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Working Party on State Trading Enterprises

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STATE TRADING

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVII:4(A) OF THE GATT 1994 AND PARAGRAPH 1 OF THE UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII

CANADA

The following communication, dated and received on 21 June 2022, is being circulated at the request of the delegation of Canada.

Pursuant to the provisions of Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII, Canada submits herewith its notification concerning state trading enterprises. This notification covers the Canadian Dairy Commission, the Freshwater Fish Marketing Corporation and the Provincial and Territorial Liquor Control Authorities for the period covering 2019/2020 to 2020/2021.

I. ENUMERATION OF STATE TRADING ENTERPRISES

A. Identification of state trading enterprises

Canadian Dairy Commission (CDC).

B. Description of products affected (including tariff item number(s) encompassed in product description)

04.05 Butter and other fats and oils derived from milk; dairy spreads.

II. REASON AND PURPOSE

A. Reason or purpose for establishing and/or maintaining state trading enterprise

The statutory objectives of the CDC are to provide efficient Canadian producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment, and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

B. Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers

Imports of butter are subject to control as items listed on the Import Control List under the authority of the *Export and Import Permits Act*. Global Affairs Canada (formerly the Department of Foreign Affairs and International Trade) is responsible for the administration of the Import Control List. Information respecting the importation of butter may be obtained at the website of Global Affairs Canada, <http://www.international.gc.ca/controls-controles/index.aspx?view=d>.

Under the import regime in place until 1 August 1995, the CDC had exclusive or special privileges with respect to butter imports. Butter was on the Import Control List under the *Export and Import Permits Act*, with no existing quota provided for imports on a regular basis. Import permits were issued on occasion when the CDC determined that imports were necessary to relieve a temporary market shortage. By historical practice, when butter imports were allowed, the CDC acted as importer of record.

Since the implementation of the tariff rate quota (TRQ) for butter on 1 August 1995, import permits for the butter TRQ have been allocated to the CDC annually with the proviso that these imports be directed to the further processing sector.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE

A. Summary statement providing overview of operations of the state trading enterprise

The CDC is a government-owned corporation which advises the Minister of Agriculture and Agri-Food on matters relating to dairy policy. In carrying out its mandate, the CDC chairs and supports the work of the Canadian Milk Supply Management Committee (CMSMC). Its work includes providing the technical support necessary for the operation of Canada's milk supply management system, administering revenue pooling agreements on behalf of the industry, purchasing and storing dairy products for use in times of low milk production, establishing the target price for industrial milk, the assumed processor margin and the support prices for butter and skim milk powder, as well as administering other marketing programmes.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

Since the implementation of the tariff rate quota (TRQ) for butter on 1 August 1995, import permits for the butter TRQ have been allocated by the Trade Controls Bureau (TCB) of Global Affairs Canada (formerly the Export and Import Controls Bureau) to the CDC annually with the proviso that these imports be directed to the further processing sector.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

The CDC is not the sole importer of butter. Certain niche markets with specific requirements are supplied through specific import permits issued by the TCB. The allocation of import permits for other dairy products subject to TRQs is administered by TCB under the authority of the *Export and Import Controls Act* (information respecting the importation of dairy products may be obtained from the website of Global Affairs Canada, <http://www.international.gc.ca/controls-controles/index.aspx?view=d>).

D. How import/export levels are established by the state trading enterprise

Pursuant to Canada's Uruguay Round market access commitments, a butter TRQ was established and implemented on 1 August 1995. To date, the CDC has acted as the first receiver of these imports, under permits issued by the TCB.

E. How export prices are determined

The CDC, in any export sale, receives prices resulting from normal commercial negotiations based on market conditions.

F. How the resale prices of imported products are determined

The CDC, in its sales of imported butter, prices this butter based on market conditions and takes into account prices for butter in further processing uses.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government

Not applicable.

H. Brief description of market structure

The major participants in the Canadian dairy industry are dairy producers and dairy processors. In 2021, dairy producers operated approximately 9,952 farms in Canada. Virtually all of these farms produce milk for two markets: the fluid market (table milk and cream) and the industrial market (manufactured dairy products such as butter, cheese, yogurt and ice cream). Dairy processors include dairies that process raw milk for fluid consumption or industrial use, and further processors who use dairy ingredients and products as inputs for other finished goods.

The marketing of fluid milk is regulated at the provincial level by producers through provincial milk marketing boards. Industrial milk production and management is governed by a federal/provincial agreement called the *National Milk Marketing Plan* overseen by the CMSMC. This committee, chaired by the CDC, is comprised of producer and government representatives from all provinces. Representatives of national producer, processor, and consumer organizations participate as non-voting members. Each year, the CMSMC sets a national industrial milk production target taking into consideration: stocks of dairy products, anticipated imports, planned exports, and domestic demand for industrial milk in the coming year. This target is monitored regularly and adjusted monthly. Quota is distributed among the provinces according to the terms of the *National Milk Marketing Plan*, and allocated by each province to its producers according to its own policies. The share of the quota that each dairy producer receives sets the limit on the amount of milk production that is eligible for sale.

Imports of dairy products are subject to control as items listed on the Import Control List under the authority of the *Export and Import Permits Act*. In keeping with Article 4 of the *WTO Agreement on Agriculture*, Canada established market access commitments in the form of TRQs for fluid milk, specialty creams, condensed milk/cream, yogurt, powdered buttermilk, dry whey, other products of milk constituents, butter, cheese, other dairy preparations and ice cream. Global Affairs Canada is responsible for administering these TRQs.

IV. STATISTICAL INFORMATION

See attached Tables I - III.

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (*AS APPROPRIATE*)

Not applicable.

VI. ADDITIONAL INFORMATION (*AS APPROPRIATE*)

Not applicable.

TABLE I**STATE TRADING: CANADIAN DAIRY COMMISSION***STATISTICAL INFORMATION, IMPORTS*

Description of product	Year	Total quantity imported¹	Quantity imported by state trading enterprise	Average import price	Average representative domestic sales price²	Mark-up	National production
1		2	3	4	5	6	7
Butter and Other Fats and Oils Derived from Milk 04.05	August-July	>000 kg	>000 kg	CAD/kg	CAD/kg	...	>000 kg
	2019-2020	23,927	3,267	8.06	8.41	...	117,126
	2020-2021	26,886	3,262	6.61	7.12	...	117,156

Notes:

"..." indicates not applicable.

