BCWI WINE EXPORT STRATEGY

2021 – 2023

WINES OF BRITISH COLUMBIA

CONTENTS

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CANADIAN AGRICULTURAL PARTNERSHIP   British Columbia   Canada

EXECUTIVE SUMMARY

The BC Wine Institute's (BCWI) wine export strategy was written in collaboration with the BCWI's Export Task Group to identify the best strategy and opportunities for BC wineries to effectively enter international markets. The strategy aligns with the previous Wine Growers Canada (WGC) Long-term International Market Strategy (LTIS) and Wine BC 2030 Plan. This allows BCWI to continue to work collaboratively with the WGC in the future and will result in a "Brand BC" that reflects and aligns with the existing "Canada Brand". By operating within the identified national priorities of the WGG and Wine BC 2030 Plan, the BCWI Wine Export Strategy will benefit from the work that has been done in the past and guarantee the BC industry will benefit from the work being done nationally to retain and advance its market intelligence and have access to an advantageous trade environment.

To achieve the goals of the three-year strategy, wineries interested in exporting will be asked to commit to an export committee. The committee members will have access to the long-term plan and programming costs allowing them to develop financial plans to ensure their investment and commitment through 2023. Wineries who commit to the export committee will be permitted to participate in the programs outlined in the BCWI Wine Export Plan in entirety or a la carte. Programs that require additional winery support will be offered to BCWI members on a pay-to-play basis. Wineries will be asked to share top line information to assist the BCWI with measuring the key performance benchmarks (KPI's) outlined in the plan such as: success entering target markets, number of new listings, and percentage of sales increases.

COMMITTEE MEMBERS:

Angela Lyons, Quail's Gate Estate Winery

Asha Hingorani, Wine Growers Canada

Christine Coletta, Okanagan Crush Pad

Darryl Brooker, Mission Hill

Katie Elder, Andrew Peller

Janet Dorozynski, Trade Commission Service, Global Affairs Canada

Laura Kittmer, BC Wine Institute

Randy Dufor, Arterra

Richard da Silva, Da Silva Vineyards

Severine Pinte, Le Vieux Pin

STRATEGIC OBJECTIVES

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1. Ensure that BC wines are relevant within the global wine market to media and trade by hosting three reception events, 13 seminars, and eight retail programs in target markets over the next three years.
2. Leverage the Wines of Canada brand, by participating in available WGC and Trade Commissioner Service, Global Affairs Canada programs that align with the BCWI target markets to help build international recognition for Brand BC.
3. Increase the number of BC wineries participating in the market by double and increase the number of distributors for BC Wine by double. Achieve this by developing partnerships and programs with monopoly stores, independent retailers, and restaurants to sell BC wines.
4. Develop strategic partnerships with trade, media and retailers to broaden Brand BC and accomplish the changes and subsequent growth outlined in the strategic plan.
5. Use incentives such as, export training seminars, media coverage, sales data, access to funding, and group shipping to encourage wineries to participate in market work in expansion markets and commit to a multi-year plan and budget accordingly.

Target Audience: Wine Trade, Wine Media

The primary audience is wine trade and wine media. The BC wine industry does not have the budget nor the volume to focus on consumers at this stage. Lifestyle media is the secondary focus to drive tourism to the wine regions of British Columbia.

Messaging and Positioning:

The positioning of the Wines of British Columbia is small and premium. British Columbia transcends the "new" and "old" Worlds – recognized for diversity in its elevated wines, super natural terroir, extreme beauty and dedicated people. The top planted grapes for red are Merlot, Pinot Noir, Cabernet Sauvignon, Cabernet Franc, Syrah and the top planted white grapes are Pinot Gris, Chardonnay, Gewurztraminer, Riesling, Sauvignon Blanc. We have achieved international accolades and awards for our BC Chardonnay, Riesling, Pinot Noir, Syrah and Bordeaux Blends.

ENVIRONMENTAL SCAN

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SWOT – TRADE AND MEDIA FACING

Strengths

- Producer of high-quality wines evidenced by increasing number of awards at international wine competitions for Canadian wineries.
- Strong Canada brand. People think of Canada as clean, kind, honest, heart warming.
- Support from Canadian Embassies/Consulates in specific target markets to promote Canadian wine in-market.
- Unlike other global wine producers, BC wines are not associated with a specific varietal. In comparison, Washington has positioned itself as having "Elegance of France and the fruit forwardness of California".
- BC's proximity to Asian markets provides producers with a competitive advantage over other provinces.
- BC's wine industry presents international visitors with a wide array of agritourism opportunities across the province, which can be cross-promoted with other BC tourism initiatives to broaden the exposure of BC wine in the international marketplace.
- The value of the Canadian dollar provides wineries the opportunity to enter foreign markets.
- There are about 20-30 wineries that are truly positioned to consider entering and sustaining sales in foreign markets at this time. This number will continue to grow.
- Warmer and more arid than Napa Valley, the Okanagan Valley gets nearly two hours more sunlight per day than Napa during the peak of the July and August growing season.
- We are making quality wines that are an honest expression of our dedication, experience and distinct wine regions.
- Surrounded by beauty and the ability to make world-class wines, we remain friendly, approachable, down-to-earth, genuine and remarkably grounded.
- Effusive and almost uninhibitedly enthusiastic, we want to share our craft, place and passion for winemaking with everyone.

ENVIRONMENTAL SCAN

Weaknesses

- Inconsistent and short-term focus on supporting growth in key markets. This approach results in a wide variety of wines of different quality levels entering foreign markets, which makes it difficult to sustain a strong "Wines of Canada" brand that is based on promoting the high-quality nature of BC wines.
- It is important to align foreign market development with the capacity of the industry, which at this point is limited in comparison to other global wine producing regions.
- Lack of investment in research.
- Lack of long-term commitment from wineries to invest in a three to five-year strategy and budget accordingly.
- Insufficient export knowledge. More training is needed on what is required, pricing and channel strategy.
- A general lack of coordination among wineries. Several individual wineries are pursuing their own business strategies and target markets. The collaboration needed to effectively establish and support long-term international market development for BC's wine industry is missing.
- Wineries are relying on federal funding for export initiatives and do not have long-term plans or strategies to invest in a three to five-year program.
- The Canadian wine brand needs to be established in the Canada market first as it makes it more credible to the world. Provincial trade barriers greatly impact this initiative.
- Logistical challenges including temperature-controlled shipping and consolidation points.

Opportunities

- BC's wine industry currently has enough critical mass, which it did not in the past, to begin focusing on a coherent export orientated strategy.
- BC wineries entering international markets can take advantage of the established image and reputation of Canada to capture the attention of international wine influencers and buyers, and then educate them on the specifics of the BC brand.
- Appellation system and Sub GI's.
- By focusing on well-known varietals when promoting wine internationally, BC's wine industry can ensure purchasers better understand their products.
- Use the BC Wine Authority certification as the standards for quality to ensure a consistent message is maintained for BC wines.
- Focus on educating wine buyers, influencers, sommeliers, and chefs, rather than consumers (due to limited production).
- Focus on developed markets where there is a higher FOB.
- Food friendly cool-climate wine is trending globally, and BC wines are well positioned.
- The Icewine brand is well established and as a result trade are aware of Canadian wines.

