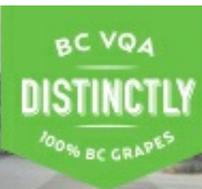


Celebrate the Wines of British Columbia

BC WINE INDUSTRY QUARTERLY REVIEW



Savour this place

WINES OF
BRITISH COLUMBIA

FISCAL 2017: 3RD QUARTER REVIEW

Celebrate the Wines of British Columbia reviews the work of the BC Wine Institute during each quarter of the fiscal year.

This 3rd quarter review covers activities that occurred during October, November and December 2016.

In this issue

[President's Report](#)

[Message from BCWI
Marketing Director](#)

[Message from BCWI
Media Relations
Manager](#)

[Market Dashboard](#)

[Marketing Report](#)

[Media Report](#)

[Social Media Report](#)

[Communications Report](#)

PRESIDENT'S REPORT

In the fall of 2013, Parliamentary Secretary John Yap hosted a public consultation with citizens and stakeholders to review BC liquor policy. Input was gathered online, through stakeholder meetings and submissions, and by email. A final report was submitted to Attorney General and Minister of Justice Suzanne Anton in early 2014.



Miles Prodan

The [BC Liquor Policy Review made 73 recommendations](#) to modernize BC's liquor laws and bring convenience, choice and selection to consumers. These changes supported BC's wineries, the tourism and hospitality industry, and private liquor retailers.

Several of the recommendations required new laws or regulations to be implemented and on January 23, 2017, a new *Liquor Control and Licensing Act* and Liquor Control and Licensing Regulation came into force to enact many of the Policy Review recommendations. The new act and regulations support the BCWI's ongoing work with the Province to reduce red tape, increase flexibility and provide new opportunities to the BC wine industry.

BCWI is pleased to highlight the following selection of [LCLB liquor policy changes](#) affecting BC wineries:

- A winery may share an online sales website with other wineries.
- Wineries no longer need to notify the LCLB if they are sponsoring an event at a licensed establishment.
- The rules have been streamlined for wineries and agents hosting promotional events at food primaries.
- Wineries are now permitted to promote and market their products off-site.
- Unfinished and unopened bottles for a tasting event can be taken by a winery to be used at another tasting event.

- A tour area endorsement is no longer required. Any winery can offer a tour of its establishment.
- Application process has been streamlined for a winery lounge and Special Event Area (SEA).
- Interim ability to serve up to 20% of other manufacturers' liquor in a lounge or SEA is now permanent.

BCWI staff, directors and committee members thank its winery members for their continued support in bringing about these policy changes. BCWI also commends the LCLB and the BC Government for taking positive steps to reduce red tape and modernize provincial liquor laws.

[Miles Prodan](#)

MESSAGE FROM | **BCWI MARKETING DIRECTOR**

BC Wine Country is beautiful almost anytime of the year with some of the best kept secrets found in the shoulder seasons. As we moved from summer into the fall and winter seasons, BCWI marketing efforts shifted towards motivating potential visitors to experience the secret gems of wine touring in the golden hues of the harvest and the sleeping vines of the winter season.

Compelling content was used to reach consumers at a variety of touch points to create an emotional connection along their paths to purchase. The lower mainland, Alberta and Washington markets were targeted with a digital and social media campaign to reach potential visitors in their vacation planning stages. With word-of-mouth referrals being a powerful marketing tool - and social media being word-of-mouth on steroids - these initiatives were supported with our *Explore BC VQA Wine & Win* social media contest. The contest encourages consumers to buy local and share their BC Wine Country experiences to win BC wine touring packages for two. A point of purchase promotion was implemented in the following retail channels: BC Liquor Stores; BC VQA Wine Stores; and, new this year, 80-plus Sobeys Liquor and Safeway Liquor Stores in Alberta. The next quarter will build on these marketing initiatives with a focus on the shoulder season of spring and a new vintage.



Kim Barnes

[Kim Barnes](#)

MESSAGE FROM | **BCWI MEDIA RELATIONS MANAGER**

During BCWI's third quarter we saw an exciting early start and finish to Icewine harvest for wineries in the Okanagan Valley and saluted a record-breaking season for wine touring, both gaining media traction nationally and internationally.

