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Alcohol Retail Information Session

For retailers interested in selling alcohol



Scan to submit your questions

June 11, 2024

Land Acknowledgement



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Agenda

1. Overview of the new licences

2. Steps you'll take to enter the market

01. Decide if it's right for you
02. Get licensed by the AGCO
03. Onboard with the LCBO
04. Get your store and staff ready
05. Purchase product from the LCBO
06. Sell responsibly

3. Q&A

4. Information and Support

Where you can find additional information

Who you can reach out to for help

Scan to submit your questions



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Overview of the new licences



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Convenience and grocery store licences

Integrating Liquor retail into a business will require applicants to obtain either a convenience store licence or a grocery store licence.



Convenience Store Licence

- Sell beer, cider, wine and ready-to-drink products
- Deliver liquor from the store
- Sampling is not permitted

Sept 5 Convenience stores can start selling



Grocery Store Licence

- Sell beer, cider, wine and ready-to-drink products
- Deliver liquor from the store
- Sample liquor or liquor products in store

Aug 1 Existing grocery stores can start selling

Oct 31 New grocery stores can start selling



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Retail regulation landscape

Ontario 

Established legislation and regulation to allow these new licences.

The Ontario Government sets the minimum prices and taxes.

Liquor Licence and Control Act, 2019

- **Regulation 745/21**: General requirements
- **Regulation 746/21**: Details on the convenience and grocery store licences
- **Regulation 750/21**: Details on the minimum pricing of liquor



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The AGCO licenses retailers, creates and enforces requirements for the safe and responsible sale of alcohol.

- **Registrar's Standards**
- **Orders of Monetary Penalties**

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LCBO is the exclusive wholesaler and is the only way to legally purchase alcohol.

- **Master Supply Agreement between LCBO and Licensee**



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Steps to enter the market



01 Decide if it's right for you



02 Get licensed by the AGCO



03 Onboard with the LCBO



04 Get your store and staff ready



05 Purchase product from the LCBO



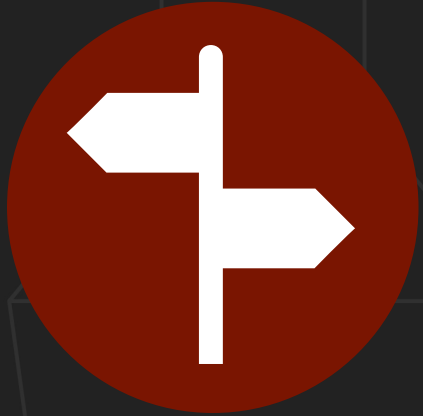
06 Sell responsibly



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01

Decide if it's right for you





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Decide if it's right for you

Your store needs to meet certain requirements for it to be eligible. Make sure you meet these eligibility requirements before you apply. You will need to uphold these requirements to continue to sell alcohol. View the AGCO's website for more details.

Licence type	Retail floor space	Food products occupy at least 1/2 of retail floor space (or >10K sq ft)	Food products
 Convenience	≤ 4000 square feet	Offer a variety of at least 5 types of the following food products	<ul style="list-style-type: none"><input type="checkbox"/> Canned food<input type="checkbox"/> Dry food<input type="checkbox"/> Frozen food<input type="checkbox"/> Fresh fruit<input type="checkbox"/> Fresh vegetables<input type="checkbox"/> Meat or meat alternatives<input type="checkbox"/> Dairy or dairy alternatives<input type="checkbox"/> Non-alcoholic beverages<input type="checkbox"/> Baked goods<input type="checkbox"/> Snack foods
 Grocery	> 4000 square feet	Offer a variety of all of the following types of food products	



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Not eligible

Your store is not eligible to sell alcohol if:

- ✘ It is “primarily identified to the public as a pharmacy”
- ✘ The retail floor space isn’t fully enclosed by walls and all aspects of the sale can’t take place in the retail floor space
- ✘ It doesn’t sell enough food variety, or have enough space dedicated to selling non-prepared food
- ✘ It is in a First Nations community that doesn’t allow alcohol retail stores

