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## **New liquor warehousing and distribution fee structure approved**

### ***Most Albertans won't see much difference in liquor prices***

*Edmonton...* Most Albertans won't see much difference in liquor prices at their neighbourhood store following a change in how Connect Logistics Services warehousing and distribution fees are calculated. The Alberta Gaming and Liquor Commission (AGLC) Board approved the new structure for liquor agents, suppliers and retailers that see rates based on the actual handling costs for each type of product. Factors include product volume, handling time for warehousing, order processing and storage needs.

The new rates are effective July 15. Developing a more detailed rate structure was a recommendation from an independent review of Alberta's liquor supply chain released earlier this year.

"This new activity-based costing system answers the review's recommendation and accurately reflects the true costs of providing warehousing and distribution services to the liquor industry," said Julian Nowicki, Chair of the AGLC Board.

Each liquor retailer determines their product selection and pricing so the new rates will affect each one differently. The new rates for receiving, assembly, storage and transportation will have the following approximate effects on these typical products:

- A 750-ml bottle of wine or spirits could decrease by two cents if it is a fast-moving product received as a full pallet. If the same 750-ml product is shipped by the case and requires more handling and storage there could be an increase of about three cents.
- A 750-ml bottle of wine or spirits could increase by up to 10 cents if it is a slower selling or specialty item that requires additional handling and storage.
- A bottle or can of imported beer could decrease by up to three cents if it is received, ordered and shipped by pallet. A bottle or can of imported beer could increase by about one to two cents if it is received and shipped by the case.

Connect Logistics will be distributing the complete revised rate schedule to the agents, suppliers and retailers who use their services.

Albertans may not see a difference in price for their favourite beverages as agents, suppliers and liquor retailers may not pass along an adjustment. The rate changes do not apply to domestic beer e.g. Labatts, Sleemans, Molsons and Big Rock as these products are handled through a different distribution system.

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