The BCWI partnered with *The Drinks Business Hong Kong* to bring the *Wines of British Columbia* to Hong Kong for an advanced BC VQA Wine Masterclass. Moderated by Rhys Pender MW and *The Drinks Business* Senior Editor Rupert Millar, the masterclass attracted more than 40 industry professionals and media, and earned media coverage around the world. An article written by Rupert Millar on BC VQA Wine will be featured in the March issue of *The Drinks Business*.



Laura Kittmer

In December, the *Wines of British Columbia* partnered with Wine Country Ontario and Wines of Nova Scotia under the Wines of Canada flag to host the official theme region's media launch of the Vancouver International Wine Festival.

Throughout the quarter, the BCWI organized events for and welcomed seven wine, travel and food writers from key markets, including the USA, Alberta and Vancouver, to expose them to BC wine and wineries.

In support of the launch of the BCWI's *Explore BC VQA Wine* holiday campaign in Alberta Sobeys & Safeway stores, the BCWI issued a media release including an exclusive media drop to key Alberta-based wine writers.

For more information on our media relations work, see the [Media Report](#) below.

[Laura Kittmer](#)

MARKET DASHBOARD | SALES REPORTS

BC SALES REPORTS (IN LITRES)

To see the sales reports from the third quarter, click on the links below.

[October](#) | [November](#) | [December](#)

HIGHLIGHTS

Provincial wine market share in BC for BC VQA Wine in litres R12 ended Fiscal 2017 P9 (December 2016):

- 16.86%
- Growth of 7.93% (over Fiscal 2016 P9)

BC VQA Wine litre sales from the cellar door for R12 ended Fiscal 2017 P9 (December 2016):

- 21.79%
- Growth of 15.40% (over Fiscal 2016 P9)

EXPORT SALES

Highlights from the latest available export reports (November 2016), click to view:

[BC Exports of Wine to All Countries](#)
[BC Exports of Wine to the United States](#)
[Canadian Exports of Wine by Province](#)

MARKETING REPORT | A BUSY QUARTER

Explore BC VQA Wine Campaign

Our campaign, *Explore BC VQA Wine* continued in many channels throughout the quarter, including in BC VQA Wine Stores in October, BC Liquor Stores in November and Alberta Sobeys Liquor and Safeway Liquor Stores in December.

The campaign, which is continuing into the 4th quarter, encourages consumers to look for BC VQA on the wine bottle's label and to experience BC VQA Wines from all of BC's geographical indications. The campaign includes a social media contest in which consumers upload their favourite BC VQA Wine experiences on Instagram or Twitter and tag their post #ExploreBCWine for a chance to win a seasonal BC wine touring package for two.



Explore BC Wine & Win harvest prize package winner is Shelley Colliver.

Congratulations to Shelley Colliver of Chase, BC who won the harvest prize package with her Instagram post of a surprise wedding proposal at Monte Creek Ranch Winery.

Contest prizes have been generously donated from many wineries, restaurants, associations and other businesses and we are actively promoting donors through our social media channels and on WineBC.com. Thanks to all of our generous prize donors:

Harvest Prize Package

Bench 1775 Winery

Hillside Winery & Bistro

Misconduct Wine Co.

Naramata Bench Wineries Association

Naramata Heritage Inn & Spa

Poplar Grove Winery

The Kitchen

Vanilla Pod Restaurant

Winter Prize Package

Blu Saffron

Local Lounge & Grille

Old Vines Restaurant

Quails' Gate Winery

Summerhill Pyramid Winery

Summerland Waterfront Resort & Spa

Volcanic Hills Estate Winery

Spring Prize Package

Miradoro at Tinhorn Creek

Oliver Osoyoos Winery Association

Orofino Vineyards

Seven Stones Winery

The Sonora Room Restaurant

Tree to Me

BC VQA LEARNING EXPERIENCE FOR BC LIQUOR STORES' STAFF

The BCWI worked with the BC Liquor Stores' marketing team to create and host the annual BC VQA Learning Experience in mid-October. The group consisted of 34 BC Liquor Stores' staff from around the province, including 21 BC VQA advocates, 10 product consultants, two regional managers, and Portfolio Manager Stephen Schiedel.



