



BEER AND WINE AUTHORIZATION

INFORMATION SHEETS FROM THE ALCOHOL AND GAMING COMMISSION OF ONTARIO



Grocery store operators that hold a Beer and Wine Authorization have a responsibility to operate their stores and sell beer and wine (including cider) responsibly in compliance with the *Liquor Licence Act*, the *Liquor Control Act* and their Regulations and any terms and conditions attached to their Authorization.

This Tip Sheet is intended to help grocery store operators and their staff understand the regulatory requirements for selling beer and wine under a Beer and Wine Authorization. As cider (as defined under Ontario Regulation 232/16 - Sale of Liquor in Government Stores) is considered a type of wine, references to wine in this information sheet include cider, unless otherwise indicated.

EMPLOYEE TRAINING AND AGE REQUIREMENTS

It is the store operator's responsibility to ensure that any person who sells or who is involved in the sampling of beer or wine has successfully completed the Smart Serve training course. This includes cashiers (or those who process retail transactions at the point of sale) as well as employees responsible for offering beer or wine samples to customers. Managers and supervisors may also require training if their duties could require them to work at the cash from time to time.

In addition, any store employee who handles beer or wine must be at least 18 years of age. This includes all employees that sell or stock beer or wine on shelves, etc.

OFFERING BEER AND WINE FOR SALE

Hours of Sale

Beer and wine may be offered for sale in grocery stores during the following hours:

- Monday to Sunday from 9:00 a.m. to 11:00 p.m.

While grocery store operators may choose to further limit the hours of beer and wine sales, beer and wine cannot be sold outside of the prescribed hours.

Store operators must ensure that beer and wine are not available to customers outside of these hours. For example, store operators may choose to lock the refrigerators in which the beer or wine is located, create a partition around the beer and wine display aisles, or lock the point of sale system to disallow the sale of beer and wine outside of the prescribed hours. Grocers have the flexibility to determine how best to meet this requirement in their store environments.

BEER AND WINE DISPLAY AND STORAGE

Beer and Wine Display Area Requirements

It is the store operator's responsibility to properly display the beer and wine that is offered for sale. Beer (and cider, if sold) must be displayed in a single, contiguous product display area and cannot be separated (e.g. beer displayed in aisle 1 and cider in aisle 10). Wine (excluding cider) must also be sold in a contiguous product display area, but it does not have to be in the same contiguous display area as beer (and cider, if sold).

Beer and wine stock that is not on display to customers must be stored in a secure area that is not accessible to the public.

Beer and Wine Product Availability and Shelf Space Requirements

Grocery store operators must meet product availability and shelf space requirements. These requirements vary based on whether a grocery store operator's Beer and Wine Authorization is Restricted. When displaying beer and wine to customers, the store operators must also ensure that a certain proportion of containers of beer, wine, and cider are produced by small breweries, wineries, and cideries.

For information on products that are eligible to be sold, as well as shelf space requirements, please see **Appendix A** at the end of this information sheet. The LCBO will provide a list of breweries, wineries, and cideries that meet these requirements.

Beer and Wine Products and Packaging Requirements

Beer and cider offered for sale may be sold in container sizes up to 750 millilitres and with a total alcohol content up to 7.1% by volume. Certain beverages are not permitted to be sold, such as malt-based coolers and beer containing alcohol that was obtained other than by the fermentation of an infusion or decoction of barley, malt and hops, or of any similar products if that alcohol increases the total alcohol content by more than 0.5 of one per cent by volume.

The store operator may sell single cans of beer and cider, but cannot offer a package of more than six (6) containers or offer a discount or a rebate on purchases of more than six (6) containers.

Wine with up to 18% alcohol by volume may be sold. Cream wine and wine beverages are not permitted to be sold.

Dealing with Beer and Wine Manufacturers or Representatives

Grocery store operators, their agents and employees are prohibited from directly or indirectly requesting or receiving any financial or non-monetary benefit from a beer or wine manufacturer or its employees for any reason,

including for the provision of shelf space or product listing of the manufacturer's beer or wine, or for any merchandising, marketing or promotional opportunities.

Store operators are also prohibited from entering into an agreement with a beer or wine manufacturer if the agreement restricts the manufacturer's ability to sell its beer or wine in other stores.

Private Label Beer or Wine

A store operator must not sell or offer to sell a brand of beer or wine if the store operator or any of its affiliates has a direct or indirect financial interest in the brand or a trademark under which the beer or wine is marketed.

