Consumer Trends
Wine, Beer and Spirits in Canada

Source: Planet Retail, 2012.
Canada’s population, estimated at nearly 34.9 million in 2012, has been gradually increasing and is expected to continue doing so in the near-term. Statistics Canada’s medium-growth estimate for Canada’s population in 2016 is nearly 36.5 million, with a medium-growth estimate for 2031 of almost 42.1 million. The number of households is also forecast to grow, while the unemployment rate will decrease. These factors are expected to boost the Canadian economy and benefit the C$36.8 billion alcoholic drink market. From 2011 to 2016, Canada’s economy is expected to continue growing with a compound annual growth rate (CAGR) between 2% and 3% (Euromonitor, 2012).

Canada’s provinces and territories vary significantly in geographic size and population, with Ontario being the largest alcoholic beverages market in Canada. Provincial governments determine the legal drinking age, which varies from 18 to 19 years of age, depending on the province or territory. Alcoholic beverages must be distributed and sold through provincial liquor control boards, with some exceptions, such as in British Columbia (B.C.), Alberta and Quebec (AAFC, 2012).

Nationally, value sales of alcoholic drinks did well in 2011, with 4% growth, due to price increases and premium products such as wine, craft beer and certain types of spirits. However, volume sales had slow growth (under 1%) largely due to slow sales of mainstream beer, which is the largest alcoholic drinks category.

Wine performed well in 2011, growing in both value and volume sales, and is expected to continue posting healthy growth. Within Canada, wine has benefitted from growing appreciation among both older and younger consumers. Wines with a higher price have experienced good growth, while Vintners Quality Alliance* (VQA) wines have experienced faster growth than overall wine sales.

New alcoholic beverage launches in the market have mirrored consumer trends demanding unique and specialty products with quality ingredients and processing methods, or interesting flavourings or flavour combinations. From 2011 to 2016, alcoholic drinks are forecast to experience modest volume (0.8% CAGR) and value (2.7% CAGR) growth. This is partly attributable to slowing growth rates within beer sales. While beer is typically a preferred alcoholic beverage, it is also a maturing category. However, craft beers are expected to provide future growth opportunities.

*VQA Ontario is a regulatory agency that is “responsible for maintaining the integrity of local wine appellations” and standards in Ontario (VQA Ontario, 2013), while the B.C. VQA (Wines of B.C. brand) is an “appellation of origin” system that guarantees origin and minimum quality requirements for wines made from B.C. grapes (B.C. Wine Authority, 2013).

Source: Planet Retail, 2012.
In 2011, alcoholic drink sales in Canada grew by 4% in value and under 1% in volume. This represented a market size of C$36.8 billion, or more than 3 billion litres. However, while wine continues to grow in popularity, beer is a mature category experiencing slow overall growth. From 2012 to 2016, alcoholic drink sales in Canada are expected to grow to roughly C$42.0 billion (Euromonitor, 2012).

There has been an abundance of new product launches in the alcoholic drinks category, a key strategy for driving sales and growth in a competitive market. These include limited edition or vintage products, new craft beers, new flavours, and new innovative packaging. The largest trends in new product launches from January 2008 to December 2012 were interesting flavours. Lemon/lime flavours have been popular, particularly in the hot summer months. Other new flavour profiles included raspberry and chocolate mint. Reduced-calorie products and health-related claims, including products with no additives/preservatives, low/no/reduced allergens and calories, and natural products (Mintel, 2012, 2013), were other trends observed as consumer demand for quality and variety drove alcoholic sales, particularly in beer products (Euromonitor, 2012). Analysis and examples of recent alcoholic beverage introductions in Canada by trend are provided at the end of this report.

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<tbody>
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<td>32,867.6</td>
<td>34,241.2</td>
<td>34,486.3</td>
<td>35,396.0</td>
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<td>42,068.2</td>
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<td>Beer</td>
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<td>14,402.6</td>
<td>15,081.6</td>
<td>15,182.1</td>
<td>15,387.0</td>
<td>15,720.4</td>
<td>15,852.7</td>
<td>16,467.4</td>
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<td>2,318.2</td>
<td>2,351.1</td>
<td>2,374.5</td>
<td>2,404.4</td>
<td>2,474.4</td>
<td>2,506.5</td>
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<td>12,866.5</td>
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<td>13,244.0</td>
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<td>146.0</td>
<td>248.4</td>
<td>300.4</td>
<td>401.7</td>
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<td>Stout</td>
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<td>121.9</td>
<td>125.7</td>
<td>125.5</td>
<td>127.5</td>
<td>131.2</td>
<td>132.8</td>
<td>143.0</td>
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<td>Cider/perry</td>
<td>90.0</td>
<td>102.2</td>
<td>132.6</td>
<td>145.0</td>
<td>155.2</td>
<td>168.0</td>
<td>179.4</td>
<td>226.3</td>
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<td>Ready-to-drink (RTD)/high-strength premixes</td>
<td>2,479.9</td>
<td>2,565.3</td>
<td>2,580.5</td>
<td>2,279.7</td>
<td>2,250.3</td>
<td>2,344.3</td>
<td>2,409.5</td>
<td>2,659.1</td>
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<td>Spirits</td>
<td>7,411.8</td>
<td>7,918.9</td>
<td>8,175.5</td>
<td>8,404.4</td>
<td>8,469.4</td>
<td>8,783.6</td>
<td>8,996.7</td>
<td>10,011.3</td>
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<td>Brandy and cognac</td>
<td>314.4</td>
<td>319.8</td>
<td>306.9</td>
<td>288.5</td>
<td>289.1</td>
<td>295.6</td>
<td>298.3</td>
<td>313.3</td>
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<tr>
<td>Liqueurs</td>
<td>1,454.2</td>
<td>1,526.3</td>
<td>1,577.3</td>
<td>1,567.4</td>
<td>1,543.7</td>
<td>1,569.8</td>
<td>1,571.4</td>
<td>1,628.4</td>
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<tr>
<td>Rum</td>
<td>1,390.9</td>
<td>1,461.2</td>
<td>1,531.8</td>
<td>1,607.0</td>
<td>1,616.5</td>
<td>1,660.9</td>
<td>1,678.1</td>
<td>1,748.4</td>
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<tr>
<td>Tequila (and mezcal)</td>
<td>164.2</td>
<td>183.5</td>
<td>196.6</td>
<td>208.4</td>
<td>223.9</td>
<td>248.8</td>
<td>267.9</td>
<td>345.0</td>
</tr>
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<td>Whiskies</td>
<td>2,036.1</td>
<td>2,162.6</td>
<td>2,108.7</td>
<td>2,053.2</td>
<td>2,036.8</td>
<td>2,118.5</td>
<td>2,159.0</td>
<td>2,310.8</td>
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<td>White spirits</td>
<td>1,938.8</td>
<td>2,141.6</td>
<td>2,318.3</td>
<td>2,533.1</td>
<td>2,613.6</td>
<td>2,744.0</td>
<td>2,877.2</td>
<td>3,519.7</td>
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<tr>
<td>Other spirits</td>
<td>113.2</td>
<td>124.0</td>
<td>135.9</td>
<td>146.8</td>
<td>145.8</td>
<td>146.1</td>
<td>144.7</td>
<td>145.6</td>
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<td>Wine</td>
<td>7,099.2</td>
<td>7,878.6</td>
<td>8,271.0</td>
<td>8,475.1</td>
<td>9,134.1</td>
<td>9,849.4</td>
<td>10,459.1</td>
<td>12,704.1</td>
</tr>
<tr>
<td>Fortified wine and vermouth</td>
<td>346.5</td>
<td>366.1</td>
<td>362.1</td>
<td>357.7</td>
<td>357.6</td>
<td>357.7</td>
<td>355.6</td>
<td>346.2</td>
</tr>
<tr>
<td>Non-grape wine</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sparkling wine</td>
<td>363.9</td>
<td>387.5</td>
<td>389.6</td>
<td>364.8</td>
<td>410.4</td>
<td>454.9</td>
<td>490.0</td>
<td>592.3</td>
</tr>
<tr>
<td>Still light grape wine</td>
<td>6,388.8</td>
<td>7,125.0</td>
<td>7,519.4</td>
<td>7,752.6</td>
<td>8,366.0</td>
<td>9,036.7</td>
<td>9,613.4</td>
<td>11,765.6</td>
</tr>
</tbody>
</table>


