

2018 CEO Update Report

December 4, 2018

BC WINE INDUSTRY LONG-TERM STRATEGIC PLANNING (Wine BC 2030)

The aim of Wine BC 2030 is to develop a Long-Term Strategic Plan, creating a clear roadmap that will benefit all areas of the BC wine industry via comprehensive & transparent stakeholder engagement. Process of which can be followed online (see link: www.WineBC2030.com). This site is a resource for the industry, providing updates throughout every step of the planning process and presenting the opportunity for all industry players to engage and contribute as we look forward to building a bright future for the wines of this special place.

BC WINE INDUSTRY SURVEY

If you haven't already, please respond to the email invitation for an online survey that looks specifically at the focus areas, operations and programming of the BCWI. In addition to influencing BCWI's short-term plans, the results will contribute to the BCWI's Long-Term Strategic Planning for the BC wine industry. The survey will remain open until December 12, 2018. All information will be kept confidential. If you have any questions about the research or you do not receive your personal survey link, please contact Maggie Anderson at MAAnderson@WineBC.com.

DESTINATION BC 2019 GLOBAL MARKETING PLAN

DBC's 2019 Global Marketing Plan is now available and provides an overview of the province's key tourism markets, strategies and activities. DBC's Co-operative Marketing Partnerships Program identifies the BCWI's continuing responsibility for developing and executing the provincial Wine and Food Tourism (WFT) strategy in support of all the wine producing regions and local food offerings in the province (see link: <https://goo.gl/qjtWdc>). To learn more about the DBC plan see video link: <https://goo.gl/Y57APn>.

FEDERAL TOURISM ADVISORY COUNCIL

The federal government has created an advisory council on tourism in a bid to bolster the economic potential of Canada's tourism industry and plans to launch the federal strategy in the coming months. Providing BC wine industry input to the Council, the BCWI participated in an industry round-table discussion recently highlighting the economic impact of our industry, the opportunity to accelerate inbound tourism growth and build on our efforts & success to date (see link: <https://goo.gl/9cP7DE>).

CANADA INTERNAL TRADE & DIRECT-TO-CUSTOMER SHIPPING

Prime Minister Justin Trudeau announced that the upcoming First Ministers' Meeting will take place in Montréal on December 7, 2018. The Prime Minister and First Ministers will discuss the new United States-Mexico-Canada Agreement, and how to diversify international trade while improving trade within our own borders. The Prime Minister and Minister LeBlanc will lead a discussion with First Ministers to explore eliminating barriers to trade between provinces and territories. The BCWI supported the CVA's ongoing engagement with Internal Trade Dominic LeBlanc's office and it is anticipated that inter-provincial trade of alcohol will be discussed (see link: <https://goo.gl/1K8wCY>).

USMCA UPDATE

The USMCA, tabled with US Congress on October 1, was formally signed November 30. The agreement must now be formally ratified in each country by their respective legislative bodies. This is a lengthy process, which will likely result in full ratification by all three countries before the end of 2019. Also during that time, the side-letter that confirms that the US will place its WTO challenge on hold provided the BC government amends or eliminates the measures which allow only BC wine to be sold on regular grocery store shelves by November 1, 2019. The BCWI maintains the USMCA Wine Annex continues to recognize the provenance of our grandfathered BC-only industry licences and continues to work with the CVA, federal and provincial governments on a solution that preserves the integrity of these farm-to-market licences.

ONGOING GOVERNANCE & ADVOCACY

A volunteer Board of Directors comprised of nine elected voting winery members and three non-voting ex officio members governs the BCWI. The board and management are supported by active committees and ad hoc task groups comprised of expert volunteer members to provide input and assist in specific areas and that meet and report on an ongoing basis (see link: <https://goo.gl/651xeu>). BCWI represents the BC wine industry's interests to government and key decision makers. We work with members and industry stakeholders to establish BCWI board direction on annual priority regulatory policy and other issues with ongoing reporting of progress (see link: <https://goo.gl/Hqw1df>).

October 16, 2018

UNITED STATES - MEXICO - CANADA AGREEMENT (USMCA) UPDATE

While there have been no new official updates following the original announcement of the "conclusion of discussions on a modernized NAFTA", the BCWI position remains:

- NAFTA/USMCA 'grandfathered' BC VQA Wine store licences have been very successful in their purpose of supporting the BC wine industry.
- BCWI will review the current wine-in-grocery store model over the coming 13 months, consulting with government and industry to protect our BC VQA Wine store licences.
- It's time to allow our wine grape farmers and winemakers the ability to ship their products direct to consumers across Canada.