ENVIRONMENTAL SCAN

Threats

- Mounting economic pressures are making it harder for distributors to purchase wines.
- Lack of trading opportunities due to COVID-19 restrictions.
- Cancelled tradeshows and networking opportunities.
- Highly subsidized global competitors with pricing power and economies of scale in aggressive pursuit of market share in key wine consuming countries.
- The impact of Brexit and the loss of CETA benefits in the important UK market.
- The USA regulatory environment is difficult to navigate and the three-tier system also makes it very costly to enter the USA market.
- BC wineries should not market to specific trends that relate to consumers, it should be focused at key trade and media.
- Cellar Clear Out - Any time that a Canadian producer "cleans out their cellar" and sells low-end wine in export markets that have been identified as luxury markets it harms the Canadian and BC brand.
- Inconsistent support from wineries. A healthy domestic market prohibits wineries from relying on and developing export markets.

VISION

VISION

The WGC's mission is "To provide focused national leadership and strategic coherence to enable domestic and international success for the Canadian wine industry". As a member of the WGC, the BCWI's Export Task Group is tasked with promoting and exporting BC wines within the existing national framework. The BCWI, BC wineries, and provincial and federal representatives have defined the strategic export vision, priorities, and action plan with the intent of building unity across the industry to work collaboratively in a unified international export strategy.

The development of this export strategy does not prevent all BC wine producers from pursuing their individual export opportunities. The BCWI, however, does recognize that the BC wine industry will be best served by a coherent export strategy that will provide all participants with the prospect of accessing foreign markets through a collaborative effort that will leverage the existing strengths of the Canadian and BC wine industry.

CONSUMER DATA

WINE CONSUMPTION BY AGE

Younger consumers are the group most likely to be reducing their wine intake on some occasions, as well as trading wine in for non-alcoholic and other alcoholic beverages.

% who said the following statements best apply to them
Base = n>1,000 regular wine drinkers in Australia, Canada, Sweden, the UK and USA

	18-34	35-54	55+	20-34	35-54	55+	18-34	35-54	55+	18-34	35-54	55+	21-34	35-54	55+
n=	276	374	350	288	346	366	181	313	510	248	328	424	248	328	424
The amount of wine I drink has not changed recently	36%	46%	54%	49%	61%	66%	37%	63%	57%	27%	46%	53%	37%	44%	58%
I'm drinking wine less often than I used to	22%	21%	28%	18%	14%	20%	27%	19%	22%	27%	25%	27%	21%	21%	22%
I've reduced the amount of wine that I now consume at some occasions	18%	17%	11%	16%	13%	10%	24%	10%	14%	31%	16%	16%	19%	19%	10%
I'm drinking less wine as I've switched to non-alcoholic beverages	12%	8%	4%	9%	5%	4%	12%	6%	5%	17%	8%	5%	12%	9%	5%
I'm drinking more wine than I used to	17%	15%	10%	15%	11%	7%	15%	10%	10%	10%	11%	9%	17%	15%	11%
I'm drinking less wine as I've switched to other alcoholic beverages	19%	8%	4%	12%	4%	2%	17%	4%	6%	19%	12%	4%	17%	15%	6%

Wine Intelligence trade interview programme 2019
▲ / ▼ : statistically significantly higher / lower than regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vintrac® Global, October 2019, n>=1,000 regular wine drinkers

ALTERNATIVE PURCHASES BY AGE

Millennial wine consumers are more likely to purchase a wide variety of alternative wines compared with other regular wine drinkers.

% who have sought to purchase the following types of wine in the past six months
Base = n>1,000 regular wine drinkers in Australia, the UK and USA

	USA			UK			AUSTRALIA		
	21-34	35-54	55+	18-34	35-54	55+	18-34	35-54	55+
Sample size n=	594	631	775	248	328	424	319	316	365
Organic wine	21%	17%	6%	8%	6%	4%	16%	10%	4%
Sustainably produced wine	11%	8%	5%	7%	2%	2%	8%	5%	4%
Environmentally friendly wine	11%	8%	4%	8%	2%	1%	10%	4%	2%
Lower alcohol wine	12%	9%	2%	11%	7%	6%	14%	8%	8%
Preservative free wine	10%	8%	3%	4%	1%	1%	7%	8%	3%
Non-alcoholic wine	11%	7%	1%	8%	3%	5%	11%	5%	4%
Sulfite free wine	8%	6%	3%	2%	4%	3%	6%	5%	2%
Fairtrade wine	7%	8%	2%	17%	6%	7%	7%	2%	1%
Wine from a carbon-neutral winery	9%	5%	2%	3%	0%	0%	4%	1%	0%
Orange / skin contact wine	7%	6%	1%	4%	1%	0%	3%	1%	0%
Vegan wine	7%	5%	1%	5%	3%	2%	6%	3%	0%
Vegetarian wine	5%	5%	1%	3%	2%	1%	6%	0%	0%
Biodynamic wine	5%	4%	1%	0%	1%	1%	4%	2%	0%

% / % : statistically significantly higher / lower than regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vintrac® Global, 2019, n>=1,000 regular wine drinkers

OFF-PREMISE SPEND BY AGE

Younger wine drinkers spend more per bottle of wine in the off-premise than older regular wine drinkers in most established and mature markets – including the UK and USA.

% who typically spend the following amount on a bottle of wine in the off-premise
Base = n>=1,000 regular wine drinkers in the UK and the USA

£	UK regular wine drinkers	18-34	35-54	55+
n=	1000	251	332	428
Under £5	16%	9%	14%	21%
Between £5 and £5.99	22%	19%	19%	27%
Between £6 and £7.99	34%	36%	38%	31%
Between £8 and £9.99	15%	19%	15%	12%
Between £10 and £11.99	7%	11%	9%	3%
£12 or more	4%	7%	5%	2%
Do not buy wine off-premise	2%	0%	0%	4%