1 “On-trade” refers to sales of alcoholic beverages through bars, restaurants, cafés, hotels and other catering establishments. Please note that on-trade statistics will only be presented when available, as availability differs by sector/sub-sector.

2 “Off-trade” refers to sales of alcoholic beverages through retail outlets.
As one of the most popular alcoholic drinks in Canada, wine saw value sales growth of 8% in 2011, while volume sales grew 5%. There is demand for wine from various brands and regions in the world, with wines from France and Italy being the most popular. New wines from the United States (U.S.), New Zealand, Australia and Latin America have also become popular among consumers. Canadian wines experienced stable growth from 2006 to 2011, with particularly strong demand for wines labelled as VQA, which saw volume growth of nearly 17% in 2011; more than double the growth of total wine sales in the same year (Euromonitor, 2012).

Consumer wine preferences in Canada vary regionally. For example, in terms of still light grape wine, consumers across the country, especially in Quebec, prefer reds; however, in B.C., white wine is more popular. The most popular varietals of red wine among consumers include Merlot, Cabernet Sauvignon, and Shiraz, while Chardonnay and Sauvignon Blanc are the most popular white wines, with Pinot Grigio and Malbec also increasing in popularity. Among sparkling wines, consumers appear to be moving away from traditional champagne to try other sparkling varieties, such as Prosecco. Sweet wines, such as Moscato, appear to be a growing trend, particularly among younger consumers (Euromonitor, 2012, Rowe, 2012, WineAccess 2012).

According to Mintel (2011), wine retail unit prices are predicted to rise by 16.6% from 2011 to 2015, to reach an average of C$17.86. Per capita wine consumption is also expected to increase by 10% from 2011 to 2015, to reach 15.62 litres. Euromonitor (2012) reports that manufacturers generally receive a selling margin of 32.3% of the retail value for a typical wine brand, with distributors receiving 19.6%, and retailers 30.1%.

According to the Bank of Montreal (Jordan, 2011), growth opportunities for Canada’s wine industry include gaining market share both domestically and internationally by targeting markets with rapid income expansion and current low consumption, and highlighting the quality of Canadian wines among consumers. Areas for production development include utilizing grape varieties that are well suited to the Canadian climate, high end-products such as icewine, or technologies that help to counter adverse environmental conditions (Jordan 2011, AAFC, 2012).

### Historic/Forecast Volume Sales (On-Trade and Off-Trade) of Wine in Canada by Category – Millions of Litres

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Fortified wine and vermouth</td>
<td>15.6</td>
<td>15.9</td>
<td>15.6</td>
<td>15.4</td>
<td>15.0</td>
<td>14.7</td>
<td>14.4</td>
<td>13.4</td>
</tr>
<tr>
<td>Port/oporto</td>
<td>3.3</td>
<td>3.6</td>
<td>3.5</td>
<td>3.5</td>
<td>3.4</td>
<td>3.4</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Sherry</td>
<td>7.9</td>
<td>7.9</td>
<td>7.7</td>
<td>7.6</td>
<td>7.6</td>
<td>7.4</td>
<td>7.2</td>
<td>6.6</td>
</tr>
<tr>
<td>Vermouth</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.6</td>
<td>3.4</td>
<td>3.4</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Other fortified wine and vermouth</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Non-grape wine</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sparkling wine</td>
<td>11.7</td>
<td>12.2</td>
<td>12.3</td>
<td>11.5</td>
<td>12.8</td>
<td>13.8</td>
<td>14.8</td>
<td>17.4</td>
</tr>
<tr>
<td>Champagne</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.9</td>
<td>1.0</td>
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<tr>
<td>Other sparkling wine</td>
<td>10.9</td>
<td>11.3</td>
<td>11.5</td>
<td>10.7</td>
<td>12.0</td>
<td>13.0</td>
<td>14.0</td>
<td>16.4</td>
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<tr>
<td>Still light grape wine</td>
<td>347.1</td>
<td>377.6</td>
<td>394.9</td>
<td>407.1</td>
<td>428.9</td>
<td>449.8</td>
<td>474.4</td>
<td>563.7</td>
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<tr>
<td>Still red wine</td>
<td>203.0</td>
<td>227.0</td>
<td>240.0</td>
<td>248.7</td>
<td>261.6</td>
<td>274.7</td>
<td>288.5</td>
<td>334.6</td>
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<tr>
<td>Still rosé wine</td>
<td>11.5</td>
<td>11.7</td>
<td>11.9</td>
<td>11.6</td>
<td>12.3</td>
<td>12.9</td>
<td>13.4</td>
<td>15.2</td>
</tr>
<tr>
<td>Still white wine</td>
<td>132.6</td>
<td>138.9</td>
<td>143.0</td>
<td>146.9</td>
<td>155.1</td>
<td>162.2</td>
<td>172.4</td>
<td>213.9</td>
</tr>
<tr>
<td><strong>Wine total</strong></td>
<td><strong>374.4</strong></td>
<td><strong>405.7</strong></td>
<td><strong>422.8</strong></td>
<td><strong>434.0</strong></td>
<td><strong>456.7</strong></td>
<td><strong>478.3</strong></td>
<td><strong>503.7</strong></td>
<td><strong>594.5</strong></td>
</tr>
</tbody>
</table>

**Distribution**

Off-trade (retail) sales account for the vast majority of wine volume sales in Canada (nearly 85%), and increased steadily from 2006 to 2011 to reach 404.2 million litres, representing a CAGR of 5.2%. On-trade (foodservice) sales also grew, with a CAGR of 4.2% from 2006 to 2011, reaching 74.1 million litres. Wine value sales have a slightly more balanced split, with off-trade sales accounting for just over 70% of all wine sales. Both off-trade and on-trade value sales have seen steady increases from 2006 to 2011, with CAGRs of 7.1% and 6.1% respectively (Euromonitor, 2012).

