

Contract Manufacturing by Saskatchewan (SK) **Craft Alcohol Producers**

Effective December 18, 2019

Policy

- Saskatchewan (SK) Craft Alcohol Producers may enter into contracts to make alcohol products that are branded as the product of a different alcohol producer. All requirements of the SK Craft Alcohol Producer's permit remain in effect. A SK Craft Alcohol Producer can contract with:
 1. Another SK Craft Alcohol Producer; or
 2. A Non-Permittee Contractee.

Definitions

- Contractor: A SK Craft Alcohol Producer who agrees to manufacture alcohol product(s) for another entity who brands the products as their own.
- Contractee: A SK Craft Alcohol Producer who contracts with another Saskatchewan craft manufacturer to produce its products.
 - The Contractee must meet minimum onsite production requirements at their own permitted manufacturing site.
- Non-Permittee Contractee: An individual or entity (not including a Contractee identified above) located within or outside SK who contracts with a SK Craft Alcohol Producer to produce product for them and satisfies the following criteria.
 - The Non-Permittee Contractee cannot manufacture, possess, distribute or sell any of the alcohol produced under the contract.
 - The Non-Permittee Contractee must have global annual production/global annual sales that meet SLGA's defined minimum and maximum production limits for a craft alcohol producer.

General Requirements

- The Contractor must make the product on behalf of the Contractee/Non-Permittee Contractee. The Contractee/Non-Permittee Contractee cannot operate the Contractor's facility to produce their own product.
- The Contractor must always be present on site when manufacturing the product.
- The Contractor can only manufacture a product category of alcohol they are permitted to produce.
- The Contractor, Contractee and Non-Permittee Contractee are not permitted to blend and bottle bulk alcohol through a contract manufacturing arrangement.

Requirements with a Non-Permittee Contractee

- The Contractor owns and possesses the alcohol until it is sold to a Commercial Permittee, Retail Store Permittee, Special Occasion Permittee or the public.
- The Contractor conducts all sales of the product.
- The Contractor stores the alcohol at their establishment or at their permitted offsite storage location that is under their care and control.
- The Contractor is responsible for any advertising of the product (including websites).
- The Contractor may hire the person who has requested the alcohol be manufactured as a marketing representative.
- The Contractor assumes all responsibility for any actions of the Non-Permittee Contractee that are non-compliant with SK liquor laws in relation to this product.

Labelling Requirements

- The Contractor must include their name and location on the label in a manner that clearly identifies them as the manufacturer.

Reporting Requirements

- The Contractor must report contract manufactured products on their monthly production report and pay the associated production levy. Contract manufactured products apply to the Contractor's global production limit.
- If the Contractor and Contractee are both SK Craft Alcohol Producers, both the Contractor and Contractee must report the contract manufactured products on their monthly production report. Contract manufactured products apply to the Contractor's and Contractee's respective global production limits. Note: only the Contractor pays the associated production levy.
- The Non-Permittee Contractee must submit an annual declaration to SLGA, identifying their global annual production/annual sales for the previous year to confirm they are eligible for the craft benefits.
- The Contractor, Contractee and Non-Permittee Contractee must keep all relevant records of the contract manufactured product on-site and available for inspection for two years.