We continue to have discussions with provincial and federal government officials to reiterate our position, specifically support of direct wine delivery and how best to defend our protected licences.

UPDATE LETTER IN SUPPORT OF CANADIAN DIRECT DELIVERY

The BCWI collaborated with Canadian Vintners Association, the Winery & Grower Alliance

of Ontario, and the Winery Association of Nova Scotia to undertake consumer research to back up the importance of the creation of an interprovincial winery-to-consumer direct delivery system in all provinces and territories across Canada.

Research findings were included in a joint industry letter to senior provincial and federal politicians in advance of the FPT Internal Trade Ministers meeting and the First Ministers' conference both scheduled for fall 2018. (see link: <https://bit.ly/2Oul16M>)

EXCISE EXEMPTION LETTER

To ensure the government and your Member of Parliament are aware of the importance of the excise tax exemption for your business, it is vital that every winery in Canada take the time to demonstrate to the federal government that the removal of the excise exemption on 100% Canadian wines is non-negotiable, and that it must be preserved in its current format via:

1. Download and send prepared email text to federal Finance Minister Bill Morneau and federal Trade Minister Jim Carr. (see link: <https://goo.gl/oMPsNF>)

2. Download and send prepared email text to your MP. (see link: <http://ow.ly/LZCq30mgb4g>)

Find your Federal Member of Parliament. (see link: <http://ow.ly/LZCq30mgb4g>)

3. Complete the 2-minute survey to outline how your winery has used excise exemption to created industry investment, jobs and economic growth. (see link: <https://goo.gl/z3RRfV>)

September 22, 2018

BCWI APPOINTS ARTEMIS GROUP & O'DONNELL LANE

Following an extensive stakeholder engagement process in the spring, the BCWI initiated a request for proposal process, receiving eight proposal submissions for the development of a Long-Term Strategic Plan for the BC wine industry. The selection committee (comprised of a sub-committee of the BCWI Board of Directors) reviewed the proposals and shortlisted two proponents, who made their presentations to the Board of Directors at its annual strategic session last week. Ultimately, the Board selected The Artemis Group and O'Donnell Lane to undertake the project.

The Artemis Group and O'Donnell Lane LLP have deep roots and extensive experience in the wine industry, including working with regional trade and industry associations, and we are excited to work with them and our industry on this pivotal project. Ongoing stakeholder input will be a critical component to the development of the industry plan so please watch for opportunities to participate.

BCWI BOARD MEETING

In addition to the selection of the contractor for the Long-Term Strategy Plan, the Q1 Board meeting also included: Business Technical Advisory Panel (Liquor Policy) Recommendations; support for Okanagan College application to Natural Sciences and Engineering Research Council (NSERC) for a Technical Access Centre; inclusion of the BC Wine Centre of Excellence Feasibility Study in the strategic planning process and an update

on recent provincial and federal discussions regarding NAFTA and WTO challenges (see link: goo.gl/4pzTaj). Next Board meeting will be Q2, December 4, 2018.

BC MEETING PROVINCIAL GOVERNMENT

Recently the BCWI met with BC's Attorney General David Eby and Minister of Agriculture Bruce Ralston for an update on BC's position vis-à-vis the US and Australia WTO Challenges. In addition to defending BCWI's BC VQA Wine stores, the BCWI reiterated the need for the Province's continued recognition of the unique, and onerous, licensing and production requirements and conditions for growing, producing and selling 100% BC wine in the province and for which manufacturers' direct delivery acknowledges.

CVA MEETING WITH FINANCE CANADA

Recently the CVA met with Finance Canada's trade and tariff policy team to discuss Australia's WTO challenge which claims that Canada's excise duty exemption for wine made with 100% Canadian agricultural product violates international trade rules. The excise exemption on 100% Canadian wine has reduced taxes for small business and helped Canadian producers compete globally. The exemption has meant wineries are able to invest more in their businesses, create new jobs, in turn stimulating economic growth and development in Canada's wine regions. Also highlighted was the need to end the excise escalator, which, since instituted, has led to trade complaints about the excise exemption, including from the EU and Australia.

August 18, 2018

COMMUNICATION DURING BC WILDFIRE

In spite of negative attention regarding BC wildfires, we encourage wineries to remain positive in your messaging! Use clear and current information from official sources only (see link: goo.gl/WCKLzj). Social media can be a powerful tool to combat misinformation or sensationalized headlines. Share real-time visual testimonials letting customers know you are open for business and providing information on the many activities and areas to enjoy throughout BC's wine regions. Use the hashtag #BCWine (followed by your location), #ExploreBC and #realtime.