![On-Trade Versus Off-Trade Volume Sales of Wine in Canada](image)

**On-Trade Versus Off-Trade Volume Sales of Wine in Canada**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tr>
<td>Off-trade</td>
<td>314.0</td>
<td>339.6</td>
<td>357.5</td>
<td>367.1</td>
<td>386.1</td>
<td>404.2</td>
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<tr>
<td>On-trade</td>
<td>60.3</td>
<td>66.1</td>
<td>65.4</td>
<td>66.9</td>
<td>70.7</td>
<td>74.1</td>
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<tr>
<td>Total</td>
<td>374.4</td>
<td>405.7</td>
<td>422.8</td>
<td>434.0</td>
<td>456.7</td>
<td>478.3</td>
</tr>
</tbody>
</table>

**Source:** Euromonitor, 2012.

Certain regulatory changes and foodservice trends are also expected to drive wine sales and increase distribution, such as Ontario allowing alcohol to be served on patios, restaurants in B.C. serving wines on tap, and the relaxing of interprovincial rules for wine shipments in certain provinces such as B.C., Alberta, Manitoba and Nova Scotia (Euromonitor 2012, Free My Grapes, 2012, Rockwell, 2013). Local promotions such as goLOCAL at the Liquor Control Board of Ontario (LCBO) and The Best of B.C. at the B.C. Liquor Board stores, have helped to drive growth of local/regional wine sales in those provinces. With support from government, liquor boards and associations, local wines are expected to continue growing in the future, although at a slower rate in volume terms (Euromonitor, 2012, Rimerman, 2013).

Imported wines continue to provide competition to Canadian wines, and account for an estimated 70% of wine sales in Canada (Euromonitor, 2012). Although France represented the majority of Canada’s wine imports in 2012, imports from other top markets have grown at a faster rate. Imports of French wines increased minimally from 2011 to 2012, while those from New Zealand grew by 16.2%, imports from the U.S. increased by 14.9%, and imports from South Africa increased by 12.5%. Of Canada’s top import sources for wine, Australia experienced the largest decrease from 2011 to 2012, with –5%, followed by Portugal (Global Trade Atlas, 2012). The rising Canadian dollar and increasing competition from international producers have provided challenges for Canada’s wine exports (AAFC, 2012, Jordan, 2011, Rimerman, 2013). However, Canada’s wine exports (HS 2204, 2205) increased steadily from C$21.8 million in 2008 to nearly C$45 million in 2012. The U.S. is Canada’s largest export market for wine, accounting for 39% of Canada’s exports in 2012, followed by China with a 37.2% share (Global Trade Atlas, 2013).

**Canada’s Top Ten Import Sources for Wine**

<table>
<thead>
<tr>
<th>Partner Country</th>
<th>Commodity 2204: Wine Of Fresh Grapes, Including Fortified – C$</th>
<th>2010</th>
<th>% Share</th>
<th>% Value Change 2011/2012</th>
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<tr>
<td>World</td>
<td>1,749,766,694</td>
<td>1,894,695,913</td>
<td>1,973,916,142</td>
<td>100.00</td>
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<tr>
<td>France</td>
<td>385,356,611</td>
<td>433,982,756</td>
<td>437,658,616</td>
<td>22.02</td>
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<td>United States</td>
<td>276,644,460</td>
<td>325,926,231</td>
<td>347,349,312</td>
<td>15.81</td>
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<tr>
<td>Australia</td>
<td>257,795,606</td>
<td>250,266,847</td>
<td>237,724,973</td>
<td>14.73</td>
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<tr>
<td>Argentina</td>
<td>102,955,451</td>
<td>99,013,005</td>
<td>106,263,623</td>
<td>5.88</td>
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<tr>
<td>Spain</td>
<td>80,632,297</td>
<td>98,875,258</td>
<td>101,565,173</td>
<td>4.61</td>
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<tr>
<td>Chile</td>
<td>99,853,110</td>
<td>99,250,535</td>
<td>98,870,215</td>
<td>5.71</td>
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<tr>
<td>New Zealand</td>
<td>50,324,969</td>
<td>61,074,201</td>
<td>70,954,268</td>
<td>2.88</td>
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<tr>
<td>South Africa</td>
<td>47,341,105</td>
<td>44,094,411</td>
<td>49,615,956</td>
<td>2.71</td>
</tr>
<tr>
<td>Portugal</td>
<td>50,189,415</td>
<td>51,438,064</td>
<td>49,165,689</td>
<td>2.87</td>
</tr>
</tbody>
</table>

**Source:** Global Trade Atlas, 2012.
Key Companies and Brands

The Canadian wine industry includes 472 wineries, with two notably large companies that offer a variety of brands across Canada: Constellation Brands and Andrew Peller Ltd. (Statistics Canada, 2012, Rimerman, 2013). Euromonitor indicates that Canada’s still, light, grape wine market, by volume, is dominated by Constellation Brands Inc., which held a 15.7% share in 2011. The other top four companies in 2011 were Andrew Peller Ltd. (11.9% share), Treasury Wine Estates Ltd. (4.2%), Accolade Wines Ltd. (3.9%), and E&J Gallo Winery Inc. (3.5%). The top five still, light, grape wine brands in Canada in 2011 were Jackson Triggs, FuZion, Domaine d’Or, Yellow Tail, and Inniskillin (Euromonitor, 2012).

Constellation Brands Inc. dominated the Canadian fortified wine and vermouth market in 2011, by volume, with a 26.0% market share. The other top four companies in the fortified wine and vermouth category in 2011 were Bacardi & Co. Ltd. (17.3% share), Andrew Peller Ltd. (7.3%), Beam Inc. (3.4%), and Campari Milano SpA, Davide (2.9%). The top five fortified wine and vermouth brands among Canadian consumers in 2011 were Bright, Martini, Imperial Canadian Sherry, Andrés, and Noilly Prat (Euromonitor, 2012).

Canada’s other sparkling wine market in 2011, by volume, was dominated by Andrew Peller Ltd., which held a 9.1% share. Constellation Brands Inc. had the second largest share (8.5%) in 2011, followed by Freixenet SA (6.6%), Oetker-Gruppe (6.3%), and Bacardi & Co. Ltd. (3.5%). The top five brand shares in the other sparkling wine market in 2011 were Baby Duck, Spumante Bambino, Henkell Trocken, Freixenet, and Martini & Rossi Asti (Euromonitor, 2012).

According to Euromonitor, Constellation Brands, headquartered in New York, is an international company with a product mix that includes still light grape wine, sparkling wine, fortified wine and vermouth, and non-grape wine. The company’s share of the world’s wine volume sales was 1.6% in 2011, representing growth of 11.3% that year, with production facilities in Canada, the U.S. and New Zealand. The company focuses on the North American market, which accounts for the vast majority of wine sales. Constellation Brands is the largest wine maker and supplier in Canada with 16 domestic brands, and is a large purchaser of grapes from independent Ontario growers (Euromonitor International, Constellation, June 2012).

Andrew Peller Ltd. is a manufacturer and marketer of wines and icewines, focusing on the premium/super premium wine segment, particularly local VQA brands. The Canadian company is based in Grimsby, Ontario, and emphasizes product development and consumer education. The company has been expanding through the acquisition of local wineries, brand range introductions in various regions of Canada, and partnerships with local growers of premium grapes. The company also operates its own independent retail outlets (Euromonitor International, Andrew, January 2012).

