

Saskatchewan Craft Alcohol Producer Production Levy Policy

Updated July 8, 2022

What is Production Levy?

- Saskatchewan (SK) craft alcohol producers are required to pay a monthly production levy for each product category they are permitted to manufacture.
- Production levy is collected for SK craft alcohol products sold, or used for sampling in Saskatchewan by SK craft alcohol producers
- The production levy is calculated and billed by the SLGA to the SK craft alcohol producer monthly.
- No production levy is applied, or collected by SLGA for product sold outside of SK

Calculating Production Levy

- The production levy is calculated by multiplying the applicable production levy rate by the total volume of direct sales plus the total volume of samples of a producer's product for each category in each month.
- The production levy rate is based on the SK craft alcohol producer's year-to-date (YTD) global production for each product category based on the previous month.
- The production levy rates for each product category can be found on SLGA's website at <https://www.slga.com/liquor/for-craft-producers>.
- If a SK craft alcohol producer's YTD global production volume enters a new global production tier level during the month, the new production levy rate is not applied until the following month (please see the examples section on page 2 for clarification).
- Global production volume levels are accumulated from January 1st to December 31st, with YTD global production volume levels resetting to zero litres on January 1st of the new calendar year (providing the maximum allowed per product category has not been exceeded).
 - If a SK craft alcohol producer's YTD global production volume exceeds the maximum amount allowed for a given product category, they will be considered a Regional/National producer for that product category beginning the month after their global production volumes exceeded the maximum.
 - If a producer is classified as a Regional/National producer, the craft benefits they've been receiving will be lost, and the SK craft alcohol producer will be subject to markup and all other requirements applicable to a Regional/National producer for the remainder the calendar year, and the following calendar year for that product category.
 - SK craft alcohol producers can revert to craft status if they do not exceed the maximum allowable YTD global production volume for the product category in the new calendar year.

Examples

- As outlined within the 'Calculation of Production Levy' section on the 'For Craft' section on slga.com, if a SK craft alcohol producer's YTD global production volume enters a new global production tier level during the month, the new production levy rate is not applied until the following month's direct sales and sampling are reported. The table below is an example of a Type 1 SK craft spirits producer's global production from January to April. In March, the YTD global production volume exceeds for the first tier (less than 50,000 L). The production levy rate of \$0.35/L is applied for all direct sales and samples for the month of March. In April, the second tier (50,001 L - 75,000 L) rate of \$0.43/L is applied to all April direct sales and samples, since the YTD global production volume has exceeded 50,000 L.

Calendar Month	Global Production	YTD Global Production	Production Levy Rate
January	25,000 L	25,000 L	\$0.35/L
February	20,000 L	45,000 L	\$0.35/L
March	20,000 L	65,000 L	\$0.35/L
April	7,000 L	72,000 L	\$0.43/L

- The table below is an example of a Type 2 SK winery producer's global production from January to June. In May, the YTD global production volume exceeds the first (less than 50,000 L) and second (50,001 L – 75,000 L) global production tiers. The production levy rate of \$0.35/L is applied for all direct sales and samples for the month of May. In June, the third tier (75,001 L – 100,000 L) rate of \$0.65/L is applied to all June direct sales and samples, since the YTD global production volume has exceeded 75,000 L.

Calendar Month	Global Production	YTD Global Production	Production Levy Rate
January	8,000 L	8,000 L	\$0.35/L
February	10,000 L	18,000 L	\$0.35/L
March	14,000 L	32,000 L	\$0.35/L
April	16,000 L	48,000 L	\$0.35/L
May	30,000 L	78,000 L	\$0.35/L
June	18,000 L	96,000 L	\$0.65/L

*A Type 1 manufacturer is one that uses 100 per cent of raw inputs

**A Type 2 manufacturer uses less than 100 per cent of raw inputs