



Bottled Up: Small business barriers to interprovincial alcohol trade

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CFIB

**CANADIAN FEDERATION
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Introduction

Liquor stores across Canada boast shelves filled with a broad selection of international alcohol products, yet Canadian products from other provinces are often nowhere to be found. A traveller who discovers unique craft beer in Alberta or boutique wine in British Columbia will likely be disappointed to find that they cannot purchase those same products back home in Ontario, New Brunswick, or Quebec. This absence of Canadian products is not due to a lack of quality or consumer demand. Rather, it stems from outdated and inconsistent provincial regulations, excessive red tape for market entry, and a lack of transparency in markups and pricing structures that restrict interprovincial trade.

“For a Canadian business to face barriers to trade within its own country is not only senseless, but it unnecessarily shackles the vast degree of economic potential that Canadian distilleries could bring to the Canadian economy.”

- Distillery, British Columbia

Canada’s alcohol industry is powered largely by small, independent businesses. As of 2021, the country was home to about 830 breweries, 508 wineries, and 191 distilleries.¹ From the vineyards of British Columbia’s Okanagan Valley to the craft breweries and cideries in Prince Edward Island, these entrepreneurs play a critical role in the economy as they employ thousands of Canadians, supporting local communities and drawing in tourism.

Their collective impact extends well beyond their local regions. In the 2023/2024 fiscal year, the federal and provincial governments generated \$13.5 billion in revenue from the control and sale of alcoholic beverages. Of this, nearly 60% (\$7.97 billion) came from Canadian-made products, highlighting the vital role small domestic businesses such as breweries, wineries, and distilleries play in driving economic activity in Canada.²

Despite these contributions, small businesses face some of the toughest barriers to grow outside their home province. Unlike large established players that can absorb compliance costs when expanding, small producers often lack the resources to navigate a patchwork of licensing requirements, distribution regulations, and restrictive shipping policies. For small businesses, the current patchwork of policies creates costly delays, inconsistent rules, and lost opportunities. For consumers, it means higher prices and limited access to the incredible variety of Canadian-made wine, beer, and spirits produced across the country.

Small businesses and consumers want change. A Canadian Federation of Independent Business (CFIB) survey found that over three in four (77%) small businesses think Canadians should have the freedom to order Canadian wine, beer, and craft spirits directly from any province or territory without restrictions.³ Additionally, a March 2025 Angus Reid survey found that 80% of Canadians believe alcohol

¹ These numbers are as of December 2021 Statistics Canada data and include businesses with 1-499 employees.

should be freely traded between provinces, just like any other consumer good.⁴ This widespread public support highlights the growing disconnect between consumer expectations and the outdated regulatory barriers that continue to hold the industry back.

The ongoing tariff dispute between Canada and the United States further underscores the need to strengthen Canada's domestic markets. When American liquor products were pulled from stores' shelves across Canada as a response to U.S. tariffs, it opened shelf space that could—and should—have been filled by Canadian producers. As one Manitoban distillery explained, “internal trade could help to increase economic growth in Canada and our sector, which would help to offset the damage done by the U.S. tariffs.” Instead, rigid interprovincial rules and excessive red tape have left small businesses unable to expand beyond their home provinces, leaving significant growth potential untapped.

While Canada has begun to take steps to reduce internal trade barriers, alcohol remains one of the most glaring and persistent obstacles. Recent progress, including a new agreement to adopt direct-to-consumer (DTC) platforms across all ten provinces and one territory, represents a positive step forward, but only the first stage of reform.⁵ Broader, deeply entrenched barriers continue to stifle growth, innovation, and competition in Canada's domestic alcohol industry. This brief examines these barriers and their impact on Canada's small businesses.

