is naturally effervescent ● has undergone fermentation in the bottle for not less than 4 weeks ● has between 3.5 and 5.5 volumes of dissolved carbon dioxide per volume of finished product ● has a volatile acidity of not more than 0.8 g per litre expressed as g/L of sulphuric acid

	<ul style="list-style-type: none"> • has an actual alcoholic strength of not less than 1.5% and not more than 7% by volume
Cidre bouché on lees/cidre bouché sur lie	<ul style="list-style-type: none"> • Cidre bouché that has matured on its lees for not less than 6 months
Traditional cidre bouché/ cidre bouché traditionnel	<ul style="list-style-type: none"> • Cidre bouché on lees whose lees have not been removed from the bottle
Ice cider/cidre de glace	<ul style="list-style-type: none"> • Cider obtained by the fermentation of juice of apples that has a pre-fermentation sugar content of not less than 30° Brix achieved solely by natural cold, producing a finished product with a residual sugar content of not less than 130 g per litre • Has an actual alcoholic strength of more than 7% but not more than 13% by volume
Naturally sweet cider/cidre doux naturel	<ul style="list-style-type: none"> • Partially fermented cider • has an actual alcoholic strength of not less than 1.5% and not more than 3.5% by volume before the addition of neutral alcohol or apple brandy • producing a finished product with a residual sugar content of not less than 70 g per litre and an actual alcoholic strength of not less than 15% and not more than 20% by volume
Strong cider/cidre fort	<ul style="list-style-type: none"> • Cider to which sugar or apple juice may be added before or during production, producing a finished product with a residual sugar content of not more than 110 g per litre • Has an actual alcoholic strength of more than 7% but not more than 15% by volume • 'Strong cider' may be replaced by the single word 'cider'
Light cider/cidre léger	<ul style="list-style-type: none"> • Cider to which sugar or apple juice may be added before or during production, producing a finished product with a residual sugar content of not more than 110 g per litre • Has an actual alcoholic strength of not less than 1.5% and not more than 7% by volume • 'Light cider' may be replaced by the single word 'cider' • The word 'perlant' may be used if light cider contains not more than 1 volume of dissolved carbon dioxide per volume of finished product and is characterized at opening by the appearance of a few bubbles indicating light effervescence
Liquoreux cider/cidre liquoreux	<ul style="list-style-type: none"> • Cider that has a residual sugar content of not less than 80g per litre • Has an actual alcoholic strength of not less than 5% and not more than 15% by volume
Cider cocktail/cocktail au cidre	<ul style="list-style-type: none"> • An alcoholic beverage obtained from cider to which flavouring substances must be added and to which sugar may be added • has an actual alcoholic strength of not less than 1.5% and not more than 7% by volume
Apple mistelle/mistelle de pomme	<ul style="list-style-type: none"> • The alcoholic beverage obtained by adding neutral alcohol or apple brandy to apple juice

	<ul style="list-style-type: none"> has an actual alcoholic strength of not less than 15% and not more than 20% by volume
Flavoured apple mistelle/mistelle de pomme aromatisée	<ul style="list-style-type: none"> Apple mistelle to which fruits, fruit juice, honey or maple syrup have been added, the finished product having the sensory characteristics of apples
Fire cider/cidre de feu	<ul style="list-style-type: none"> Cider obtained by the fermentation of juice of apples that has a pre-fermentation sugar content of not less than 28° Brix achieved solely by heat producing a finished product with a residual sugar content of not less than 80 g per litre has an actual alcoholic strength of more than 9% but not more than 15% by volume.

A2 Volume Statement

The volume statement must appear on the PDP, clearly and prominently displayed, easily legible and in distinct contrast to other information. The volume must be shown in metric units of volume and bold face. Quantities less than 1 litre can be shown in millilitres, while larger quantities must be shown in litres.

The minimum print height is 1.6mm on sizes to 50mL; 3.3mm on sizes above 50mL to 750mL; 6.4mm on sizes above 750mL to 5L. The statement must be abbreviated correctly as ‘mL’ rather than ‘ml’ or ‘ML’.

A3 Country of Origin

The format for the country of origin statement is not defined in Canada, however, the country of origin must be stated in both English and French. Acceptable statements include; ‘Product of Australia, Produit d’Australie’ or ‘Cider of Australia, Cidre d’Australie’. The statement must appear on the PDP with a minimum print height of 1.6mm.