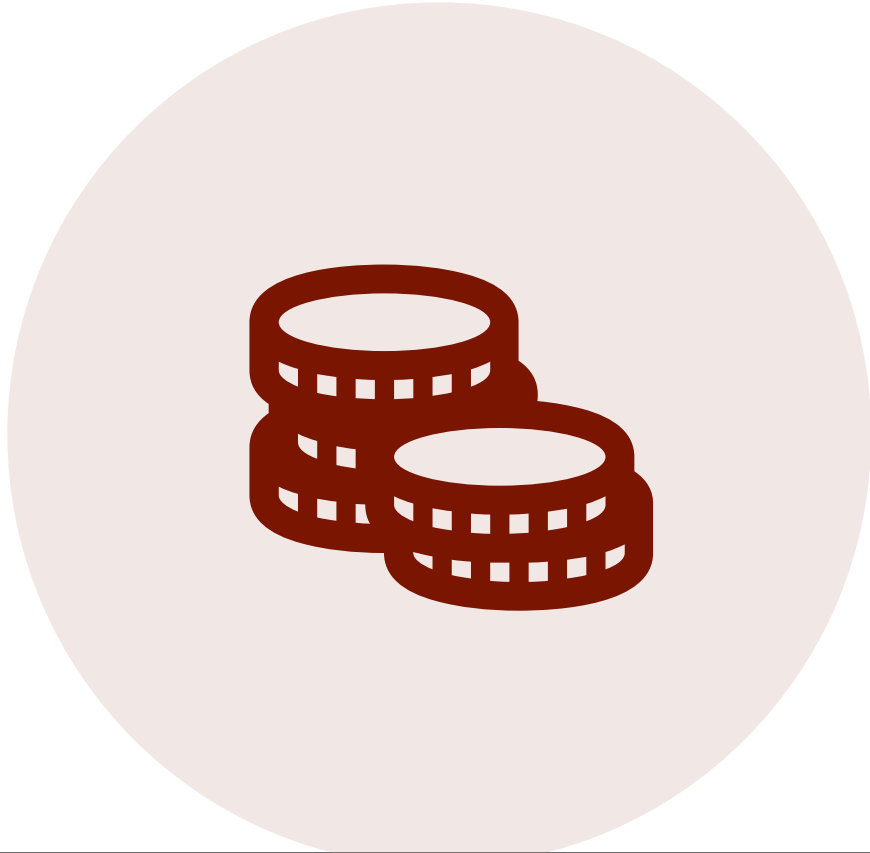


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Cost of a Licence



Yearly licensing fee:

\$500 for convenience store licence

\$3,250 for grocery store licence



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Other things to consider

Here are some requirements to think about to help your planning.



Can only sell alcohol between
7 a.m. and 11 p.m.



Mandatory training requirements
for every person involved in sale,
service, delivery of liquor



Liquor is only in one area of
the store



No financial relationships with
manufacturers/suppliers
including “trade spend”



Minimum drinking
age is 19



Minimum age for selling or
handling liquor is 18



Shelf space requirements to display
small manufacturer products



Cannot sell “private label”
products



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For additional information see:

- [Licensing Regulation \(O. Reg 746/21\)](#)
- [General Regulation \(O. Reg 745/21\)](#)

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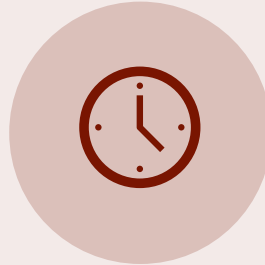
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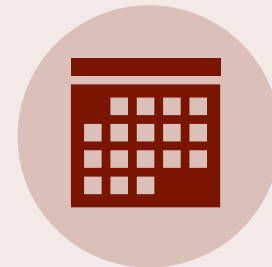


Participation in the Ontario
Deposit Return Program

Special Rules for Existing Grocers with a Winery Retail Store



No unilateral termination
of the lease of any off-
site winery retail store
before Jan 1, 2032.



Grocers with a beer and cider
licence will be unable to sell wine
until 2031, unless through a co-
located store



