

A micro-producer is defined by Manitoba Liquor & Lotteries (MBLL) as manufacturing cider, mead and wine, beer, spirits, or refreshment beverages, below a total world-wide production threshold by product categories. It is possible to be a micro-producer in some categories and not others, as production volumes are evaluated on a category basis. MBLL determines the thresholds and reviews these regularly.

New for 2025

- New production thresholds for beer and refreshment beverage categories
- New additional micro-producer level for refreshment beverages made with neutral grain spirits (NGS)

Micro-Producer Eligibility (Effective May 1, 2025)

Please note that all documents must be submitted in English or French.

- 1. You qualify as a level 1 micro-producer in a product category when those products:
 - a. Have a worldwide production volume equal to or less than the stated amount for that category
 - b. Meet established compositional standards as defined by Federal Food and Drug Regulation (FDR) and Canadian Food Inspection Agency (CFIA)
 - c. Are made entirely through active on-site distillation or fermentation and packaged at its place of manufacture, with no use of purchased NGS, bulk spirits, or bulk wine
 - d. Are not grape-based spirits
 - e. Are not purified flavoured alcohol as determined by FDR and CFIA
- 2. To qualify as a level 2 micro-producer in the refreshment beverage category:
 - a. All level 1 criteria apply except that purchased NGS or bulk spirits are allowed
 - b. Using purchased NGS or bulk spirits only qualifies when the mixing, blending and bottling of refreshment beverages is performed on-site at its place of manufacturing
 - c. Purchasing NGS or bulk spirits means the base spirit was purchased from another producer and using that spirit either in whole, as part of a blending, bottling, dilution or re-distillation process.
- 3. To qualify for micro-producer levels in any category, you must submit the following completed documents to MBLL **no later than February 23, 2025**:
 - a. A completed copy of the Annual Declaration of Production form which can be found on the <u>MBLL</u> <u>partners website</u> under pricing tools and forms
 - b. Independent confirmation of **2024** calendar year's production volumes. Documentation from a certified independent auditor or government reporting forms such as from Canada Revenue Agency (CRA) are acceptable forms of independent confirmation
- 4. MBLL reserves the right to:
 - a. Determine markup and surcharges on unstandardized products that do not meet FDR or CFIA standards or definitions
 - b. Not register or list products that do not meet FDR or CFIA standards or definitions

Cider Producers

LEVEL	LITRES	MARKUP TO RETAIL	SURCHARGE \$/LITRE
1	≤ 250,000	40%	\$0.2100
Macro	> 250,000	95%	\$1.0526

Mead & Wine Producers

LEVEL	LITRES	MARKUP TO RETAIL	SURCHARGE \$/Litre
1	<u><</u> 25,000	40%	\$0.4300
Macro	>25,000	95%	\$2.1521

Beer Producers

LEVEL	HECTOLITRES (100 Litres)	MARKUP TO LICENSEE	MARKUP TO RETAIL	MARKUP TOTAL	SURCHARGE \$/LITRE
1	<u><</u> 20,000	10%	26%	36%	\$0.1070
Macro	>20,000	49%	26%	75%	\$0.5168

Refreshment Beverage Producers

A new level has been added to this category to include the use of purchased bulk spirits or NGS.

- Level 1 100% Products must be produced entirely, through active, on-site distillation or fermentation and bottled or packaged at the manufacturing facility without the use of purchased NGS or bulk spirits.
- Level 2 100% Products manufactured using purchased NGS or bulk spirit either in whole, as part of blending, bottling, dilution or re-distillation process
- If a micro-producer has product in both levels 1 and 2, the total combined production thresholds cannot exceed 15,000 HL.

LEVEL	HECTOLITRES (100 Litres)	MARKUP TO RETAIL	SURCHARGE \$/LITRE
1	<u><</u> 15,000	40%	\$0.2100
100% use of on-site			
distillation or fermentation			
2	<u><</u> 15,000	70%	\$0.2100
100% use of NGS			
Macro	>15,000	95%	\$1.0526



Requirements for Micro-Producers

Distilleries

MBLL follows CRA's definition of production (3.1.1 <u>Producers and Packagers of Spirits, Requirement for a spirits licence</u>):

- To "produce" spirits means to bring spirits into existence by distillation or by any other process, or to recover spirits. Spirits produced through distillation are considered to have come into existence at the earliest point at which they can be reasonably measured after leaving the column of a still.
- To qualify for micro-distillery markup rates, spirits must be produced entirely per the definition above through active **on-site** distillation or fermentation to finishing and bottling. Products that have been manufactured in whole, or as part of a blending, bottling, dilution, or re-distillation process with purchased NGS or bulk spirits will **not** qualify for micro-producer markup status.

LEVEL	LITRES	MARKUP TO RETAIL	SURCHARGE \$/LITRE
1	<u><</u> 25,000	40%	\$0.2700
Macro	>25,000	153%	\$1.3900