A4 Alcohol Statement

The alcohol format is prescribed in Canadian regulations. If an alcoholic beverage contains 1.1% or more alcohol by volume, the percentage by volume of alcohol present in the alcoholic beverage must be shown on the principal display panel. The following formats are acceptable:

- ‘x% alc./vol.’ or ‘x% alc/vol’
- ‘alc. x% vol.’ or ‘alc x% vol’

Note: ‘Alc x% by vol’, x% Alc./Vol. or ‘Alc x% by volume’ are considered to be English only and require the French equivalent to also appear. In this case the statement must be written out in full English and French; ‘x% alcohol by volume’ and ‘x% d’alcool par volume’.

The alcohol statement must appear on the PDP with a minimum print height of 1.6mm. There is a 1.0% tolerance for alcohol below 16% alcohol by volume and a 0.5% tolerance for alcohol above 16% alcohol by volume.

A5 Name and Address

The legal name of the company and the address must be shown in English and French. Importers details are optional, however, if included must be preceded by the words 'imported by/importée par' or 'imported for/ importée pour'. If using Australian producer details the name of the country should also be included and preceded by the words 'produced by/produit par'.

The name and address can appear anywhere on the label with a minimum print height of 1.6mm.

A6 Lot Number

The Lot Number must be shown by a legible code enabling the product to be traced back to an identifiable batch. The lot number should be preceded by one of the following: 'Lot number', 'Lot No.', 'Lot' or '{L}'. The format of the actual number is not prescribed and need only have meaning to the manufacturer. The lot number can appear on the label or the bottle but must be clearly and prominently shown, readily discernible and legible to the purchaser under the customary conditions of purchase and use.

The SAQ (Quebec) recommend using one of the following two batch number formats:

- L070121, i.e. the letter L followed by the two-digit year number (07 for 2007), two-digit month number (01 for January) and two-digit day number (21 for the 21st day)
- L7021 i.e. the letter L followed by the one-digit year number (7 for 2007) and three-digit number of the day of the year (021 for January 21)

A7 Product Date Coding

This requirement only applies to Bag-In-Box or Tetra-pak products which must be clearly marked with a product date code. Either the production date or best before/freshness date can be used. The statement can appear anywhere on the package. Acceptable formats include Alphanumeric (mm/dd/yy) with additional coding, Numeric (dd/mm/ccyy), Julian Calendar (y/ddd) or Lot Number (L7021 where L = Lot Number, 7 = year 2007, 021 = day (21st day of the year)).

A8 Allergens Statement

Labels must declare the presence of allergens, gluten sources and sulphites listed either in the ingredient list (if applicable – see A9 below) or within a 'Contains:' statement. The allergen or gluten source must be written in clear, common language (eg, milk, fish). If the allergen is present in cider due to the use of fining agents from eggs, fish or milk etc, the allergen must be declared. Food allergens include any proteins derived from the following foods:

- almonds, Brazil nuts, cashews, hazelnuts, macadamias, pecans, pine nuts, pistachios or walnuts
- peanuts
- sesame seeds
- wheat or triticale
- eggs
- milk
- soybeans

- crustaceans
- shellfish
- fish, or
- mustard seeds

The statement should be presented in French and English, for example:

Contains: Milk	Contient: Lait
Contains: Eggs	Contient: Oeuf
Contains: Fish	Contient: Poisson
Contains: Sulphites	Contient: Sulfites

Sulphites added to cider in a total amount exceeding 10 ppm will be required to be shown on the label in the ‘**Contains:**’ statement. Any of the following common names will be accepted: ‘sulfites’, ‘sulfiting agents’, ‘sulphites’ and ‘sulphiting agents’ (in French and English). Combined statements are acceptable, for example:

<p>Contains: Sulphites, Egg, Milk and Fish</p> <p>Contient: Sulfites, Oeuf, Lait et Poisson</p>

Under the new Food and Drug Regulations, the English and French versions of a contains statement must begin on a separate line. The word ‘**Contains**’ should appear in bold type. The statement should be surrounded by a solid-line border and be in standard ‘sans serif’ font with no bolding, italics or underlining except for the title which must be in bold type. The statement must include both upper- and lower-case letters with each item separated by bullets or commas. The statement must be shown in a single colour of type that is a visual equivalent of 100% solid black type (e.g. black or dark type) and be on a white or neutral background that has a maximum 5% tint of colour.