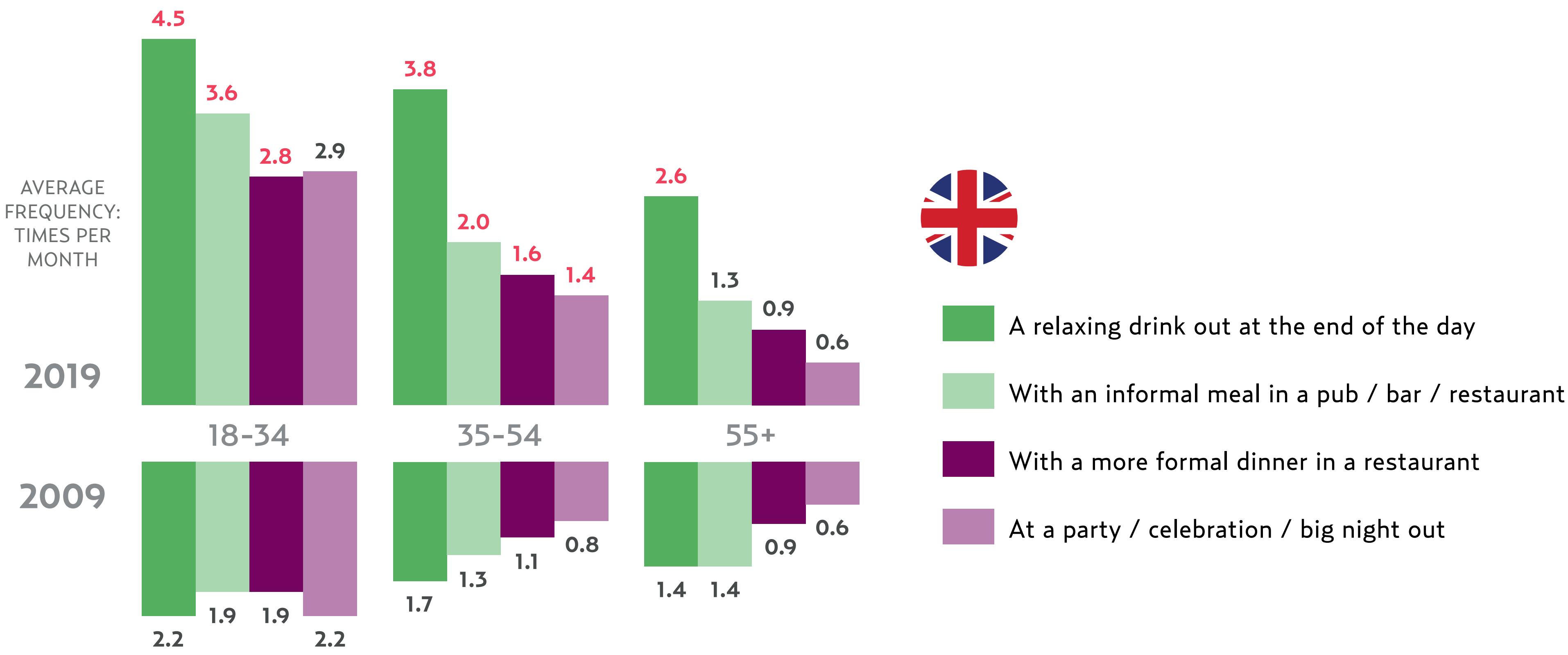
$	USA regular wine drinkers	21-34	35-54	55+
n=	7000	2010	2357	2634
Under $5	2%	2%	2%	3%
Between $5 and $9.99	25%	21%	23%	30%
Between $10 and $14.99	37%	35%	35%	40%
Between $15 and $19.99	22%	23%	26%	17%
Between $20 and $24.99	9%	13%	11%	5%
$25 or more	3%	5%	4%	2%
Do not buy wine off-premise	1%	1%	1%	2%

% / % : statistically significantly higher / lower than regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® Global 2019, n>=1,000 regular wine drinkers

ON PREMISE CONSUMPTION FREQUENCY: UK

Reflecting the lifestyle of younger drinkers, these UK drinkers consume wine more frequently in the on-premise compared with older drinkers, although the overall frequency of wine consumption has increased amongst most age groups in the UK.

Average number of wine drinking occasions (times per month) in the on-premise per occasion
Base = n>=1,000 regular wine drinkers in the UK

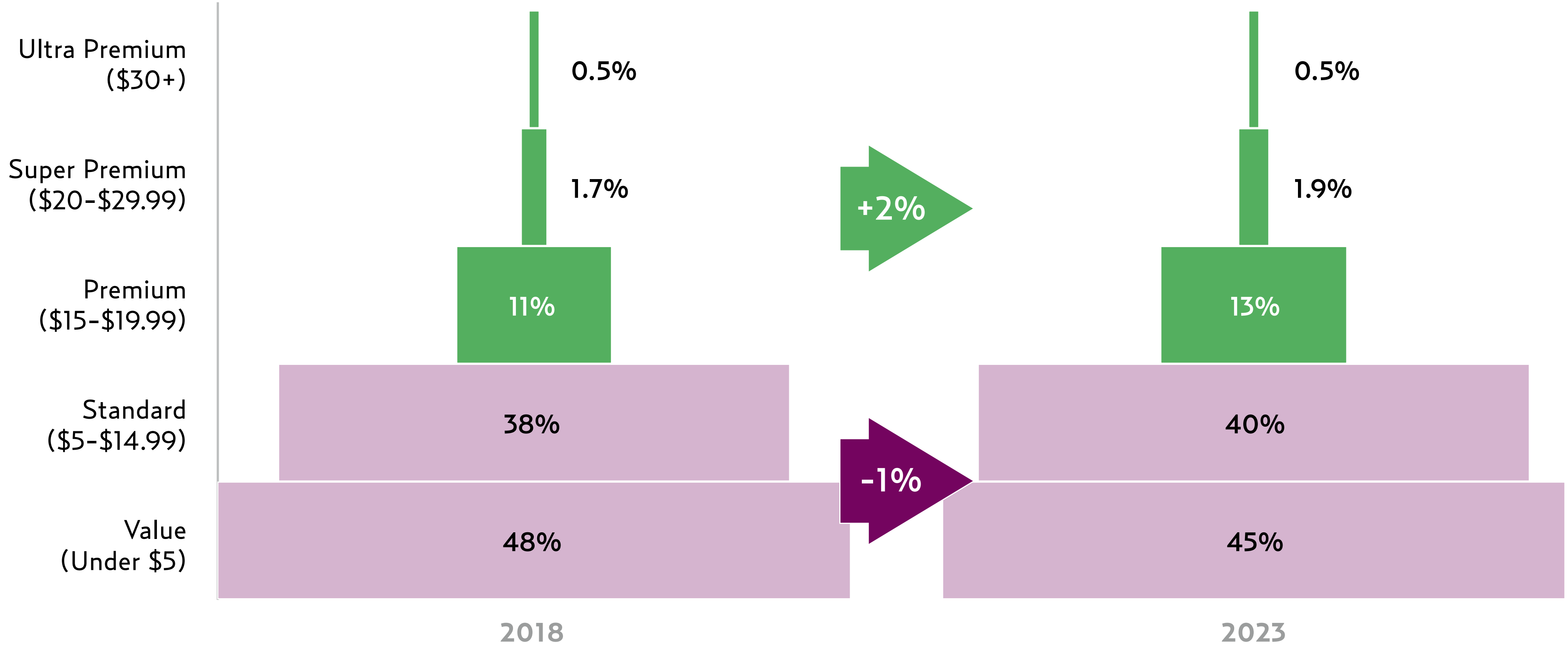


% / % : statistically significantly higher / lower than regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® UK, 2009-2019, n>=1,000 regular wine drinkers

PREMIUMIZATION

IWSR Drinks Market Analysis predicts that the share of premium, super premium and ultra premium wine will grow by two-percent from 2018 to 2023, whilst lower-priced wine sales are projected to decrease.