1. Total quantity imported includes supplementary imports, including products imported for further processing and re-export under the Import for Re-Export Program.
2. Comprises the average representative domestic sales price for imported butter.

Sources:

Column 2: Statistics Canada.

Columns 3, 4, 5: Canadian Dairy Commission.

Column 7: Statistics Canada, Table 003-0009 - Production of selected butter products, monthly (production of creamery butter and whey butter is included).

TABLE II**STATE TRADING: CANADIAN DAIRY COMMISSION**

Description of product	Year	Total quantity exported	Quantity exported by state trading enterprise	Average procurement price	Average representative domestic sales price¹	Average export price	National production
1		2	3	4	5	6	7
Butter and Other Fats and Oils Derived from Milk 04.05	August-July	>000 kg	>000 kg	CAD/kg	CAD/kg	CAD/kg	>000 kg
	2019-2020	2,301	50	4.55	11.08	5.57	117,126
	2020-2021	2,774	150	4.55	11.37	5.57	117,156

Notes: "... " indicates not applicable.

1. Comprises the average representative domestic retail sales price.

Sources: Column 2: Statistics Canada.

Columns 3, 4, 6: Canadian Dairy Commission.

Column 5: Statistics Canada, Table 326-0012 - Average retail prices for food and other selected items, monthly (Canadian dollars).

Column 7: Statistics Canada, Table 003-0009 - Production of selected butter products, monthly (production of creamery butter and whey butter is included).

TABLE III**STATE TRADING: CANADIAN DAIRY COMMISSION***STATISTICAL INFORMATION, DOMESTIC ACTIVITIES*

Description of product	Year	Domestic purchases by state trading enterprise¹	National production	Domestic sales by state trading enterprise	National Consumption²
1		2	3	4	5
Butter and Other Fats and Oils Derived from Milk 04.05	August-July	>000 kg	>000 kg	>000 kg	>000 kg
	2019-2020	38,353	117,126	30,696	147,616
	2020-2021	33,500	117,156	36,661	140,283

- Notes:
1. Domestic purchases by state trading enterprise are comprised of CDC Plan A and Plan B purchases.
 2. National consumption is represented by domestic disappearance calculated as the sum of net stocks, production and imports, minus exports. Domestic disappearance represents the amount of a commodity that is available for all uses in Canada. It does not represent total supplies of a commodity actually consumed by individuals.

Sources: Columns 2, 4: Canadian Dairy Commission.
Column 3: Statistics Canada, Table 003-0009 - Production of selected butter products, monthly (production of creamery butter and whey butter is included).
Column 5: Statistics Canada, Table 003-0007 - Supply and disposition of milk products in Canada, monthly (whey butter net stocks and production are not included).

I. ENUMERATION OF STATE TRADING ENTERPRISES

Freshwater Fish Marketing Corporation.

II. REASONS AND PURPOSE FOR INTRODUCING AND MAINTAINING THE ENTERPRISE

The Freshwater Fish Marketing Corporation (FFMC) was established in Canada in 1969 for the purpose of trading in and marketing freshwater fish, fish products, and fish by-products. As provided under the *Freshwater Fish Marketing Act* (FFMA), and pursuant to bilateral agreements between the Government of Canada and the governments of Alberta, Saskatchewan, Manitoba, Ontario, and the Northwest Territories, the FFMC had the exclusive right to the inter-provincial/territorial and export trade of fish and fish products from the freshwater commercial fisheries of those jurisdictions. Ontario (effective 30 March 2010), Saskatchewan (effective 1 April 2012) and Manitoba (effective 1 December 2017), withdrew from the FFMA and deregulated their commercial freshwater fish markets. This notification will use the term "agreement areas" to denote areas within Canada covered by these agreements.

On 14 June 1995, the Government of Canada announced the introduction of measures allowing fishers in the agreement areas to sell certain under-utilized species through marketing channels other than the FFMC. The FFMC remains responsible for the inter-provincial/territorial and export marketing of the main commercial species from the agreement areas.

The objectives of the FFMC are: to market freshwater fish and fish products sourced in agreement areas in an orderly manner; to increase returns to fishers; and to promote international markets for, and increase inter-provincial/territorial and export trade in, freshwater fish and fish products. The FFMC is required by statute to operate on a self-sustaining basis. It has been profitable since 1973 (with the exception of 2004, 2009, and 2011) with annual revenue ranging between CAD 40 million and CAD 78 million since 1990.

III. DESCRIPTION OF THE FUNCTIONING OF THE ENTERPRISE

A. Whether the enterprise deals with exports or with imports or both.

The FFMC is concerned with the orderly marketing of freshwater fish sourced from the agreement areas for inter-provincial/territorial trade and for export markets. The FFMC does not deal with, govern or handle imports.

B. Whether private traders are allowed to import or export and, if so, on what conditions. Whether there is free competition between private traders and the enterprise.

The FFMC has the exclusive right to market fish from the agreement areas in inter-provincial/territorial and export trade. The Corporation competes with the private trade in marketing such fish in domestic and export markets. With respect to fish sourced from areas of Canada outside the agreement areas, the FFMC does not control or govern private traders' activities – including their exports and domestic sales. In all parts of the domestic market, private traders are free to market freshwater fish sourced from Canadian "non-agreement areas" or from imports.

C. The criteria used for determining the quantities to be exported and imported.

The FFMC sells fish for export as determined by commercial considerations such as price, quality, availability, marketability and transportation.

D. How export prices are determined. How the markup on imported products is determined. How export prices and resale prices of imports compare with domestic prices.

The FFMC determines exports prices in line with prevailing market conditions while meeting its legislated requirements to maximize returns to fishers and operate on a self-sustaining basis.

- E. Whether long-term contracts are negotiated by the enterprise. Whether the enterprise is used to fulfil contractual obligations entered into by the Government.*

Not applicable.

IV. STATISTICAL INFORMATION

See attached Tables I – III.

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (IF THIS IS THE CASE) IN PRODUCTS AFFECTED

The Freshwater Fish Marketing Corporation is not involved in the importation of freshwater fish.