The regulatory amendments exclude food allergens present in cider as a result of cross contamination. Filtered ciders with no detectable residues of allergenic fining agents will not require allergen labelling. Elisa-based methods with detection limits in the range of 1 – 5 ppm should be sufficient to prove the absence of the fining agents.

A9 List of Ingredients

Cider that is made in compliance with the compositional standards outlined in Cider Standards above are exempt from including a list of ingredients. Only non-standard products (e.g. cider with added flavours or made with a blend of fruits) must include a list of ingredients on the label.

Under the new *Food and Drug Regulations*, the statement should be surrounded by a solid-line border and be in standard ‘sans serif’ font with no bolding, italics or underlining except for the title which must be in bold type. The statement must include both upper- and lower-case letters with each item separated by bullets or commas. The statement must be shown in a single colour of type that is a

visual equivalent of 100% solid black type (e.g. black or dark type) and be on a white or neutral background that has a maximum 5% tint of colour.

Ingredients must be declared by their common name in descending order of proportion by weight, as determined before they are combined to make the food. The Food and Drug Regulations specify the manner in which ingredients and components must be declared, including [grouping sugars-based ingredients](#), [common names](#), and declaring [food additives](#), [food allergens](#), [gluten & added sulphites](#).

Food additives, flavour enhancers and flavours can be listed at the end of the ingredients in any order. [Sugars-based ingredients \(definition\)](#) are required to be grouped within the list of ingredients following the term 'Sugars'. If an artificial flavour (e.g., artificial apple flavour) is added to a food, whether alone or with natural flavouring agents, the word 'artificial' or 'imitation' must be included as an integral part of the flavouring preparation name.

For example:

<p>Ingredients: Apple juice • Blueberry juice • Water • Sugars (sucrose, apple juice concentrate) • Ascorbic acid • Sulphites</p> <p>Ingrédients: Jus de pomme • Jus de myrtille • Eau • Sucres (saccharose, concentré de jus de pomme) • Acide ascorbique • Sulfites</p>

A10 Product Code

The [Canadian Association of Liquor Jurisdictions](#) (CALJ) requires all consumer selling units to be marked with the following bar code symbologies:

- eight-digit GTIN-8 (formerly UPC-E or EAN-8); or
- twelve-digit GTIN-12 (formerly UPC-A); or
- thirteen-digit GTIN-13 (formerly EAN-13)

All GTIN bar code symbols must meet the quality standards established by GS1 in the [1D Barcode Verification Process Implementation Guideline](#). The barcode can be placed on the front label, on the side of the bottle, on the back label, on a sticker or on the tamper evident seal of certain types of bottles. A GTIN-12 or GTIN-13 barcode is required in situations where the shipping container is also the consumer selling unit (e.g. 12 x 750 mL cases).

The symbol should be oriented so that the human readable characters are towards the bottom or on the left-hand side.

Provincial jurisdictions may attribute internal codes to products. Please see the individual liquor boards' guidelines for specific requirements. Each GTIN must be assigned a unique GTIN-14 barcode (formerly known as a Shipping Container Code (SCC-14) (see details in 'Alcohol Packaging' below).

A11 Recycling Statement – Provincial Requirement

Most liquor control boards require a recycling statement to appear on the label. The lettering size is 1.6mm based on the lower case 'o' as a minimum. The statement can appear on any part of the bottle

except for the bottom. The wording of the statement is as follows (however it is important to check this statement with your importer as the wording may differ between provinces):

Return for refund where applicable/Consigné Là OÙ La Loi Le Prescrit

A12 Health or Nutrition Claims – Optional

Alcoholic beverages with an alcohol content greater than 0.5% are exempt from showing a nutrition facts table, however, if a nutrient claim is made the exemption no longer applies. This exemption may also be lost when an unstandardized alcoholic beverage contains added sucralose, aspartame or acesulfame-potassium. For more information, refer to [reasons for losing the exemption](#).

‘Light’ claims must meet certain criteria outlined in the [Nutrient Content Claims](#) table. Although the term ‘dry’ refers to low residual sugar content in cider it is not regarded as a sugar content claim and therefore does not trigger the need for a nutrition facts table. Vignettes may also not be used to make misleading health or nutrition claims.

Cider with an alcohol content of 4% or less may be described as ‘light’ provided the alcohol statement appears prominently on the PDP. ‘Low alcohol’ may only be used on products with less than 1.1% alcohol by volume.

A13 Age Claims – Optional

Age claims are permissible if the increased time taken in the manufacturing process result in definite taste characteristics. References to oak treatments may be made if the process contributes detectable characteristics to the final product.