CAGR 18-23



Source IWSR 2019, 35 markets: United States, Italy, United Kingdom, China, Australia, Canada, France, Japan, Switzerland, Germany, Spain, Denmark, Ireland, New Zealand, Argentina, Belgium and Luxembourg, Netherlands, Russia, Sweden, Norway, Hong Kong, Austria, Mexico, Chile, Poland, Portugal, Finland, Brazil, South Korea, South Africa, Czech Republic, Singapore, Colombia, Peru and India

PREMIUMIZATION

In addition to having the highest proportions of premium wine drinkers, China and the USA are the two markets that are forecasted to drive premium wine growth.

TOTAL VOLUME OF PREMIUM WINE FOR TOP 10 PREMIUM MARKETS (IN M 9L CASES)

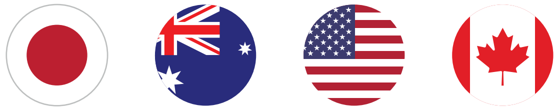
Million 9L cases	Volume	
	2018	2023
USA	42	53
Italy	27	27
UK	27	29
China	22	35
Australia	20	21
France	18	17
Japan	10	10
Canada	10	11
Switzerland	9	10
Germany	6	7

SHARE OF PREMIUM WINE DRINKERS (AMONGST ALL REGULAR WINE DRINKERS)

	Share of PWD	Number of PWD
USA	26%	21.8
China	25%	13.3
UK	23%	6.6
Germany	21%	5.7
Spain	28%	5.4
Japan	17%	5.0
Australia	31%	3.1
Canada	18%	3.0
Russia	37%	2.8
Brazil	7%	2.7
Portugal	17%	0.8

Premium wine drinkers are those who drink wine **once or more per week**, *typically* spending over:

€7+ €8+ €7+ £8+ R$80+



¥1,500 AUD $15+ USD $15+ CAN $16+

Premium wine drinkers are those who drink wine **once or more per month**, *typically* spending over:

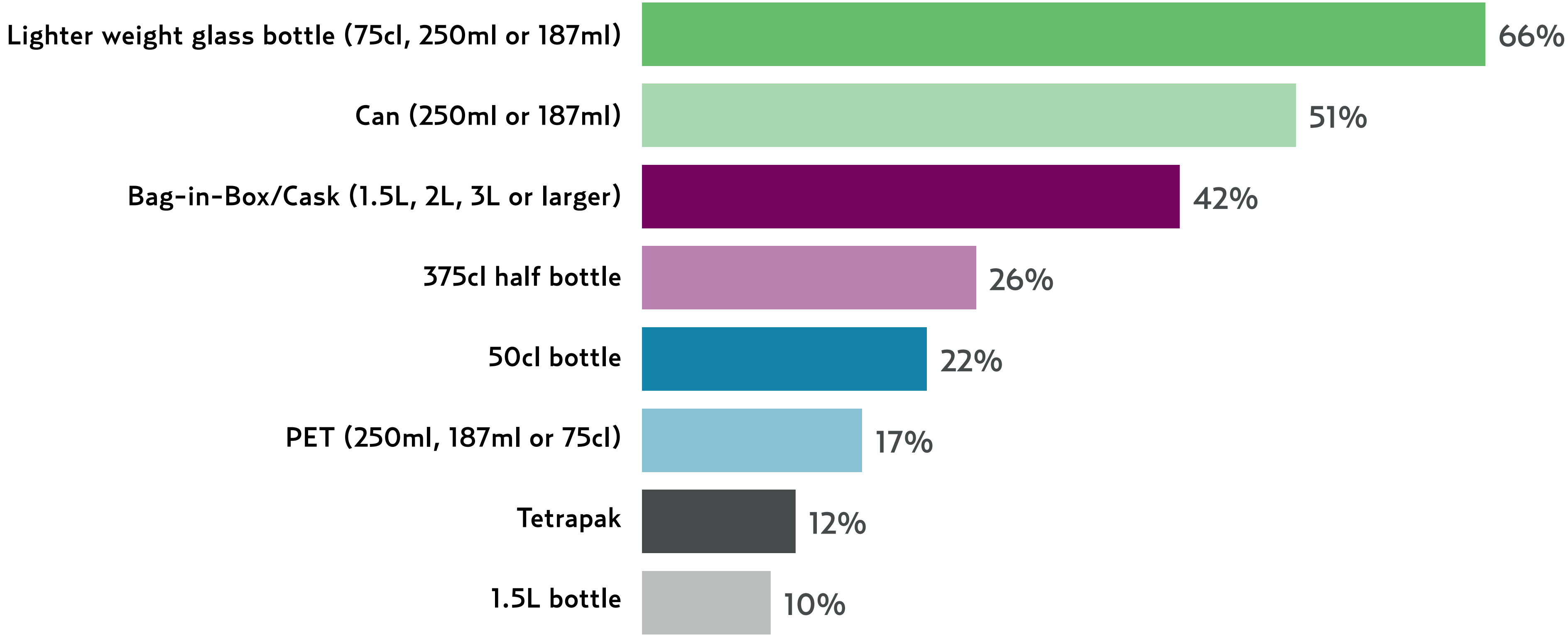
₽500+ RMD 500+

Source: IWSR 2018 Drinks Maerket Analysis

PACKAGING IMPORTANCE

Trade members believe the greatest prospect for the wine industry is through alternative packaging, with lighter weight glass bottles holding the highest opportunity.

% who find the following packaging types to have growth opportunity
Base = Trade experts representing 52 markets (n=296)