VI. ADDITIONAL INFORMATION

TABLE I

STATE TRADING: FRESHWATER FISH MARKETING CORPORATION

STATISTICAL INFORMATION, IMPORTS

Description of product	Year	Total quantity imported	Quantity imported by state trading enterprise	Average import price	Average representative domestic sales price	Mark-up	National production
1		2	3	4	5	6	7
Freshwater Fish Within HS Codes 0302, 0303, 0304 and 0305		FFMC is not involved in imports					

TABLE II**STATE TRADING: FRESHWATER FISH MARKETING CORPORATION***STATISTICAL INFORMATION, EXPORTS*

Description of product	Year	Total quantity exported¹	Quantity exported by state trading enterprise	Average procurement price²	Average representative domestic sales price	Average export price	National production³
1		2	3	4	5	6	7
Freshwater Fish Within HS Codes 0302, 0303, 0304 and 0305	May-April	(000's lbs)	(000's lbs)	CAD per pound	CAD per pound	CAD per pound	-
	2019-2020	23,286	14,635	1.33	2.76	4.07	-
	2020-2021	26,728	10,855	1.22	4.74	3.97	-

- Notes:
1. Total Quantity Exported is the total exports of freshwater fish products for the HS codes that include the products marketed by the FFMC. Other saltwater fish and other freshwater items from Chapter 03 not marketed by the FFMC are captured in the quantity.
 2. Average Procurement Price does not include final payment (net income each year) distributed to fishers.
 3. Statistics on national production of freshwater fish products are not collected.

Sources: Column 2: Department of Fisheries and Oceans (2022), EXIM [Database], Ottawa (accessed June 1, 2022). Adapted from Statistics Canada, International Trade Data. This does not constitute an endorsement by Statistics Canada of this product.
Columns 3, 5, 6: FFMC Sales Report.
Column 4: FFMC Fish Purchase Analysis.

TABLE III**STATE TRADING: FRESHWATER FISH MARKETING CORPORATION***STATISTICAL INFORMATION, DOMESTIC ACTIVITIES*

Description of product	Year	Domestic purchases by state trading enterprise	National Production¹	Domestic sales by state trading enterprise	National Consumption²
1		2	3	4	5
Freshwater Fish	May-April	(000's lbs)		(000's lbs)	
Within HS Codes 0302, 0303, 0304 and 0305	2019-2020	21,782	-	3,490	-
	2020-2021	15,633	-	3,347	-

Notes: 1. Statistics on national production of freshwater fish products are not collected.
2. Statistics on national consumption of freshwater fish products are not collected.

Sources: Column 2: Deliveries report to Transcona processing plant.
Column 4: FPMC Sales Analysis Report.

I. ENUMERATION OF STATE TRADING ENTERPRISES

A. Identification of state trading enterprises

Provincial and Territorial Liquor Control Authorities.

B. Description of products affected (including tariff item number(s) encompassed in product description)

2203.00	Beer from malt.
2204.00	Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.
2205.00	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.
2206.00	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.
2208.00	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.

II. REASONS AND PURPOSE

A. Reason or purpose for establishing and/or maintaining state trading enterprise

In Canada, the importation of and inter-provincial/territorial trade in alcoholic beverages is governed by the federal *Importation of Intoxicating Liquors Act (IILA)*. The objective of the *IILA* relates to the control of the consumption of alcoholic beverages in Canada for the purpose of protecting public health and morals.

B. Summary of legal basis for gaining the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers

The *IILA* provides the provinces and territories, within their respective jurisdictions, with control over the sale of intoxicating liquor, and over the importation. The provinces and territories have delegated this activity to the provincial/territorial liquor control authorities.

As well, under the *IILA*, an exception exists for persons licensed by the Government of Canada under the *Excise Act* to carry on the business or trade of a distiller or brewer where the intoxicating liquor is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of that person.

In 2019, the *IILA* was amended to remove all remaining federal barriers to interprovincial trade of alcohol and permit direct-to-consumer shipping of alcohol across provincial borders to the extent that the receiving province also permits such transactions.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISES

A. Summary statement providing overview of operations of the state trading enterprise

The provincial and territorial liquor control authorities deal with the importation and sale of alcoholic beverages within their respective jurisdictions. Exportation of alcoholic beverages is a private matter of beverage manufacturers.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

The *IILA* provides the provincial/territorial liquor control authorities with the delegated authority to import alcoholic beverages in Canada.

C. Types of entities other than state trading enterprises that are allowed to engage in importation/exportation and conditions for participation

Private traders are allowed to import if they are licensed by the Government of Canada under the *Excise Act* to carry on the business or trade of a distiller or brewer where the intoxicating liquor is imported for the purpose of being used for blending with or flavouring the products of the business or trade of that person. Alcoholic beverages may be sold through stores operated by the provincial/territorial liquor control authority or through authorized private retailers or a combination of both.

The private trade determines its own criteria pertaining to exports.

D. How import/export levels are established by the state trading enterprise

Provincial and territorial liquor control authorities purchase or permit the purchase of alcoholic beverages in line with market needs as related to such commercial considerations as price, quality, availability, marketability, transportation and other conditions of purchase or sale.

E. How export prices are determined

Export prices are determined by the private trader.

F. How the resale prices of imported products are determined

The retail sales price of the imported product is a function of its landed cost (invoice price, federal customs and excise duties and taxes, and freight), to which are added the applicable provincial mark-up and federal and provincial sales taxes. The mark-up varies by product type and by jurisdiction. As a result of two GATT Panels¹, liquor control authorities have modified mark-up practices on alcoholic beverages to bring them into conformity with the GATT.²

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the Government

Not applicable.

H. Brief description of market structure

The alcoholic beverages sub-sector is made up of the brewery, wine and distilling industries. There are also a number of small firms producing cider and fruit wines across the country but this production is comparatively minor. Fruit wines are products produced from fruits other than grapes. In 2021, the value of all alcoholic beverages produced in Canada stood at CAD 10.4 billion compared

¹ Canada - Import, Distribution and Sale of Alcoholic Drinks by Provincial Marketing Authorities (1988). This panel resulted in the 1989 "Agreement between the European Economic Community and Canada concerning trade and commerce in alcoholic beverages" which requires the complete phase out of mark-up differentials between wine of the Community and Canadian wine by 1 January 1998. Mark-up differentials on distilled spirits were to be eliminated as of 1 January 1993.

Canada - Import, Distribution and Sale of Certain Alcoholic Drinks by Provincial Marketing Agencies (1992). The US-Canada Memorandum of Understanding on Provincial Beer Marketing Practices (August 1993) resulted in the elimination of discriminatory differential mark-ups on beer.