BC Liquor Stores' BC VQA Learning Experience.

This year's venture through BC's Wine Country included the BCWI's *Wines of British Columbia* Ambassador Program Level 1 and a presentation by Dr. Pat Bowen of Agriculture and Agri-Foods Canada. Twenty-eight wineries contributed in hosting the group who were most impressed.

"With the tour just over and back to business, we wanted to reach out and pass along our thanks and gratitude to the wineries, their staff and the BCWI team for making this an extremely successful educational experience," said Stephen. "There were a number of highlights from this trip that the group has never before seen or experienced and it shows the evolution of this training exercise. Given the tour occurred during harvest, we appreciated the wineries sharing the action with us and having their winemaking and viticultural staff available. The enthused tour participants are now charged and recharged to promote and sell BC VQA Wines in BC Liquor Stores. Many thanks."

AMBASSADOR PROGRAM SUCCESS AT CORNUCOPIA

The BCWI proudly offered its *Wines of British Columbia* Ambassador Program as part of Cornucopia Whistler's 20th anniversary celebrations. This year, the Level 2 seminar was presented and included a blind interactive varietal tasting of BC and international wines.



Wines of British Columbia Ambassador Program at Cornucopia Whistler.

The event was fully subscribed with 80 trade and media in attendance. "This is a must attend program for anyone in the industry who sells, promotes or writes about our wines. It really illustrates how our wines are not only world class but how they are different from any other producing area by giving the participant a hands-on blind tasting experience. It is a great way to help you become a fan and booster of our local wine industry," said Paul Sawler, Dirty Laundry Vineyard. "Two thumbs up!"

In three out of the four varietal line-ups, attendees successfully picked out the BC VQA Wine and could describe the terroir characters leading to their choices. "It was interesting to see the reaction of the audience when the BC wine was revealed. It allowed us to focus on what characteristics of the wine make it truly BC, e.g. altitude, climate, soil type, body, nose, palate, stylistic typicality, etc.," said Kristi Linneboe, Sommelier, L'Abattoir. "Blinds are interesting because they are honest; the audience was not judging the wine based on price, region or reputation. It was interesting to go back to each one after the reveal and really get a sense of place. I really enjoy this structure because you can do it all over again with different varietals/comparative wines/regions and still learn something new about BC wine!"

AMBASSADOR PROGRAM AT LOCAL SKI HILLS

In November and December, the BCWI held its *Wines of British Columbia* Ambassador Program seminars for serving staff at three BC ski hills.



Wines of British Columbia Ambassador Program at Silver Star Mountain Resort.

Wine consultant and columnist Kurtis Kolt delivered the interactive tasting at Sun Peaks Resort in Kamloops and Silver Star Mountain Resort in Vernon to nearly 70 staff representing multiple bars and restaurants at the resorts. This was the first year the BCWI worked with these properties. Rhys Pender MW presented for the second year at Big White Ski Resort near Kelowna.

The goal of the Ambassador Program is to equip servers with the knowledge of what makes BC wines distinctive and appealing.

"BCWI shows amazing depth and diversity in their seminar. The content would appeal to everyone, from novice wine enthusiasts to professional industry people," said Mark Lehmann, Food and Beverage Manager at Silver Star. "The knowledge our staff and I gained is invaluable and will go a long way in helping our staff and clientele feel comfortable about selecting wine."

ALBERTA FAM TOUR

Supporting the interests and activities of our member wineries to grow the *Wines of British Columbia* BC VQA category in Alberta, the BCWI hosted a VIP familiarization (FAM) tour with key representatives from Sobeyes Liquor and Safeway Liquor Stores, Highlander Wine and Spirits, River Café Restaurant, Alberta Liquor Store Association, and Canadian Rocky Mountain Resorts October 17 through 20. Nineteen wineries throughout the Okanagan Valley and Similkameen Valley welcomed the group who were provided with hands-on harvest opportunities, diverse tastings, local cuisine, and insights to the BC wine industry.



Alberta FAM Tour visits Wild Goose Vineyards & Winery, thanks to host Hagen Kruger.

"Thank you for the invite and experience last week. I was very impressed with the quality of wines and knowledge in the Valleys. Can't believe I let 10 years go by without a visit as much has changed for the better," said Elliot Porozoni, Highlander Wine & Spirits.