A14 Sugar Content Claims – Optional

Quebec defines the categories for sugar content claims made on cider labels. This may be used as a guide for other provinces. The claim is optional but if made must comply with the following categories:

Product Type	Sugar Content
Effervescent cider	
Brut	<ul style="list-style-type: none"> Less than 30 g/L
Medium-dry/demi-sec	<ul style="list-style-type: none"> 30 g/L – 50 g/L
Sweet/doux	<ul style="list-style-type: none"> Greater than 50 g/L
Still cider with less than 15% abv	
Dry/sec	<ul style="list-style-type: none"> Not more than 25 g/L
Sweet/doux	<ul style="list-style-type: none"> Greater than 25 g/L
Still cider greater than 15% abv	
Dry/sec	<ul style="list-style-type: none"> Not more than 20 g/L
Sweet/doux	<ul style="list-style-type: none"> Greater than 30 g/L

Organic Products

Canada introduced new organic regulations in June 2009. Products cannot use the term 'organic' or another term which infers the product is organically grown unless it has been certified under the Canadian Organic Standard (COS). It is possible to obtain an equivalency agreement with Canada, however, Australia's certification system is not currently recognised. Biodynamic products are not covered by the Canadian organic products Regulations, however, any 'biodynamic' label claims must be accompanied by a certificate issued by a competent body supporting such a claim.

Ciders which have been certified by COS may be labelled with the words 'Vin biologique/organic cider' (in both French and English) and must identify the complete name of the certification body. Further information can be seen here - www.inspection.gc.ca/food/organic-products

Alcohol Packaging

Standards for Shipping Containers

A GTIN-14 barcode symbol (formerly known as a Shipping Container Code or SCC-14) must appear on one side panel and one each panel of each shipping container. The barcode must be in human readable numerical characters of at least 5 mm in height.

The following markings, with a minimum height of 13.0 mm, are required to appear on cartons:

- **Selling Unit** - the number of consumer selling units packaged within the carton;
- **Unit Size** - the net quantity size (volume) of each consumer selling unit;
- **Product Type** (optional) - the type of beverage alcohol product, e.g., wine, beer, whisky, rum, liqueur, etc.;
- **Product Description** - a human readable description of the product e.g. 'Chalky Vineyards Chardonnay 2014';
- **Shipping Container Weight** - the approximate weight of the carton when filled with the consumer selling units; and
- **Product Date Code** - a batch number or lot code or production date or best before date or purchase order number.

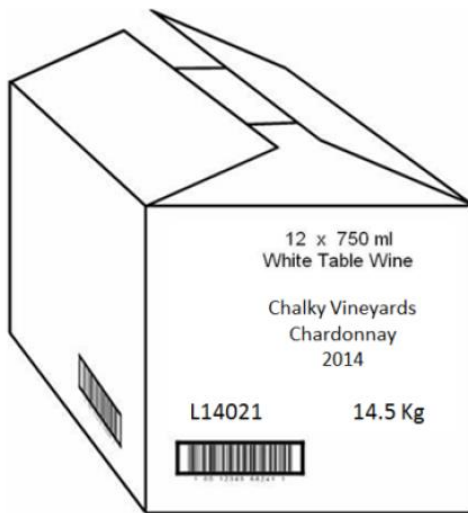
All products purchased by the liquor authorities must be shipped in cartons that meet or exceed the specifications outlined by the liquor authorities. The carton material must be recyclable, and compliance with liquor authorities' carton specifications is mandatory for any new product that has been granted a listing.

Further information can be obtained from the CALJ [Product Identification Standards for Use in the Distribution of Beverage Alcohol](#). The LCBO publishes a [Product Packaging Standards and Guidelines for Chemical Analysis](#) which is designed to assist suppliers to ensure their products meet minimum requirements for case markings, corrugated fibreboard packaging, trailer/container loading, consumer unit labelling and chemical composition. Full details on the acceptable types of cartons, liners, partitions, pads and shells, and restrictions applicable on unit loads, containers and hand-loaded trailers is available in this document.