² The Canada-US Free Trade Agreement immediately eliminated discriminatory mark-ups on distilled spirits and required a complete phase out of differential mark-ups on wine by 1 January 1995.

to CAD 7.9 billion in 2016.³ Alcoholic beverage imports of all kinds amounted to CAD 4.7 billion in 2021 while total domestic exports stood at CAD 1.1 billion the same year.⁴

The brewing industry⁵ comprises those establishments primarily engaged in the steeping, boiling and fermenting of malt and hops to manufacture malt beverages. The industry produces a variety of beer, lager, ale, porter and stout, in bottles, cans and draught for the consumer market and for the food service industry. The Canadian beer industry is consolidated. Production has remained within Canada with approximately 1,186 brewing and microbrewing establishments across the country.⁶ The microbrewery industry has steadily grown in Canada, catering to niche tastes and regional markets. Canada's geography and the fact that alcohol sales and production are controlled at the provincial level mean that the products of microbreweries are usually available only in the regions where they are produced. Canadians drink more beer than any other alcoholic beverage, however domestic per capita consumption of beer has declined steadily since the 1970s and reached a low of 62.6 litres in 2020.⁷

The Canadian wine industry⁸ continues to grow, evolving in response to rapid changes stemming from adjustments to trade liberalization under the Canada-United States FTA and the GATT 1947. Domestic vintners now grow quality *Vitis Vinifera* and hybrid grapes which have resulted in a dramatic improvement in the quality of Canadian wine. Canadian Icewine, a sweet dessert wine, has won several prestigious awards at international competitions and has gained considerable international recognition. Among the larger firms there is a significant amount of production which involves bottling and blending of domestic and imported wines. However, most of these larger corporations have also acquired smaller estate wineries which have retained their own identity and which help them to define their "signature" premium products. In addition, there are many small family-oriented businesses which concentrate on the production of wine from Canadian grown grapes. Domestic per capita consumption of wine in Canada has increased steadily since the early 1990s and was 15.2 litres in 2020.⁹

The distillery industry¹⁰ produces a variety of spirits (e.g. whisky, rum, vodka, gin, liqueurs, brandy, spirit coolers and basic ethyl alcohol) but its primary reputation, domestically and internationally, remains the production of distinctive high-quality Canadian whisky. The product is distilled from cereal grains (rye and corn primarily), aged in oak barrels for a minimum of three years, then bottled or sold in bulk. The industry is highly concentrated. Most companies are subsidiaries of multinational corporations with production facilities maintained in Canada in order to produce Canadian whisky, which has a registered geographical indication in Canada. Domestic consumption for spirits fluctuates from year to year, but does not display a clear long term trend. In 2020, Canadians consumed 5.2 litres of spirits per capita.¹¹ Domestic consumption of ciders, coolers and other refreshment beverages, has increased in recent years and in 2020, Canadians consumed 6.8 litres per capita.

IV. STATISTICAL INFORMATION

The relevant statistical information is attached. See Tables I – III.

³ Statistics Canada. Monthly Survey of Manufacturing by North American Industry Classification System (NAICS). Table 16-10-0047-01.

⁴ Statistics Canada, CATSNet.

⁵ Canada's brewing industry is defined by the NAICS (31212).

⁶ Statistics Canada. Table 33-10-0493-01 Canadian Business Counts, with employees, December 2021 and Table 33-10-0494-01 Canadian Business Counts, without employees, December 2021.

⁷ Statistics Canada. Table 32-10-0054-01 Food available in Canada. Per capita consumption is measured as: available litres ale, beer, stout and porter, adjusted for losses, per person 15 years old and over.

⁸ Canada's wine industry is defined by the NAICS (31213).

⁹ Statistics Canada. Table 32-10-0054-01 Food available in Canada. Per capita consumption is measured as: available litres of wine, adjusted for losses, per person 15 years old and over.

¹⁰ Canada's distillery industry is defined by the NAICS (31214).

¹¹ Statistics Canada. Table 32-10-0054-01 Food available in Canada. Per capita consumption is measured as: available litres of distilled spirits, adjusted for losses, per person 15 years old and over.

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (IF THIS IS THE CASE) IN THE PRODUCTS AFFECTED

Import data are given in Table I. Exporting is not within the mandate of provincial liquor control authorities.

VI. ADDITIONAL INFORMATION**ALBERTA**

The liquor authority in Alberta, namely the Alberta Gaming, Liquor and Cannabis Commission, does not make commercial decisions on the product selections for alcoholic beverages which are imported, nor on the quantities of those imports. However, it is including an explanatory text on the Alberta market environment for alcoholic beverages in the interest of full transparency.

ACTS AND REGULATIONS

- *Gaming, Liquor and Cannabis Act (c. G-1, RSA 2000).*
- *Gaming, Liquor and Cannabis Regulation (Alta. Reg. 143/1996).*

SUMMARY OF LIQUOR MARKETING PRACTICES

All retail sales of alcoholic beverages in Alberta are privatized. Market forces in the province lead to the representation of a wide range of both domestic and imported liquor goods.

The Alberta Gaming, Liquor and Cannabis Commission (AGLC) regulates liquor, gaming and cannabis activities in the Province. The AGLC administers and enforces the *Gaming, Liquor and Cannabis Act* and the *Gaming, Liquor and Cannabis Regulation* as well as related policies, and collects the government's flat mark-up on beverage alcohol.

In Alberta, private-sector liquor agencies determine what products will be brought into the province. Alcohol manufacturers and suppliers have the option of acting as their own liquor agent or employing the services of another liquor agent to expedite the process. Suppliers and agents are responsible for all aspects of ordering, consolidation, shipping, and marketing.

The AGLC is the Importer and Wholesaler of Record. All new orders are placed on consignment with the agent/supplier named as consignee.

Provincial mark-up rates under a wholesale pricing structure are a flat rate per litre depending on the product type and alcohol content. Retailers set retail prices according to market forces.

The warehousing and distribution of beverage alcohol products is managed by a private company, operating out of a warehouse and distribution facility in St. Albert, Alberta under contract with the AGLC. Charges reflect the cost of receiving, storing and shipping products by the pallet or by the case. Beer suppliers may apply to establish their own warehousing arrangements. Final approval for such arrangements is required from the AGLC.

BRITISH COLUMBIA**ACTS AND REGULATIONS**

- *Liquor Distribution Act*, R.S.B.C. 1996, c.238 as amended and the regulations thereto.

SUMMARY OF LIQUOR MARKETING PRACTICES

The Liquor Distribution Branch (LDB) is the importer of record for all alcoholic beverages imported into British Columbia. Section 2(2) of the *Liquor Distribution Act* states that the LDB "has the sole right to purchase, both in and out of British Columbia, liquor for resale and reuse in British Columbia in accordance with the provisions of the *Importation of Intoxicating Liquors Act* (Canada)".