Bacardi and Co. Ltd., headquartered in Bermuda, is an international company that has a strong presence in North America and particularly Western Europe. The company’s product mix includes still light grape wine, and other sparkling wine and vermouth, with a 0.6% share of global wine volume sales in 2011. Wine sales accounted for 11.4% of the company’s total alcoholic drink sales in 2011, with the majority of wine sales coming from vermouth (Euromonitor International, Bacardi, January 2012).
New Product Examples
The following is a selection of Canadian made wine products* available in the Canadian marketplace, through provincially regulated liquor stores or wineries.

<table>
<thead>
<tr>
<th>Inniskillin Unoaked Chardonnay VQA</th>
<th>Coyote’s Run Black Paw Vineyard Pinot Noir 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company:</strong> Inniskillin House Wines Inc.</td>
<td><strong>Company:</strong> Coyote’s Run Estate Winery</td>
</tr>
<tr>
<td><strong>Brand:</strong> Inniskillin Niagara Series</td>
<td><strong>Brand:</strong> Coyote’s Run Estate Winery</td>
</tr>
<tr>
<td><strong>Date published:</strong> October 2012 (available at LCBO)</td>
<td><strong>Date published:</strong> November 2012 (available at LCBO)</td>
</tr>
<tr>
<td><strong>Store:</strong> LCBO</td>
<td><strong>Store:</strong> LCBO</td>
</tr>
<tr>
<td><strong>Store type:</strong> Specialist retailer</td>
<td><strong>Store type:</strong> Specialist retailer</td>
</tr>
<tr>
<td><strong>Pack size:</strong> 750 ml</td>
<td><strong>Pack size:</strong> 750 ml</td>
</tr>
<tr>
<td><strong>Price:</strong> C$12.95</td>
<td><strong>Price:</strong> C$35.95</td>
</tr>
<tr>
<td><strong>Description:</strong> This VQA product made in Ontario, Canada, is an extra dry white wine that is light and crisp, and is suggested for serving with seafood, creamy soups, and poultry.</td>
<td><strong>Description:</strong> According to the LCBO, this is an extra dry red wine with dark cherry, black raspberry and earthy notes, made in Ontario, Canada.</td>
</tr>
<tr>
<td><strong>Source:</strong> LCBO, 2013.</td>
<td><strong>Source:</strong> LCBO, 2013.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pillitteri Gewürztraminer/Riesling VQA</th>
<th>Stoneboat Vineyards - Piano Brut</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company:</strong> Pillitteri Estates</td>
<td><strong>Company:</strong> Stoneboat Vineyards</td>
</tr>
<tr>
<td><strong>Brand:</strong> Pillitteri Estates</td>
<td><strong>Brand:</strong> Stoneboat Vineyards</td>
</tr>
<tr>
<td><strong>Date published:</strong> August 2012 (available at LCBO)</td>
<td><strong>Date published:</strong> Spring 2013</td>
</tr>
<tr>
<td><strong>Store:</strong> LCBO</td>
<td><strong>Store:</strong> Stoneboat Vineyards</td>
</tr>
<tr>
<td><strong>Store type:</strong> Specialist retailer</td>
<td><strong>Store type:</strong> Winery</td>
</tr>
<tr>
<td><strong>Pack size:</strong> 750 ml</td>
<td><strong>Pack size:</strong> Unknown</td>
</tr>
<tr>
<td><strong>Price:</strong> C$12.95</td>
<td><strong>Price:</strong> C$22.90</td>
</tr>
<tr>
<td><strong>Description:</strong> According to the LCBO, this is an aromatic and flavourful white VQA wine made in Ontario, Canada, with a medium sweetness.</td>
<td><strong>Description:</strong> A new type of wine, not previously made in B.C. that uses the Charmat method and Pinot Blanc as a base. Piano Brut is described as a &quot;fresh, approachable, fruit-forward sparkling wine, similar to Italian Proseccos&quot; (AAFC, 2013).</td>
</tr>
<tr>
<td><strong>Source:</strong> LCBO, 2013.</td>
<td><strong>Sources:</strong> AAFC, 2013, Kidd, 2013, Schreiner, 2013.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field Stone Fruit Wines Cherry Fruit Wine</th>
<th>Painted Rock - Syrah 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company:</strong> Field Stone Fruit Wines</td>
<td><strong>Company:</strong> Painted Rock</td>
</tr>
<tr>
<td><strong>Brand:</strong> Field Stone Fruit Wines</td>
<td><strong>Brand:</strong> Painted Rock</td>
</tr>
<tr>
<td><strong>Store:</strong> Alberta Online Wine Shop (Field Stone)</td>
<td><strong>Date published:</strong> unknown</td>
</tr>
<tr>
<td><strong>Store type:</strong> Internet retailing</td>
<td><strong>Store:</strong> B.C. Liquor Store</td>
</tr>
<tr>
<td><strong>Date published:</strong> Unknown</td>
<td><strong>Store type:</strong> Specialist retailer</td>
</tr>
<tr>
<td><strong>Pack size:</strong> 750 ml</td>
<td><strong>Pack size:</strong> 750 ml</td>
</tr>
<tr>
<td><strong>Price:</strong> C$17.95</td>
<td><strong>Price:</strong> C$39.95</td>
</tr>
<tr>
<td><strong>Description:</strong> This product is described as an off-dry fruit wine, that is vented from the finest red cherry varieties in Alberta and blended with chokecherries. It has a 0.5 sweetness level, a flavour that is tangy and very fruity, and combines well with pork tenderloin and game meat. This wine was the silver medal winner for both the 2012 Canadian Wine Awards and NorthWest Wine Summit.</td>
<td><strong>Description:</strong> This B.C. VQA red table wine has a 00 sweetness level and was awarded the Lieutenant Governor’s Award for Excellence in B.C. wine.</td>
</tr>
<tr>
<td><strong>Source:</strong> Field Stone Fruit Wines, 2013.</td>
<td><strong>Source:</strong> B.C. Liquor Stores, 2013.</td>
</tr>
</tbody>
</table>

*New wine product launches in Canada are not currently tracked by Mintel. As a result, other sources of information were used to compile the product descriptions on this page, and pictures are not available.
The growing health trend in Canada appears to be having an impact on beer sales. Within retail, light/no/low alcohol beer dominates, accounting for 72.5% of volume sales, followed by strong/premium beer (11%), extra strong/super premium beer (9.0%) and standard beer (7.5%) (Mintel, 2011). Lager is by far the most popular type of beer sold, and quality is increasingly important to consumers, who are also moving toward premium variations.

While beer is a mature category, craft beers have been performing better than the overall category, and are expected to provide opportunities for further growth. These craft beers cater to consumer demand for quality and variety, and may also benefit from the trend toward local products. Craft breweries are increasing across Canada, with microbrewery beers from the U.S. and large players such as Molson Canada investing in craft breweries. From 2011 to 2016, beer sales are expected to grow slightly in value (0.9% CAGR) from C$15.7 billion to C$16.5 billion. Per capita beer consumption is expected to grow by 1.9% from 2011 to 2015 in volume terms, to reach 85.5 litres (Euromonitor, 2012, Mintel, 2011).