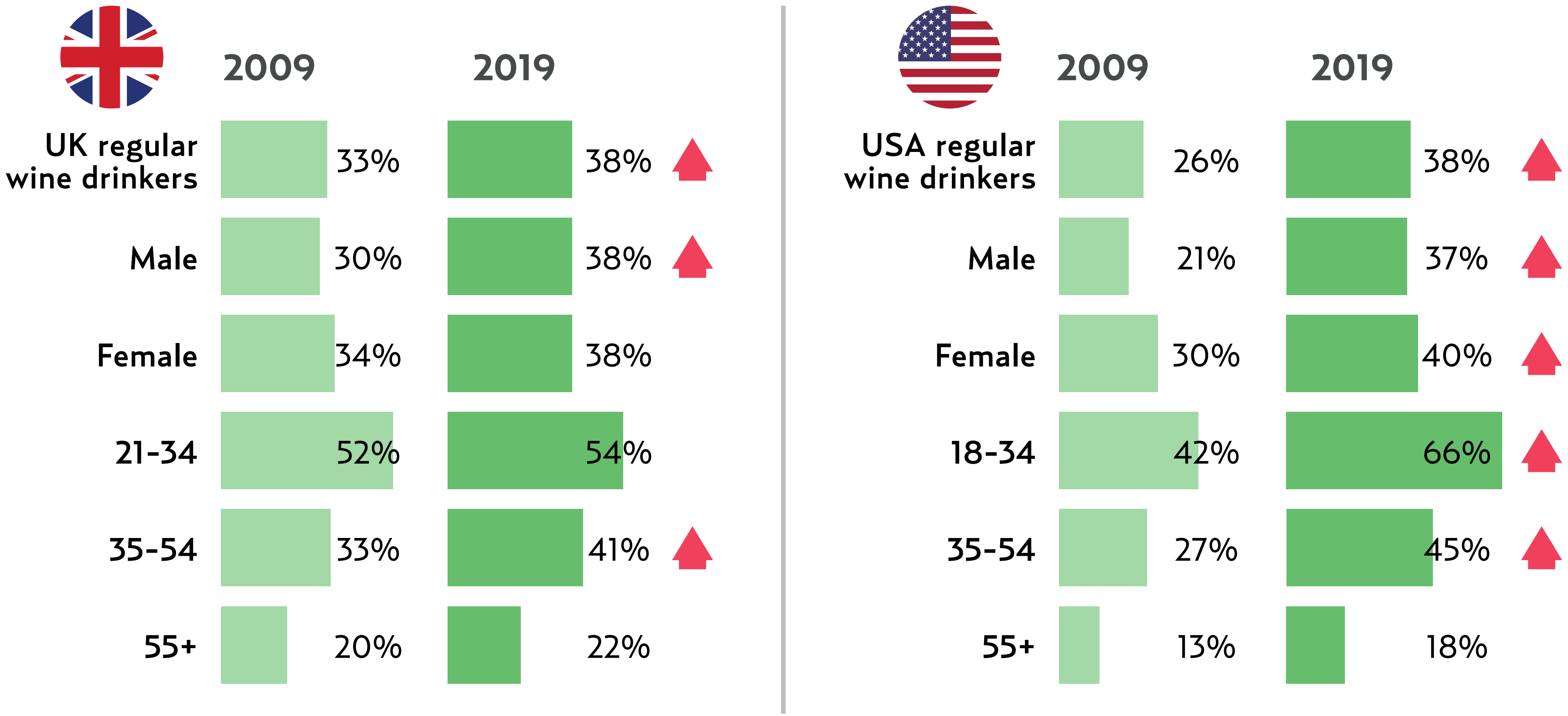


Wine Intelligence trade interview programme 2019 60
Source: Wine Intelligence, Vinitrac® Global, wine trade members representing 52 markets (n=296)

APPEAL OF LABEL/BOTTLE DESIGN

Significantly higher proportions of consumers across the USA and UK are prioritising label/bottle design when purchasing wine.

% who 'agree' or 'strongly agree' that the appeal of the bottle and/or label design is important when choosing wine
Base = n>=1,000 regular wine drinkers in the USA and the UK



Wine Intelligence trade interview programme 2019
▲ / ▼ : statistically significantly higher / lower than previous wave(s) at a 95% confidence level
Source: Wine Intelligence, Vinitrac® Global, 2009-2019, n>=1,000 regular wine drinkers

GLOBAL SOLA WINE OPPORTUNITY INDEX 2019

Organic wine achieves the highest opportunity score amongst alternative wine styles at a global level.
SOLA (Sustainable, Organic, Low alcohol and Alternative)

= ranks among the top three in the market

Rank	Type of wine	AUS	BEL	CAN	FIN	DEU	HKG	JPN	NLD	NZL	PRT	SGP	ESP	SWE	GBR	USA	Weighted opportunity index
1st	Organic wine	42	46	43	70	49	45	50	46	41	36	42	35	64	39	51	48.0
2nd	Sustainably produced wine	38	38	40	53	47	34	42	39	39	46	44.7	45.8	44	36	47	44.2
3rd	Fairtrade wine	33	41	35	57	45	40	29	38	30	30	36.5	40.9	44	46	44	41.3
4th	Environmentally friendly wine	36	30	37	54	35	35	35	25	40	36	42	54	39	32	47	40.9
5th	Preservative free wine	40	23	35	43	28	34	54	26	34	35	38	38	32	31	42	39.0
6th	Suphite free wine	34	31	35	39	24	28	45	20	32	37	29	41	27	30	42	36.9
7th	Carbon neutral winery	29	24	30	32	24	28	26	23	29	33	30	36	29	31	39	32.7
8th	Lower alcohol wine	38	22	29	32	30	34	28	26	45	33	43	32	25	34	32	31.6
9th	Orange / skin contact wine	25	18	26	31	25	31	31	17	26	25	25	23	17	24	41	30.6
10th	Biodynamic wine	29	29	26	37	20	34	27	22	26	22	24	24	22	26	34	28.5
11th	Non-alcoholic wine	29	24	25	31	28	31	19	25	27	17	30	26	34	29	26	26.6
12th	Vegan wine	24	10	21	34	22	30	18	17	25	15	18	26	19	24	32	25.5
13th	Vegetarian wine	23	8	21	n/a	n/a	26	n/a	16	n/a	13	26	22	19	22	34	20.3

Wine Intelligence trade interview programme 2019
Source: Wine Intelligence, Vinitrac® October 2018, January / March 2019 (n=16,704) regular wine drinkers

ORGANIC WINE UNDERSTANDING

With the exception of South Korea and Sweden, approximately a third of consumers believe that organic wine is both better for the environment and one's health, aligning with supply chain view that "organic" has multiple meanings in the context of wine.

