



To our valued customers and suppliers,

I would like to take a moment to provide an update on LDB's Wholesale Operations, and to thank you for your continued partnership with our business.

As you know, we have had the pleasure of enjoying another hot BC summer filled with record-breaking weather. Unfortunately, these dry conditions have fueled significant and serious forest fire challenges and our thoughts are with all of those who are affected.

From a business standpoint, this rain-free stretch has resulted in one of the busiest summers LDB wholesale has experienced in many years. This unprecedented seasonal demand, combined with supplier shortages and logistical constraints experienced by both LDB and our third-party warehouses, has created 'the perfect storm' of unfortunate distribution delays and shortages across many product lines.

However, we continue making steady progress toward relieving this pressure and meeting our customer and supplier needs. Please see below for an update on this challenge, and other LDB Wholesale activities.

Product shortages

Additional warehouse labour, shifts, trucks and drivers have been added to our operations over the last several weeks, and we continue to provide additional inbound appointments and delivery times for our suppliers and third-party warehouses.

While these efforts are improving our customer service levels, we continue to work through demand challenges that are common during seasonal, peak periods. I expect it will be another few weeks before we return to business-as-usual.

Please check our wholesale website – <https://wholesale.bcldb.com> – for the latest on this situation.

I would like to stress that LDB Wholesale does not prioritize orders for BC Liquor Stores. We are a wholesaler first, and remain dedicated to serving all of our valued customers, equally.

Technical issue causing wholesale customer shortages

All hands are on deck to resolve a recent technical issue that is allowing product that is out-of-stock in our warehouse to be reserved as part of customer orders. In turn, Order Submission Reports are indicating false confirmations.

I apologize to our customers who have been shorted for product that was expected to be received. We expect our efforts to resolve this issue in the coming days.

In the meantime, the Inventory Visibility Tool within the LDB Web Store is displaying accurate inventory numbers and I encourage customers to utilize this tool for the best opportunity of completing a full order.



Transition to our new warehouse in Delta

I am excited to announce that we began receiving activities at our new distribution centre in Delta on July 30, with product arriving each day since then.

While construction continues, limited receiving staff have been oriented to the new building, equipment, systems and processes – and are working through glitches we expected to encounter when adopting this many new things at once.

At over double the capacity of our aging Vancouver Distribution Centre (VDC), the new DC in Delta is a significant step toward alleviating future product shortages and constraints.

We expect outbound shipping activities to begin in September and will continue to keep you updated.

In closing, I want you to know we are working hard to get back to business-as-usual and continue providing strong customer service. I sincerely appreciate the constraints these issues may be putting on your business and I appreciate your patience.

Regards,

Todd Cooper
Executive Director, Wholesale Operations
BC Liquor Distribution Branch