



What We Heard: Alteration of Liquor Products

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Introduction

The Alberta Gaming and Liquor Commission (AGLC) is responsible for licensing, regulating, and monitoring liquor in Alberta. The AGLC administers the *Gaming and Liquor Act* (GLA), Gaming and Liquor Regulation (GLR), and related policy governing the manufacture, importation, sale, purchase, possession, storage, transportation, use, and consumption of liquor in Alberta.

The AGLC is focused on modernizing a number of liquor policies to ensure they reflect the needs of Albertans. Infusion of alcoholic beverages, is one of the items identified for review and consultation. This report summarizes what we heard through consultation with stakeholders about whether and how liquor policies should be amended in Alberta to permit this activity.

Background

Currently, the GLA and GLR do not permit licensees to adulterate liquor, including the preparation of alcoholic beverages until they are ordered. Under Section 73(1) and 73(2) of the GLA, liquor licensees may not blend one type or brand of liquor with another type or brand of liquor. Under Section 68 of the GLR, liquor licensees are not permitted to mix liquor from one container with liquor from another container. Currently there is no provision in the GLA for allowing infused alcoholic beverages.

Alterations of liquor products are a growing trend in other Canadian jurisdictions and include infusing liquor by adding ingredients such as spices, herbs, fruit, or candy, adding flavouring agents, infusing food with liquor, and creating ‘house-aged’ liquor. Related issues which may require policy clarification include, but are not limited to: premixing liquor, shooters, gelatin shooters, and the use of slush machines to prepare beverages containing alcohol.

Some liquor licensees have made enquiries to the AGLC over the past few years about policies to enable them to operate more efficiently by preparing some types of drinks ahead of time, namely shooters or infused drinks. AGLC policy currently does not permit liquor products to be ‘infused’ or altered in any way by liquor licensees so that consumers can be assured of the quality and quantity of liquor they are purchasing. Currently, the AGLC approves frozen drink (slush) machines if a written request is made and if the amount of liquor in every drink is consistent at all times and the amount of liquor in the drinks must be posted on the liquor menu. A maximum of one business days’ worth of frozen drinks may be pre-made each day. Permitting infusion and mixing of liquor with flavouring agents would also allow liquor licensees to create speciality drinks/cocktails.

Infused Alcohol Beverage Policy in Canada

Several provinces allow infused alcoholic beverages including British Columbia, Ontario, Saskatchewan, Prince Edward Island, and the Northwest Territories. As part of British Columbia’s liquor modernization efforts, the province amended liquor policy in January 2017 to allow for liquor to be infused or aged, removing restrictions and creating more flexibility for businesses. Licensed restaurants, bars, manufacturer lounges, and caterers are permitted to infuse liquor and age cocktails at establishments, provided it is done in a container other than the original container the liquor was in when legally purchased. Licensees are not required to pour and mix drinks in full view of patrons. In the case of infusion, licensees in British Columbia may infuse liquor with spices, herbs, fruits, vegetables, candy or other substances intended for human consumption. In the case of aging cocktails, licensees may prepare

a cocktail with any substances intended for human consumption. All conditions outlined in the licence terms and conditions must be met when infusing liquor or ageing cocktails.

In Ontario 'infusing' is not a defined term in provincial liquor policy. Ontario does allow licensees to infuse liquor under the following conditions:

- The customer knows contents of drink;
- The drink is identified on a menu; and
- The infused liquor is not stored or dispensed from a liquor bottle purchased from the Liquor Control Board of Ontario.

Ontario also permits the use of slush machines, as long as they are used in a manner consistent with the *Liquor Licensing Act* and its regulations, and have no specific conditions attached to their use.

Stakeholder Consultation

In October 2017 the AGLC circulated a letter regarding the exploration of preferences of whether or not to allow the alteration of liquor products in Alberta. The letter also asked stakeholders to provide feedback on how the alteration of liquor products would positively or negatively impact their business.

The AGLC reached out to stakeholders via email and mail, and received 54 responses.

What We Heard

Alberta Class A Liquor Licensees

- Of the Licensees that responded, many are in support of the infusion of alcoholic beverages.
- Licensees view infusion of alcoholic beverages as a means for industry-led consultation on cocktail programs. Respondents indicated that pre-batching cocktails would allow bartenders to make complex cocktails the same ease with which they currently make highballs.
- According to several licensees, Alberta's cocktail industry would benefit from the introduction of infused alcoholic beverages as currently a number of cocktail flavouring methods are unavailable, such as barrel aging, tinctures, aromatics sprays, large format punches, and bitters.
- Of the Licensees that responded, they generally feel that there is a common misconception that that establishments are infusing and mixing drinks prior to sale to water them down.
- Several licensees feel that the inability to pre-mix drinks results in slower service and hence reduced customer service.
- Of the Licensees that responded, many agree that permitting infusion will increase the scope of the industry along with increasing employment. *"I have an extremely difficult time finding skilled cocktail bartenders because the level of information required is highly extensive."*
- *"Allowing for infusions would be following in the footsteps of the leading markets globally who already recognize that infusing is an extremely effective way to increase the scope of*



cocktail flavour, and to encourage an informed education behind the products being used. Infusions increase the scope of our industry, and will increase employment.”