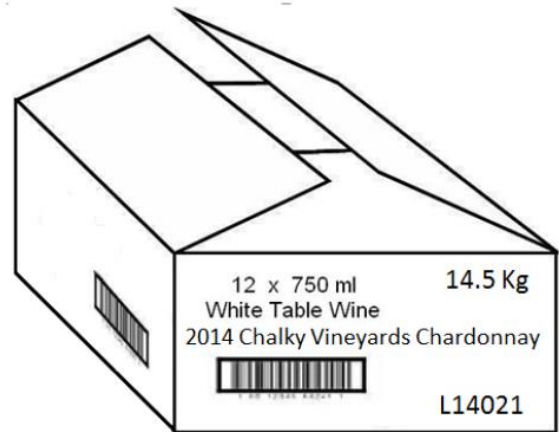
Exporters to Canada are recommended to familiarise themselves with the specifications in this document prior to shipping to Canada. The link above is to the Ontario requirements. Individual provincial requirements should be obtained from liquor boards.

Example Shipping Container Markings

- a. Product placed in a vertical (upright position).



- b. Product placed in a horizontal position.



Importing

The *Federal Importation of Intoxicating Liquors Act 1985* gives Canadian provinces and territories full control over the importation of alcohol into their jurisdictions. Consequently, exporters should consult the appropriate provincial or territorial liquor authority. The Canada Border Services Agency regulates the import process.

Import Certificates

Canada does not impose any import certificates on cider.

Import Procedures

Importing Food – Traceability

On 15 January 2019, the *Safe Food for Canadians Act 2018* (SFCA) and the *Safe Food for Canadians Regulations 2018* (SFCR) came into effect. Imported alcoholic beverages have until 15 July 2020 to comply with the provisions related to traceability. The regulations will be administered by the Canadian Food Inspection Agency (CFIA).

The traceability requirements for imported alcohol require the importer to prepare and keep documents to:

1. Identify the food

The documents indicate the:

- common name of the food that you provide
- lot code or other unique identifier to allow for the food to be traced
- name and principal place of business by whom or for whom, the imported food was manufactured, prepared, produced, stored, packaged or labelled

2. Trace the food one step back

If someone else provided you with the food, the documents indicate the:

- Name and address of the person who provided you with the food
- Date you were provided with the food

3. Trace the food one step forward

If you provide the food to someone else, except to a consumer at retail, the documents indicate the:

- Name and address of the person to whom you provided the food
- Date you provided the food

Process Through Customs

Business Number

Before importing commercial goods into Canada, businesses or individuals will need to obtain a Business Number (BN) issued by the Canada Revenue Agency (CRA) for an import/export account. This import/export account is free of charge and can usually be obtained in a matter of minutes.

Determining the Value of Goods

In most cases, the value for duty is the amount paid to the vendor for the goods. The declaration of value for duty should be supported by a receipt or sales invoice from the vendor. This document must include a complete description of the goods, the selling price and conditions and terms of the sale. [Memorandum D1-4-1, CBSA Invoice Requirements](#) provides additional information. The value for duty must be in Canadian dollars.

Documentation

Importers are required to furnish in duplicate the following documents to the Canada Border Services Agency (CBSA):

- Cargo Control Document (supplied to importer by shipper)
- Canada Customs Invoice (see below)
- [Canada Customs Coding Form](#) including:
 - importer name and the import/export account;
 - a description of the goods;
 - the direct shipment date;
 - the tariff treatment or trade agreement;
 - the country of origin;
 - the [tariff classification](#) (indicate AUT in order to obtain the Australia Tariff);
 - the [value for duty](#);
 - the appropriate duty or tax rates; and
 - the calculation of duties owing.

Shipment examination

Canada Border Services Agency randomly selects shipments for verification that they are compliant or to take samples. The frequency of examinations depends on the importer's compliance record and that of other persons/organisations involved with the shipment as well as the type of goods being imported.

Canada Customs Invoice

A Canada Customs Invoice (or equivalent) is required for all commercial shipments to Canada with the exception of those valued at less than C\$1,600, in which case commercial invoices or other documents in support of the declared value of the goods are acceptable. Two copies of invoices, certified by a responsible officer of the exporting firm, are required for Customs purposes.

Three invoicing options are available:

- The [Canada Customs Invoice \(CCI\)](#)
- A commercial invoice containing the same information as the CCI.
- A commercial invoice which indicates the buyer, seller, country or origin, price paid or payable, and a detailed description of the goods, including quantity, and a CCI that provides the remaining information.