BC WILDFIRES AND SMOKE TAINT

Threat of smoke taint in our wine? Before answering media inquiries about smoke taint, it's important to understand what it is, how to detect it and what BC wineries are doing to prevent it. Please see the BCWI's Smoke Taint Key Messages and one-page results summary from the research UBCO study supported by the BC Wine Grape Council that includes messages for tasting room staff in answering customers questions (see link: BCWISmokeTaint).

BC LIQUOR CONTROL AND LICENSING BRANCH

The LCLB has been renamed the Liquor and Cannabis Regulation Branch (LCRB) to represent new additional responsibility of licensing and monitoring the private retail sale of non-medical cannabis in British Columbia. The branch will continue to regulate British Columbia's liquor industry in addition to private non-medical cannabis retail sales.

AUSTRALIA REQUEST A WTO DISPUTE SETTLEMENT

Following a complaint launched on January 16, 2018, Australia has requested WTO consultations with Canada on wine sales related to long contested measures in BC, Ontario, Quebec and Nova Scotia that include: wine-in-grocery; federal excise tax exemption; direct delivery and liquor board markup. The CVA reports that Global Affairs Canada suggests Australia is open to further discussions with Canada, and with a willingness to engage, appears willing to delay the appointment of Panel. The BCWI continues to engage the provincial government on this, and other trade matters, and to coordinate with the CVA in ensuring the BC wine industry is protected and well represented in the ongoing discussions and negotiations.

June 26, 2018

BUSINESS TECHNICAL ADVISORY PANEL (LIQUOR POLICY) REPORT AND RECOMMENDATIONS

Last week, liquor policy advisor Mark Hicken presented government with a report and recommendations that aim to improve efficiency and outcomes in business interaction between government and BC's liquor industry. Hicken chaired a panel of industry representatives that included the BC Wine Institute Director David Wilson (Mission Hill Family Estate Winery) to provide recommendations that reflected industry consensus. While the panel offered 24 recommendations, the report contains specific recommendations to support the BCWI-lead industry collaborative priorities including. See [link](#)

- Eliminate the current management conflict of interest at the BC LDB between BC Liquor Stores and LDB Wholesale
- Review LDB terms of providing greater benefit for consumers and for industry
- LDB retail prices are not transparent with changes are introduced without proper notice or consultation
- Expand and improve transparent LDB data market reporting

Also recommended was continued government support for initiatives backing “direct-to-consumer” sales allowing producers to sell their products to customers located in other Canadian provinces in support of which the BCWI has provided a letter to Premier Horgan. See [link](#)

Although government has not yet committed to implementing the recommendations, it has committed to evaluating the recommendations in the coming months. We are encouraged by government's commitment to support our industry and look forward to engaging with them further in the coming months to explore the implementation of these recommendations.

For more information about the report announcement, see [link](#).

June 20, 2018

APRIL BC WINE MONTH RESULTS

In response to the February 2018 AGLC BC wine boycott, the BCWI – with funding support from the BC Ministries of Agriculture and Tourism, Arts and Culture, delivered a provincial-wide campaign to showcase BC wine in the province. The campaign contributed to April 2018 BC VQA provincial market share up 8% over this time last year, reaching an all-time high of 18.3% for the rolling twelve months. BC VQA cases sales were over 1.5 million for the first time over the same period. [Link](#)

BCWI AGM

BCWI members are reminded to register for the AGM, 3:00 PM to 5:00 PM, Tuesday, July 10, 2018 at the Delta Hotels Grand Okanagan Resort (with option to join the Wine Industry Symposium as per below). Regular business will include introduction of returning and new acclaimed directors: Small Winery Category; Christa-Lee McWatters Bond, Chairman (Evolve Cellars, Summerland) & Charlie Baessler (Corcelettes Estate Winery, Keremeos); Medium Winery Category, Erik Fisher (Monte Creek Ranch Winery, Kamloops); and Large Winery Category, Josie Tyabji (Arterra Wines Canada, various locations). Full AGM package will be mailed to members in advance. [Link](#)

BCWI & CVA SYMPOSIUM & AGM

Industry is invited to attend the Wine Industry Symposium and Industry Reception and Awards Dinner, Tuesday, July 10, 2018 at the Delta Hotels Grand Okanagan Resort (Kelowna). Also during the day will be the BCWI and CVA members-only AGMs. [Link](#)