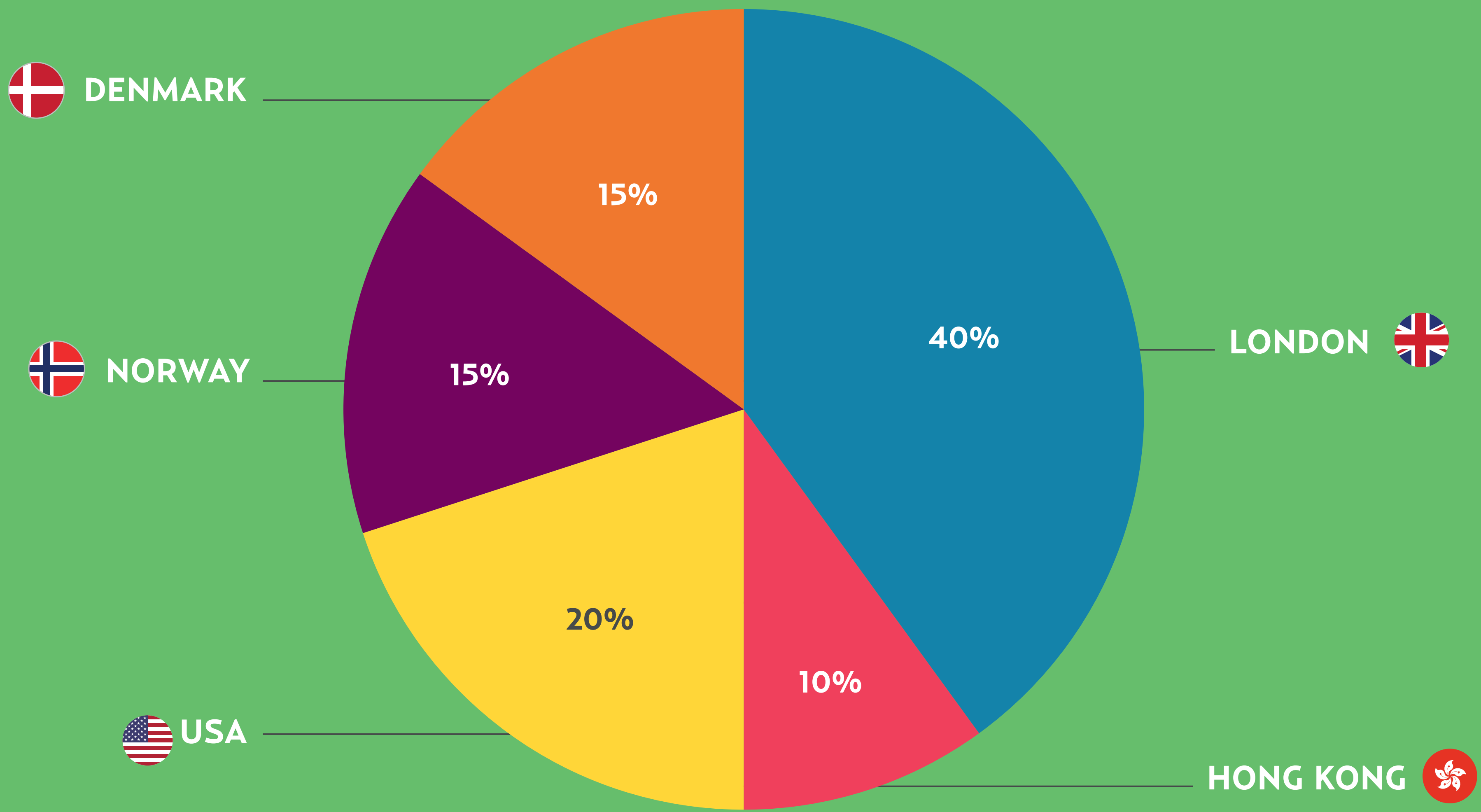
% who find the following statements about organic wine true compared to 'regular' wine
Base = n>=700 wine drinkers in Australia, Brazil, Canada, Hong Kong, Portugal, Ireland, Mexico, Singapore, South Korea, Sweden and the USA

	AUSTRALIA	BRAZIL	CANADA	HONG KONG	PORTUGAL	IRELAND	MEXICO	SINGAPORE	SOUTH KOREA	SWEDEN	USA
n=	1000	1000	1000	700	700	1000	700	769	1592	1003	2004
More expensive	32%	33%	37%	34%	38%	44%	29%	39%	51%	31%	36%
More enviromentally-friendly	29%	38%	30%	36%	41%	37%	53%	28%	59%	52%	31%
Better for my health	22%	32%	19%	37%	38%	28%	35%	32%	48%	21%	27%
It is less processed	26%	26%	19%	28%	31%	28%	34%	23%	18%	14%	24%
More ethically responsible	22%	25%	23%	25%	33%	34%	30%	20%	31%	32%	24%
Higher in quality	14%	26%	13%	31%	15%	17%	26%	26%	33%	14%	21%
Tastes better	10%	21%	10%	20%	15%	13%	18%	16%	17%	10%	15%
Better with food	9%	15%	8%	15%	8%	9%	18%	13%	16%	4%	12%
More prestigious	10%	16%	7%	13%	8%	9%	14%	12%	13%	10%	11%
Lower in calories	10%	14%	7%	13%	9%	8%	13%	12%	7%	3%	10%
Tastes worse	8%	8%	5%	10%	7%	7%	4%	8%	5%	4%	8%
Lower in alcohol	8%	16%	4%	12%	8%	7%	13%	12%	7%	3%	8%

Wine Intelligence trade interview programme 2019
Source: Wine Intelligence, Vinitrac® Global, October 2019, n>700 regular wine drinkers

PRIMARY TARGET MARKETS

INVESTMENT OF TARGET MARKET COUNTRIES



TARGET MARKET: UK

CONSUMPTION PER CAPITA: 11.5 L

% OF THIS IS WINE: 33.8%

PRICE: $12-14 FOB

SEGMENTS: Trade and Media

OBJECTIVES:

- Increase sales in market for participating wineries by 50% over three years
- Double winery participation in confirmed marketing initiatives
- Double the number of wineries exporting over three years
- Build international recognition for "Wines of British Columbia" by increasing media impressions, number of articles, advertising equivalency and maintaining high caliber guest count at events

TARGET MARKET: UK

OVERVIEW

The United Kingdom is a key player in wine-trade circles, as it has always accounted for a major share of the world's wine imports. It is the largest export market for Canadian wine in Europe and is the sixth largest export market for Canadian wine globally. The UK is the epicentre for wine media – which often has a reach beyond this market and helps to validate the high price point of Canadian wines on the international stage.

TRADE POLICY AND MARKET ACCESS:

The wine market in the UK has a small number of large buyers. The off-trade (around 10 supermarket chains and speciality shops) dominates wine sales. Some of them focus on the premium segment, such as Waitrose, while others focus on low-priced bulk wines.

The number of independent retailers in the UK has increased by 50% since 2007 to approximately 750 stores, excluding large retail chains. Specialist retail chains, as opposed to independents, are actually losing market share.

Independent wine merchants are finding new customer bases, are building a more attractive assortment compared to supermarkets and have an innovative marketing and client approach.

On-Trade is an important channel as there are many key influencers that make up this channel.

An Importer/Distributor is required to work in this market.

Source: Wine Intelligence Global Trends in Wine 2020

CONSUMER AND TRADE PROFILES:

In the UK, 28 million wine consumers are savvy with a high level of knowledge. Recently, Wine Intelligence has identified six distinct types of UK drinkers of wine by performing a cluster analysis of their wine consumption frequency, typical spend on a bottle of wine, and their involvement in the category. These groups are:

BARGAIN HUNTERS (17%): The least frequent, lowest spending and least confident segment of older wine drinkers.

KITCHEN CASUALS (10%): One of the older segments of wine drinkers, who drink wine less frequently, are strongly driven by promotions and drink from a narrow repertoire near exclusively at home only.

SOCIAL NEWBIES (17%): Younger wine drinkers, still finding their way in the category, who enjoy wine in social settings, relying heavily on recommendations.

MAINSTREAM MATURES (28%): As the oldest and most experienced segment of wine drinkers, they regularly enjoy familiar wine and are strongly value driven, feeling confident about which wines they like and sticking to what they know.