Loyalty Points or Reward Programs

Store operators may issue loyalty or reward points on the purchase of beer or wine as long as they are applied equally to all beer or wine products (i.e. promotions involving extra points/rewards for a particular brand are not permitted).

Store operators cannot, however, accept benefits given to customers under a loyalty program or a rewards marketing program as full or partial payment for beer or wine. This requirement covers any benefits given to customers under a loyalty or rewards marketing program, including coupons, tickets, points, or rewards. These benefits also cannot be exchanged, converted or redeemed for cash that is applied to payment for beer or wine. To assist in ensuring compliance, store operators may wish to consider, for example, changing their point of sale system to disallow the redemption of points towards the purchase of beer and wine or implementing a policy where the purchase of beer or wine is processed as a separate transaction from grocery products.

Cross Promotions

Store operators cannot offer free or discounted merchandise contingent on the purchase of beer or wine. For example, a store cannot offer a promotion where a free or discounted snack

item is available to customers that purchase beer or wine.

For more information, grocers should consult the AGCO's **Advertising Guidelines: Sale of Beer, Wine and Cider in Grocery Stores** available at www.agco.ca.

Sampling

Authorized grocery stores may offer samples of beer and wine to customers in or adjacent to the beer and wine display area. Samples may be provided to customers by licensed manufacturers' representatives or staff of the authorized grocery store. Store operators must ensure that any person who is involved in the sampling of beer or wine in their store has successfully completed Smart Serve and that all sampling of beer and wine is conducted in accordance with the Regulation and AGCO's **Sampling Guidelines** available at www.agco.ca.

Posting Authorization

Authorized grocery stores must post the Authorization pertaining to the particular location in a conspicuous place. For example, posting the Authorization at the customer service counter or at a selected checkout aisle are a few acceptable options.

"Sandy's Law" Sign Posting

Authorized grocery stores are required to display signs warning women who are pregnant that drinking alcohol during pregnancy is the cause of Fetal Alcohol Spectrum Disorder (also known as "Sandy's Law" signs). The sign must be prominently displayed in all areas where alcohol is purchased (e.g., cash register).

For more information and to download a copy of the "Sandy's Law" sign, please see **Signage Requirement – "Sandy's Law."**

Continuous Sale

The operator must ensure that the store begins to sell beer and wine to the public within six (6) months from the date the Authorization is issued and continues to sell beer and wine thereafter.

This requirement does not apply to the sale of cider. If a store operator decides to sell cider, they are not required to sell cider continuously and have the flexibility to choose if and when they will sell cider.

TIPS ON PREVENTING HIGH-RISK INFRACTIONS

The following outlines some information and tips that grocery store operators may want to consider to help address and prevent some of the high-risk infractions that may occur in the grocery store setting.



1) Minors: What to Look For

The legal drinking age in the province of Ontario is 19 years of age. Selling beer or wine to people who are under 19 years of age is a contravention of the *Liquor Licence Act*. All customers who appear to be under the age of 19 must be asked for valid ID before being sold beer or wine. If an employee doubts the legitimacy of an individual's ID, they may wish

to consider requesting a second piece. See the AGCO Information Sheet on "**Checking ID**" for information about government-approved forms of ID (www.agco.ca).

2) Intoxicated Customers: What to Look For

Staff of an authorized grocery store cannot sell beer or wine to a person who is or appears to be intoxicated. A customer exhibiting signs of intoxication must be refused the sale of beer and/or wine. See the AGCO Information Sheet on "Recognizing Intoxication" for more information about the signs of intoxication (www.agco.ca).

3) Second Party Purchasers: What to Look For

A "second party purchaser" is someone who purchases alcohol on behalf of someone else, who may not be legally permitted to purchase it him or herself (e.g. a minor or a person who is intoxicated). Staff should be aware of indicators that a customer is a second party purchaser. For example, if a customer purchasing beer or wine was previously observed speaking to or was accompanied into the grocery store by a minor or intoxicated person, he or she may be purchasing beer or wine for that person.

Tips for Refusing Sale to a Customer

If an employee suspects that a customer is intoxicated, he or she should refuse the sale of beer or wine. Employees should also consider refusing to sell beer or wine if he or she doubts the legitimacy of a customer's ID or suspects a customer is acting as a second party purchaser. When refusing to sell beer or wine to a customer, employees may want to consider using a professional, calm and firm customer service approach. This may include:

- Communicating clearly and respectfully
- Using "I" statements (e.g. "I can't sell you this beer/wine today.")
- Refraining from the use of intimidating or judgmental language
- Explaining the reason for refusing the sale of beer and/or wine

If a staff member refuses to sell beer or wine to a customer, he or she may also want to consider removing the beer or wine product from the counter and placing it out of the customer's reach.

