# PRODUCER GUIDEBOOK

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## LAST UPDATED DECEMBER 2024

# ABOUT LIQUOR IN NEW BRUNSWICK

In New Brunswick, the production, sale, transport, and use of beverage alcohol is governed by the Liquor Control Act. The Minister of Public Safety is the Minister responsible for the Liquor Control Act. The New Brunswick Liquor Corporation Act established the New Brunswick Liquor Corporation (ANBL) as a Crown corporation and provides a framework and mandate for its operation. The New Brunswick Liquor Corporation Act mandates ANBL to carry on the general business of buying, importing, and selling liquor in New Brunswick.

# ANBL'S SUPPORT FOR LOCAL PRODUCERS

One part of ANBL's mandate under the New Brunswick Liquor Corporation Act is to "participate in the development of the liquor industry" in the Province. ANBL fulfills that aspect of its mandate through financial support to industry, marketing and promotional programs such as our Taste of NB and Local Producer profile campaigns, as well as dedicated resources within ANBL to support industry partners to effectively meet the needs of our customers. The goal of ANBL's Local Producer Strategy is to help make locally produced beverage alcohol accessible to the public and generate public awareness of the industry. To help meet those objectives, ANBL provides an overall package of support to New Brunswick's Local Producers via a variety of benefit streams. For further information on those benefits and eligibility requirements please contact a member of our category management team at kyle.albright@anbl.com or danielle.leblanc@anbl.com.

## ANBL – WHO WE ARE & KEY CONTACTS FOR LOCAL PRODUCERS

ANBL is the provincial Crown corporation established as the sole authority for importing and retailing beverage alcohol in New Brunswick. ANBL works in coordination with the Government of New Brunswick's Department of Justice & Public Safety (DPS) who administers the Liquor Control Act and liquor licensing in the province.

Local Producers in New Brunswick may operate a beverage alcohol business in a variety of ways. Licensed manufacturers of beverage alcohol may choose to:

- Apply for a Local Producer Agency Store agreement with ANBL, to allow for the retail of to-go products from their production site.
- Apply to list their products for sale within ANBL's retail network of Corporate, Convenience, Grocery stores and Licensees as a supplier.
- Apply with DPS to operate a tasting room as a licensee and serve their products and others for consumption on site.

All of these options come with their own rights and responsibilities outlined in detail in this document. Please review the below sections as they pertain to your business, and if questions remain, please contact us:

#### Local Producer Agency Store inquiries:

Dara Macpherson - <u>dara.macpherson@anbl.com</u>

# Local Producer Category & product listing inquiries:

Kyle Albright – <u>kyle.albright@anbl.com</u> Danielle LeBlanc – <u>Danielle.leblanc@anbl.com</u>

#### ANBL's Local Producer Strategy & Industry Participation Plan

Ian Hollohan - <u>ian.hollohan@anbl.com</u>

# Manufacturing and on-site consumption licensing inquiries:

Government of New Brunswick – Department of Justice & Public Safety; Gaming Control and Licensing Services (Branch) – <u>DPS-MSP.</u> <u>Information@gnb.ca</u> (506) 453-7472



## MANUFACTURING LICENSING

#### **Obtaining an alcohol manufacturing license**

All manufacturers of alcohol in New Brunswick must have an excise license from the Canada Revenue Agency (CRA) and an alcohol manufacturing license from New Brunswick's Department of Justice and Public Safety.

Information on obtaining an excise license from CRA can be found <u>here</u>.

The application to manufacture alcoholic products in New Brunswick can be found here: Liquor Licences (gnb.ca)

#### **Liquor Control Act**

Liquor Control Act can be found at: <u>L-10 - Liquor Control Act (gnb.ca)</u>

## PRODUCT IDENTIFICATION STANDARDS AND LABELLING REQUIREMENTS

#### **Product Labelling**

All alcoholic beverages sold in Canada are subject to the provisions of:

- <u>Safe Food for Canadians Act (SFCA)</u>
- <u>Safe Food for Canadians Regulations</u>
  (SFCR)
- Food and Drugs Act (FDA)
- Food and Drugs Regulations (FDR)

A labelling tool for alcoholic beverages with product specific requirements can be found <u>here</u>.