As of May 11, 2022, the LDB operated 198 government liquor stores. As of May 11, 2022, there was also a large private retail system consisting of 677 private liquor stores, 227 rural licensee retail stores, 56 wine stores, and 708 manufacturer on-site stores at wineries, distilleries and breweries. Most retail outlets, including all government liquor stores, private liquor stores and rural agency stores may sell any liquor product, regardless of category or origin. Manufacturer stores are permitted to sell products made by that manufacturer, and if they have a lounge or special event area, they are also permitted to sell a limited amount of liquor produced by other manufacturers (whether import or domestic). Holders of a limited number of wine store licences are restricted to selling British Columbia wines.

All liquor products sold in British Columbia must be registered with the LDB. The LDB's retail line of business determines which products are sold in government stores based on customer demand and operators of private outlets determine which products they wish to sell in their stores.

Suppliers or their agents determine the prices at which products are sold to the LDB. The LDB applies standard pricing formulas to the supplier price to determine the wholesale price that is paid by wholesale customers (including government liquor stores, private liquor stores and rural agency stores). Wholesale customers can then set their own retail prices, subject to the minimum retail price policy established by British Columbia's Liquor Control and Licensing Branch.

MANITOBA**ACTS AND REGULATIONS**

- Manitoba Liquor and Lotteries Corporate Act.
- The Liquor and Gaming Control Act Regulation 82/2014 Registered 14 March 2014 and the regulations thereto.

SUMMARY OF LIQUOR MARKETING PRACTICES

Manitoba Liquor and Lotteries (MBLL) is the importer of record for all liquor imported into Manitoba. All liquor sold in the Province must meet the MBLL's listing criteria which is applied in a uniform and non-discriminatory manner, irrespective of country of origin.

Spirits, wine, coolers and beer are warehoused by the MBLL and distributed to 63 government-owned stores, 172 privately-owned agency stores, 8 specialty wine stores, 3 duty-free stores, and 1,240 licensed premises. In addition, 19 privately-owned distributors service the 63 government-owned stores, 235 privately-owned beer vendors, and 1,240 licensed premises with beer and refreshment beverages. Privately distributed beer, which may be either import or domestic, do not have any sales quotas applied, as the inventories are privately held and are the responsibility of the suppliers.

Beverage alcohol's retail price is determined by applying combination of a category *ad valorem* mark-up and a flat rate per litre to the landed cost. Mark-ups are applied universally to all products regardless of country of origin.

Audited cost of service differentials (commercial consideration) are also applied in accordance with the GATT agreement as a flat per litre charge per category.

NEW BRUNSWICK

ACTS AND REGULATIONS

- *New Brunswick Liquor Corporation Act*, R.S.N.B. 2016 c 105 and the regulations thereto, and their amendments.
- *Liquor Control Act*, R.S.N.B. 1973, c.L-10, and the regulations thereto, and their amendments.

SUMMARY OF LIQUOR MARKETING PRACTICES

Importation of alcoholic beverages into New Brunswick is done through the New Brunswick Liquor Corporation (ANBL). All suppliers have full and equal access to the ANBL's listing process. All listed products are distributed to the top two tiers of ANBL's corporate outlets. Products are distributed to the rest of the ANBL network including agents and licensed establishments based on demand. Merchandising programs are available through an application process to all suppliers.

The ANBL maintains a retail system of 40 stores and 90 privately operated convenience outlets, 66 private grocery chain stores, and 88 beverage alcohol manufacturer-owned and operated outlets. This system is the exclusive retailer of all alcoholic beverages in the province. In addition, approximately 889 establishments are licensed for on-premise consumption. These licensees buy exclusively through the ANBL retail system described above.

Suppliers of beer products have the option of establishing their own in-province warehouse and distribution or going through ANBL's central warehouse and distribution system. The option is based on criteria outlined by ANBL. A service charge is applied to all beer products going through the ANBL warehouse and distribution system.

Retail price is determined by applying a mark-up to the product's landed cost. Markup rates are listed in ANBL's Mark-up Structure Document and are applied to all products regardless of origin. Minimum mark-ups, floor retail prices and minimum social reference retail prices (as per the Minimum Retail Pricing Policy) are listed in the Mark-up Structure Document where applicable.

NEWFOUNDLAND and LABRADOR

ACTS AND REGULATIONS

- *The Liquor Corporation Act*, R.S.N.L 1990, c.L-19, and the regulations thereto, and their amendments.
- *The Liquor Control Act*, R.S.N.L. 1990, c.L-18, and the regulations thereto, and their amendments.

SUMMARY OF LIQUOR MARKETING PRACTICES

Importation of alcoholic beverages to the province of Newfoundland and Labrador can only be done through the Newfoundland and Labrador Liquor Corporation (NLC). In order for the NLC to import alcoholic beverages for sale in the province, the producer must complete a listing application and the NLC must approve the application. Suppliers of spirits and wines are required to operate through the NLC warehouse and related distribution systems. The mark-up structure applied is the same regardless of product origin. The mark-up structure for spirits, wines and beer is applied to landed cost and consists of a combination of a fixed mark-up and an ad-valorem mark-up based on a percentage of landed cost. Provincial and federal taxes including the Harmonized Sales Tax and a recycling container deposit are also added to determine final retail price.

The following details the number of Agency Stores and Corporate Stores from Fiscal 2021-2022:

Year	Corporate	Agency
2021-22	29	142

Note: Corporate and Agency stores both service the general public as well as licensee trade.

NOVA SCOTIA

ACTS AND REGULATIONS

- *The Liquor Control Act*, R.S.N.S 1989, c.260 and the regulations thereto, and their amendments.

SUMMARY OF LIQUOR MARKETING PRACTICES

Importation of liquor for retail sale is controlled by Nova Scotia Liquor Corporation (NSLC). The NSLC's listing policies provide equal access to all products regardless of origin based on category management principles. Suppliers to the NSLC and NSLC Agency Stores, for both domestic and imported products, are required to operate through the NSLC central warehouse and related distribution system. Under certain terms and conditions, beer suppliers not brewing in the Province with sales (within Nova Scotia) of one million equivalent dozen may be granted the right to operate a separate warehouse facility. All products, regardless of origin, may be sold in the 108 liquor stores operated by the NSLC. There are also 62 small businesses serving as NSLC agency stores, 5 private wine and specialty stores, and 166 manufacturer's on-site outlets permitted to sell their products directly to consumers, licensed establishments and private wine and specialty stores as well as at Farmers' Markets that generally operate one day of the weekend.

