

# Fact Sheet: Saskatchewan Beverage Alcohol Manufacturing

Breweries, distilleries, wineries, cideries, refreshment beverage manufacturing facilities and bottling facilities must obtain a manufacturing permit to manufacture beverage alcohol in Saskatchewan.

## Manufacturing Permit Types

### Craft Manufacturer Type 1/Type 2

Issued to a manufacturer that produces:

- Craft Brewery - Between 50 hectolitres (HL) and 30,000 HL of beer in annual global production; or
- Craft Distillery - Between 250 litres (L) and 350,000 L of spirits in annual global production; or
- Craft Winery - Between 2,000 L and 350,000 L of wine and/or mead in annual global production; or
- Craft Cidery - Between 2,000 L and 350,000 L of cider in annual global production
- Craft Refreshments - Between 2,000 L and 350,000 L of refreshment beverages in annual global production.

### Regional Manufacturer

Issued to a brewery that produces:

- Between 30,001 HL and 400,000 HL of beer in annual global production.

### National Manufacturer

Issued to a manufacturer that produces:

- Greater than 400,000 HL of beer in annual global production; or
- Greater than 350,000 L of spirits in annual global production; or
- Greater than 350,000 L of wine and/or mead in annual global production; or
- Greater than 350,000 L of cider in annual global production; or
- Greater than 350,000 L of refreshment beverages in annual global production.

### Bottling Manufacturer

Bottling manufacturers blend and repackage bulk alcohol purchased from elsewhere and do not ferment or distill their own products. There is no minimum or maximum production volume required.

### For clarity:

- It is possible to be a craft manufacturer in one product category and a national manufacturer in another product category.
- A craft alcohol producer cannot be categorized as both Type 1 and Type 2 in the same product category. If a craft alcohol producer produces any product that would be considered Type 2 in their permitted product category, the craft alcohol producer is categorized as Craft Manufacturer Type 2 for all products in that product category.
- A craft manufacturer may hold a bottling manufacturer permit in a different product category than its craft products but not in the same product category.
- Note: Annual global production means the total volume of product produced by a manufacturer including production by associated/affiliated companies and contracted production from all its manufacturing sites whether located in Saskatchewan or elsewhere, in each category of product (beer, spirits, wine, cider, refreshments).

# Production Requirements

<b>Craft Manufacturer – Type 1</b>	
<i>Craft Brewery</i>	<i>Mash and ferment 100% of the alcohol by volume of the product on-site at your permitted manufacturing facility.</i>
<i>Craft Distillery</i>	<i>Mash, ferment and distill 100% of the alcohol by volume of the product on-site at your permitted manufacturing facility.</i>
<i>Craft Winery</i>	<i>Press and ferment 100% of the alcohol by volume of the product with whole fruit, honey and/or agricultural products on-site at your permitted manufacturing facility.</i>
<i>Craft Cidery</i>	<i>Press and ferment 100% of the alcohol by volume of the product starting with whole apples on-site at your permitted manufacturing facility.</i>
<i>Craft Refreshments</i>	<i>Use of base alcohol that was produced in compliance with the Type 1 permit requirements.</i>

<b>Craft Manufacturer – Type 2</b>	
<i>Craft Brewery</i>	<i>Ferment 100% of the alcohol by volume of the product on-site at your permitted manufacturing facility.</i>
<i>Craft Distillery</i>	<i>A minimum of 75% of the alcohol by volume is created through fermentation on-site at your permitted manufacturing facility or from the redistillation of neutral grain spirits (NGS) on-site at your permitted manufacturing facility; remaining 25% of the alcohol by volume may be sourced from another manufacturer.</i>
<i>Craft Winery</i>	<i>A minimum of 65% of the alcohol by volume is created through fermentation on-site starting from whole fruit, honey, agricultural products or bulk juice, at your permitted manufacturing facility; remaining 35% of the alcohol by volume may be sourced from another manufacturer.</i>
<i>Craft Cidery</i>	<i>A minimum of 65% of the alcohol by volume is created through fermentation on-site starting from whole apples or bulk juice, at your permitted manufacturing facility; 35% of the alcohol by volume may be sourced from another manufacturer.</i>
<i>Craft Refreshments</i>	<i>Use of base alcohol that was produced in compliance with the Type 2 permit requirements.</i>

<b>Regional, National &amp; Bottling – Non-Craft Manufacturer</b>	
<i>Regional &amp; National Manufacturer</i>	<i>Ferment and/or distill alcohol at their manufacturing facility.</i>
<i>Bottling Manufacturer</i>	<i>Obtain bulk alcohol from elsewhere to blend/package on-site at their manufacturing facility. Does not ferment/distill alcohol at their manufacturing facility.</i>

All manufacturers must ensure their manufacturing facilities and all product produced follow federal, provincial and municipal acts, regulations, bylaws and policies (i.e. National Building Code requirements, Canadian Food Inspection Agency (CFIA) Labelling Requirements for Alcoholic Beverages).

