

The promise of 'a buck a beer'?

By **BRIAN LOCKHART**

Premier Doug Ford made an election promise and now is working toward keeping that promise of providing Ontarians with beer that costs a dollar.

His 'buck a beer' slogan resonated with some beer drinkers who thought that maybe a case of their favourite brand of suds would somehow be reduced to \$24 for a commonly called 2/4, and everyone would be purchasing their first choice brew at a reduced rate. The slogan and promise of 'a buck a beer' sounds more like something from the depression era where a politician campaigns on getting the price of staples like bread and milk back to an affordable rate.

Beer, however, isn't a staple or a necessity.

The price of beer in Ontario is of course monitored and regulated through both the government and that somewhat mysterious monopoly called 'The Beer Store.'

Currently, brewers can legally sell their beer for \$1.25 per can, or is it a bottle?

However a check at the local beer store reveals nothing even close to that on the shelves that store single cans available for purchase. The lowest amount when visited is at the \$2.00 mark, which is still a good price for a can of beer 'and that's a 'tall can,' not the standard beer can size.

I asked at the counter if they could sell me a can of beer priced at \$1.25. The Beer Store employee searched through the inventory and found the least inexpensive brand could be bought for \$1.50, if you bought a full case and only when that brand happened to be on sale.

A check at another outlet revealed a six-pack of draft from a rather obscure brewery on a special promotion for \$7.95 'that comes to \$1.32 per can 'and those were not the tall can variety.

While a buck a beer sounds good for the consumer, can beer drinkers really expect a good quality product for a dollar and is it even economically feasible for brewers to try to produce a product for that cost?

Beer, like every other product is priced according to a few common factors. You have to consider the current market and what people are willing to pay and how much your competitors are charging for their product. You have to figure in the cost of production, raw materials, and everything else it takes to get your product to the consumer. And of course you have to make a profit to stay in business.

From information I could gather, the reason for a minimum price on beer is to avoid a large company slamming the market with a huge amount of suds priced too low that it will give them an edge over smaller companies that can't compete and thus eliminate competition.

However, the market already has its own private competition regulator 'The Beer Store itself.

A 2013 Angus Reid poll showed that only 13 per cent of Ontarians were aware that the Beer Store monopoly is not a government-owned enterprise 'it just seems like it is. The Beer Store is owned by brewing companies, not the government, and because of that there has always been limitations and struggles for smaller breweries to get their product on the market.

Even if the minimum price for beer is reduced to \$1, don't expect to see that price on a product anytime soon.

A source I know in the craft brewing industry told me that some of his customers who buy from them and sell their brand in their restaurants and pubs have already had patrons amble up to the bar and ask for their 'dollar priced' beer.

Regardless of the minimum price a brewery can charge for a can of suds, the current market price is quite fair. You pay a little more for some brands and a little less for others. The choice is yours.

A buck a beer may seem like a lot of fun, but if the going average rate is \$2.50, wouldn't you be a little skeptical of a brewski that costs 40 percent less?

Don't expect to see the breweries lower their prices anytime soon. Doing so would only cut into their bottom line while devaluing their brand at the same time.

Now if Doug would take a look at the LCBO and see if he could get a bottle of Jack Daniels down to a reasonable price that doesn't include taking out a bank loan, that might make some more sense.