Alberta has 2,092 liquor retailers with 22,972 products available (AGLC March 31, 2016) and BC VQA Wines sales are on the increase. Both red and white BC VQA Wine sales are up 8% - with rosé a close second at 7% growth (CVA Red Book, October R12 over same period 2015). White sparkling made an impressive leap with a 304% increase, growing from 773 to 3,122 nine litre cases.

BC VQA RACK CARD

BCWI has produced a new rack card to educate consumers about what being labeled BC VQA means. This handy visual explains the geographical indications, varietal and vintage labeling rules and how to understand a label. Members can order the card, without cost, for distribution at their tasting rooms by emailing [Teresa Nykilchuk](mailto:Teresa.Nykilchuk@bcwi.ca).



BRITISH COLUMBIA
WINE INSTITUTE
WineBC.com | WineBC.org
Tel. 250.762.9744
Toll-Free: 1.800.661.2294
Suite 107-1726 Dolphin Ave
Kelowna, BC V1Y 9S9
@winebcdotcom



BC VQA Rack Card

BC VQA



Vintners Quality Alliance

The appellation of origin and the quality standards for the Wines of British Columbia.

Product

BC VQA Wines must meet specific standards with respect to origin, vintage and varietal.

Place

BC VQA Wines are made with 100% BC grown grapes, from specific regional Geographical Indications (GI).

Pride

BC VQA is your guarantee of 100% British Columbia wine.

Wines of British Columbia — Geographical Indications



BC VQA BY THE NUMBERS

- 100% British Columbia grapes
- 5 official regional Geographical Indications
- 1 official Sub-Geographical Indication (Golden Mile Bench)
- 95% of grapes must come from specific GI region mentioned on label
- 85% of grapes must come from the stated vintage

MEDIA REPORT | Q3 SUMMARY OF COVERAGE

Direct and indirect media coverage of the BC Wine Institute, its members and the *Wines of British Columbia* reached more than 326 million readers and viewers from October 1 through December 31. Value for earned media coverage totaled \$450,330.

HOSTED MEDIA

Kirsten Akens, USA (*Adventuregirl.com*; *USA Today*)

Tom Firth, Alberta (*Cowtown Wine*; *Avenue*; *Culinaire*; *City Palate*)

Gloria Chang, Vancouver (*wineadventures.ca*)

Gail Johnson, Vancouver (*Georgia Straight*; *Globe and Mail*)

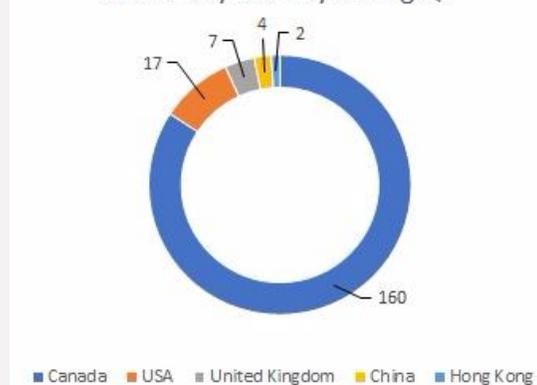
Carrie MacPherson, Quebec (*Zurbaines*; *Mercedes-Benz* magazine)

Dr. Rookmin Maharaj, Alberta (*City Style & Living Magazine*)

Gregory McCluney, USA (*Global Traveler*; *Underground Wine Letter*)

Rob McMillan, USA (Founder, Silicon Valley Bank Wine Division)

Articles by country during Q3



MEDIA-RELATED EVENTS

BC VQA Wine Masterclass with *The Drinks Business Hong Kong* (Hong Kong)

Fall Okanagan Wine Festival Winemakers' Dinner (Kelowna)

Wines of Canada Masterclass VIWF Theme Region Media Launch (Vancouver)

HIGHLIGHTS IN THE NEWS

The Drinks Business (UK): [High expectations for 2016 BC vintage](#)

BCWI's co-hosted BC VQA Wine Masterclass has

generated circulation of more than 250,000 and nearly \$25,000 in earned (unpaid) media coverage. We can expect to see a full write-up on the masterclass from Rupert Millar in the March issue of *The Drinks Business*. [Click here](#) to view coverage to date.