## Sales and Services

### A Craft Manufacturer may:

- Direct distribute product to retailers, commercial permittees and consumers.
- Apply to sell products to SLGA's Distribution Centre, approved third-party beer distributor, or approved specialty warehouse for resale.
- Sell, sample or serve (at no charge) its product and any other Saskatchewan craft alcohol to consumers for on-table service in their hospitality suite.
- Sell or sample its product and any other Saskatchewan craft alcohol to consumers for off-site consumption from a craft alcohol on-site store and/or a craft alcohol off-site off-sale.
- Sell or sample its product and any other Saskatchewan craft alcohol to consumers for off-site consumption at recognized farmers' markets with the approval of the farmers' market. Sampling may only occur under a Special Occasion Permit.

### A Regional, National, Bottling Manufacturer:

- Must apply to sell products to SLGA's Distribution Centre, approved third-party beer distributor, or approved specialty warehouse for resale. Cannot directly distribute product.
- May serve their own product at no charge in their hospitality suite.

## Production Levy and Mark-up Rates

### Production Levy

A production levy is remitted to SLGA for all craft alcohol products sold directly to consumers, retailers or commercial permittees in Saskatchewan by Saskatchewan craft alcohol producers. Production levy rates are lower than the markup that would apply if the products were sold to SLGA, approved third-party beer distributors, or approved specialty warehouses. The production level structure includes tiered levels of production with incremental increases to consider craft alcohol producers of all sizes. A manufacturer's production tier is determined monthly based on year-to-date global production, starting January 1st and ending December 31st.

<b>Beer – Production Levy</b>		
<b>Production</b>	<b>Type 1</b>	<b>Type 2</b>
<i>On the first 5,000 HL</i>	<i>\$0.10/L</i>	<i>\$0.17/L</i>
<i>5,001 to 7,500 HL</i>	<i>\$0.11/L</i>	<i>\$0.21/L</i>
<i>7,501 to 10,000 HL</i>	<i>\$0.12/L</i>	<i>\$0.24/L</i>
<i>10,001 to 12,500 HL</i>	<i>\$0.13/L</i>	<i>\$0.26/L</i>
<i>12,501 to 15,000 HL</i>	<i>\$0.15/L</i>	<i>\$0.30/L</i>
<i>15,001 to 17,500 HL</i>	<i>\$0.18/L</i>	<i>\$0.35/L</i>
<i>17,501 to 20,000 HL</i>	<i>\$0.20/L</i>	<i>\$0.40/L</i>
<i>20,001 to 22,500 HL</i>	<i>\$0.24/L</i>	<i>\$0.48/L</i>
<i>22,501 to 25,000 HL</i>	<i>\$0.30/L</i>	<i>\$0.60/L</i>
<i>25,001 to 27,500 HL</i>	<i>\$0.38/L</i>	<i>\$0.76/L</i>
<i>27,501 to 30,000 HL</i>	<i>\$0.45/L</i>	<i>\$0.90/L</i>
<i>Greater than 30,000 HL</i>	<i>Not Applicable: See Beer – Markup Rates</i>	

<b>Spirits – Production Levy</b>		
<b>Production</b>	<b>Type 1</b>	<b>Type 2</b>
On the first 50,000 L	\$0.35/L	\$0.70/L
50,001 to 75,000 L	\$0.43/L	\$0.86/L
75,001 to 100,000 L	\$0.70/L	\$1.40/L
100,001 to 125,000 L	\$0.96/L	\$1.92/L
125,001 to 150,000 L	\$1.63/L	\$3.25/L
150,001 to 175,000 L	\$2.30/L	\$4.60/L
175,001 to 200,000 L	\$2.89/L	\$5.77/L
200,001 to 225,000 L	\$3.20/L	\$6.40/L
225,001 to 250,000 L	\$3.50/L	\$7.00/L
250,001 to 275,000 L	\$3.85/L	\$7.70/L
275,001 to 300,000 L	\$4.03/L	\$8.05/L
300,001 to 325,000 L	\$4.20/L	\$8.40/L
325,001 to 350,000 L	\$4.38/L	\$8.75/L
Greater than 350,000 L	Not Applicable: See Spirits, Wine and Cider/Refreshments – Markup Rates	

<b>Wine/Mead – Production Levy</b>		
<b>Production</b>	<b>Type 1</b>	<b>Type 2</b>
On the first 50,000 L	\$0.18/L	\$0.35/L
50,001 to 75,000 L	\$0.22/L	\$0.43/L
75,001 to 100,000 L	\$0.33/L	\$0.65/L
100,001 to 125,000 L	\$0.48/L	\$0.96/L
125,001 to 150,000 L	\$0.63/L	\$1.25/L
150,001 to 175,000 L	\$0.78/L	\$1.55/L
175,001 to 200,000 L	\$0.93/L	\$1.85/L
200,001 to 225,000 L	\$1.13/L	\$2.25/L
225,001 to 250,000 L	\$1.33/L	\$2.65/L
250,001 to 275,000 L	\$1.53/L	\$3.05/L
275,001 to 300,000 L	\$1.68/L	\$3.35/L
300,001 to 325,000 L	\$1.85/L	\$3.70/L
325,001 to 350,000 L	\$2.00/L	\$4.00/L
Greater than 350,000 L	Not Applicable: See Spirits, Wine and Cider/Refreshments – Markup Rates	