Grocery store operators may wish to track the incidents of their staff requesting ID and/or refusing service to ensure that staff are conducting the appropriate amount of due diligence over time.

INSPECTIONS

AGCO Compliance Officials and police officers can, at any time, inspect the store to ensure compliance with the *Liquor Licence Act*, the *Liquor Control Act* and their Regulations. The store operator must provide unobstructed access for the inspection.

For more information, please contact AGCO Customer Service at 416-326-8700 or 1-800-522-2876 (toll-free in Ontario) or visit us online at www.agco.ca.

Appendix A on next page

APPENDIX A

BEER AND WINE IN GROCERY STORES: PRODUCT ELIGIBILITY AND DISPLAY REQUIREMENTS

The LCBO will make available a list of products available from breweries, wineries, and cideries that meet the requirements of special production rules, such as size (e.g. “small breweries”) or inputs (“quality assurance wine”). Details and definitions below are provided as information only and are not a substitute for Ontario Regulation 232/16 - Sale of Liquor in Government Stores, which should be referred to for complete requirements.

| | Wine | Beer | Cider (if sold)* |
|--|--|--|---|
| Beer and Wine Authorization | <ul style="list-style-type: none"> • ≥ 50% containers of wine (excluding cider) on display contains wine produced using grapes from a single country and meets at least one of these criteria: <ul style="list-style-type: none"> - quality assurance wine; - wine produced by a small winery*; OR - grapes from a country that produces less than 150 million litres of wine (aggregate) annually from grapes grown in that country. <p><i>*This amount may also be used to satisfy the total 10% minimum requirement for wine (excluding cider) from small wineries (see next requirement).</i></p> • ≥10% containers of wine (excluding cider) displayed contain wine manufactured by a small winery • If VQA wines are available for sale, at least one sign indicating their sale • ≥10% of beer and wine on display are containers of wine (excluding cider) • Single contiguous product display area (excluding cider) | <ul style="list-style-type: none"> • ≥20% of containers of beer displayed produced by small breweries • ≥10% of beer and wine on display are containers of beer • Beer and cider displayed in a single contiguous product display area | <ul style="list-style-type: none"> • ≥20% of containers of cider displayed produced by small cideries • Cider and beer displayed in a single contiguous product display area |
| Restricted Beer and Wine Authorization | <ul style="list-style-type: none"> • All wine sold <u>produced</u> using grapes from a single country and is: <ul style="list-style-type: none"> - quality assurance wine from a winery that, at any time during the three-year period, is a mid-sized winery OR - Wines from a small winery • ≥20% containers of wine (excluding cider) displayed contain wine manufactured by a small winery • At least one sign in the display area indicating the availability of VQA wines for sale (if sold) • ≥10% of beer and wine on display are containers of wine (excluding cider) • Single contiguous product display area (excluding cider) <p>Note: Requirements applicable only for the first 3 years of the Restricted Beer and Wine Authorization. After that time, Beer and Wine Authorization requirements apply.</p> | <ul style="list-style-type: none"> • ≥20% of containers of beer displayed produced by small breweries • ≥10% of beer and wine on display are containers of beer • Beer and cider displayed in a single contiguous product display area | <ul style="list-style-type: none"> • ≥20% of containers of cider displayed produced by small cideries • Cider and beer displayed in a single contiguous product display area |

Quality Assurance Wine: Wine (excluding cider) designated as meeting the quality control standards of a statutory appellation of origin regime that certifies less than 50 million litres of wine (excluding cider) annually (aggregate).

Small winery: Winery with 200,000 litres of wine in total annual worldwide sales (excluding cider); any affiliates are small wineries.

Mid-sized winery: Winery that is not a small winery and has worldwide sales < 4.5 million litres of wine annually; any affiliates are small or mid-sized wineries.

Small brewer: Brewer with annual worldwide production < 400,000 hectolitres of beer; any affiliates are a small brewer.

Small cidery: Cidery that has annual worldwide production < 25,000 hectolitres of cider; any affiliates are a small cidery.

**Cider is not required to be sold under a Beer and Cider or Beer and Wine Authorization. These requirements only apply if cider is sold.*