New product development is key for driving sales in this mature market. In addition to the appearance of new flavours, areas for growth may include catering to specific demographic groups, such as women. New products related to health and wellness have also been appearing, such as Molson Canada's Molson Canadian 67, which is a low-alcohol beer marketed as low-calorie. Light beers have had rapid value growth, increasing 66% from 2010 to 2011 (Euromonitor, 2012, Mintel, 2011, 2012).

### Distribution

The vast majority of beer sales (nearly 80%) occur in off-trade retail channels. Both retail and foodservice channels saw positive CAGR value sales from 2006 to 2011, with a slight CAGR decline in on-trade volumes (Euromonitor, 2012).
In 2012, Canada imported C$594 million of beer made from malt. The value of imports has fluctuated over the past few years with a decrease of 10.8% from 2010 to 2011, followed by an increase of 6% from 2011 to 2012. Of the top ten countries Canada sourced from in 2012, only imports from Belgium and Ireland decreased. In terms of exports, the U.S. accounts for essentially all of Canada’s exports of beer made from malt (Global Trade Atlas, 2012).

### Key Companies and Brands

Canada’s beer market is dominated by Labatt Brewing of Anheuser-Busch InBev NV and Molson Canada of Molson Coors Brewing Co., together comprising more than 79% of beer sales. Global brand owners, Anheuser-Busch and Molson Coors Brewing Company, each had a 41.0% retail market share by volume in 2010. Beer production in Canada was 2.3 billion litres in 2011, a 6-million litre decrease from 2010, with domestic beer sales accounting for 86% of the market. Manufacturers generally receive a selling margin of 33.9% of the retail value for a typical beer brand (Euromonitor, 2012, Mintel, 2011).

According to Euromonitor, Anheuser-Busch InBev is the world’s leading brewer, accounting for 18% of world beer volumes in 2011. The company has experienced volume declines in developed markets, where opportunities for growth appear limited. Molson Coors Brewing Co., headquartered in Montreal, Canada, is among the world’s ten largest brewer’s with a significant presence in mature markets such as Canada. However, Canada may present some value opportunities in premium lager, dark beer, and low alcohol beer (Euromonitor, 2011, 2012).
New Product Examples
The following is a selection of new beer products introduced to the Canadian marketplace from January 2008 to December 2012, from Mintel’s Global New Products database.

**Whiskey Jack Ale Beer**
- **Company:** The Whistler Brewing Co.
- **Brand:** Whistler Brewing Company
- **Store:** B.C. Liquor Store
- **Store type:** Specialist retailer
- **Date published:** August 2011
- **Pack size:** 6 x 330 ml
- **Price:** C$10.95

**Description:** Whistler Brewing Company Whiskey Jack Ale Beer contains no additives or preservatives. The product claims to be full of personality, with just the right amount of hop and warm copper colour, and has a well-rounded mouth-feel with subtle bittering.

**Seasonal Sampler**
- **Company:** Mill Street Brewery
- **Store:** B.C. Liquor Store
- **Store type:** Specialist retailer
- **Date published:** July 2012
- **Pack size:** 2,178 ml
- **Price:** C$13.25

**Description:** Mill Street Brewery’s Seasonal Sampler consists of five 341-ml bottles and one 473-ml can in the following varieties: Walker’s Blueberry Wheat Beer, Lemon Tea flavoured wheat beer (infused with orange pekoe and Earl Grey teas), Original Organic Lager, Amber de la Chaudière, Tankhouse Ale, and Stock Ale.

**Ice Tea Beer**
- **Company:** Brasserie Licorne
- **Brand:** Boris
- **Store:** Loblaws (in the province of Quebec)
- **Store type:** Supermarket
- **Date published:** September 2012
- **Pack size:** 6 x 250 ml
- **Price:** C$8.49

**Description:** Boris Ice Tea Beer is a tea-and-lemon-flavoured alcoholic malt beverage, retailing in a recyclable pack that features a Facebook logo. This product is also available in cans of 473 ml, and a Peach Ice Tea Beer variety is also on the market.

**Craft Beer Sampler**
- **Company:** Bowen Island Brewing
- **Brand:** Bowen Island
- **Store:** B.C. Liquor Store
- **Store type:** Specialist retailer
- **Date published:** August 2011
- **Pack size:** 12 x 355 ml
- **Price:** C$16.99

**Description:** The Bowen Island Brewing Craft Beer Sampler contains a Westcoast Craft Brewed Lager, Extra Pale Ale, Honey Brown Lager, and a Hemp Blonde Ale. These beers are all natural and contain no preservatives or additives. The product retails in a pack with recyclable cans and a limited edition hak-a-sak.

**Flavoured Beer Patio Pack**
- **Company:** Mountain Crest
- **Brand:** Peelers
- **Store:** Sobeys Spirits Wine Cold Beer (in the province of Alberta)
- **Store type:** Specialist retailer
- **Date published:** September 2011
- **Pack size:** 8 x 330 ml
- **Price:** C$19.59

**Description:** The Peelers Flavoured Beer Patio Pack is comprised of the following varieties: Mojito, Ice, Orange Squeeze and Acai-Pomegranate.

**New Grist Beer**
- **Company:** Lakefront Brewery
- **Brand:** Lakefront Brewery New Grist
- **Store:** B.C. Liquor Store
- **Store type:** Specialist retailer
- **Date published:** August 2011
- **Pack size:** 6 x 355 ml
- **Price:** C$14.24

**Description:** Made from sorghum, rice and hops, this crisp and refreshing drink is kosher-certified and contains no gluten. The product retails in a pack made from 100% recycled carton with 35% post-consumer content, at minimum.

*Source for all: Mintel 2013.*
Spirit sales grew slightly in both value (3.7%) and volume (0.5%) terms from 2010 to 2011. While a number of categories experienced declining volume in 2011, value growth was positive for all categories. Irish whiskey was, by far, the fastest growing category, with value growth of 21% and volume growth of 17.4%. Vodka remained popular among consumers in 2011, particularly among younger generations. Premium and standard products performed well, while flavoured vodka also remained popular. From 2006 to 2011, spirit sales have seen a value CAGR of 3.5% and a volume CAGR of 1.2%. Sales of spirits are expected to continue growing from 2011 to 2016, with a CAGR of 2.7% in value and 1.4% in volume (Euromonitor, 2012).

According to Mintel, per capita volume consumption of spirits is predicted to grow 3.6% from 2011, to reach 4.7 litres in 2015. Per capita consumption of whiskey is expected to decrease 3.6% from 2011, to 1.2 litres in 2015, while vodka consumption is forecast to grow 20.7% to reach 1.5 litres. Retail unit prices of spirits have been on the rise and are expected to continue growing over the next several years. Retail unit prices of spirits are forecast to grow 10.8% from 2011 to 2015, with whiskey prices increasing 16.7%, and vodka prices 3.8% (Mintel, 2011).