<b>Cider – Production Levy</b>		
<b>Production</b>	<b>Type 1</b>	<b>Type 2</b>
On the first 50,000 L	\$0.10/L	\$0.20/L
50,001 to 75,000 L	\$0.14/L	\$0.28/L
75,001 to 100,000 L	\$0.20/L	\$0.40/L
100,001 to 125,000 L	\$0.33/L	\$0.65/L
125,001 to 150,000 L	\$0.50/L	\$1.00/L
150,001 to 175,000 L	\$0.63/L	\$1.25/L
175,001 to 200,000 L	\$0.73/L	\$1.45/L
200,001 to 225,000 L	\$0.83/L	\$1.65/L
225,001 to 250,000 L	\$0.90/L	\$1.80/L
250,001 to 275,000 L	\$0.98/L	\$1.95/L
275,001 to 300,000 L	\$1.03/L	\$2.05/L
300,001 to 325,000 L	\$1.08/L	\$2.15/L
325,001 to 350,000 L	\$1.13/L	\$2.25/L
Greater than 350,000 L	Not Applicable: See Spirits, Wine and Cider/Refreshments – Markup Rates	

<b>Refreshments – Production Levy</b>		
<b>Production</b>	<b>Type 1</b>	<b>Type 2</b>
On the first 50,000 L	\$0.16/L	\$0.31/L
50,001 to 75,000 L	\$0.19/L	\$0.38/L
75,001 to 100,000 L	\$0.33/L	\$0.65/L
100,001 to 125,000 L	\$0.43/L	\$0.85/L
125,001 to 150,000 L	\$0.64/L	\$1.27/L
150,001 to 175,000 L	\$0.73/L	\$1.45/L
175,001 to 200,000 L	\$0.90/L	\$1.80/L
200,001 to 225,000 L	\$1.00/L	\$2.00/L
225,001 to 250,000 L	\$1.13/L	\$2.25/L
250,001 to 275,000 L	\$1.25/L	\$2.50/L
275,001 to 300,000 L	\$1.38/L	\$2.75/L
300,001 to 325,000 L	\$1.48/L	\$2.95/L
325,001 to 350,000 L	\$1.53/L	\$3.05/L
Greater than 350,000 L	Not Applicable: See Spirits, Wine and Cider/Refreshments – Markup Rates	

## Markup

A markup is applied to beverage alcohol products sold to SLGA, approved third-party beer distributors, or approved specialty warehouses. Except for beer, mark-up is a percentage applied to the price for which SLGA acquires the product (referred to as the 'landed cost'). There is a graduated markup with incremental increases. A manufacturer's production tier is determined based on annual global production, starting January 1st and ending December 31st.

<b>Beer – Markup Rates</b>	
<b>Annual Global Production (HL)</b>	<b>Wholesale Markup</b>
<i>On the first 2,500</i>	\$0.479/L
<i>From 2,501 to 5,000</i>	\$0.599/L
<i>From 5,001 to 7,500</i>	\$0.719/L
<i>From 7,501 to 10,000</i>	\$0.778/L
<i>From 10,001 to 20,000</i>	\$0.837/L
<i>From 20,001 to 300,000</i>	\$0.898/L
<i>From 300,001 to 320,000</i>	\$1.060/L
<i>From 320,001 to 340,000</i>	\$1.220/L
<i>From 340,001 to 360,000</i>	\$1.370/L
<i>From 360,001 to 380,000</i>	\$1.520/L
<i>From 380,001 to 400,000</i>	\$1.680/L
<i>Greater than 400,000</i>	\$1.873/L

<b>Spirits, Wine and Cider/Refreshments – Markup Rates</b>			
<b>Production Threshold (L)</b>	<b>Wholesale Markup</b>		
	<b>Spirits</b>	<b>Wine/Mead</b>	<b>Cider/Refreshments</b>
<i>On the first 25,000</i>	73%	45%	39%
<i>25,001 to 50,000</i>	80%	50%	43%
<i>50,001 to 75,000</i>	88%	56%	50%
<i>75,001 to 100,000</i>	98%	64%	60%
<i>100,001 to 150,000</i>	108%	74%	66%
<i>150,001 to 200,000</i>	119%	85%	75%
<i>Greater than 200,000 (National)</i>	130%	99%	88%

For further information about manufacturing in Saskatchewan, see the Commercial Liquor Permittee Policy Manual <https://www.slga.com/permits-and-licences/liquor-permits/commercial-liquor-permits> or [www.slga.com/liquor/for-craft-producers](https://www.slga.com/liquor/for-craft-producers)