More information about beverage container recycling in NB can be found at <u>Recycle NB</u>.

#### **Traceability requirements**

The Safe Food for Canadians regulations identified above outlines requirements applicable to food and beverage producers in Canada. Since 2021, these regulations include traceability and lot code requirements for identifying product movement in the supply chain. A lot code is a key component of ensuring an effective traceability system and is required on all prepackaged consumer selling units. More information on traceability requirements for your business can be found <u>here</u>.

ANBL does not have specific lot or date code standards; however, industry best practice would be for a numeric or alphanumeric code that is able to identify a lot that was manufactured/ produced, packaged and/or labelled under the same conditions. A packaging date, "best before" or freshness date is typically acceptable, and a vintage year may be acceptable for identifying a defined quantity of wine produced from grapes/ fruit harvested in the identified "vintage year".

More information on selecting an appropriate lot code for your product can be found <u>here</u>.

Please contact the Local Category team if you have further questions.

## LOCAL PRODUCER OPERATING AS AN AGENT OF ANBL

Eligible Local Producers, who hold a Local Producer Agency Store agreement with ANBL, are permitted to retail products to-go from their manufacturing site, subject to the terms of their agreement and the Local Producer Agent Channel Policy.

The Local Producer Channel Lead (LPCLEAD) is responsible for overseeing the retail operations of those who have an agreement with ANBL to operate a Local Producer Agency Store (LPAS). The LPCLEAD will be the main point of contact and a resource for producers as it pertains to their LPAS.

#### Applying to Operate a Local Producer Agency Store

Local Producers can apply to operate a LPAS by contacting LPCLEAD Dara MacPherson at dara.macpherson@anbl.com.

Applicants must provide the following documentation:

- Copy of the manufacturer's federal excise license through the Canada Revenue Agency (CRA)
- Copy of the provincial manufacturing license for either a brewery, winery, or distillery from the New Brunswick Department of Justice and Public Safety.
- Proof of zoning permission from the community in which the LPAS will be located.
- Proof of liability insurance (\$2 million minimum with ANBL listed as an additional insured)

A business plan must be provided including the following elements:

- floor plan including designated retail and production space,
- production capacity and plans,
- operator business experience including any previous beverage alcohol manufacturing or retail experience,
- target market and business vision,
- financial information and projections,
- proposed hours of operation,
- parking and building access,
- refrigeration and storage,
- point of sale system,
- inventory management plan, and
- security plan.

#### **Product Sample**

A finished product sample, obtained from the facility's manufacturing equipment, must be submitted to ANBL for product testing, or proof of satisfactory result from an ISO certified laboratory.

Please send samples to ANBL's Retail Operations Centre at:

#### Alcool NB Liquor

attn: Dara Macpherson 170 Wilsey Road Fredericton NB, E3B 5B8

#### **Additional Information**

ANBL may request additional information or records as needed to fully assess the proposal.

#### **Application process**

All the above documents are to be sent to the LPCLEAD for review and an initial assessment.

#### Approval process and timelines

Your submission will be reviewed by the LPCLEAD, ANBL management and ultimately the ANBL Board of Directors.

Should your submission be approved, your LPCLEAD will draft a contract for you to review and sign. Once you have signed the contract, you will send it back and it will then be reviewed and signed by ANBL. A package will be sent to you with a copy of the signed contract, as well as

a certificate that must be displayed in a visible area in your storefront. Standard terms for all contracts are two years initially with renewals up to five years.