Of new spirit launches in the Canadian market from January 2008 to December 2012, flavoured alcoholic beverages represented the most launches (136 products), while there were 28 vodka launches, and 21 new liqueur products. Six whisky and three dark rum products were also launched, while two products each for white rum and flavoured rum were introduced to the market, as was one gin product. Among new spirit launches, interesting and non-traditional flavours appeared to be popular, such as Saskatoon berry, rhubarb, ginger, marshmallow, and spicy, while there was also a focus on environmentally friendly packaging and premium products/ingredients (Mintel 2013).

Distribution

The large majority (85%) of spirit volume sales occurred off-trade in 2011, which grew at a faster CAGR of 1.3% than on-trade volume sales which grew at 0.4% from 2006 to 2011. In terms of value, off-trade accounted for 58% of all spirit sales in 2011, and grew at a CAGR of 3.6% from 2006 to 2011, slightly higher than on-trade value sales. Recovering consumer spending in foodservice aided in fuelling value growth for on-trade sales in 2011 (Euromonitor 2012).
Liqueurs and cordials, whiskies, and vodka were Canada’s three largest spirit imports in 2012 by value.

<table>
<thead>
<tr>
<th>Partner Country</th>
<th>Import Value 2011</th>
<th>% Share 2011</th>
<th>% Value Change 2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>169,225,580</td>
<td>100.00</td>
<td>-1.35</td>
</tr>
<tr>
<td>Ireland</td>
<td>60,172,116</td>
<td>35.56</td>
<td>2.13</td>
</tr>
<tr>
<td>France</td>
<td>25,226,690</td>
<td>14.91</td>
<td>-2.42</td>
</tr>
<tr>
<td>United States</td>
<td>20,833,629</td>
<td>12.31</td>
<td>15.45</td>
</tr>
<tr>
<td>Italy</td>
<td>18,444,585</td>
<td>10.90</td>
<td>-3.01</td>
</tr>
<tr>
<td>Mexico</td>
<td>12,297,032</td>
<td>7.27</td>
<td>-11.73</td>
</tr>
</tbody>
</table>

Ireland was Canada’s top import source for liqueurs and cordials in 2012, representing 35.8% of Canada’s total liqueur and cordial imports. Of Canada’s top five import sources in 2012, only imports from Ireland and the U.S. increased. While Canada’s imports from Mexico increased 9.0% in 2011, they decreased by 11.7% in 2012. The United Kingdom was Canada’s largest source of whisky in 2012, accounting for 71% of Canada’s whisky imports, and representing an import value increase of 6.1% from 2010 to 2012. Canada’s imports from its top five whisky sources all increased from 2011 to 2012, as did vodka imports from Canada’s top two vodka sources, the U.S. and France. Canada’s global exports of liqueurs and cordials increased by 29.3% in 2012, vodka by 46.2%, and whisky by 12.6%, with the vast majority destined for the U.S. (Global Trade Atlas, 2013).
Key Companies and Brands

Within spirits, market share in volume terms is dominated by the company Diageo Plc., which held a 26.2% share of the market in 2011, followed by Pernod Ricard Groupe (22.9%), Bacardi & Co. Ltd. (9.4%), Beam Inc. (7.9%), and William Grant & Sons Ltd. (3.0%) (Euromonitor, 2012). Manufacturers generally receive a selling margin of 32.3% of the retail value for the typical spirits brand (Mintel, 2011).

<table>
<thead>
<tr>
<th>Brand</th>
<th>Company Name (GBO*)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smirnoff</td>
<td>Diageo Plc.</td>
<td>7.7</td>
<td>7.5</td>
<td>8.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Bacardi White</td>
<td>Bacardi &amp; Co. Ltd.</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Crown Royal</td>
<td>Diageo Plc.</td>
<td>3.9</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Baileys Irish Cream</td>
<td>Diageo Plc.</td>
<td>2.6</td>
<td>2.6</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Absolut Vodka</td>
<td>Pernod Ricard Groupe</td>
<td>2.4</td>
<td>2.6</td>
<td>2.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Alberta Vodka</td>
<td>Beam Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.4</td>
</tr>
<tr>
<td>Canadian Club</td>
<td>Beam Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.2</td>
</tr>
<tr>
<td>Captain Morgan White Rum</td>
<td>Diageo Plc.</td>
<td>2.2</td>
<td>2.3</td>
<td>2.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Wiser's De Luxe</td>
<td>Pernod Ricard Groupe</td>
<td>1.9</td>
<td>1.9</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Polar Ice</td>
<td>Pernod Ricard Groupe</td>
<td>1.8</td>
<td>1.8</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Canadian Club</td>
<td>Fortune Brands Inc.</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Alberta Vodka</td>
<td>Fortune Brands Inc.</td>
<td>2.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>Others</td>
<td>67.5</td>
<td>72.5</td>
<td>71.6</td>
<td>66.1</td>
</tr>
</tbody>
</table>


According to Euromonitor, Diageo Plc. is the world’s leading spirits company (2011) with spirit volumes of 20 billion litres, representing a 4.6% international market share. The company is the world leader for liqueurs and vodka, and is a leading company for gin, rum and whiskies. Headquartered in London, United Kingdom, Diageo is an international company that relies largely on mature markets such as North America, Western Europe, and Australia. However, the company has been growing market share and investments in emerging markets such as the Asia Pacific region, in order to diversity and grow. Diageo’s production facility in Manitoba, Canada, produces all of the company’s Canadian whisky brands, which include Crown Royal and Seagram’s (Euromonitor International, Diageo, 2011).

Euromonitor International indicates that Pernod Ricard Groupe was the world’s second-most leading spirits producer in 2011. Headquartered in Paris, France, the company is active in all regions of the world and, like Diageo, held a 4.6% global spirits market share by volume. The first quarter of 2012 resulted in rapid growth for the company in Canada where further growth may result from the trend toward premium drinks (Euromonitor International, Pernod, 2011).

Headquartered in Bermuda, Bacardi is said to be the sixth-largest spirits company in the world, with a portfolio that includes rum, vodka, blended Scotch, tequila, cognac and liqueurs. The company held a 1.6% world share of spirit volume sales in 2011, but had minimal growth that year. It has a particularly strong presence in North America, followed by Western Europe, with plans to increase its presence in emerging markets (Euromonitor International, Bacardi, 2012).
New Product Examples

The following is a selection of new spirits and flavoured alcoholic beverages introduced to the Canadian marketplace from January 2008 to December 2012, from Mintel’s database.

Premium Vodka Cocktail

Company: Breuvage Urbanite Beverage
Brand: Urb'nlili
Store: Liquor Control Board of Ontario (LCBO)
Store type: Specialist retailer
Date published: August 2011
Pack size: 4 x 300 ml
Price: C$13.95

Description: Designed for women, this product claims to not be too sweet and is made with real juices and herbal extracts such as green tea, ginseng, ginkgo biloba and guarana. The product is non-carbonated and retails in a recyclable pack with recyclable bottles. Cosmocran, Menthalime, and Lychee varieties are also available.

