

Voluntary Report – Voluntary - Public Distribution

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Report Name: Ontario to Allow Sales of Wine and Beer in Groceries and Corner Stores

Country: Canada

Post: Ottawa

Report Category: Policy and Program Announcements, Agriculture in the News, Wine

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Report Highlights:

The Ontario provincial government announced that sales of wine, beer, low-alcohol ready-to-drink beverages, and cider will be allowed in all groceries and convenience stores starting from January 1, 2026. At retail, spirits will continue to be sold only through provincial liquor board outlets, while the liquor board will be the exclusive wholesaler in the province for all retail stores, bars, and restaurants selling alcoholic beverages.

On December 14, 2023, the Ontario provincial government [announced](#) that starting January 1, 2026, retail sales of wine, beer, cider, and low-alcohol ready-to-drink beverages will be allowed in all provincial groceries and convenience stores. According to the press release, an estimated 8,500 new outlets would be added to the provincial alcohol retail marketplace. Spirits will continue to be sold exclusively through the Liquor Control Board of Ontario (LCBO) network of retail stores.

Currently, there are 450 grocery stores across Ontario that can sell beer and cider, of which 225 can also sell wine. Additionally, beer is sold through over 400 Beer Stores (a retail chain owned by the major Ontario brewing companies), while all alcoholic beverages can be bought in over 675 LCBO stores, as well as over 385 LCBO Convenience Outlets (co-located within other retail businesses, these outlets serve communities without access to an LCBO store).

The provincial government also announced the parameters for a [Modernized Marketplace for the Retailing and Distribution of Beer and Recycling in Ontario](#), according to which, for instance, there will be no restrictions on pack sizes by retail channel or by retailer, and no pack sizes will be exclusive through any retail channel or retailer (currently, packs of 24 beers can only be sold by The Beer Store), while The Beer Store will continue to run the provincewide recycling program for alcoholic beverage containers until at least 2031.

Additionally, the Ontario announcement includes several related initiatives, such as:

- **Wholesale:** The LCBO will be the exclusive wholesaler for all retail, bars and restaurants selling all types of domestic and imported alcohol in the province (except for beer sales by The Beer Store)
- **Distribution:** The LCBO will continue to distribute wine and spirits in an expanded marketplace, including retail stores, bars, and restaurants, while The Beer Store will maintain its primary role in the distribution of beer to retailers, bars, and restaurants until at least 2031
- **Support for local beverage alcohol producers:** The provincial government will provide various support measures to Ontario-based producers, including:
 - o Extending dedicated shelf space requirements across all new retailers for small beer and wine producers¹;
 - o Expanding the Vintners Quality Alliance (VQA) [Wine Support Program](#) beginning in fiscal year 2024-25 for up to five years to 2028-29, to support the growth and sale of Ontario-grown VQA wines;

¹ Currently, according to [Ontario Regulation 746/21](#) (paragraph 89), groceries licensed to sell beer must ensure that at least 20 per cent of the containers of beer on display are produced by small breweries, and groceries licensed to sell wine must ensure that at least 40 per cent of the containers of wine on display contain wine that is produced using grapes from a single country, and in respect of which at least one of the following criteria is satisfied: 1) the wine is quality assurance wine; 2) the wine was produced by a small winery; and 3) the country where the grapes were grown produces, in the aggregate, less than 150 million liters of wine annually from grapes grown in that country.

- Directing the LCBO to promote and prioritize Ontario-made products, by providing more and enhanced programs, promotions and strategies to help local producers grow Ontario product sales;
- Introducing legislation that would eliminate the 6.1 per cent [wine basic tax](#) at on-site winery retail stores.

In 2022, the United States exported to Canada over \$500 million in wine, and over \$80 million in beer. Ontario is Canada's largest province and market for alcoholic beverages, absorbing, in 2022, nearly 51 percent of the country's beer imports, and close to 32 percent of its wine imports.

Attachments:

No Attachments.