Understanding the movement of alcohol in Canada

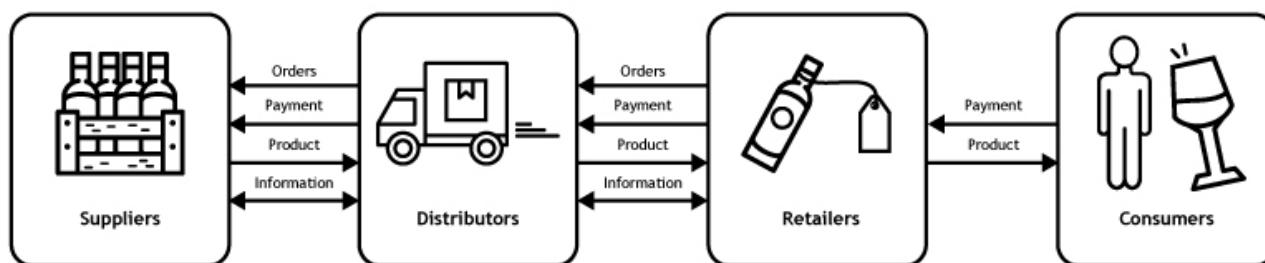
Despite efforts to facilitate internal trade, the movement of liquor products within Canada remains heavily restricted. In 2019, the International Monetary Fund identified the sales restriction of “alcoholic beverages to customers in other provinces” as a prohibitive trade barrier within Canada.⁶ Although the Canadian Free Trade Agreement (CFTA) signed in 2017 aimed to reduce such barriers, alcohol was notably carved out in all jurisdictions through party-specific exceptions.⁷ As a result, the free flow of liquor products continues to be tightly controlled by provincial and territorial governments.

Canada's alcohol trade landscape is highly fragmented. Each province and territory maintains its own regulatory frameworks, licensing requirements, markup structures, and distribution systems. For small producers, this means navigating a patchwork of rules and duplicative paperwork, paying multiple fees, and often waiting months for approval to enter a new province. The result is a system that favours larger players with more resources, while severely limiting opportunities for growth among smaller craft breweries, wineries, and distilleries.

These regulatory barriers are further compounded by the complexity of the supply chain itself. Alcohol distribution in Canada involves multiple layers of oversight and control, which can slow down access to markets and add costs and complexity at every step. **Figure 1** provides a simplified illustration of Canada's liquor supply chain, highlighting the complex web of distribution channels and regulatory touchpoints that govern how alcohol moves from suppliers to consumers.

FIGURE 1

Simplified illustration of Canada's liquor supply chain



Note: This figure illustrates the typical supply chain used in most provinces, though some variations exist between jurisdictions.

In practice, getting alcohol products from producer to consumer is anything but straightforward. Producers must navigate a complex regulatory environment including a maze of provincial liquor boards, varying retail systems (public monopolies in some provinces, private retailers in others), and multiple layers of distribution requirements. This includes provincial liquor boards, differing retail models (private vs. public systems), and alcohol distributors. This complex and inconsistent regulatory environment has created significant trade barriers for businesses attempting to sell their products across the country.

Exploring provincial sales models: Wholesale, retail & provincial pricing components

Across Canada, alcohol sales operate at two key stages of the supply chain: wholesale and retail. The wholesale model governs how alcohol is imported, stored, and distributed within each province, focusing on the logistics and supply chain before products reach consumers. The retail model takes over once products move beyond distribution, determining how, where, and at what price alcohol is sold to consumers.

Provincial liquor boards, such as British Columbia's Liquor Distribution Branch (LDB), regulate alcohol sales and establish two pricing tiers: wholesale and retail. As the LDB explains, "wholesale customers purchase product at the wholesale price, and the hospitality customers (restaurants, bars) and the BC liquor store retail customers purchase product at the retail price."⁸ In practice, this means producers sell to the provincial liquor authority, which sets the wholesale price for licensed businesses like bars and restaurants, while individual consumers can only purchase alcohol at the higher retail price through Crown or private liquor stores.

Most provinces operate under a public wholesale model, where government-run distribution centres act as the primary supplier of alcohol. Because these agencies control how products enter the market, their role in distribution helps to shape pricing structures. Markups, fees, and purchasing policies applied at the wholesale level flow through the supply chain and influence the retail prices paid by consumers. Retail systems, however, vary across jurisdictions and fall into three categories: public, private, and mixed. While retail prices are set at the consumer level, they are still influenced by the wholesale framework established by provincial governments. For example, a restaurant in Nova Scotia must purchase alcohol directly from the NSLC distribution system at established wholesale prices, which are separate from (but closely tied to) the consumer retail prices in government-run stores. Alberta uses a fully private retail model, where alcohol is sold through independently owned liquor

stores licensed by the province, while regulation and distribution remain under the authority of Alberta Gaming, Liquor, and Cannabis (AGLC). In contrast, provinces such as Quebec and Nova Scotia maintain a public retail model, with government-run stores such as Société des alcools du Québec (SAQ) and Nova Scotia Liquor Corporation (NSLC) locations handling direct-to-consumer sales. Mixed retail models, like those in British Columbia and Manitoba, combine public and private retail options for consumers. For business owners, this patchwork of systems can make expanding into a new province both time-consuming and complex. Small producers often need to conduct detailed market research into provincial markups, wholesale pricing rules, and retail models to determine whether interprovincial expansion is financially viable for their business. For a full breakdown of provincial alcohol models and pricing components, see **Appendix A**.