### **Operating a Local Producer Agency Store**

Once completed and your submission has been approved, Local Producer Agents must remain in compliance with all applicable legislation and regulation, as well as operating requirements as found in the Local Producer Agent Channel Policy and their agent agreement. Those requirements include but are not limited to:

- Monthly Reporting and Remittances compliance
- Annual Responsible Retailing course completion
- Informing ANBL of any significant floor plan changes
- Minimum of one visit per year at your location with the Local Producer Channel Lead
- Updated insurance document sent annually to ANBL
- Valid licenses shared annually with ANBL
- Renewal compliance
- Regulations compliance

#### Agency agreement renewal process

The producer must contact the LPCLEAD at least 60 days before the contract expiry date. In an email they must provide:

- proof of a required s commercial liability insurance as outlined in your contract, with ANBL listed as the additional insured
- updated manufacturing license(s).

For the renewal to be approved the producer must also have their reporting and remitting up to date, no known compliance issues and the most current responsible retailing course completed.

#### Social Responsibility training

ANBL's goal is to ensure responsibility is embedded in every level of the organization and that our commitment to responsibility is understood and cascaded to our internal and external stakeholders. ANBL's Corporate Social Responsibility (CSR) strategy has three key pillars: community engagement, promoting responsible consumption, and safe selling practices. Our relationship with Local Producer



Agents touches on all three of those pillars.

Responsible retail training is mandatory for all LPAS owners and is available on ANBL learning platform <u>SmarterU</u>. We ask that you please ensure all staff in your stores complete the training within three months and keep all records of completion as the LPCLEAD may ask for these records. This training has been designed to help your teams better support ANBL's Check 30 program.

#### **Mystery shops & compliance**

All agents appointed by ANBL must comply with the parameters of the Liquor Control Act to restrict the sale of beverage alcohol to individuals under nineteen (19) years of age. ANBL's Check 30 program is a mandatory process wherein all ANBL employees and channel partners must ask for ID from anyone who appears 30 years of age or younger.

Mystery shops conducted by an independent service provider contracted by ANBL are carried out at all LPAS locations. Given ANBL's Check 30 program, when a mystery shopper (aged 25 or under) is asked for identification by the cashier, they pass the mystery shop. If they are not asked for identification, the mystery shop is failed. Results will be shared with producers and are used for educational purposes and compliance.

#### **Reporting Requirements**

ANBL requires production volume and sales information from your production facility on a monthly basis. Once your LPAS is confirmed, you will be set up with an online and/or paper form where you can submit this information alongside your remittance (see below section: Markups & remittances). ANBL may at any time request additional data regarding the Local Producer Agent's production, purchase, sale, and inventory of beverage alcohol.

#### Markups & remittances

All producers who operate an LPAS, and/or a taproom are required to adhere to reporting and remittance requirements. This includes local producers of all categories: beer, wine, cider, spirits/Ready-to-Drink beverages. Remittances are due on the 15th of every month for the prior month's sales.

If a manufacturer transfers product from one LPAS to an approved secondary LPAS location, product should be captured on the remittance sheet for the location that sold to the end consumer.

Producers should already be registered with Encorp and paying all bottle deposit fees directly to them. We request that all producers remit their bottle deposit fees directly to Encorp moving forward – if you are still filling out a bottle deposit section on your remittance document please reach out. More information can be found <u>here</u>.

To best measure the overall impact of the NB local craft alcohol industry within and beyond ANBL, accuracy of the information collected in the remittance reports is crucial. ANBL will use this information to make informed policy decisions, in communication with stakeholders, and for strategic planning. It is just as important to fill in the columns that don't generate a charge as the ones that do. If you do not operate a taproom, and have no on-site consumption, you are still expected to fill in the information that pertains to you. Failure to remit properly could affect your contract as a LPAS with ANBL.

#### Cross selling program

At ANBL, we are committed to providing opportunities for Local Producers to have access to other points of distribution beyond simply selling at an ANBL corporate store or agency partner. The Cross Selling Program will help Local Producers excel in innovation and creativity, with an emphasis on speed to market, recognizing that some local producers may not have the infrastructure or capacity to deliver on the necessary sales results required by the ANBL product lifecycle process.