Creamy Iced Cappuccino Martini

Company: Cocktails at Home Enterprise
Brand: Sinsations
Store: Liquor Control Board of Ontario (LCBO)
Store type: Specialist retailer
Date published: February 2011
Pack size: 750 ml
Price: C$16.95

Description: This product is made with a double shot of the finest Italian espresso and fresh cream frothed to perfection. This premium, all-natural, coffee blend is then flash chilled and laced with pure vodka. It is ready to drink and just needs to be chilled before serving, and is best poured over ice and sipped slowly.

Premium Ginger Apple Flavoured Cider

Company: Okanagan Cider
Brand: Okanagan
Store: B.C. Liquor Store
Store type: Specialist retailer
Date published: May 2012
Pack size: 6 x 355 ml
Price: C$8.49

Description: This premium product is a new variety/range extension. Also available in the range is a Premium Orchard Peach Flavoured Cider, which is said to be made from the finest ingredients available, retailing in a pack of 6 x 330 ml glass bottles.

Maple Syrup Cream Liquor

Company: Domaine Pinnacle
Brand: Coureur des Bois
Store: Société des alcools du Québec (SAQ)
Store type: Specialist retailer
Date published: July 2010
Pack size: 750 ml
Price: C$27.35

Description: This product is Canadian-made using a premium Quebec maple syrup, fresh cream and a mix of grain alcohol and rum.

Vodka

Company: Alberta Distillers
Brand: Alberta Pure
Store: Sobeys Spirits Wine Cold Beer
Store type: Specialist retailer
Date published: August 2011
Pack size: 375 ml
Price: C$11.99

Description: Alberta Pure Vodka is triple distilled for ultimate purity, using glacier-born rocky mountain water and Canadian prairie grain.

Kentucky Straight Bourbon Whiskey

Company: Pocketshot
Brand: Pocket Shot
Store: Sobeys Spirits Wine Cold Beer
Store type: Specialist retailer
Date published: February 2012
Pack size: 50 ml
Price: C$2.69

Description: This product has been aged for four years, and retails in a pocket pouch that is 50 ml. A vodka variety is also available.

Source for all: Mintel 2013.
DISTRIBUTION CHANNELS

Retail Industry (Off-Trade)

The off-trade retail industry accounts for the majority of alcoholic drink sales in Canada, with government-controlled provincial liquor boards being the largest alcohol retailers in Canada, and the sole distributors/retailers in most provinces. These liquor boards control Canada’s imports of alcoholic drinks, sales, and trade across provinces, with Ontario’s LCBO being one of the largest alcohol retailers in the world. As a result, specialist retailers comprised more than 85% of off-trade alcoholic drink sales in 2011. Duty-free stores at borders and airport stores also exist, but have low volume sales that do not significantly impact the industry. Liquor stores are privatized in the province of Alberta, while B.C. has both a public and private system. In Québec, beer and certain wines (those bottled in Quebec) can be sold at convenience and grocery stores with liquor licenses. As a result, the majority of grocery retailers’ small share of alcoholic drink sales is from the province of Québec. In Ontario, wine can also be sold at winery stores, as well as The Beer Store, which is a joint venture between Molson Canada, Sleeman and Labatt Brewing. There are also ten LCBO Express stores/kiosks planned to open in major grocery stores in Ontario in 2013 and 2014 (Bliss, 2012).

In 2011, off-trade channels accounted for C$21.8 billion or 59.2% of alcoholic drink value sales in Canada. However, a strengthening economy over the next several years is expected to result in slightly stronger growth in foodservice than in retail. Price increases are forecast for both foodservice and retail, but with less of an impact at retail due to promotions and multipacks. Regulations that ease distribution restrictions may aid local beer and wine sales, such as 2011 amendments in Ontario that allow licensed liquor delivery services to buy directly from small craft breweries and wineries. Despite this, Canada’s retail landscape is not expected to change dramatically over the next five years. However, marketing efforts are focusing more on specific consumer groups. For example, The Beer Store has introduced a Beer Boutique which emphasizes craft beer and targets young, urban consumers who are beer aficionados (Euromonitor 2012).

Hotel and Restaurant Industry (On-Trade)

On-trade establishments saw alcoholic beverage volume and value sales increase in 2011. A strengthening economy, warm summer, and growth in wine bars contributed to this growth. In 2011, on-trade establishments accounted for C$15.0 billion or 40.8% of alcoholic drink value sales in Canada. Bars and pubs are a common type of establishment in Canada. However, with wine growing in popularity, wine bars are a growing presence in the market. Excise taxes on domestic products are equal to the import duties of foreign products. Per litre of absolute alcohol, taxation is as follows: C$0.62 for wine containing more than 7% absolute ethyl alcohol, and C$11.696 for spirits containing more than 7% of absolute ethyl alcohol. Per hectolitre, excise taxes are charged as follows: C$31.22 for beer containing more than 2.5% absolute ethyl alcohol and company annual production of more than 75,000 hectolitres (Canada Revenue Agency, 2010). There is also a federal Value Added Tax (VAT), and Goods and Services Tax (GST) imposed on products, as well as provincial levies/markups (Euromonitor, 2012). For full details on excise taxes for alcoholic beverages, please visit the Canada Revenue Agency’s Rates of Excise Duty webpage.
While new product examples are provided in each alcoholic beverage category of this report, this section examines all alcoholic beverage launches in Canada as a whole, and highlights key trends in Canada’s market using new product examples. *This data is provided by Mintel’s Global New Products Database, which does not track new wine introductions in Canada. As a result, the following analysis does not contain wine products.

According to Mintel, there were 405 new alcoholic beverage products introduced to the Canadian market from January 2008 to December 2012, from a variety of manufacturers. Completely new products accounted for more than half of alcoholic beverage launches (57.3%), while new variety/range extensions were also common (30.9%), followed by products with new packaging (11.6%), and one re-launch.

Beer, the most popular alcoholic drink category in Canada, had the most product introductions from January 2008 to December 2012 with 176 (43.5% of launches), followed by flavoured alcoholic beverages with 136 launches (33.6%), and vodka with 28 (6.9%). These were followed by cider with 25 product launches (6.2%), liqueurs with 21 (5.2%), and whisky with six (1.5%). The remaining categories (dark rum, white rum, wines, flavoured rum liqueurs, and gin) each had three or fewer launches.

Environmentally friendly claims were, by far, the most commonly used claim among new alcoholic beverage launches in Canada. This is due to the large number of recyclable packaging claims, particularly among beer launches. Premium was the next most commonly used claim. This claim was featured on a number of beer products that highlighted high-quality attributes such as natural or specialty ingredients, products, or production techniques, as well as limited availability. Premium claims were also popular among ciders and flavoured alcoholic beverage launches, based on ingredients, packaging, and marketing. Health-related claims (such as no additives/preservatives, all natural and organic) were also notable among the new introductions, many of which also tied in with premium product claims.