These layered pricing models and distinct provincial retail systems create a complex and often overwhelming environment for alcohol producers, particularly small businesses, trying to navigate Canada's fragmented alcohol market. Unlike larger producers with dedicated compliance teams and larger budgets, small businesses often lack the resources to keep up with the patchwork of rules and regulations across jurisdictions. Each province has its own rules and guidelines from production to distribution, including but not limited to listing requirements, product listing timelines, and marketing regulations, making expanding into new provinces costly and time-consuming. For small producers, this fragmented landscape not only slows growth, it can completely stall their ability to scale, limiting opportunities to reach new customers and compete on a level playing field.

Navigating Canada's alcohol regulations: Oversight and progress

The federal government's role in Canada's alcohol landscape

The federal government plays a foundational role in regulating alcohol in Canada, focusing primarily on public health and safety, intellectual property, and taxation. According to the CFTA, the federal government “develops and maintains overarching laws, policies, and regulations for alcoholic beverages.”⁹ These include setting labelling and packaging requirements, compositional standards, classification, and health and safety rules.

All alcohol products sold in Canada must comply with a range of strict labelling rules, including requirements for font size, allergen disclosures, and health-related warnings. These rules apply to how the label appears to consumers and often operate in conjunction with additional provincial labelling requirements. Products must also comply with federal compositional standards to be legally labelled as “beer,” “vodka,” “wine,” etc. Both the labelling requirements and composition and safety requirements are monitored under the *Food and Drugs Act* (FDA) and enforced by the Canadian Food Inspection Agency (CFIA). All Canadian alcohol businesses must adhere to these requirements and regulations and all additional provincial regulations.

The federal government also regulates items like trademarks and geographical indications such as “Scotch Whiskey,” or “Champagne” via the Canadian Intellectual Property Office. In addition, Ottawa levies excise duties on alcohol, while provinces impose their own taxes at the retail and distribution levels.

Notably, since 2019, the federal government no longer imposes restrictions on the interprovincial movement of alcohol. The barriers that remain today stem entirely from the fragmented regulatory frameworks of provincial governments and their liquor boards.¹⁰

Breaking down barriers: CFTA commitments and progress

Under the CFTA, all provinces and territories have agreed to a series of commitments aimed at reducing internal trade barriers for alcohol.¹¹

These commitments include:

1. Increase personal use exemption limits, either by removing or increasing them.
2. Implement a retail e-commerce platform or develop a website allowing consumers to see their liquor board's product assortment.
3. Reduce administrative burdens, improve special-order processes, streamline sales processes, and improve access, selection, and availability.
4. Develop an online (bilingual) hub targeted to alcohol manufacturers, providing information on each jurisdiction's alcohol retail and distribution systems.
5. Make basic information on their pricing policies publicly available.
6. Make it easier to access information about their listing practices.
7. Maintain a working group to monitor the ongoing implementation of recommendations, discuss emerging issues, and liaise with stakeholders.

There has been progress on several of the CFTA alcohol commitments in recent months, particularly in increasing consumer access through direct-to-consumer sales. All ten provinces and one territory signed memoranda of understanding (MOUs) to allow direct-to-consumer alcohol sales by May 2026.¹² While this represents a step forward, CFIB cautiously notes that the piecemeal nature of these reforms can lead to more red tape down the line. The growing number of jurisdiction-specific MOUs risks a patchwork of one-off agreements, creating regulatory complexity for government implementation, as well as for small producers looking to expand. CFIB encourages all provinces committed to alcohol trade reform to use the May 2026 deadline not only to implement the MOU agreements on direct-to-consumer alcohol sales, but also to fulfill all CFTA alcohol commitments.

Encouragingly, some jurisdictions have been making improvements to consumer access by expanding their liquor board websites. For example, Ontario and British Columbia have enhanced their websites to include searchable product assortments and online ordering capabilities, making it easier for consumers to access products and for producers to reach wider markets.^{13,14}

Although these developments reflect a growing effort to reduce trade barriers, improve transparency, and modernize alcohol distribution systems, much work remains. Small producers and retailers

continue to face hurdles while navigating a fragmented and often unclear regulatory landscape. Achieving unilateral mutual recognition and streamlining access to markets remain a critical priority.

Small business barriers to interprovincial alcohol trade

Business owners face a maze of challenges when it comes to interprovincial alcohol movement, stemming from a combination of outdated regulations, inconsistent rules across jurisdictions, and limited transparency. Small-scale producers such as distilleries, wineries, and breweries, face a patchwork of provincial regulations, markup rates, and various requirements.