To provide greater flexibility for local producers, LPAS may sell non-listed products manufactured and packaged in New Brunswick by other Local Producers. The primary purpose of LPAS is to allow producers to sell their products produced onsite. Therefore, there is a limit on the sale of products from other Local Producers. LPAS may sell products from other producers up to a maximum of 25% of the annual volume of the Local Producer's own production.

## LOCAL PRODUCERS OPERATING AS A SUPPLIER TO ANBL

#### Becoming a supplier to ANBL

ANBL is one of Atlantic Canada's leading retailers, with a network of 40 retail stores, including EXPÉRIENCE by ANBL, The Craft Beer Room and Depot store, 91 privately operated agency stores, 90 Local Producer agency stores, and 67 grocery stores. We are an engaged team delivering the B.E.S.T (Better. Every. Single. Time.) customer experience while generating annual sales of \$533.0 million and responsibly managing a profitable business for the people of New Brunswick.

Local Producers interested in listing their products in ANBL's retail network for sale should contact ANBL's Local Producer Category team as a first step.

#### **Product listing information**

Local Producers supplying product to ANBL for retail in Corporate, Convenience and/or Grocery channels must follow the same Product Lifecycle Management process as any domestically sourced or imported product unless otherwise stated in this section. Find answers to questions pertaining to how to apply for a product listing; how to maintain a listing and finally how a product exits the portfolio in <u>ANBL's Product Lifecycle</u> <u>Management Manual</u>.

Further information will be provided below as it pertains specifically to Local Producers navigating ANBL's retail network.

#### **Product listing and call schedule**

ANBL has a listing call schedule with adjusted timelines specifically for the listing of locally



produced products. This allows more opportunities for local producers to put forward seasonal and permanent offerings for retail in ANBL Corporate and Convenience channels. The listing call process includes two rounds of review and takes 12-16 weeks from initial application to launch.

Each product listing call includes a Call Detail Sheet that outlines all the information pertinent to the call, as well as the expectations for products specific to the portfolio needs at the time of the call. Criteria defined in the Call Detail Sheet will include desired product specifications, styles, size formats, retail price, and flavours/themes as applicable. Please review this document carefully when the tender is issued. All listing applications are reviewed following a standard decision matrix with metrics including portfolio strategic fit, brand recognition, innovation, supplier/ marketing support, retail price, and packaging. When products are selected for a second round of review, a sample is requested for a tasting score as well.

ANBL will entertain supplier proposals for swapping an approved listing prior to launch or an underperforming full-time general listing. The supplier must provide a business case for the new product and an exit plan for the product leaving market which will be reviewed and approved by the Category Management team.

For current listing call timelines, please refer to the "Local Producer" section in ANBL <u>Product Listing</u> <u>Call Schedule</u>.

#### **Using BevHub**

ANBL BevHub is an easy-to-use, web-based tool that allows suppliers and their agents to submit their product information for review as part of our listing process. Through our user friendly portal you can provide pertinent information and upload various required documents and images. You will also be able to track the progress of your online submissions at your convenience. Find instructions for suppliers on how to sign up and use BevHub <u>here</u>.

# Additional labelling requirements for listings at ANBL:

All products listed for sale through ANBL must meet the product identification standards and labelling requirements which can be found on page 3 of this document. Additionally, access to ANBL's retail network requires a valid Universal Product Code (UPC) and Shipping Container Code (SCC) on all products.

- UPC Standards 12 or 13 digits long and should be unique to the product – ANBL utilizes UPCs to scan products through the point of sale, so accuracy is essential.
- SCC standards 13 or 14 digits long and must be unique to the product that they are assigned to - ANBL utilizes SCCs to generate purchase orders for all products, including kegs, so accuracy is essential.

More information on UPC codes can be found

at <u>GS1.org</u>. For package design, consulting with a beverage alcohol packaging designer or a packaging materials supplier may be useful resource as they typically have significant experience with these requirements. Labels may be sent to the Category Management team for approval before printing. Changes of any kind in the presentation of a product must have prior written approval from the Category Team.