(L-R) Miles Prodan, Rupert Millar and Rhys Pender MW at our BC VQA Masterclass in Hong Kong.

The Guardian (UK): [A wine tour of Canada' beautiful Okanagan Valley](#)

The *Wines of British Columbia* continue to receive international recognition for producing quality wines and offering tourists a premium wine touring destination. This past summer, the BCWI assisted in organizing two in-region FAM tours for international wine writers: UK-based Fiona Beckett for *The Guardian* and Germany-based Ursula Heinzemann for *Vinum Magazine*. We were thrilled to see both of their articles on the *Wines of British Columbia* and our premium wine region published during this quarter.

The Free Press/Kelowna Capital News: [Icewine flavours sealed with a shiver](#)

Early Icewine harvest for BC wineries this year captured headlines across the country. The BCWI's media release and organized interviews on the topic reached millions of people through news publications and social media activity.

WATCH! *Global BC News: [Okanagan wine industry celebrating new regulations](#)*

South China Morning Post (Hong Kong): [British Columbia changes regulations for BC wine labeling](#)

The BCWI worked with the BC Government on the official announcement of the updated Wines of Marked Quality Regulation which supports simpler for applying to create official sub-geographical indications. Minister Norm Letnick and BCWI President Miles Prodan spoke to the new regulations at the event. Coverage on the announcement reached media both nationally and internationally. To read the official government media release, [click here](#).



Celebrating updates to the Wines of Marked Quality Regulation.

For a list of media coverage generated from October 1 through December 31, [click here](#).

PRESS RELEASE ROUND-UP

In order to ensure the *Wines of British Columbia* stay top of mind in key markets and to keep consumers and industry informed on issues affecting the wine industry, the BCWI regularly issues press releases to a group of more than 300 media, primarily in Canada and the USA. Press releases issued in Q3 are published on [WineBC.org](#).

SOCIAL MEDIA REPORT | [WINEBCdotCOM](#)

During Q3, our *Explore BC VQA Wine & Win* social media contest saw its first of three prize winners selected (see Marketing Report). The contest continued as a major theme on WineBCdotcom social media channels as we promoted the winter prize package throughout the

remainder of the quarter. We also focused on driving audiences to our consumer website, WineBC.com and realized a 348% increase in referral traffic over Q3 Fiscal 2016.

Instagram

Followers increased by 88 and we experienced 587 engagements during the last two months of the quarter (data unavailable for October).

Twitter

Our direct and indirect reach was 163,300 impressions from 139 tweets and 355 mentions. There were 5,997 visits to our profile page.

Facebook

Page likes increased by 168 to 4,500. Our 42 posts made during the quarter received 1,200 engagements.



Wines of British Columbia on Instagram.

COMMUNICATIONS REPORT | **ENGAGING MEMBERS & INDUSTRY**

WINEMAKERS & VITICULTURISTS' FORUM

The BCWI held its 10th Annual Winemakers & Viticulturists' Forum on November 24 at The Sonora Room Restaurant at Burrowing Owl Estate Winery. Attended by more than 80 winemakers, viticulturists and proprietors, the forum provided an opportunity to share experiences from vintage 2016. By all accounts, it was an interesting year and people are excited for a very good to excellent vintage. Our vintage report will be released at our annual 2016 vintage media preview this spring.



WEEKLY MARKETING UPDATE

Late in Q3, BCWI changed the format of its Weekly Marketing Update to members. The new format allows us to better manage the content and review opens and clicks - this helps us to ensure we are providing our members with content they find valuable.

MONTHLY MEMBER NEWSLETTER

Three issues of *the First Press* were distributed to members during Q3. Missed an issue? Read it here:

[October](#) | [November](#) | [December](#)

ADVOCACY

Through collaborative advocacy, the BCWI represents our members' interests to government. We work with other industry stakeholders to establish direction on regulatory policy and other issues. To help you stay up-to-date on our initiatives, we post regular updates on the [Advocacy page of WineBC.org](#).

British Columbia Wine Institute: Visit us online at
WineBC.com (consumer) | WineBC.org (member & media)



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