“Although we are ready to expand, it is difficult to understand where in other provinces we can sell to. Understanding entirely new markets within Canada has posed a significant challenge to expanding our business.”

- Distillery, Manitoba

To better understand the challenges facing small businesses in the alcohol industry, CFIB consulted members across the sector, including wineries, craft distilleries, breweries, liquor stores, and wholesalers. Their valuable insights revealed the practical impacts of regulatory inconsistencies and logistical hurdles, and other barriers often overlooked in small business policy. From these discussions a consistent theme emerged: small businesses find accessing markets in other provinces complex and restrictive. These experiences highlight the urgent need for coordinated, streamlined regulations to allow producers and retailers to fully participate in Canada’s domestic alcohol market.

The following section explores some of the most significant barriers.

1. Red tape and regulatory complexities

Small and medium-sized alcohol producers in Canada face significant administrative loads. These extend beyond basic compliance and include a wide array of requirements such as:

- Labelling standards
- Product registration protocols
- Reporting obligations
- Laboratory testing requirements

An illustrative example of this regulatory patchwork is the variation in lab testing requirements for alcohol products per province. These inconsistencies create confusion as well as imposing additional costs and delays for businesses attempting to expand interprovincially.

For example:

- Alberta does not mandate lab testing for alcohol products, provided a producer meets the CFIA’s health and safety standards. However, the Alberta Gaming, Liquor, and Cannabis Commission retains the authority to request product samples for analysis under specific circumstances.¹⁵

- British Columbia requires laboratory testing only for certain product categories such as absinthe, caffeinated beverages, and malt-based products, which occurs during the registration process. Other products are exempt unless situationally flagged.
- Similar to Alberta, Newfoundland and Labrador does not require lab testing for liquor products if they comply with CFIA standards.¹⁶
- In contrast, provinces like Nova Scotia, Ontario, and Prince Edward Island require a Certificate of Analysis (COA) for products to be eligible for retail, regardless of whether similar products are already approved elsewhere in Canada.¹⁷

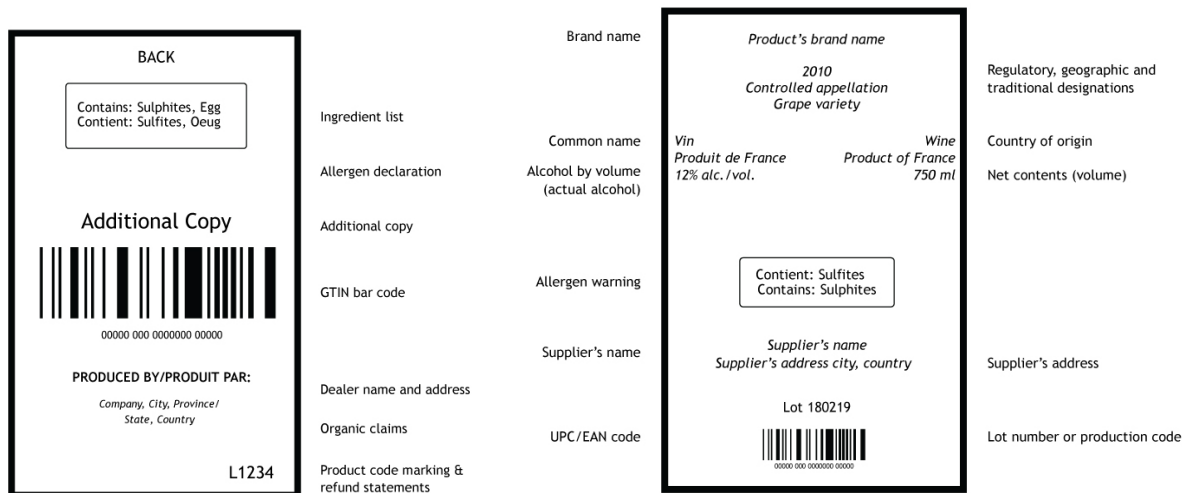
This means that a product deemed compliant and ready for sale in one province will likely face different requirements in another. For example, a malt-based product approved for sale in Alberta will face additional testing when applying for a listing in BC, slowing market entry and increasing production costs.

