# An Open Letter to Ontario's Beverage Alcohol Industry

**To our fellow producers, agents, distributors, sales representatives, and industry partners:**

The LCBO is considering a fundamental change to how products are listed and maintained in stores.

For decades, Ontario's beverage alcohol industry has operated under a system where local store managers have had the ability to make assortment decisions based on the needs of their customers and the performance of products in their own communities.

That system has not been perfect, but it has created opportunity.

It has allowed small producers to compete with multinational corporations. It has allowed new brands to earn shelf space through hard work, strong execution, and local demand. It has rewarded companies willing to invest in sales teams, retail relationships, merchandising, tastings, and customer support.

Many of the independent brands that exist in Ontario today were built because this pathway existed.

If all assortment decisions are centralized at head office, that pathway largely disappears.

Whether these decisions are made by an algorithm, an AI system, or a centralized forecasting model, they will inevitably rely on historical data. History can identify what has sold before, but it cannot reliably identify tomorrow's breakthrough brands. Every successful independent producer was once a product with little or no sales history.

Many products compete within the same category with similar quality, pricing, and positioning. In those cases, success should be determined by the marketplace, not by a centralized model. The brands that execute better, win more listings, build stronger customer demand, and outperform their competitors should earn the opportunity to grow.

Instead of earning distribution one store at a time, brands will either receive broad approval, or they won't. Shelf space becomes increasingly fixed. New brands have fewer opportunities to prove themselves. Regional successes become much harder to build into provincial ones.

Competition slows.

Innovation slows.

Growth slows.

This isn't simply a policy change.

It fundamentally changes how companies compete in Ontario.

Competition is what drives innovation. When brands know they can win new listings through better execution, they invest in their businesses, hire people, and compete harder. When opportunities to earn additional distribution disappear, so too does much of the incentive to innovate and invest.

**Perhaps even more concerning is what this means for employment.**

Today, hundreds of companies employ sales representatives whose role is to work directly with stores: building relationships, introducing new products, ensuring inventory is maintained, supporting merchandising, conducting tastings, and helping independent brands grow.

If store-level assortment decisions disappear, so does much of the economic justification for those roles.

While it may be suggested that sales representatives will continue to provide education or merchandising support, those activities alone cannot sustain the industry that exists today. Product education is valuable, but it represents only a small portion of what drives commercial success. Likewise, merchandising improvements have limited impact if brands no longer have meaningful opportunities to influence assortment.

The practical reality is that centralizing assortment decisions will reduce the need for field sales organizations across Ontario.

That means jobs.

Hundreds of them.

Potentially more.

These are good jobs that support families, communities, and countless small businesses throughout the province.

This issue extends well beyond suppliers.

Independent agencies, brokers, merchandising companies, sampling agencies, logistics providers, and many service businesses exist because brands actively compete for retail success at the store level.

When competition is reduced, the entire ecosystem contracts.

Consumers also lose.

Empowering LCBO store managers and their teams to shape local assortment recognizes their experience, strengthens accountability, and allows them to respond directly to the preferences of the customers they serve every day.

Ontario has spent years encouraging entrepreneurship, supporting local manufacturing, and celebrating Ontario-made products.

This proposal moves in the opposite direction.

We believe there is still time to have a constructive conversation.

We encourage every supplier, producer, agency, distributor, and industry stakeholder—regardless of size—to engage with the LCBO and provincial decision-makers.

This is not about preserving the status quo for its own sake.

It is about preserving a competitive marketplace where businesses can grow through performance rather than simply through centralized decisions.

The Ontario beverage alcohol industry has flourished because companies have been able to invest, compete, innovate, and earn their success.

We should be working to strengthen those opportunities, not eliminate them.

If this issue matters to your business, your employees, or the future of Ontario's independent beverage alcohol industry, now is the time to speak with one voice.

Because once this opportunity disappears, it will be extraordinarily difficult to bring it back.

## This Decision Has Not Yet Been Made

The future of Ontario's beverage alcohol industry is still being written.

If you believe in a marketplace where independent businesses can grow through hard work, where local producers have a genuine opportunity to compete, and where Ontario jobs continue to be created—not eliminated—now is the time to make your voice heard.

Change of this magnitude should not happen without meaningful consultation with the businesses, employees, and entrepreneurs whose livelihoods depend on a competitive marketplace.

We are asking everyone who believes in preserving opportunity within our industry to take two simple actions:

**1. Sign the petition.**
Add your name to our industry petition calling on the LCBO and the Government of Ontario to preserve store-level assortment decisions and maintain a competitive marketplace for Ontario beverage alcohol producers.

**2. Contact your local MPP.**
Tell them why this issue matters to your business, your employees, and your community. Elected officials need to hear directly from the people whose investments, jobs, and futures will be affected by this proposal.

No single producer, agency, or sales organization can stop this change alone.

But together, our industry represents thousands of businesses, tens of thousands of jobs, and a significant contributor to Ontario's economy.

If we remain silent, this decision will be made without us.

If we speak with one voice, we have the opportunity to protect a marketplace that has allowed Ontario's independent beverage alcohol industry to grow, innovate, and compete.

**Stand with Ontario's beverage alcohol industry.**

**Sign the petition. Contact your MPP. Share this message.**

The future of our industry depends on what we do today.