

# Glossary of liquor terms

**Ad valorem:** Markup based on the value of the goods.

**Base mark-up:** Fee applied to landed cost of products.

**Bottle-pick:** Any product purchased by licensees in less than case quantities.

**Comprehensive Economic Trade Agreement (CETA):** A free-trade agreement between Canada, the European Union and its member states. The agreement requires all Canadian provinces and territories to identify the cost of service for liquor products to ensure that mark-ups on products are fair and there is no discrimination between domestic and foreign products.

**Cost of service (COS):** The cost of bringing product to the point of sale. It includes all direct purchasing, warehouse, sales and distribution labour and operational costs. The COS is calculated annually and applied to all product on a per litre basis.

**Cost of service differential (COS differential):** A COS differential is the difference between the COS applied to the products of another country and the COS applied to domestic products.

**Federal import duty:** Applied only to imported goods; similar in structure to excise tax.

**Federal excise tax:** A variable tax based on volume and alcohol content.

**GST:** 5% Federal tax collected by Yukon Liquor Corporation on all retail and wholesale sales.

**Landed cost:** Supplier purchase cost plus all costs to get the product in Yukon available for sale. This includes, but not limited to import and excise duties, transportation and any additional inbound logistics costs.

**Limited time offer (LTO):** A temporary decrease in a product's wholesale and retail price requested and fully funded by the supplier or agent.

**Maximum off-sale price:** The maximum price any off-sale licensee may sell a product. Currently 30% above YLC retail price.

**Recycling fee:** Applied to all non-refillable products.

**Refundable deposit:** Variable amount depending on volume of container.

**Retail markup:** The markup applied to the wholesale base price for all product sold at Yukon Liquor Corporation retail stores or by a licensee off-sale premises.

**Retail price:** The price YLC charges to the public at all YLC Retail Stores and is equal to:  
*wholesale base price + retail markup + Yukon Liquor Tax + GST + refundable deposits + recycling fees*

**Producer-Medium (Medium Producer):** Annual production under the following volumes:

- Beer: over 15,000 hectolitres, but under 25,000 hectolitres

**Producer-Small (Small Producer):** Annual production under the following volumes:

- Spirits: 8,300 litres of Absolute Ethyl Alcohol (AEA)
- Beer: 15,000 hectolitres
- Wine: 60,000 hectolitres
- Coolers: 525 litres of Absolute Ethyl Alcohol (AEA)

**Supplier purchase cost:** The price producers or the producer's agent charge Yukon Liquor Corporation for product.

**Volumetric pricing:** Markup based on volume of the product (i.e. \$1.00 per litre).

**Wholesale base price:** Landed cost plus wholesale markup and COS

**Wholesale price:** The price Yukon Liquor Corporation charges to licensees for product equal to: *wholesale base price + Yukon Liquor Tax + GST + refundable deposits + recycling fees.*

**Wholesale markup:** The fee added to the landed cost of the product. This varies by product and producer size.

**Yukon Liquor Tax:** 12% tax collected by Yukon Liquor Corporation per the Yukon Liquor Tax Act