CBSA enforces very strict rules pertaining to the information that accompanies any parcel, and these requirements must be adhered to in order to facilitate the customs process. The SAQ has provided a template outlining the mandatory information required for customs clearance:

Form of accompaniment for customs clearance of sample in Quebec (SAQ)

Information requested by the SAQ (Société des alcools du Québec)

Number of enclosure from the call for tender SAQ : | ###

Agent name (if applicable) : | Canadian Agent

Name of the supplier (seller) : | Australian Seller

Mandatory Information

Description of the product : | 2010 SEA Sauvignon Blanc

Color of the product : | White

Percentage of alcohol : | 12.5 %

Sales unit format : | 750 ml

Number of samples shipped : | 100

Unit market value : | 50

Total market value : | 5000

Currency : | USD

Country of origin : | Australia

To ensure good delivery of this form, we suggest that you:

1. to validate that all the fields on the form are supplemented and exact;
2. to print this sheet in 3 copies;
3. to staple the 3 copies to the carrier's manifest. (ex: Fedex bill)

Source: SAQ-B2B

Liquor Control Boards

Local liquor agents or representatives handle imports into Canada. These agents or representatives must be registered with the relevant provincial liquor authority.

To apply for registration, a letter of authorisation from the supplier of the product must be submitted by the local agent to the relevant liquor authority. For example, in Ontario, the Alcohol and Gaming Commission of Ontario (formerly the Liquor Licence Board of Ontario or LLBO) issues a licence that legally authorises the representative or agent of a manufacturer to canvass for, receive or solicit orders for the sale of alcohol.

Upon approving an agent's or representative's request to become a licensed representative, the AGCO will issue a *Licence to Represent a Manufacturer* to the applicant. Every manufacturer that the licence holder represents is listed on this licence.

Restrictions and Quotas

All provinces, with the exception of Alberta, operate on a product quota system for 'general' listed products. The quotas are determined by product category and price point and are affected by the packaging and size of any given brand. A product submission may be accepted or rejected based on the number of products already available in the category.

Failure to achieve an acceptable level of sales predicated on the annual provincial quota, pro-rated for the product, may result in its being de-listed before the end of the initial distribution period of 12 months. Failure to maintain provincial quotas will result in the delisting of one or more sizes of a product. In some cases, products that have achieved a certain measure of success without meeting quota for an initial 13 months will thereafter become subject to a de-listing review on a monthly basis, i.e. these products are placed 'on probation'.

Suppliers/agents are responsible for monitoring sales in relation to the sales quota system. Furthermore, it is the responsibility of suppliers or agents to furnish the liquor authority, in writing, with information on extenuating circumstances regarding failure to achieve or maintain quota. For further details on quota systems, please consult the appropriate liquor board.

Cider Standards and Health Regulations

When application is made for listing of a new product by a liquor authority, submission samples are analysed by the liquor board's laboratory, which charges a fee per product. New products undergo laboratory analysis again prior to the first shipment being released to the stores. A liquor authority may allow a supplier to submit a second sample for organoleptic or analytical assessment if a problem is detected in the original sample. This process will be restricted to assessment of two samples only.

Lead shields are banned in Ontario and the LCBO will not purchase products bottled with lead capsules, with cover bottlenecks and corks. Acceptable substitutes include aluminium, plastic and tin. Other provincial liquor authorities have also banned the use of lead shields on bottles.

Trade Samples

The policy on trade samples (i.e. for use by the agent) varies between provinces. Current regulations should be verified with individual liquor boards prior to importation. Trade samples of listed products can only be ordered through the liquor boards.

Sending alcoholic beverages through Canada Post to individuals is prohibited unless the products are:

- mailed by the manufacturer to the Liquor Control Authority
- mailed between one Liquor Control Authority to another
- mailed by a Liquor Control Authority to an individual.

Listing Policies

Provincial liquor boards have listing policies for listing a new brand. If selected, each brand has to achieve specified sales levels to maintain that listing. With the exception of Alberta, the various boards generally have two types of listings: general and specialty.

The 'general' listed products are considered to have significant volume potential by the various boards. These products are available on an on-going basis at most liquor stores and tend to be in the low to medium price range. If a supplier is seeking volume sales, a 'general' listing means guaranteed re-order as long as the required sales quotas are met. The liquor authorities also grant 'specialty' as well as 'one-shot', 'single purchase' or 'limited time offer' listings as a means for testing the market. These products tend to be more exclusive, and consequently fall in the medium to high price category. In the case where sales have been spectacular, the liquor authorities may place a second order, but it is not a common practice.