GENERATION TREATERS (11%): Younger, very frequent and higher spending, confident wine drinkers, whose knowledge of the range of wines available continues to develop.

ADVENTUROUS EXPLORERS (17%): Mid-aged and older confident wine drinkers for whom wine is an important part of their lifestyle, who enjoy discovering new wine and are willing to invest time and money in the category.

TARGET MARKET: UK

RECOMMENDED ACTIVITIES:

CANADA HOUSE TASTING EVENT WITH IMPORTER/ DISTRIBUTOR MATCHMAKING

Desired Outcomes:

- Educate trade and media
- Secure partnerships with local importers

KPI's: Gain new listings in the market

- Recruit a minimum of 20 new trade/media each year to attend
- Cultivate relationships with younger trade
- Media coverage
- Two to five wineries to secure Importer/Distributors
- Five new wines available in market

TRADE SEMINAR (in alignment with other market visits)

Desired Outcomes:

- Educate trade and media
- Increase listings

KPI's:

- Media coverage
- Two to five wineries to secure Importer/ Distributors
- Five new wines available in market

RETAIL PARTNERSHIP

Desired Outcomes:

- Increase listings
- Increase sales

KPI's:

- Create long-term partnerships with a local retailer to create annual Canada Thematic
- Five new wineries available in market each year
- Increase sales by 50%

TRADE, MEDIA AND BUYER FAM TRIPS

Desired Outcomes:

- Educate trade and media

KPI's:

- Increase media impressions and number of articles
- Increase wine listings in the market

TARGET MARKET: NORDIC & SCANDINAVIA

OVERVIEW

The Nordic countries together are a considerable wine importer, ranking as the third largest in Europe in 2014. Wine imports in the Nordic countries amounted to €1.1 billion in 2014, showing an average annual increase of 5.6% since 2011.

Although the traditional wine-supplying countries dominate the wine imports, the Nordic market is receptive to New World wines. Wine from developing countries amounted to €171 million in imports in 2014 (15% of total imports), showing a slight average decrease of 1.5% per year since 2011.

All Nordic monopolies strongly encourage importing sustainable and ethical wines. They regularly publish tenders for organic and/or fair-trade wines resulting in increasing sales of sustainable wines.

Sustainable wines are especially popular among millennials. These younger consumers are exceptionally environmentally aware. The image of sustainable and ethical wines is something they can and want to relate to.

In the market for premium wines, consumers appreciate products that offer a certain experience or story. This story may be related to such things as production processes, production conditions or heritage.

The on-trade market is not regulated by the monopolies and represents an opportunity for BC wines. The on-trade segment of the market is extremely competitive and difficult to enter. It requires market support and trade education.

CONSUMER AND TRADE PROFILES:

Consumers are adventurous and ready to try new wines. Nordic countries have a high per capita income and a world-class restaurant scene which is accompanied by a high wine consumption rate that is increasing constantly.

Denmark continues to have a relatively high per capita consumption of wine, ranked 9th globally, higher than that of its Nordic neighbours Sweden (21st), Norway (36th) and Finland (41st).

Source: CBI Ministry of Foreign Affairs

TARGET MARKET: DENMARK

CONSUMPTION PER CAPITA: 10.3 L

% OF THIS IS WINE: 48.2%

PRICE: $12-$14 FOB

SEGMENTS: Trade and Media

OBJECTIVES:

- Establish presence for Canadian wines in this market through trade and media education and retail partnerships
- Participation from 15 wineries in confirmed marketing initiatives
- Build international recognition for "Wines of British Columbia" by increasing media impressions, number of articles, advertising equivalency and maintaining high caliber guest count at events

TARGET MARKET: DENMARK

STRATEGIC PARTNERS AND GATEKEEPERS:

The Danish market is large, open and dynamic. Denmark has the highest number of wine importers per capita which allows the producers to find importers interested in almost any variety of wine.

The big multiples in Denmark have an estimated 80% of sales, leaving 13% to the HoReCa sector and the independent retailers, and 7% represents on-trade share of the market.

RETAILERS:

The Co-op, Dansk Supermarket, Dragrofa (Meny (116 shops), Spar (130), Min Købmand (163) and Let-Køb (102))

Private Retailers: H.J. Hansen Vin, Østjysk Vinforsyning, Haller Vine, Brdr. D's Vinhandel, Love of Food 'N' Wine, Skjold Burne Vinhandel, Philipson Wine (largest online retailer), Kjær & Sommerfeldt, Sigurd Müller Vinhandel, Løgismose Vin, Otto Suenson.

TRADE POLICY AND MARKET ACCESS:

Denmark does not have a government monopoly; however, the big three supermarkets dominate the market. Foreign producers can work with hundreds of highly specialized wine importers to develop relationships with the big three as well as a long list of other independent retailers.

An Importer/Distributor is required to work in this market.

RECOMMENDED ACTIVITIES WITH KPI'S:

RETAIL PARTNERSHIP

Desired Outcomes:

- Educate retailer trade so they can educate and grow consumer following
- Increase listings
- Increase sales

KPI's:

- Create long-term partnerships with a local retailer to create annual Canada Thematic
- 10 new wineries available in market
- Increase sales by 50%

TRADE, MEDIA AND BUYER SEMINAR

Desired Outcomes:

- Educate trade and media
- Media coverage
- Increase listings

KPI's:

- Increase media impressions and number of articles
- Increase wine listings in the market

TARGET MARKET: NORWAY

CONSUMPTION PER CAPITA: 7.4 L

% OF THIS IS WINE: 34.7%

PRICE: $12–$14 FOB

SEGMENTS: Trade and Media

OBJECTIVES:

- Establish presence for Canadian wines in this market through trade and media education and retail partnerships
- Participation from 15 wineries in confirmed marketing initiatives
- Build international recognition for "Wines of British Columbia" by increasing media impressions, number of articles, advertising equivalency and maintaining high caliber guest count at events

TARGET MARKET: NORWAY

STRATEGIC PARTNERS AND GATEKEEPERS:

Retailers:

- Vinmonopolet – Government owned monopoly
- duty free shops and border trade

TRADE POLICY AND MARKET ACCESS:

Norway's government monopoly, Vinmonopolet is the key player in this market. An Importer/Distributor is required to do business in the market and pricing is similar to Denmark but is not price driven. Buyers are more interested in quality over price. Tenders can be extremely specific and require long term planning by wineries trying to enter this market.

Additionally, duty free shops provide a secondary option as they buy direct and move high volumes of wine very quickly.