Small producers also must navigate varying liquor board procurement processes. Each province operates its own liquor board, such as the Liquor Control Board of Ontario (LCBO) or Newfoundland and Labrador Liquor Control Board (NLC). A wine approved for sale by the LCBO may not be accepted in another province without undergoing a separate registration process, forcing producers and suppliers to engage in negotiations with each jurisdictional board. This includes obtaining province-specific permits, adhering to different call-out periods, which are designated timeframes when liquor boards accept applications for new product listings, and passing separate compliance verifications. These fragmented procedures create barriers to interprovincial trade and add administrative burdens for small businesses.

Looking specifically at labelling practices, federal labelling regulations establish baseline requirements for alcohol products across the country. However, individual provinces maintain the authority to add additional labelling conditions, often related to language use, font size, or label placement. These supplementary rules can create practical and financial burdens for producers seeking to distribute their product nationally. Figures 2 and 3 illustrate the variability of provincial labelling requirements.

Figures 2 & 3

Comparison of Manitoba and Quebec wine bottle labels



Manitoba back side of wine bottle label (left), Quebec back side of wine bottle label (right). Please note that these graphics were taken as exact copies of examples available as labelling guidelines for each respective liquor board.

Although the differences between labels may seem subtle, they demonstrate how small businesses must adjust packaging to meet differing provincial rules. This means that the businesses lose time drafting a new label, producing multiple versions of the label for the same product, and managing additional logistics—all of which increase costs and operational complexity.

Ultimately, these regulatory inconsistencies serve as a barrier to growth and innovation, restricting small producers from reinvesting revenue into their business and employees. This discourages businesses from expanding, limiting consumer access to diverse Canadian-made products, and reinforcing the fragmented nature of Canada's domestic alcohol market.

2. Shipping costs

Shipping alcohol across provincial borders presents a range of challenges for small businesses, particularly for those engaging in direct-to-consumer (DTC) sales or seeking distribution through liquor stores. While the federal *Importation of Intoxicating Liquors Act* permits the movement of alcohol between provinces, most provincial liquor control boards retain exclusive authority over how alcohol is distributed within their jurisdiction.¹⁸ This limits the ability of producers to ship directly to consumers across provincial lines.

Beyond the regulatory barriers, the actual cost of shipping alcohol is especially burdensome for small businesses. This is due to the weight of bottles, specific packaging requirements, insurance, and compliance with safety regulations. For small producers with limited shipping volumes, these factors translate into significantly higher per unit costs, as they are unable to negotiate bulk shipping rates. This drives up retail prices, making DTC sales less competitive and limiting their ability to reach retail stores both within and outside their home province.

According to CFIB data, when all small businesses across Canada were asked what challenges they have experienced when purchasing or selling goods and/or services from/to other jurisdictions, over a quarter (27%) cited transportation and logistics as barriers. This includes restricted carrier options, freight costs, and shipping constraints for certain items.¹⁹

A Manitoba distillery owner recounted a specific issue during business expansion, where they encountered an issue with glass bottling. Inconsistent weight of their glass bottles caused shipments to exceed permitted freight weight limits. As a result, the business incurred fines, adding unanticipated costs to an already expensive distribution process.

For small businesses operating on thin margins, unpredictable freight costs and regulatory red tape serve as significant deterrents to growing interprovincial sales.

3. Inaccessible information, lack of transparency, and poor communication

For many small producers, the challenge of interprovincial alcohol trade is not simply procedural but lies in the lack of clear information and guidance. Without a clear, comprehensive understanding and knowledge base, uncertainty creates barriers for small businesses trying to expand or operate interprovincially.

A craft brewery owner may understand they require a product listing to sell in another province's liquor store, but researching where to start often leads to government websites with technical jargon, technicalities scattered across various documents, and information that can be hidden unless requested. Some liquor control boards keep information behind a login portal, making it near impossible for new market entrants to understand the full scope of what they are taking on. Even more basic information (what forms are required, when call-out periods for products open, how labels must be submitted, etc.) can be difficult to locate or interpret. For an in-depth look at product listing requirements, refer to **Appendix B**.

Producers across Canada echoed this frustration. As one British Columbia brewery put it, ***“it is difficult enough to be listed in your own province, forget about trying to compete in another market unless you hire a whole other team.”*** The remark captures the opacity and confusion which emerges from these fragmented systems, leaving small businesses to spend time and resources chasing unclear information before they can attempt to compete outside their home province.

This lack of transparency extends into the listing process itself. An Ontario distillery that was successfully listed with the LCBO attempted to expand into Atlantic Canada. After following each step of the process by gathering the required documents, submitting their item during the product listing call-out, and submitting the required pictures, their application was rejected without explanation.

“We went through so many different layers to make our product available outside of Ontario, and this is the reason we can’t expand our business.”