Mark-ups are established by package size and by product categories. All products which go through the warehouse are charged the same cost-of-service within a given category.

ONTARIO

ACTS AND REGULATIONS

- *Liquor Control Board of Ontario Act*, 2019, S.O. 2019, c. 15, Sched. 21;
- *Alcohol and Gaming Commission of Ontario Act*, 2019 S.O. 2019, c. 15, Sched. 1;
- *Liquor Licence and Control Act*, 2019 S.O. 2019, c. 15, Sched. 22;
- *Liquor Tax Act*, 1996, S.O. 1996, c. 26, Sched.;
- and the regulations thereto, and their amendments.

SUMMARY OF LIQUOR MARKETING PRACTICES

Ontario's beverage alcohol distribution and retail system is characterized by a mix of private and public operations. The Liquor Control Board of Ontario (LCBO) and the Alcohol and Gaming Commission of Ontario (AGCO), both government agencies, are the primary bodies responsible for controlling the manufacture, movement and sale of beverage alcohol within the province. The LCBO's governing statute is the *Liquor Control Board of Ontario Act*, 2019 (LCBOA), and the AGCO's governing statute is the *Alcohol and Gaming Commission of Ontario Act*, 2019 (AGCOA).

The *Liquor Licence and Control Act*, 2019 (LLCA) sets the conditions under which a person may keep for sale, offer for sale, sell, or deliver liquor under a licence or permit. This includes, for example, sales by manufacturers, manufacturers' representatives, bars, restaurants, hotels, grocery stores and persons selling or serving liquor on special occasions, and services offered by liquor delivery services and ferment-on-premises facilities. Licences and permits are issued by the AGCO, which is the regulatory body in Ontario responsible for administering the licensing and regulatory regime established under the LLCA.

The LCBO is responsible for importing liquor into Ontario, transporting and selling domestic and imported spirits, wine and beer. The agency also tests products for quality control and safety, fixes liquor prices, and, in some cases, controls the warehousing of beverage alcohol.

The LCBO establishes and operates retail liquor stores across Ontario, including its convenience outlets in smaller communities. All suppliers, domestic and foreign, have equal access to LCBO's purchasing system. All liquor sold by the LCBO must meet its listing criteria and sales targets. The LCBO shares marketing costs with suppliers. Suppliers or their agents determine the prices at which products are sold to the LCBO. The LCBO applies fixed pricing formulas to the supplier price to determine the retail price.

Other retailers include private beer stores, grocery stores, and manufacturers retail stores (on-site and off-site winery retail stores, on-site beer and on-site distillery stores), all of which are licensed by the AGCO. Private duty-free stores that sell domestic and imported beverage alcohol and sacramental wine vendors are authorized by the LCBO.

Products not listed in retail stores, or on LCBO's e-commerce platform can be ordered through LCBO's Specialty Services programs (including private ordering and consignment) and by LCBO-appointed sacramental wine vendors for sacramental purposes.

The number of private off-site winery retail stores is limited by the Canada-United States-Mexico Agreement, as well as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

Brewers Retail Inc. (BRI), operating as "The Beer Store" is a privately owned company licensed to operate beer stores under the authority of the LLCA. It sells domestic and imported beer to the public and is the primary distribution channel for beer in the province. BRI purchases its imported brands from the LCBO.

The LCBO applies charges to domestic and imported beer based on the worldwide production volume of the supplier. Domestic beer sold in the Beer Store, an on-site manufacturer's store or in a licensed establishment is subject to beer taxes under the *Liquor Tax Act*, 1996. These volume-based taxes are equivalent to the volume-based charges applied by the LCBO.

PRINCE EDWARD ISLAND

ACTS AND REGULATIONS

- Liquor Control Act and Regulations, R.S.P.E.I. 1988, c.L-14 and the regulations thereto, and their amendments.

SUMMARY OF LIQUOR MARKETING PRACTICES

Importation of alcoholic beverages into Prince Edward Island (P.E.I.) is done through the P.E.I. Liquor Control Commission (P.E.I.L.C.C.). All suppliers have full and equal access to the P.E.I.L.C.C. listing process. Listed products receive distribution to the entire retail system.

The P.E.I.L.C.C. maintains a retail system of 18 stores and 8 agency stores. This system is the exclusive retailer of all alcoholic beverages in the Province, with the exception of 21 manufacturers on-site outlets (breweries, distilleries or wineries), and stores permitted to sell their own product directly to consumers. In addition, approximately 427 establishments are licensed for on premise consumption. These licensees purchase exclusively through the P.E.I.L.C.C. retail system. The Province also licences 6 ferment-on-premises locations that provide facilities to the general public to brew their own beer or wine from kits.

The following mark-up structure is used to calculate the retail price of imported and domestic products: manufacturers' price, customs/excise, freight, an applicable mark-up applied to landed costs (differs per category), Provincial Health Tax (25%), Harmonized Sales Tax (15%) and bottle deposit.

QUEBEC**ACTS AND REGULATIONS**

- *Act respecting the Société des alcools du Québec* (RSQ, c. S-13, s. 16).

SUMMARY OF LIQUOR MARKETING PRACTICES

The *Société des alcools du Québec* (SAQ) is an independent, publicly owned commercial corporation administered by a board of directors. It has sole authority over the importation, delivery, taking or transportation of any intoxicating liquor in Quebec, whether produced in Canada or abroad.

The SAQ distributes alcoholic beverages to its own network of 410 government stores and 426 agencies, and acts as a distributor for grocery and corner stores that account for over 7,500 points of sale. Products for distribution are warehoused in two distribution centres with a combined storage capacity of 4,380,000 cases.

The selection, purchase and merchandising of products are determined by principles defined in the SAQ's Purchasing and Merchandising Policy.

Wines without appellation of origin designation that are bottled in Quebec may be sold in grocery stores, except for 8 format marking provided for in the regulations, along with beers and ciders. Wines with an appellation of origin designation and spirits may only be sold in SAQ outlets.

Suppliers are responsible for promoting their products. The services of a marketing agent are also used. Market forces determine quantities to be imported. A uniform mark-up, by category of product, is applied to the cost price of the products, whether imported or domestic. Revenues are paid in the form of dividends to the sole shareholder, Quebec's Minister of Finance.