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Get licensed by the AGCO

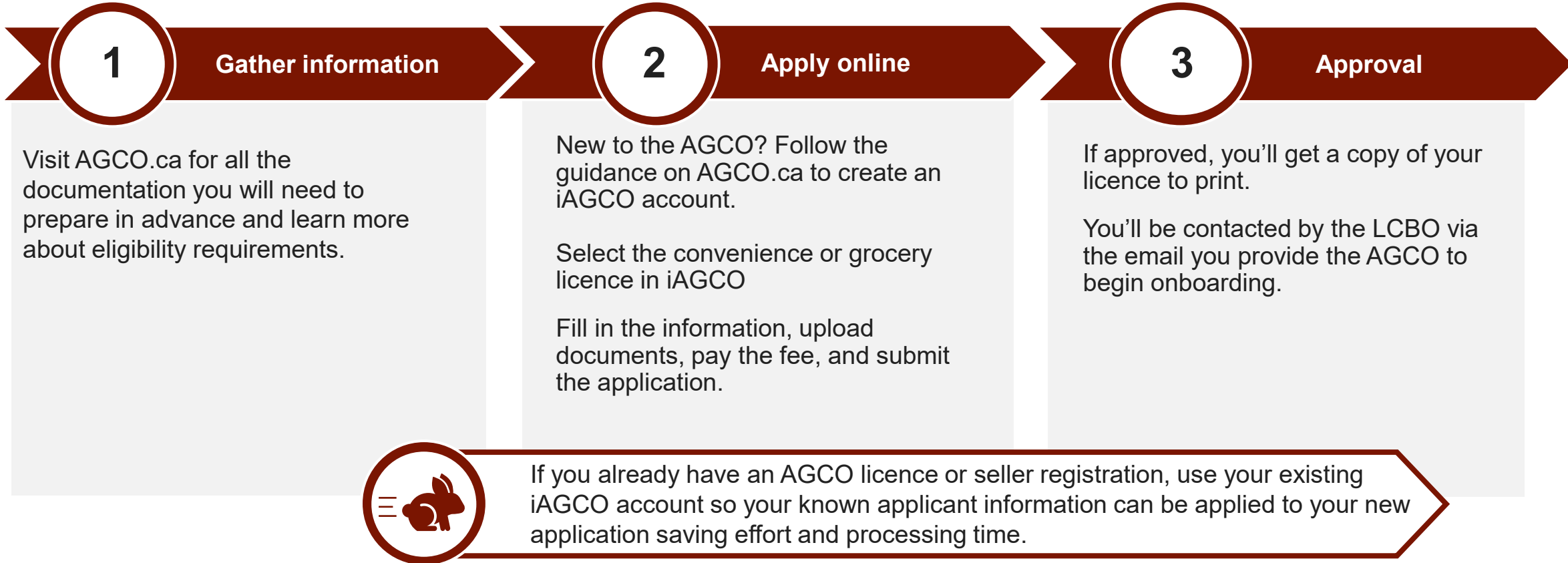


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Get licensed by the AGCO



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Existing Grocery Licensees will have their licence convert to the new Grocery Store Licence on August 1, 2024. Licensees do not need to apply for a new licence.

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Onboard with the LCBO



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LCBO Onboarding Process – At a Glance



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Get your store and
staff ready



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Prepare your staff

You and your staff must be of age and trained before alcohol is sold at the store.



Any person involved in the sale or delivery of alcohol must be at least 18 years of age.



Staff involved with selling alcohol must be certified by an AGCO approved training program.



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More information on staff and training requirements can be found on the AGCO's website.

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Prepare your store

There are strict requirements on how to store and display your alcohol. You may have to make some changes to your store to meet these requirements.



Make sure there is a secure storage space



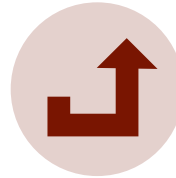
Set up your display to keep all products in one spot. We call this 'contiguous display'.



Don't indirectly or directly accept gifts/services/benefits from liquor manufacturers. We call these 'inducements'.



Convenience stores need to post the nearest location for customers to return empty containers



Grocery stores will need to accept returns



Display a variety of products, including small manufacturers.



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For additional information on display, financial relationships and conduct of sales please reference the Licensing Regulation (O. Reg 746/21)

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Purchase product from the LCBO