More details about acceptable product labelling requirements can be found in ANBL's <u>Warehouse</u> <u>Receiving Guidelines</u>, which should be carefully reviewed before product is sent to ANBL. Products listed at ANBL with labels not meeting the above requirements can incur penalties including product refusal and/or monetary penalties outlined on page 10 of the above document.

#### **Product distribution**

ANBL recognizes that Local Producers may wish to access ANBL's retail network in different capacities based on production size, regionality, business strategy, product type, etc. Each product distribution method is agreed upon at the time of listing approval. Once listed, changes to distribution may be discussed with the Category Management team. For more information, please see the Local Supplier Distribution Policy.

#### Warehouse only distribution model:

For logistical efficiency, Local Producers wishing to have a product available in ANBL retail sites province-wide must deliver inventory to ANBL's central warehouse for re-distribution. All products delivered to ANBL's Warehouse must follow the requirements outlined in <u>Warehouse</u> <u>Receiving Guidelines</u>. Products delivered at the warehouse with any safety concerns relating to palletization or not meeting shipping guidelines may incur penalties including product refusal and/or monetary penalties outlined on page 10 of the above document.

#### Hybrid distribution model:

If logistically feasible and beneficial to the Local Producer, a "hybrid" delivery model may be requested. If approved for hybrid delivery model, the Local Producer can deliver products directly to the ANBL corporate stores in their applicable Direct Delivery Zone (see below for zones) as well as well as supplying a quantity to the ANBL warehouse for distribution to stores in the rest of the province. The hybrid status will apply to all listed products available for province-wide distribution by the Local Producer unless otherwise agreed upon with the Category Management team. All Warehouse Receiving Guidelines continue to apply in this scenario.

#### Hyperlocal distribution model:

Local Producers and/or ANBL may request a listed product be available for retail only in the vicinity near a Local producer's production site. ANBL identifies this distribution option as "hyperlocal". If approved for a hyperlocal product listing, the Local Producer must be able to deliver products directly to the ANBL corporate stores in their applicable Direct Delivery Zone (see below for zones). All Warehouse Receiving Guidelines continue to apply in this scenario.



| Northeast Direct Delivery Zone Banner |                     | Moncton Direct Delivery Zone |    | Banner                   |   |
|---------------------------------------|---------------------|------------------------------|----|--------------------------|---|
| 9                                     | Dalhousie           | D                            | 20 | Bouctouche               | D |
| 12                                    | Caraquet            | С                            | 26 | Vaughan Harvey (Moncton) | A |
| 19                                    | Richibucto          | С                            | 28 | Shediac                  | С |
| 21                                    | Shippagan           | D                            | 33 | Sackville                | С |
| 22                                    | Tracadie-Sheila     | С                            | 38 | Mountain Rd (Moncton)    | В |
| 29                                    | Miramichi Chatham   | С                            | 48 | Moncton North (Moncton)  | A |
| 30                                    | Miramichi Newcastle | В                            | 61 | Dieppe Blvd.             | С |
| 50                                    | Neguac              | D                            | 62 | Riverview                | В |
| 75                                    | Beresford           | D                            | 63 | Elmwood Dr (Moncton)     | В |
| 79                                    | Bathurst            | В                            | 66 | Regis St                 | A |
| 81                                    | Campbellton         | D                            |    |                          |   |

| Saint . | John Direct Delivery Zone | Banner | River | Valley Direct Delivery Zone | Banner |
|---------|---------------------------|--------|-------|-----------------------------|--------|
| 2       | Fairville Blvd (SJ)       | В      | 13    | Woodstock                   | D      |
| 3       | KV                        | А      | 14    | Edmundston                  | A      |
| 4       | Somerset Street (SJ)      | В      | 16    | Grand Falls                 | С      |
| 5       | Wellington Row (SJ)       | С      | 40    | Devon (Fredericton)         | В      |
| 6       | St Stephen                | С      | 41    | Oromocto                    | В      |
| 8       | St Andrews                | D      | 45    | York St (Fredericton)       | А      |
| 35      | Sussex                    | С      | 60    | Corbett (Fredericton)       | A      |
| 36      | East Point (SJ)           | А      | 68    | Brookside (Fredericton)     | В      |
| 53      | Hampton                   | С      |       |                             |        |

