



TBS Media Frequently Asked Questions

The following are Media FAQs for reporters and interested members of the public about The Beer Store.

Q1. Who owns The Beer Store?

A1. The Beer Store is owned by 30 Ontario-based brewers large and small, including many craft brewers. Beer Store ownership is open to any Ontario-based brewer, at any time.

Q2. How much profit does The Beer Store make and where does it go?

A2. The Beer Store operates on a break-even basis. It makes no profit. That fact has been confirmed by the Province of Ontario in our operating agreement, and by the Premier's Advisory Council on Government Assets.

Q3. Break even? How does that work?

A3. Every year The Beer Store sets an operating budget designed to break even. The budget forecasts the expected costs to run the business and it sets service fees that are charged to all brewers who sell through our stores. Those service fees are set at a level designed to generate revenues that will be equal to the forecasted operating costs. At the end of the year, depending on variables such as sales volume, operating costs, those service fee revenues can end up being higher or lower than forecast in the budget. If revenues exceed operating costs the service fees charged to brewers are retroactively adjusted downwards and brewers receive a rebate of services fees paid. If costs exceed service fee revenues the deficit is added to the next years' operating cost and is recovered through the next years' service fees. These adjustments are done to ensure the business continues to operate on a break-even basis.

Q4. What does a brewer have to do to get permission to sell through The Beer Store?

A4. Nothing. As long as the product and its packaging have received LCBO approval, the brewer can contact Beer Store President Ted Moroz at Ted.Moroz@TheBeerStore.ca to start the process of selling at The Beer Store.

Q5. So there are no restrictions on who can sell in The Beer Store?

A5. The only requirement is the product must be “beer” as defined under provincial law and the brewer must sign The Beer Store’s standard form user agreement and agree to pay The Beer Store service fees. The Beer Store currently sells almost 800 brands from 180 brewers, including 80 Ontario-based brewers large and small. We pride ourselves in being able to deliver a low-cost, efficient retail channel to small brewers who otherwise would have difficulty accessing consumers on an Ontario-wide basis, and we have special incentives for local craft brewers to sell their products without any listing fees at Beer Store locations closest to their breweries.

Q6. Isn’t it true that sales at The Beer Store are down because of the popularity of craft beers?

A6. Not at all. Craft beer sales at The Beer Store are among our fastest-growing categories. And in fact, small brewers are the vast majority of The Beer Store’s 30 Ontario-based brewer owners. We have also enshrined in our operating agreement with the Province of Ontario a commitment to supporting and displaying craft beer options prominently in our stores. And we have craft brewer representatives on The Beer Store Board of Directors, in addition to four independent board directors and The Beer Store Ombudsman, who helps ensure fairness in terms of how beer is retailed at all of our locations.

Q7. How does The Beer Store set the selling prices of the products sold in its stores?

A7. The Beer Store does not set the selling prices of any of the beer products that it sells. Selling prices are set by individual brewers in competition with other brewers and can be changed weekly. This creates a highly competitive pricing environment that benefits Ontario consumers.

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