Although an appointed agent could present a listing application on behalf of a supplier, chances of achieving a listing are considerably improved by a personal visit of the supplier to the relevant liquor board (accompanied by the local agent) when presenting the listing application.

From time to time, product calls will be issued to inform agents of products that a liquor board is seeking. Agencies/suppliers can also submit products independently at any time on an ad-hoc basis, although the application will be processed according to the liquor board's tasting panel schedule.

Despite the fact that the liquor authorities issue standard listing application forms, the exporter who simply completes and returns it is really not doing justice to their chances. The listing application is the only opportunity an exporter has to present a case. Thus, an application for listing should outline the achievements of the company and the product in particular. Examples of domestic advertising, medals won and so forth can be used, with the application presented in an attractive folder.

A brief review of the listing policies of four major provinces follows:

Ontario⁴

LCBO

The LCBO is the largest single purchaser of alcohol in North America. For a product to be considered for sale through the LCBO's retail stores, suppliers must apply first with the appropriate business unit. LCBO staff from each respective area decides which products they wish to purchase and retail. LCBO receive significantly more new product submissions than they can merchandise meaning competition is strong.

Products are thoroughly evaluated – including quality, price, value, packaging and marketing plans – before LCBO will make a decision about whether or not to carry a product. The product must continue to meet sales quotas to avoid delisting.

Agents Consignment Warehouse Program

⁴ Doing Business with the LCBO – www.doingbusinesswithlcbo.com

In response to industry requests and in an effort to assist agents in providing good customer service (i.e. rapid delivery of their products), the LCBO has implemented the Consignment Warehouse Program. Through this program agents can import and store (in the LCBO Private Ordering Warehouse) inventories of up to 350 cases of their suppliers' products for up to 120 days. The Consignment Warehouse Program permits agents to sell direct to the public and restaurateurs, with delivery within days.

Private Ordering

The LCBO has a Private Ordering service which offers consumers the opportunity of importing ciders that are not available in the market. The minimum order is one full case (no mixed selection), and a deposit fee is required. A minimum of three to six months should be allowed for delivery. Freight, taxes, duties and LCBO mark-up will apply.

Alberta⁵

The retailing of liquor in Alberta has been privatised since 1993 and subsequently the distribution and warehousing were privatised. As such, there is an 'open' market for liquor in Alberta with no formal listing requirements. The only constraints to selling in Alberta are market forces. Liquor products are now sold through over 2,000 licensed outlets with an estimated 20,000 listed products compared to 800 retailers and 2,200 listed products before privatisation. The number of products available for sale in Alberta (and the volume of liquor warehoused) has increased dramatically since privatisation.

It is required that each supplier sign a 'Letter of Authorization' designating the agent for their brands and indicating who will receive consignment payment. In addition, the agent must provide a signed 'Letter of Understanding' confirming their agreement with the supplier. New products being introduced to the market will require a 'New Product Information Form'. For Customs purposes, the Alberta Gaming and Liquor Commission (AGLC) is the Purchaser (Importer of Record) while the agent is the consignee. All orders placed by the AGLC are on a consignment basis only. Shipment should be made to the consignee in care of the AGLC. Payment will be made as directed by the supplier's 'Letter of Authorization'. The Alberta Government imposes a flat tax on all ciders based on alcohol content. The rates are listed in Duties and Taxes above.

Agents and manufacturers are responsible for promoting/marketing their products to retailers. While it is now easier to sell products into the Alberta market, the cost of selling has increased. Under the system, agents are responsible for payment of product to suppliers. Agents are also responsible for addressing concerns about faulty product of the manufacturer being marketed in or shipped to Alberta.

British Columbia⁶

In British Columbia, the Liquor Distribution Branch (LDB) has the sole right to purchase beverage alcohol both within BC and from outside the province. There are currently more than 1,400 retail outlets in BC of which approximately 200 are Government Liquor Stores.

All cider sold in British Columbia must be imported by a local agent or supplier. All local agents and suppliers require a license from the BC Liquor Control and Licensing Branch. Licences will only be approved

⁵ AGLC - aglc.ca

⁶ BC Liquor Stores - www.bcliquorstores.com/information-liquor-suppliers-agents

when the agent or supplier has obtained an approval for a listing from the BC Liquor Distribution Branch. However, an approved listing does not guarantee distribution through the government BC Liquor Stores. A separate listing application must be submitted in order to sell products through the BC Liquor Stores.

Alcohol advertisements may include prices and brands, and licensed agents or suppliers are able to enter into agreements with manufacturers to promote and feature their products.