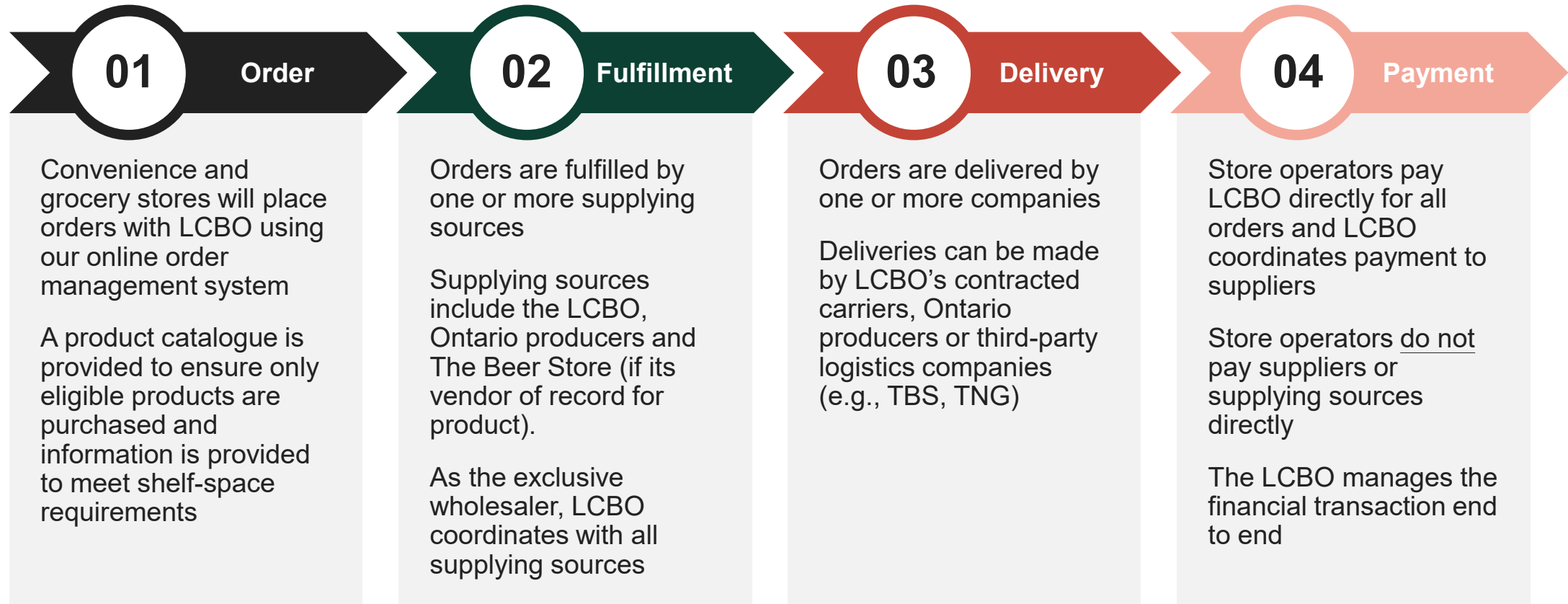


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LCBO exclusive wholesaler – ordering process



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Supplying sources - fulfillment & delivery



LCBO Supplied Product

- All imported eligible products
- Domestic eligible products



Non-LCBO Supplied Product

- Domestic eligible products

On behalf of the LCBO by:

- Ontario manufacturers of beer, wine, cider and ready-to-drink (RTD)
- The Beer Store (TBS)

Phase 1

Current licensed grocery stores permitted to sell RTD products and large pack-sizes of beer

No earlier than Aug 1

Phase 2

Newly licensed convenience stores permitted to sell beer, wine, cider, and RTD

No earlier than Sept 5

Phase 3

Newly licensed grocery stores permitted to sell beer, wine, cider, and RTD

No earlier than Oct 31



To start, convenience stores will be able to purchase eligible domestic products where local manufacturers and the Beer Store are the supplying source.

Additional products supplied by the LCBO will become available as of **Oct 1**.



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Sell responsibly



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The AGCO checks for compliance

The AGCO regularly checks to make sure our licensees are following all applicable laws and standards.

Here are some of the activities we do to make sure you are selling alcohol responsibly.

1

Inspections

AGCO inspectors visit your store to check that you are following all the laws and regulations. They will inspect your location looking for compliance to all the laws, acts, regulations and standards

2

Mystery shoppers

In the Mystery Shopper program, youthful-looking adult mystery shoppers act like customers and try to buy liquor at licensed establishments. This information helps the AGCO evaluate how licensees are performing in meeting their regulatory responsibilities especially around not selling to minors.

3

Education

Inspectors will work with you to help you understand your obligations as a liquor licensee. They are here to help if you ever have questions.