### Top Claims Used

<table>
<thead>
<tr>
<th>Claim</th>
<th>Number of Launches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical - environmentally friendly package</td>
<td>124</td>
</tr>
<tr>
<td>Premium</td>
<td>81</td>
</tr>
<tr>
<td>No additives/preservatives</td>
<td>58</td>
</tr>
<tr>
<td>Seasonal</td>
<td>32</td>
</tr>
<tr>
<td>Limited edition</td>
<td>24</td>
</tr>
<tr>
<td>All natural product</td>
<td>22</td>
</tr>
<tr>
<td>Ease of use</td>
<td>12</td>
</tr>
<tr>
<td>Organic</td>
<td>10</td>
</tr>
<tr>
<td>Not pasteurised</td>
<td>9</td>
</tr>
<tr>
<td>Low/no/reduced calorie</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>214</td>
</tr>
<tr>
<td>Total claims</td>
<td>595</td>
</tr>
</tbody>
</table>

#### New Alcoholic Beverage* Introductions to the Canadian Market from January 2008 to October 2012 by Top Companies

*Source for all: Mintel, 2013. *Mintel does not track wine introductions in Canada. As a result, the following analysis does not contain wine products.*
The following is a selection of new alcoholic beverage products introduced to the Canadian marketplace from January 2008 to December 2012, from Mintel, highlighting key trends in this market.

**Premium, High Quality Trends**
Many products using these types of claims focused on the use of quality ingredients or production methods. An emphasis on health was also incorporated, as well as ethical factors, such as recyclable packaging.

**Real Apple & Cranberry Beer**
Company: Les Brasseurs du Nord  
Brand: Cuvée Boréale  
Pack size: 4 x 347 ml  
Price: C$8.99  
Claims: Ethical - environmentally friendly package, limited edition, low/no/reduced sugar, no additives/preservatives, social media.

**Craft Beer Variety Pack**
Company: Okanagan Cider  
Brand: Okanagan Spring  
Pack size: 12 x 341 ml  
Price: C$22.53  

**Ruby Red Citrus Premium Vodka Beverage**
Company: Soca Sprintz Beverage Co.  
Brand: Soca Vodka Spritz  
Pack size: 4 x 330 ml  
Price: C$10.99  
Claims: Gluten-free, low/no/reduced allergen, low/no/reduced calorie, no additives/preservatives, premium.

**Dry Premium Cider**
Company: Growers Cider  
Brand: Growers 1927  
Pack size: 6 x 473 ml  
Price: C$9.99  
Claims: Premium.  
Details: Naturally fermented with 100% all natural flavours.

**Health-Related Trends**
A variety of health-related trends were present in alcoholic beverage introductions, with a particular emphasis on products that are all natural or contain no additives or preservatives. There were also claims for no/low/reduced ingredients, such as calories, fat, and gluten.

**Iced Tea Flavoured Light Beer**
Company: Molson Canada  
Brand: Coors Light IcedT  
Pack size: 4 x 473 ml  
Price: C$10.99  
Claims: Ethical - environmentally friendly package, interesting packaging, no additives/preservatives.

**Gluten-Free Beer**
Company: Better Bitters Brewing  
Brand: Nickel Brook Gluten Free  
Pack size: 473 ml  
Price: C$2.95  
Claims: Gluten-free, low/no/reduced allergen, no additives/preservatives.  
Details: Said to be Ontario's first wheat-free beer alternative.

**Light Irish Cream Liqueur**
Company: T.J. Carolan & Sons  
Brand: Carolans  
Pack size: 750 ml  
Price: C$22.95  
Claims: Low/no/reduced fat.  
Details: Is 50% lower in fat than regular Carolans Irish cream.

**Flavoured Alcoholic Beverages**
Company: Mike’s Hard Lemonade  
Brand: Mike’s  
Pack size: 12 x 330 ml  
Price: C$27.99  
Claims: All natural product.  
Details: Made with all natural ingredients.

Source for all: Mintel 2013.
New Flavour Trends

In a saturated and competitive market, flavours and flavour combinations are being used to differentiate products. This was particularly evident in the beer category. Lemon and lime flavours were especially prominent.

**Lemon Flavoured Light Beer**
- **Company:** Miller Brewing
- **Brand:** Miller Chill
- **Pack size:** 6 x 355 ml
- **Price:** C$9.99
- **Claims:** Ethical - environmentally friendly package, no additives/preservatives.
- **Details:** Said to have a refreshing taste of lemon.

**Cheakamus Chia-Maple Ale**
- **Company:** The Whistler Brewing Co.
- **Brand:** Whistler Brewing Co.
- **Pack size:** 650 ml
- **Price:** C$5.75
- **Claims:** No additives/preservatives.
- **Details:** Made with real maple syrup that is added directly to the mash, and a trace of chai tea added during the filtration process, creating a highly complex, mildly spicy palette.

**Saskatoon Berry Flavoured Sparkling Cider**
- **Company:** Growers Cider
- **Brand:** Growers
- **Pack size:** 6 x 330 ml
- **Price:** C$8.49
- **Claims:** Ethical - environmentally friendly package.
- **Details:** A sweet and refreshing blend of deep purple prairie berries and traditional orchard apples. Prairie berries are described as tasting similar to a combination of blueberries and cranberries.

**Iced Lemon Tea Vodka Mixed Drink**
- **Company:** Waterloo Distillery
- **Brand:** Seagram
- **Pack size:** 6 x 355 ml
- **Price:** C$10.95
- **Claims:** Ethical - environmentally friendly package, no additives/preservatives.
- **Details:** Made with pure Canadian spring water and natural lemon flavour, for a refreshing, not too sweet taste.

Ethical and Environmental Trends

These types of claims were particularly used in new beer introductions, due to the use of recyclable materials, followed by flavoured alcoholic beverages, cider, and vodka.

**Beer Assortment**
- **Company:** Keith’s Brewery
- **Brand:** Alexander Keith’s Brewmaster Collection
- **Pack size:** 15 x 341 ml
- **Price:** C$25.99
- **Claims:** Ethical - charity, ethical - environmentally friendly package, premium.
- **Details:** Offers consumers the chance to win an “Eco-Adventure”, and a donation in their name to an environmental cause.

**Lager Beer**
- **Company:** Molson Coors
- **Brand:** Molson Canadian
- **Pack size:** 4 x 473 ml
- **Price:** C$11.75
- **Claims:** Ethical - charity, ethical - environmentally friendly package, no additives/preservatives.
- **Details:** According to the manufacturer, 10 cents from this bottle will go toward helping make a park in the area even better.

**Passionfruit Hibiscus Oasis Spritz**
- **Company:** Palm Bay
- **Brand:** Palm Bay
- **Pack size:** 6 x 355 ml
- **Price:** C$8.99
- **Claims:** Ethical - charity, seasonal.
- **Details:** Features the breast cancer survivors logo.

**Alcohol Free Red Wine**
- **Company:** MADD
- **Brand:** MADD
- **Pack size:** 750 ml
- **Price:** C$9.99
- **Claims:** Ethical - charity.
- **Details:** According to the manufacturer, 10% of net sales go to Mothers Against Drunk Driving (MADD) Canada.

*Source for all: Mintel 2013.*


RESOURCES (continued)


Scott’s Directories. (2013). Database. Canadian Agriculture Library.


The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada (AAFC) assumes no liability for any actions taken based on the information contained herein.

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Agriculture and Agri-Food Canada
1341 Baseline Road, Tower 5, 4th floor
Ottawa, ON
Canada K1A 0C5
E-mail: infoservice@agr.gc.ca

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