#### **Product Listing Statuses**

ANBL uses three standard listing statuses to identify product portfolios, duration in market, and possible distribution in the network. For Local Producers, the Listing Statues are to be interpreted as the following:

- One-Time Listing (OT) These products are purchased as a single, one-time order to the warehouse. Order quantity to be determined by the Category team. This listing status is ideal for unique offerings, limited edition or small batch products.
- Seasonal Test Product (TP) These products are ordered seasonally, and inventory is replenished over a defined 3–6-month period in market. This listing status is ideal for seasonal flavors, innovation trial or small to medium batch products.
- General Listing (GL) These products are in market full-time, continuously replenished and are subject to ANBL's local producer <u>Annual Sales Thresholds</u> and ranked quarterly, with potential for delisting after one year in market. This listing status is ideal for core products, innovation trial or small to medium batch products.

Products will not automatically move from one listing status to another. For a change in listing status, a product application must be submitted and approved through the listing call process.

#### Markups and pricing

Local Producers selling products to ANBL are marked up at rates identified in <u>ANBL's Markup</u> <u>Rates</u>.

Questions about product pricing and strategic retail can be discussed directly with the Category Management team.

Products being shipped through the ANBL central warehouse are subject to a warehousing fee. Local Producers receive a reduced fee as part of ANBL overall support package for local producers.

#### **Product Launch**

Once a product listing is granted, ANBL notifies all applicable stores of its availability through a Product Release Bulletin, which also contains pricing and ordering information. A New Product Release Bulletin is released every week. All new product listings receive automatic distribution to select stores upon release (excluding direct delivery). The Category Team determines the initial distribution when it grants a listing. For stores that are not included in the initial distribution of a new listing, it is the Store Manager's decision to determine whether they will carry the product; however, product plans may establish exclusivity to a certain channel or banner selection as determined by the Category team at the time of listing.

#### **Quality assurance**

ANBL takes its responsibility of being a safe distributer and retailer of alcohol very seriously and wants to ensure the quality of products on its shelves are safe for consumption. For the safety of our customers and the reputation of New Brunswick's craft alcohol industry, ANBL conducts regular product testing/audits for listed local products on the following:

- Ethanol/alcohol
- Methanol
- Metals
- Ethyl Carbamate
- Dyes (where applicable)
- Caffeine (where applicable)

Testing is completed at a Canadian ISO certified laboratory. Once completed and results are obtained, ANBL will review and share the analysis with the supplier. If concerns are identified during the testing process, ANBL will take necessary action and work the producer on a product plan.

Questions about testing and associated costs can be discussed directly with the Category Management team.

## LOCAL PRODUCER WITH ON-PREMISE CONSUMPTION LICENSE

#### **Operating a taproom/licensed establishment**

Any Local producer who wants to serve alcohol for consumption on-site (including their own products or any others) is subject to the terms of the Liquor Control Act and must obtain the appropriate license from the Department of Justice and Public Safety. Information on obtaining an on-premise consumption license can be found <u>here</u>.

# How to buy and sell product for on-site consumption

Local producers who are interested in selling their products to Licensees for consumption on-site at that Licensee's establishment, are required to sell via ANBL's online ordering system, K-ecommerce. Licensees can order listed products using the processes as laid out in our <u>Online Ordering</u> <u>Platform For Licensees</u> document. The document also includes instructions on logging into the K-ecommerce system, available products and how to order, and information on product delivery or pick-up options.

# Hosting Sampling Events & participating in sampling events

Local producers who wish to participate in product festivals or sampling events can work directly with event organizers to secure their participation. ANBL is developing pouring guidelines which can be used by festival participants to help promote responsible consumption of product at these events. Festival organizers are responsible for contacting the Department of Justice and Public Safety to ensure they receive the appropriate licensing for their events.