SASKATCHEWAN**ACTS AND REGULATIONS**

- The Alcohol and Gaming Regulation Act, 1997 being Chapter A-18.011 of the Statutes of Saskatchewan, 1997 (1 February 2003) as amended by the Statutes of Saskatchewan, 1998, c.16; 2000, c.36; 2002, c.27 and 42; 2003, c.15; 2004, c.67; 2005, c.3 and 21; 2007, c.10; 2008, c.8' and 2010, c.25; 2013, c.P-38.01, c.2 and c.29; 2014, c.7 and c.11; 2015, c.1; and 2016 c.4.

SUMMARY OF LIQUOR MARKETING PRACTICES

The Saskatchewan Liquor and Gaming Authority (SLGA) is a Treasury Board Crown Corporation that has authority over the manufacturing, possession, sale, delivery and regulation of beverage alcohol in Saskatchewan, and is the importer of record for all wine, spirits and beer imported into Saskatchewan.

SLGA maintains a broad listing policy that applies equally to both imported and domestic products, details of which are contained in the SLGA Beverage Alcohol Listing Policy. Listing application forms, and product and supplier profiles must be submitted or approved by the supplier or their representative or authorized agent. The rules governing access to points of sale apply equally to domestic (including in-province) and foreign suppliers. Audited cost-of-service charges are applied to all imported products distributed through the SLGA system.

Beverage alcohol is retailed in Saskatchewan through a mixed public-private system. There are approximately 700 Retail Store Permittees (RSP) selling beverage alcohol throughout Saskatchewan, including 35 operated directly by SLGA. All RSPs operate on the same terms and conditions with access to the same wholesale price through SLGA's distribution centre (DC). RSPs can purchase beverage alcohol from SLGA's DC, specialty warehouses and Saskatchewan craft alcohol producers.

NORTHWEST TERRITORIES

ACTS AND REGULATIONS

- *Liquor Act*, S.N.W.T. 2007, c.15 as amended by the Statutes of the Northwest Territories 2010, c.16, c.21; 2011, c.8; 2012, c.18; 2013, c.22; 2014, c.10; 2015, c.13, 2015, c.7, 2018, c.6.
- *Liquor Regulations*, R-069-2008 as amended by R-076-2008, R-007-2009, R-126-2009, R-154-2009, R-048-2010, R-087-2010, R-030-2011, R-004-2012, R-087-2012, R-140-2014, R-053-2015, R-071-2016, R-082-2017, R-003-2021, R-006-2021, R-020-2021, R-022-2021, R-036-2021, R-054-2021, R-062-2021, R-70-2021, R-071-2021.

SUMMARY OF LIQUOR MARKETING PRACTICES

The Northwest Territories Liquor & Cannabis Commission (NTLCC) was continued under Part 2 of the Liquor Act. It is responsible for purchase, sale, classification and distribution of liquor and cannabis in the Northwest Territories through the Liquor Revolving Fund.

The NTLC uses a flat rate per litre mark up to generate a specific level of revenue from the sale of liquor. Product cost, freight, container deposit, recycling fee, general sales tax, retail, warehousing and administrative costs are also included with flat rate mark-up when establishing a final price.

A person who is eligible to purchase and consume liquor in the Northwest Territories may personally import 9 litres of wine, 3 litres of spirits, or 24.6 litres of beer, ciders or coolers. An import permit is required to import quantities greater than the allowable amounts.

Retail and warehousing operations are carried out by 7 private sector contractors who are designated a vendor by the Minister of Finance.

NUNAVUT

ACTS AND REGULATIONS

- *Liquor Regulations*, R.R.N.W.T. 1990, c.L-34, as duplicated for Nunavut by section 29 of the *Nunavut Act*.

SUMMARY OF LIQUOR MARKETING PRACTICES

The Nunavut Liquor and Cannabis Commission is responsible for the purchasing, warehousing and distribution of all alcoholic beverages as well as permitting and enforcement in Nunavut.

Alcohol is allowed to be purchased in 7 Nunavut communities, with one of these communities having limits on the amount which can be purchased every 14 days. Those living in the 12 "restricted communities" are able to order alcohol products from warehouse distribution centres but require approval from an Alcohol Education Committee. There are 6 "prohibited communities" where alcohol is completely banned. Product price, freight and a refundable container deposit are included in the final price of any alcohol beverages.

Among the many characteristics that set Nunavut's liquor distribution system apart from other jurisdictions in Canada, is its central processing structure. The Commission runs only two walk-in retail stores selling low alcohol content beverages (beer, wine, spirits, ready-to-drink/coolers), with the remainder of purchase orders processed remotely through one of the Commission's two distribution warehouses and distributed via air cargo. Licensed establishments and holders of special occasion permits are the exception, as the high volume of their purchases dictates that they be picked up at the closest Commission warehouse.

The Nunavut Liquor Licensing Board is responsible for the issuance, renewal, transfer, cancellation or suspension of any liquor licenses, as well as the enforcement of all liquor related regulations and restrictions.

YUKON

ACTS AND REGULATIONS

- *Liquor Act*, R.S.Y. 2002, c.140.
- *Liquor Regulations Respecting the Sale and Consumption of Liquor*, C.O 1977/037.
- *Liquor Tax Act*, Chapter 141, R.S.Y 2002.

SUMMARY OF LIQUOR MARKETING PRACTICES

The Yukon Liquor Corporation (YLC) is mandated with the purchase, distribution, and sale of liquor products in the Yukon. The YLC operates a central warehouse and distribution centre in Whitehorse, and six Yukon Liquor Stores. Five of these liquor stores are in rural locations and also provide specific Territorial Agent services on behalf of other government departments. The Corporation transfers all its net income to the Government of Yukon. It is responsible for the *Liquor Act* and *Liquor Regulations*. In addition, the Corporation collects and remits a 12% tax on the retail value of all liquor products sold in the Yukon, as required by the *Liquor Tax Act*.

Domestic products are purchased from various locations across Canada. All imported products are purchased through the British Columbia Liquor Distribution Branch, from vendors through third party warehouses, Liquor Connect in Alberta, and direct vendors within Canada. There are no restrictions on imported liquor products considered for purchase by the YLC in relation to category or origin.

To determine retail prices, the YLC applies standard pricing formulas that include the producer's price, federal duty and excise tax, freight, YLC mark-up, refundable container deposit, and a non-refundable recycling surcharge, in addition to the federal Goods & Services Tax and the 12% Yukon liquor tax.