- *“Bars that wish to infuse may be required to get an amendment on their liquor licence that allows them to do this and then if they agree to the terms of that modification they must have a Hydrometer on site to constantly check each bottle/batch made and a log kept for when inspections happen.”*
- *“As a mixologist my goal is to create something unique, personal and delicious for all of our guests. I believe that allowing certain alterations such as infusions, adding spices, “fat washing” and infusing with food are become the norm globally and somewhat expected. This is not to say that there should be no regulation, however, having the freedom to create is sought after.”*

Industry Associations

- Some industry associations are not supportive of the infusion of alcoholic beverages whereas others have indicated that the policy rationale for historically restricting infused alcoholic beverages in Alberta is strong, citing the provision of visual evidence for patrons and liquor inspectors of the source and true nature of all drinks served.
- Product safety and consumer safety were cited as the two main reasons for not supporting the potential introduction of the infusion of alcoholic beverages in Alberta.
- Some industry associations feel that consumers do not fully benefit from the innovative spirits cocktail culture, particularly the art of mixology, due to AGLC restrictions.
- *“The use of sugar in many infused beverages makes calculation of alcohol content impossible to gauge. That puts the consumer at risk by not being able to judge alcohol and violating social responsibility concepts of judging ability to drive or personal alcohol consumption levels on a per serving basis.”*
- *“Without any oversight of the manufacturing process, consumers will be put at risk by not knowing contents, nutritional labels or ingredients, including potential allergens or contra-indicated ingredients.”*
- *“In order to balance these interests, we recommend the establishment of an optional endorsement to “Class A” licences that would allow these operators (and only these operators) to infuse their own liquors, including the creation of pre-mixed cocktails. The proposed “Master Cocktail Mixology” endorsement, available for a fee, would include detailed record*



keeping requirements as to the source and quantity of liquor used, as well as a requirement for Food Safety Course Certificate.”



Class E Manufacturers

- Of the Class E Manufacturers that responded, several are supportive of the infusion of alcoholic beverages.
- In particular, cask beers are a large part of the craft brewing culture, providing a way to experiment with flavors and ingredients.
- *“As a brewer, we fully support this practice as a vital part of the brewing culture and I believe that the same artisanal approach should be extended to bartenders and establishments who want to offer unique, experimental experiences to customers.”*

Additional Stakeholder Comments

Theme	Supporting Quote
Competitiveness	<ul style="list-style-type: none"> • <i>“Being able to have an infused liquor would help us to be a more unique restaurant. We could have specialized cocktails that would increase revenue and make Alberta a destination for our creative cocktail scene.”</i> • <i>“It is my strong belief that allowing infusions and aging of liquor would be beneficial towards making cocktail programs in Alberta more competitive in the global market.”</i> • <i>Allowing infused cocktails “would hold Alberta to a higher standard, while actually finally allowing the possibility to compete on a world level for a change.”</i>
Industry Innovation	<ul style="list-style-type: none"> • <i>“Although current restrictions are well meaning they hold back the entire Alberta cocktail scene by limiting creativity, slowing service and forcing bartenders to use sugar based syrups to add unique flavours to their drinks. Permitting the alteration of liquor products will allow for barrel aged cocktails, bacon washed bourbon, and countless other delicious things that up until now we've only been able to create at our home bars.”</i> • <i>“This is a practice seen across the majority of North America (and the world), that is currently stifling the level of creativity and innovation in the bar programs amongst our finest institutions in the province of Alberta. In particular, it is currently possible in both Ontario and British Columbia, where (arguably) Canada's best bars and restaurants operate.”</i>

	<ul style="list-style-type: none"> • <i>“Allowing the making of bitters. Bitters are indispensable in a cocktail, and the market currently is extremely limited and expensive for the types of bitters required for many cocktails.”</i>
Safety	<ul style="list-style-type: none"> • <i>“A reputable bar will not be infusing to short change the guest, but to create a better experience through taste and smell.”</i> • <i>“There is a risk of abuse, so guidelines will be required and penalties appropriate for any watering down of drinks or deception of customers. If done correctly, batch drink recipes could be more accurately produced than single drinks and take pressure off production during busy hours.”</i> • <i>“I would hesitate to include large scale clubs only as I do feel the watering down could become more enticing, plus I don’t think the crowd those establishments draw cares much for a specialty alcohol.”</i>

Conclusion

A number of stakeholders have been engaged in this process. The majority of stakeholders that responded to the letter asking for feedback are supportive of the AGLC permitting infusion and mixing of liquor with flavoring agents to create speciality drinks/cocktails. Class A liquor licensees would like to see the AGLC permit infusion of alcoholic beverages in policy in order to enable them to operate more efficiently and prepare some types of drinks ahead of time. If the AGLC allows the infusion and mixing of liquor with flavoring agents to create specialty drinks and cocktails Class A liquor licensees would view this positively because currently the industry is perceived as being behind the rest of Canada, particularly Ontario and British Columbia as well as globally. Class E Manufacturers that responded to the consultation are also in favour of the AGLC pursuing a policy change to permit infusion of alcoholic beverages in Alberta. Some industry associations are not supportive of introducing policy to permit infusion of alcoholic beverages in Alberta, citing both product and consumer safety issues as rationale.

The AGLC wishes to thank all stakeholders for their participation in the Infusion of Alcoholic Beverages consultation. Stakeholder feedback was provided to the Board of the AGLC as an input into its decision making.