

BEER CONSUMER'S PRIORITIES FOR CANADA'S FEDERAL GOVERNMENT

Canadians are rightly proud of the nation's great brewing tradition.

- 85% of all beer enjoyed by Canadians is made here.
- Made from grains grown on Canadian farms.
- Brewed using the world's purest water.
- Made by Canadians in every province and territory.

Our brewers directly employ 19,000 Canadians and the sale of beer supports 149,000 jobs across its added-value-chain including the farmer that grows our barley, the transportation and warehouse workers that bring your beer to market, the graphic designer creating labels and packaging, your local beer retail expert, to the bar and restaurant bartender and server pouring your favourite pint.

THREE KEY PRIORITIES FOR BEER CONSUMERS

1. Bring Canadians back to neighbourhood restaurants and bars

Beer is a key profit driver for licensed bars and restaurants, with much higher profit margins than on food. In a typical year, restaurants, bars and tap rooms account for nearly 20% of beer sold in Canada with beer representing an estimated 15% of the sector's overall profitability. Health and safety mandatory closures and capacity restrictions necessitated by COVID-19 had a devastating impact on these neighbourhood businesses in 2020 and 2021.

As employee and business COVID support measures are rolled back, it is imperative that the federal government adopt new progressive measures that encourage Canadians to return to their favourite restaurant to help these local businesses survive. This effort can be supported by:

- Reducing the federal excise duty rates that apply to draught beer by 50%; and
- Eliminating the April 2022 automatic annual federal excise duty rate increase on beer

As draught beer is almost exclusively available in establishments licensed for on-site consumption, a 50% targeted tax reduction would provide a critical lifeline for these establishments. More directly, licensed bars and eateries simply cannot afford any further tax increases on such an important menu item that is beer, whether served from a bottle, a can or keg. Smaller-scale brewers with a higher proportion of their sales generally occurring on-site and in draught would benefit particularly from these support measures.

2. Improve the Selection of Beer available to Canadians across the Country

Many adult Canadians remain frustrated that too often they cannot readily access beer brands brewed in another province. Canadians rightly believe that they should be able to access beer directly from Canadian brewers regardless of their province of residence.

The COVID-19 pandemic has accelerated the growth of e-commerce for a broad range of consumer products, including beverage alcohol. There is a critical leadership role for the federal government to ensure provincial measures do not disadvantage Canadian brewers from a significant segment of the future of modern retailing represented by e-commerce and direct-to-consumer sales channels.

3. Ensure Effective Public Health Policy

Canadian brewers have a long tradition in ensuring that beer is enjoyed, served and retailed responsibly.

“Beer Canada has shown true leadership in corporate social responsibility for decades and more progress could be achieved if other business sectors were as committed”.

Robyn Robertson, President & CEO Traffic Injury Research Foundation

Canada’s Low-Risk Drinking Guidelines recognize that at times “zero’s the limit”. On these occasions, non-alcoholic beer may be the best choice. But, under the Excise Act **alcohol** excise duties are still imposed on **non-alcoholic** beer in Canada.

Canada should follow the lead of other major western developed nations by encouraging access to non-alcoholic beer and

- Exempt beer with an alcohol content less than 0.5% abv from all federal beverage alcohol excise duties.

Non-alcoholic wines and spirits in Canada already benefit from this 0.5% federal excise duty exemption and non-alcoholic beer should be provided equal treatment.

Federal Candidate’s Pledge to Canadians

- ✓ I support measures to keep my neighbourhood bars and restaurants in business including a 50% excise duty cut on draught beer
- ✓ I support greater flexibility for consumers to buy beer online from brewers anywhere in Canada as well as through zero alcohol taxes on beer that contains no alcohol
- ✓ I support a commitment to social responsibility, and a whole of society approach to reducing alcohol-related harm including exempt beer with an alcohol content less than 0.5% abv from all federal beverage alcohol excise duties.