RECOMMENDED ACTIVITIES WITH KPI'S:

HIGH END RESTAURANT PARTNERSHIPS

Desired Outcomes:

- Educate on premise trade
- Increase listings
- Increase sales

KPI's:

- Create long-term partnerships with a local retailer to create annual Canada Thematic
- fIVE new wines available in market
- Increase sales by 10%

TRADE, MEDIA AND BUYER SEMINAR

Desired Outcomes:

- Educate trade and media
- Increase listings
- Increase sales

KPI's:

- Increase media impressions and number of articles
- Increase wine listings in the market

SECONDARY TARGET MARKET

SECONDARY MARKET: USA

CONSUMPTION PER CAPITA: 9.8 L

% OF THIS IS WINE: 17.3%

PRICE: $12-$14 FOB

SEGMENTS: Trade and Media

OBJECTIVES:

- Increase sales in market for participating wineries by 50%by 2023
- Double winery participation in confirmed marketing initiatives for wineries participating in the export plan
- Double the number of wineries exporting
- Build international recognition for "Wines of British Columbia" by increasing media impressions, number of articles, advertising equivalency and maintaining high caliber guest count at events

SECONDARY MARKET: USA

OVERVIEW:

Despite challenges, the USA remains the largest wine consuming country in the world, and therefore is a target for many foreign wine producers. Twenty-six percent of the wine volume sold in the USA last year was imported.

TRADE POLICY AND MARKET ACCESS:

An Importer/Distributor may be required. Each state has different rules and regulations and it is important to research the desired market requirements.

PRIORITY METROPOLITAN CENTRES:

- New York
- Seattle

RECOMMENDED ACTIVITIES WITH KPI'S:

TRADE SEMINARS - NEW YORK AND SEATTLE

Desired Outcomes:

- Educate trade and media
- Increase listings
- Increase sales

KPI's:

- Increase media impressions and number of articles.
- Increase wine listings in the market

DIRECT TO CONSUMER PROGRAM - ONLINE RETAILER PARTNERSHIP

Desired Outcomes:

- Increase listings
- Increase sales

KPI's:

- Increase sales by 20%
- Five new wineries in market each year

TRADE, MEDIA AND BUYER SEMINAR

Desired Outcomes:

- Educate trade and media

KPI's:

- Increase media impressions and number of articles
- Increase wine listings in the market

SECONDARY MARKET: HONG KONG

CONSUMPTION PER CAPITA: 7.1 L

% OF THIS IS WINE: 3%

PRICE: $12–$14 FOB

SEGMENTS: Trade and Media

OBJECTIVES:

- Increase winery participation in confirmed marketing initiatives for wineries participating in the export strategy
- Increase the number of wineries exporting as a result of the education and training program
- Build international recognition for “Wines of British Columbia” by increasing media impressions, number of articles, advertising equivalency and maintaining high caliber guest count at events

SECONDARY MARKET: HONG KONG

OVERVIEW:

Hong Kong is Asia's wine trading hub, with large proportions of wine imported to Hong Kong and then re-exported to other Asian markets. In this system, China remains the largest re-export destination for wine from Hong Kong, taking more than three quarters of wine imported. However, in recent years, exports into China have declined significantly, with trade experts accrediting this to China gaining direct trade connections with wine-producing regions. Perhaps because of this, the consensus amongst those in the supply chain is that Hong Kong's position as the Asian redistribution centre has reached a plateau after many years of substantial growth.

TRADE POLICY AND MARKET ACCESS:

An Importer/Distributor is NOT required to enter this market.

CONSUMER AND TRADE PROFILES:

Consumers in the Hong Kong wine market are becoming more engaged with wine, with a significant growth in the proportion of those who consider wine to be important to their lifestyles.

Additionally, consumers are becoming more knowledgeable and confident in their understanding of wine. Red wine very much continues to dominate the wine market in Hong Kong, with most consumers claiming to have consumed the beverage over the past year, driven primarily by older wine drinkers in the category. It appears that there is some potential growth for white wine and rosé as they are no longer considered to be just a summer wine. Sparkling wine is also gaining momentum, particularly for French Champagne, with over half of Hong Kong wine drinkers claiming to have drunk it in the past year.

RECOMMENDED ACTIVITIES WITH KPI'S:

TRADE, MEDIA AND BUYER SEMINAR

Desired Outcomes:

- Educate trade and media
- Increase listings
- Increase sales

KPI's:

- Increase media impressions and number of articles
- Increase wine listings in the market

ROUTE TO MARKET & STRATEGIC PRIORITIES

IMPLEMENTATION PER YEAR:	2021	2022	2023
UK			
Canada House Tasting Event	•	•	•
Trade Seminar (in alignment with other market visits)	•	•	•
Retail Partnership		•	•
DENMARK			
Trade Seminar (in alignment with other market visits)	•	•	•
Independent Retail Partnership		•	•
NORWAY			
Trade Seminar (in alignment with other market visits)	•	•	•
Duty Free Retail Partnership		•	•
USA			
New York Trade Seminar (in alignment with other market visits)		•	
Seattle Trade Seminar (in alignment with other market visits)			•
DTC Program ex: Wineonline.com		•	•
HONG KONG			
Trade Seminar (in alignment with other market visits)		•	•
EXPORT TRAINING SEMINARS			
UK, Denmark, Norway, USA	•	•	•
Hong Kong		•	

FAIRS & TRADESHOWS

GERMANY

- ProWein

UK

- London Wine Fair
- Canada House
- RAW
- London Wine & Food Show

USA

- New York/Seattle – USA Trade Tasting and Business Conference

HONG KONG

- VinExpo Hong Kong

CHINA

- ProWein

RISKS & CHALLENGES

Foreign markets require time, consistency, focus, and commitment to develop and manage over time. The result is the development of new and significant opportunities for new sales and a diversification of sales channels. Competition in the wine industry is increasingly intense, and the changing market demands because of COVID 19 will require flexibility in the proposed programs.

RESOURCES

Export Navigator: https://smallbusinessbc.ca/export-navigator/

Trade Accelerator Program: https://www.boardoftrade.com/wtc/tap

Export Development Canada: https://www.edc.ca/

Export Guide: https://www.tradecommissioner.gc.ca/guides/exporter-exportateurs/exporting-guide-exportation.aspx?lang=eng

Export Funding for SME companies: https://www.tradecommissioner.gc.ca/funding-financement/canexport/sme-pme/index.aspx?lang=eng

Sector/Country reports: https://www.tradecommissioner.gc.ca/country_info_reports-info_pays_rapports.aspx

https://www.agr.gc.ca/eng/international-trade/market-intelligence/?id=1410083148447

https://www.agr.gc.ca/eng/international-trade/market-intelligence/reports/?id=1522931721523

AgriMarketing Program: https://www.agr.gc.ca/eng/agricultural-programs-and-services/agri-marketing-program-national-industry-association-component/step-2-who-is-eligible/?id=1515092363135

Investment Agriculture Foundation of BC: https://iafbc.ca/wp-content/uploads/2020/10/BCASMDP-Program-Guide-2021-2022-Final.pdf

AAFC's Canada Pavilion: https://www.agr.gc.ca/eng/international-trade/trade-show-service/canada-pavilion-program/?id=1518440736899

AAFC's AgriAsssurance SME Program: https://www.agr.gc.ca/eng/agricultural-programs-and-services/agriassurance-small-and-medium-sized-enterprise-component/?id=1517865477303