- Distillery, Ontario

Without clear feedback or justification, producers are left in the dark about why their product was rejected. The lack of communication, transparency, and understanding when business owners reach

out to the liquor boards further prevents small businesses from contributing to the Canadian economy and participating in interprovincial alcohol trade.

These differing processes are not isolated to just one province. In Prince Edward Island, for example, producers must navigate a detailed listing process with the PEI Liquor Control Commission, submitting product samples, label images, and fees, often during a single annual category call. Listings are mainly granted through an annual category call (August-July) for each alcohol type, though one-time offers and seasonal products can be approved outside this cycle.^{ii,20} Even after completing the requirements, final approval depends on discretionary factors like shelf space and promotional support, which is not always communicated to business owners. A distiller may believe they have completed the process as per the requirements and submitted the items accordingly, only for their product not to receive a listing, without a clear explanation as to why, as with the example above.

If that same producer were to apply for a product listing in Manitoba, they would find an entirely different system with three separate listing programs, with their own forms, timelines, and requirements. When applying for a listing, producers must provide documentation including a product presentation form, letter of authorization, label images, shipping details, and product samples.²¹ While the documents specify what to submit, the decision still rests on judgments regarding items such as assortment needs. Without clarity, each application feels like taking a shot in the dark.

“Liquor boards aren’t there to try and help you, they’re there to stop you.”

- Distillery, Ontario

Many producers told CFIB they feel that the listing process lacks transparency and understanding of small business operations. Differing sales channels and distribution models further compound small business challenges. In provinces with public distribution systems, access to shelves is typically more centralized, whereas provinces with private or hybrid models may involve working with multiple retail chains or independent buyers. This creates further confusion over how products move through the supply chain and who ultimately controls market access.

Where some provinces have straightforward and easily accessible information for listing requirements, such as Alberta and Manitoba, others have little guidance on timelines and the required listing information. Provincial liquor boards should improve transparency regarding the listing process, including providing clear guidelines, timelines, and explanations for rejections.

4. Markup rates

All Canadian alcohol products sold to wholesalers are subject to an additional cost called a markup rate. This rate serves as a pricing framework used by liquor control boards to determine the value added to the landed cost of an alcohol product before it reaches retailers and consumers. While it is

ⁱⁱ Seasonal products and alcohol festivals have separate category calls from Spirits, RTD & Cider, Beer, and Wine.

dependent on the province, the landed cost typically includes items like the GST/HST, environmental fees, shipping charges (where applicable), and other province-specific factors, as shown in **Appendix A**. Across Canada, most markup rates are added to the landed cost.

The criteria for determining markup rates vary significantly across provinces. However, not only is this information difficult to locate and access, it is also complex to interpret. This makes it challenging for producers to understand where their product fits within a given province's pricing model. Yet, this information is crucial for businesses to understand as it directly impacts their pricing strategy, competitiveness, and profit margins.

There is a large variation of markup formulas per province. For example:

British Columbia uses a fixed percent, category-based markup rate that varies by alcohol type and cost per litre of alcohol.

Alberta and Saskatchewan use a flat dollar per-litre markup based on product type and Alcohol by Volume (ABV).

New Brunswick employs a tiered percentage-based markup that changes depending on the product's cost per litre.

This lack of consistency requires producers to effectively start from scratch each time they enter a new market, making national distribution especially burdensome for small-scale businesses.

“The confusion imparted by the different provincial frameworks make interprovincial trade a minefield of obscure clarity.”

- Distillery, British Columbia

In a November 2022 survey, CFIB found 98% of small businesses agreed an important aspect of good governance is being able to locate information easily. In addition, 98% agreed clear timelines on when to expect a response or approval is an important aspect of good government service. These numbers convey a simple message: small businesses desire transparent government processes, accessible information, and clear timelines.

There are also discrepancies in how provinces treat different product categories. One Ontario distillery summarized the problem bluntly, ***“we’re charged 16 times more tax than beer and wine. Just be fair,”*** when referring to the fact that spirits in Ontario have a 139% markup while wine has a 71.5% markup.²²

Diving deeper into the markup rates per province demonstrates this variability. The following are each province's national markup rates for a 750 mL bottle of table wine:

- **British Columbia:** 89% with graduated markup for cost portion up to \$11.75/L.²³
- **Alberta:** \$4.11/L standard markup rate on wine for alcohol by volume less than or equal to 16%.
 - \$0.74/L to \$3.34/L range markup rate on qualifying small manufacturer on wine.²⁴
- **Saskatchewan:** 99% markup rate on portion of landed cost up to \$12.50/L for alcohol content between 7.1% and 14.5%.
 - 45% to 85% markup rate on qualifying small manufacturers.^{iii,25}
- **Manitoba:** 95% markup rate on 750 mL bottle of wine.²⁶
- **Ontario:** 71.5% markup rate.²⁷
- **Quebec:** N/A.^{iv, 28}
- **New Brunswick:** 147% markup rate for products up to \$13.11/L.²⁹
- **Prince Edward Island:** N/A.^v
- **Newfoundland and Labrador:** 84% variable markup rate or 3.97 fixed markup rate.³⁰
- **Nova Scotia:** 140% markup rate on national-made products.³¹

The values above represent the markup rates applied to Canadian products, which factor into both the wholesale and retail prices. Some provinces, such as Nova Scotia, apply alternative markup rates to products specifically produced in their province. Ontario and British Columbia also have programs targeting wine, promoting wines approved by the Vintners Quality Alliance (VQA) that are made with provincially grown grapes and produced locally. These programs often see discounts in stores or have discounted markup rates because of their VQA approval. Other provinces, such as Alberta and Saskatchewan, offer reduced rates for small manufacturers, depending on eligibility.

Variations in markup and provincial programs and structures create significant challenges for small producers seeking to sell across provincial borders. While preferential pricing or promotional programs in certain provinces can support local producers, these programs do not translate to interprovincial products, leaving small businesses elsewhere at a disadvantage. The patchwork system complicates interprovincial expansion for wineries, breweries, and distilleries, as pricing advantages tied to local production do not transfer outside their home province. Reduced rates for small manufacturers in provinces such as Alberta and Saskatchewan provide some relief, but the overall lack of uniformity adds complexity and administrative burden for businesses aiming to grow nationally.

ⁱⁱⁱ Saskatchewan defines small producers as having a global production under 200,000 L per year of each category of wine, spirits, and/or RTDs, among other additional parameters.

^{iv} Public importation markup rate is not available, but private importation markup rates used by the SAQ for case-based orders through agents are. For a case of twelve 750 mL bottles of wine between \$0 and \$60, the markup rate is 134.5%. For reference, see endnote 28.

^v Information is not publicly available.

Finding a path forward: Recommendations and conclusion

Canada's internal alcohol trade remains constrained by a patchwork of provincial regulations which hinder economic opportunity and limit consumer choice, creating a variety of barriers for small businesses. While there has been incremental progress under the CFTA, significant barriers persist. Small alcohol producers have expressed a clear desire to access new markets and grow their operations across Canada. However, they face challenges at nearly every step, from product registration and lab testing to licensing and distribution. This brief outlines practical recommendations to streamline regulations, improve coordination, and reduce administrative burdens, enabling small businesses to grow and truly create one Canadian economy.

CFIB recommends the following:

1. Expand government commitments on mutual recognition agreements to include provincial alcohol rules, regulations, and requirements.
2. Improve information accessibility for producers looking to sell in other provinces.
3. Simplify licensing and distribution processes.
4. Increase transparency and access to pricing and listing information.
5. Establish a working group (similar to the direct-to-consumer working group) across all provinces committed to alcohol trade reform.
6. Ensure direct-to-consumer commitments in May 2026 are met with established roll out plans and specifications for taxation and markup rates.

Appendix A - Provincial alcohol pricing components

TABLE 1

Provincial alcohol pricing components and liquor board titles

Province	Liquor Control Boards	Pricing Components
British Columbia	Liquor and Cannabis Regulation Branch (LCRB) Liquor Distribution Branch (LDB)	- Manufacturers/agents set supplier prices - LDB calculates wholesale prices by adding components such as: - Warehouse cost - Container deposit - Recycling fees - Provincial markup - Federal duties & GST - Retailers then buy from LDB and set shelf prices above wholesale and LCRB minimums
Alberta	Alberta Gaming, Liquor & Cannabis (AGLC)	- Manufacturers/agents set a supplier price. AGLC builds a wholesale price by adding: - Container deposits - Provincial markup - Recycling fees - Federal duties & GST - Retailers buy at wholesale price and add retail margin to set final shelf price
Saskatchewan	Saskatchewan Liquor & Gaming Authority (SLGA)	- Manufacturers/agents submit vendor quote (prime cost) and SGLA builds wholesale price, adding: - Environmental fees - Freight and service costs (if SLGA distributes) - SLGA markup - Federal duties and GST - Retailers buy at wholesale from SLGA or negotiate with private warehouses - Retailers set own price, but must follow social reference pricing
Manitoba	Manitoba Liquor & Lotteries Corporation (MBLL)	- Suppliers set their own retail prices under supplier-driven pricing model - The retail price includes: - Supplier invoice price - Container deposits and recycling fees - Provincial markup - Federal duties and GST
Ontario	Liquor Control Board of Ontario (LCBO)	- Price components for landed cost include: - Federal excise - Federal import duty - Freight cost - The consumer price includes: - LCBO markup - LCBO volume/tax levy - Administration fee