YLC's shelf prices include the landed cost for the product, refundable deposits, recycling fees and a liquor tax. Most shelf prices across the country show product prices without taxes and deposits, which are applied at the point of purchase.

TABLE I

STATE TRADING: PROVINCIAL AND TERRITORIAL LIQUOR CONTROL AUTHORITIES

STATISTICAL INFORMATION, IMPORTS

Description of the product 1	Year ¹	Total quantity imported ² 2	Quantity imported by STEs 3	Per-unit import price ³ 4	Average representative domestic sales price ⁴ 5	Mark-up 6	National production ⁵ 7
		'000 Litres	Litres	CAD/Litre	CAD/Litre		CAD'000
Beer 22.03	2020	322,096	...	2.01	4.78	...	6,354,424
	2021	230,711	...	2.08	4.84	...	7,009,359
Wine ⁶ 22.04 22.05 22.06	2020	466,184	...	5.87	15.78	...	1,605,028
	2021	435,354	...	6.69	16.02	...	2,166,368
Spirits 22.08	2020	39,736	...	30.23	36.52	...	1,345,036
	2021	39,238	...	33.04	37.41	...	1,271,029

- Notes:
- "..." Indicates not applicable.
 - 1. Data in column 5 is for fiscal years ending on 31 March (2019-20 and 2020-21). All other data is for calendar years. Figures in column 5 include coolers separated by type (i.e. beer coolers, wine coolers, spirit coolers).
 - 2. Not all products referred to as beer, wine or spirits are measured in the same unit of measure. For beer, data includes all imports measured in litres. For wine, data includes all imports measured in litres and in litres of pure alcohol (LPA), and kilograms (KG). For spirits, data includes all imports measured in LPA. Imports may include supplementary imports, including products imported for further processing and re-exported under the import for re-export program.
 - 3. Average import prices are calculated as the value of imports by STEs (the price in the country of origin) divided by the quantity of imports by STEs.
 - 4. Average representative domestic sales price is calculated as the value of domestic sales of imported products divided by the volume of import sales.
 - 5. Production figures are represented by the value of shipments, and are calculated using the North American Industrial Classification System (NAICS) rather than HS codes. Quantity data is not available. Data for wine is a Statistics Canada estimate.
 - 6. Wine includes vermouth, coolers and ciders (except Column 5, which excludes vermouth).

Sources:

- Column 2, 4: Statistics Canada.
- Column 5: Statistics Canada. Table 10-10-0011-01 Value of sales of alcoholic beverages of liquor authorities and other retail outlets, by beverage type.
- Column 7: Statistics Canada. Table 16-10-0047-01 Manufacturers' sales, inventories, orders and inventory to sales ratio, by industry.

TABLE II

STATE TRADING: PROVINCIAL AND TERRITORIAL LIQUOR CONTROL AUTHORITIES

STATISTICAL INFORMATION, EXPORTS

Description of the product	Year ¹	Total quantity exported ²	Quantity exported by STEs ³	Average Procurement price	Average representative domestic sales price for sales of domestically-produced alcohol	Per-unit export price	National production ⁴
1		2	3	4	5	6	7
		'000 Litres	'000 Litres	CAD/Litre	CAD/Litre	CAD/Litre	CAD'000
Beer	2020	141,516	-	...	4.21	0.98	6,354,424
22.03	2021	142,533	-	...	4.26	0.90	7,009,359
Wine ⁵	2020	221,550	-	...	8.65	0.97	1,605,028
22.04							
22.05	2021	290,389	-	...	8.08	0.86	2,166,368
22.06							
Spirits	2020	171,549	-	...	29.99	3.87	1,345,036
22.08	2021	172,198	-	...	30.40	4.12	1,271,029

- Notes:
- "-" indicates zero.
 - "..." indicates not applicable.
 - 1. Data in columns 5 and 7 is for fiscal years ending on 31 March (2019-20 and 2020-21). All other data is for calendar years.
 - 2. Does not include foreign produce re-exported.
 - 3. Provincial and Territorial liquor control authorities have no authority over the exportation of alcoholic beverages and no jurisdiction to export such products.
 - 4. Production figures are represented by the value of shipments, and are calculated using the NAICS rather than HS coding. Quantity data is not available. Data for wine is a Statistics Canada estimate.
 - 5. Wine includes vermouth, coolers and ciders (except Column 5, which excludes vermouth).

Sources:

- Column 2, 6: Statistics Canada.
- Column 5: Statistics Canada. Table 10-10-0011-01 Value of sales of alcoholic beverages of liquor authorities and other retail outlets, by beverage type.
- Column 7: Statistics Canada. Table 16-10-0047-01 Manufacturers' sales, inventories, orders and inventory to sales ratios, by industry.

TABLE III

STATE TRADING: PROVINCIAL AND TERRITORIAL LIQUOR CONTROL AUTHORITIES

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of the product	Year ¹	Domestic purchases by STEs	National production ²	Domestic Sales of Domestically- Produced Alcohol, by STEs	National Consumption ³
1		2	3	4	5
			CAD'000	litres	litres
Beer	2020	...	6,354,424	1,844,658	2,170,917
22.03	2021	...	7,009,359	1,843,094	2,120,497
Wine ⁴	2020	...	1,605,028	405,717	763,605
22.04	2021	...	2,166,368	510,869	867,875
Spirits	2020	...	1,345,036	93,965	181,277
22.08	2021	...	1,271,029	97,977	191,695

- Notes: "... not available.
1. Data in columns 4 and 5 are for fiscal years ending on 31 March (2019-20 and 2020-21). All other data is for calendar years.
 2. Production figures are represented by the value of shipments, and are calculated using the NAICS rather than HS coding. Quantity data is not available. Data for wine is an estimate.
 3. National consumption is represented by the total quantity of domestic sales of imported and domestic products. It does not include homemade beer and wine, wine and beer manufactured through brew-on-premises operations, all sales to Canadian residents in duty free shops and any other unreported transactions. Export sales are not included.
 4. Wine includes vermouth, coolers and ciders for column 2.

Sources: Column 3: Statistics Canada. Table 16-10-0047-01 Manufacturers' sales, inventories, orders and inventory to sales ratios, by industry.
Column 4, 5: Statistics Canada. Table 10-10-0011-01 Value of sales of alcoholic beverages of liquor authorities and other retail outlets, by beverage type.