Quebec⁷

The SAQ classifies all alcoholic beverages as either 'regular products' or 'specialty products'. A 'regular product' is any product that is marketed by the SAQ that is not a specialty product. A 'specialty product' designates any alcoholic beverage that complements the line of regular products and that features a specific characteristic that is associated with superior quality, reputation, or rarity, or that potentially represents a discovery for Québec consumers. Denatured alcoholic beverages, beverages that are sold in bulk, beverages that are used for religious purposes or that meet a specific or seasonal demand, and non-alcoholic products are also considered to be specialty products.

Suppliers who wish to submit a product offer must deal directly with the SAQ and pay the file opening and review fee required for each proposed brand-size. The product must meet the SAQ's product category plan for market potential specifications and must not tarnish the SAQ's corporate image. Products are then assessed on the basis of their quality-price ratio, reputation, and performance potential, primarily based on projected sales and promotional support, as well as payment terms, volume discounts, and other advantages offered by the supplier. Moreover, in order to be accepted, all proposed products must meet the required standards for chemical and microbiological composition.

The top-performing products are maintained in the SAQ catalogue. As such, product sales performance must equal or exceed the lesser of the following two quotas, measured in dollars:

- a. the sales quota for the product category, or
- b. the sales quota for all categories.

The SAQ reserves the right to ask the supplier to report on the advertising and promotional campaigns that it undertakes to carry out.

⁷ SAQ B2B - www.saq-b2b.com

Contacts

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Austrade Vancouver

Australian Consulate

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Vancouver BC V6E 3C9

T: +1 604 694 6160

F: +1 604 684 1856

Canadian Liquor Authorities

Alberta Gaming and Liquor Commission

50 Corriveau Avenue

St. Albert, Alberta T8N 3T5

T: +1 780 447 8600

F: +1 780 447 8989

W: www.aglc.ca

B.C. Liquor Distribution Branch

2625 Rupert Street

Vancouver, BC V5M 3T5

T: +1 604 252 3000

E: communications@bcldb.com

W: www.bcldb.com

Liquor Control Board of Ontario

55 Lake Shore Blvd East

Toronto, Ontario M5E 1A4

T: +1 416 365 5900

F: +1 416 365 5911

W: www.lcbo.com - www.vintages.com

Manitoba Liquor Control Commission

1555 Buffalo Place
P.O. Box 1023
Winnipeg, MB R3C 2X1
T: +1 204 284 2501
W: www.mbl.ca

Alcool New Brunswick Liquor

170 Wilsey Rd
P.O. Box 20787
Fredericton, New Brunswick E3B 5B8
T: +1 506 452 6826
F: +1 506 462 2024
W: www.anbl.com

Newfoundland Liquor Corporation

P.O. Box 8750, Station A
90 Kenmount Road
St. John's, Newfoundland A1B 3V1
T: +1 709 724 1100
F: +1 709 754 0321
W: www.nlliquor.com

Nova Scotia Liquor Commission

93 Chain Lake Drive
Bayers Lake Business Park
P.O. Box 8720,
Halifax, Nova Scotia B3S 1A3
T: +1 902 450 6752
F: +1 902 450 1255
W: www.mynslc.com

P.E.I. Liquor Control Commission

P.O. Box 967, 3 Garfield Street
Charlottetown, Prince Edward Island
C1A 7M4
T: +1 902 368 5710
F: +1 902 368 5735
W: www.peilcc.ca

Saskatchewan Liquor & Gaming Authority

2500 Victoria Avenue
P.O. Box 5054

Regina, Saskatchewan S4P 3M3

T: +1 306 787 5563

W: www.slga.gov.sk.ca

Société des alcools du Québec

East 905 Avenue de Lorimier

Montreal, Québec H2K 3V9

T: +1 514 254 2020

W: www.saq.com

W: www.saq-b2b.com

Website Resources

Cider Australia - www.cideraustralia.org.au

Austrade Online - www.austrade.gov.au

Department of Foreign Affairs & Trade - www.dfat.gov.au

Canadian Food Inspection Agency - www.cfia-acia.agr.ca

Guide to the Consumer Packaging & Labelling Act and Regulations - www.strategis.ic.gc.ca

Canadian Department of Foreign Affairs and International Trade - www.dfait-maeci.gc.ca

Canada Revenue Agency - www.cra-arc.gc.ca

Canadian Vintners Association - www.canadianvintners.com