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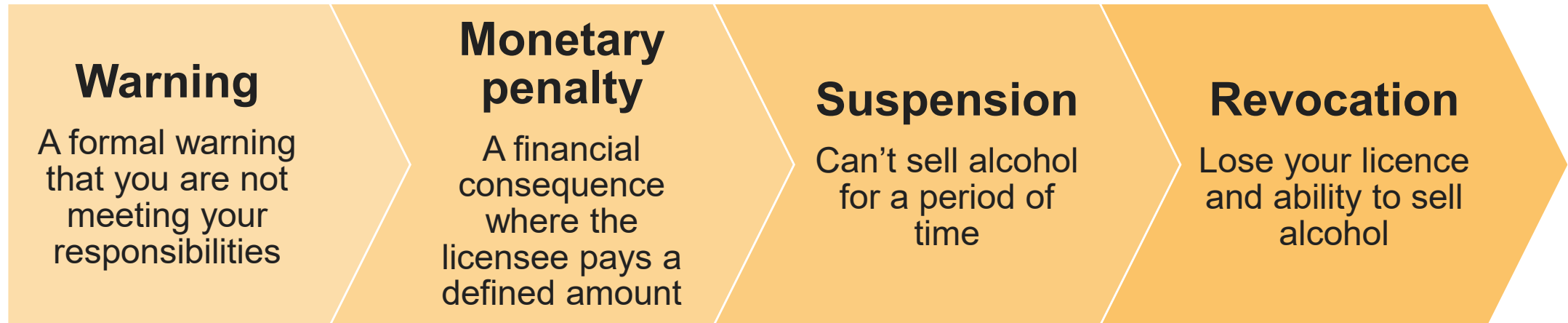
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Enforcement

Compliance Focused: The AGCO will use a variety of tools, including education, warnings, monetary penalties, suspensions and in the most serious cases, licence revocation.

Enhanced Enforcement Strategy: The AGCO will impose stronger penalties for first and second infractions where circumstances warrant, including to target priorities as the marketplace expands.



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Do your part in keeping the public safe

There are many requirements you need to meet and follow to sell alcohol responsibly. When the AGCO inspects your store, we first look to make sure you are addressing these areas of highest risks.



Sell legal liquor

Your store only offers and sells alcohol bought legally from the LCBO.



Sell only during the allowable time

You are only selling alcohol between 7 a.m. and 11 p.m.



Don't sell to minors

You are checking ID to ensure people buying alcohol are of the legal drinking age.



Don't sell to intoxicated people

You know the signs of intoxication (drunk, high) and refuse to sell them alcohol.



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How long will it take?

Here are some things to think about to help your planning.

Applications open June 17.

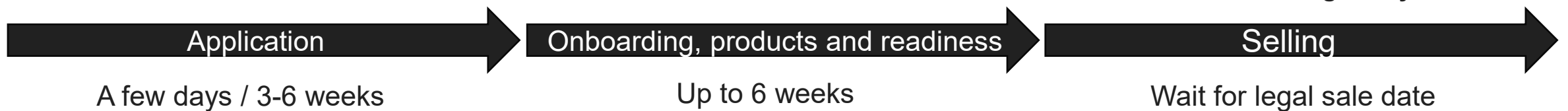
If you hold another, active AGCO licence or registration you will most likely see your retail licence issued within a matter of **days**.

Otherwise, you can expect the AGCO's eligibility review of your convenience or grocery store application to take **3-6 weeks**.

It takes up to **6 weeks** to onboard with the LCBO, as well as purchase and receive products, while preparing your store and completing training.

You can only start selling from your legal sale date:

- **August 1 for existing grocery**
- **September 5 for convenience stores**
- **October 31 for new grocery stores.**



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For more information



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Contact the AGCO



What are the rules for after I get a licence?

Visit our website and check out:

- tip sheets,
- obligation guides,
- links to the Act and regulations, and more!

Where can I find the steps to apply at the AGCO?

All steps are online, via [agco.ca](https://www.agco.ca) > [alcohol](#) > [retail in convenience and grocery stores](#). These include:

- The eligibility criteria
- What licence you're eligible for
- How to calculate retail floor space
- All documents you need to set yourself up to apply



Where can I go for information, beyond the website?

Contact our contact center.

Contact Us

<https://www.agco.ca/en/general/contact-agco>

Business hours

Monday - Friday, 8:30 a.m. to 5:00 p.m. (EST)
Services are offered in both English and French.

Phone

General: 416-326-8700

Toll-free in Ontario: 1-800-522-2876



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Contact the LCBO



Newly-licensed Grocery & Convenience



www.doingbusinesswithlcbo/groceryandconvenience.com



groceryandconvenience@lcbo.com



Currently licensed grocers



www.lcbowholesaleoperations.com



lcbogroceryoperations@lcbo.com



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Q&A



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Thank You



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