Quebec	Société des alcools du Québec (SAQ)	- The sales price includes: - Supplier price - SAQ service fee - Customs duties (as applicable) - Taxes and other applicable fees
Nova Scotia	Nova Scotia Liquor Corporation (NSLC)	- NSLC uses a price band system which establishes a maximum and minimum price for three types of listings across categories: economy, mainstream, and premium - The sales price includes: - Landed cost - Provincial markup - Associated taxes - Bottle deposit fee
New Brunswick	Alcool NB Liquor (ANBL)	- The retail price includes: - Landed cost - Provincial markup - Handling fees - Associated taxes - Bottle deposit fee
Prince Edward Island	PEI Liquor Control Commission (PEILCC)	- The retail price includes: - Landed cost - Provincial markup - Handling fees - Associated taxes - Bottle deposit
Newfoundland and Labrador	Newfoundland and Labrador Liquor Corporation (NLC)	Prices of alcoholic beverages are set by the NLC and are consistent across all retail channels ^{vi}

Please note these pricing components are not inclusive of all pricing determinants which factor into wholesale and retail pricing. For some provinces, certain values are not publicly available.

^{vi} Information not publicly available.

Appendix B - Alcohol listing differences between provinces

TABLE 2

Understanding listing differences between provinces

Province	Product Listing Requirements	Liquor Agent Required
British Columbia	All alcohol products must be registered with LDB's Wholesale Operations	Not explicitly required
Alberta	- Products are registered through AGLC's Liquor Agency Portal (LAP) - Suppliers must appoint registered agency or register own company as liquor agent - Requires letter of authorization and letter of understanding between supplier and agency	Yes (Registered Agency or Self-Registered)
Saskatchewan	SLGA uses a monthly call-out process for product listings	Not explicitly required
Manitoba	- Listings are decided by MBLL Category Management - Products are introduced via 3 programs: - Scheduled Listing Call - Innovative Products program - Assortment Enhancement program	Yes, for specific cases
Ontario	- Formal listing application through LCBO - Includes label review, pricing submission, product testing - Suppliers follow product call cycle and LCBO quality assurance procedures	Not explicitly required
Quebec	- SAQ publicly solicits offers and negotiates directly with suppliers - Suppliers may also submit unsolicited offers - Products are assessed based on criteria such as quality and reputation	Not explicitly required
Nova Scotia	- Products must be listed through the NSLC - Requires NSLC Agency Permit and Registered Representative Permit	Yes (NSLC Registered Representative)
New Brunswick	- Products are listed through ANBL - Exceptions apply to on-premise sales by local producers	Not explicitly required but recommended
Prince Edward Island	Listings are generated from a yearly category review schedule	Not explicitly required but recommended
Newfoundland and Labrador	- Listings are reviewed by NLC Category Management - Follows a yearly category review schedule	Not explicitly required

Please note the product listing requirements are not a comprehensive list as this information is limited for provincial wholesaler portals.

Methodology

This brief excludes the territories due to their distinct regulatory system for alcohol. Alcohol-related policies in these regions are often managed at the community level to reflect local priorities and safety concerns. While some provinces in Canada also have communities which restrict the sale or consumption of alcohol (e.g., “dry communities”), these practices are less common and not as central to provincial regulatory frameworks.

CFIB is a non-partisan organization exclusively representing the interests of 100,000 small and medium-sized businesses in Canada. CFIB’s research capacity is second-to-none because it is able to gather timely and concrete information from members about business issues that affect their day-to-day operation and bottom line. In this capacity, CFIB is an excellent source of up-to-date information for governments to consider when developing policies impacting Canada’s small business community.

About the author



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Endnotes

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- ¹⁷ Internal Trade Secretariat. (n.d.). *Newfoundland and Labrador alcohol laws*. Alcohol Laws in Canada. Retrieved August 25, 2025, from <https://alcohollaws.ca/newfoundland-and-labrador/>
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- ¹⁹ CFIB, Your Voice – April 2025 survey, April 10-24, 2022, n = 950. Question: What challenges have you experienced when purchasing or selling goods/services from/to other provinces/territories? (Select as many as apply)
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