DIRECT-TO-CUSTOMER & CANADIAN FREE TRADE SUPPORT It is vitally important that you help spread the word to consumers to place pressure both on provincial governments and on the Alcoholic Beverages Working Group to ensure a recommendation to implement Direct-to-Consumer shipping is included in its report. In this uncertain international trade environment, opening provincial borders would have a positive impact on this country's economy. You can assist by sending an online letter to your provincial representative and help raise the profile of this important consumer choice and free trade issue (Visit actnow.freemygrapes.ca)

CANADA CANNABIS ACT UPDATE The CVA provided the following update: Yesterday, Bill C-45 (The Cannabis Act) was passed by the Senate on a vote of 52-29, with opposition coming from Conservative Senators. The Government's Parliamentary Secretary to the Minister of Justice, Bill Blair, estimates that legal sales of cannabis will begin in September 2018. The exact date is subject to discussion and agreement by provinces and territories in the coming weeks.

The Cannabis Act will allow for the sales of fresh cannabis, dried cannabis, cannabis oil and seeds and plants for personal cultivation. It does not allow for the sales of edibles and concentrates in 2018, which will be permitted in 2019 via regulation. The minimum legal age at which cannabis can be purchased is 18 federally (with provinces being permitted to set a higher age) and the federally mandated public possession limit is 30 grams.

The Bill also unveiled serious restrictions on promotions and advertising, as well as a requirement for cannabis to be sold in plain packaging. Restrictions include a ban on sponsorship and inducements, any advertising that could appeal to youth, and promotions that are not informational or based on brand, price or availability.

May 28, 2018

US WORLD TRADE ORGANIZATION (WTO) DISPUTE SETTLEMENT PANEL

On May 25, 2018, the United States requested a WTO Dispute Settlement Panel (DSP), following a second WTO complaint tabled last fall, over what it perceives as BC's unfair rules regarding wine sales in the province's grocery stores. [Link](#)

Prior to the Panel announcement, the BCWI met with senior federal and provincial government officials in Victoria to discuss ongoing trade issues (WTO, NAFTA, etc.), where the BCWI remained resolute in safeguarding the 60 industry off-site retail appointments/licences established prior to the original NAFTA negotiations and that were secured with markup and tariff reductions resulting in a massive US trade surplus for US wine in Canada. Uniform and consistent industry oversight of the 60 BC wine industry farm distribution channel appointments/licences continues to remain vital for fair and equitable market access for ALL 100% BC wines, especially the smallest of producers who have difficulty accessing and providing supply and distribution to mainstream channels. The BCWI further asserts that regardless of the outcome of this or any other trade challenge, the BCWI BC VQA Wine store operating agreement governs our commitment that only certified 100% BC product be sold.

SECOND CALL: BCWI BOARD OF DIRECTORS CALL FOR NOMINATIONS

BCWI member wineries are reminded that nominations for BC Wine Institute Board of Directors election close Friday, June 08, 2018 with the following directors running for re-election for the open seats: Large Winery, Josie Tyabji (Arterra Wines Canada, various locations); Medium Winery, Erik Fisher (Monte Creek Ranch Winery, Kamloops) and Small Winery, Christa-Lee McWatters Bond, Chairman (Evolve Cellars, Summerland). For an Election Information Package, please contact: TDeman@WineBC.com

Please ensure your calendars are marked for July 10, 2018 for the BC Wine Institute Annual General Meeting at Delta Hotels Grand Okanagan Resort (1310 Water Street, Kelowna). Details to follow soon, including information on the Wine Industry Symposium program and the Awards Dinner co-hosted with Canadian Vintners Association on the same day.

May 16, 2018

SCC COMEAU UPDATE

With the Supreme Court ruling on Comeau behind us, the focus now is ensuring the federal government, provinces and media understand the importance of the federal and provincial/ territorial Alcoholic Beverages Working Group (ABWG). With the ABWG report to be tabled by July 1, 2018. Time is tight, but given the magnitude of the opportunity, we ask you to add your voice with an email or mail via a pre-addressed letter to Hon. Bruce Ralston, the BC Minister responsible for Internal Trade. See [link](#).

BC LCLB PROVINCIAL MANUFACTURING LIQUOR INSPECTOR

Since April, 2017, Randy Brown has been leading the training of inspectors across the province, and is the single contact point for manufacturers and the Liquor Distribution Branch. He works independently under the direction of the Deputy General Manager, Compliance and Enforcement and as a Special Provincial Constable, Compliance & Enforcement Division, is a key contact and advisor for the compliance and enforcement division, policy planning and communication and licensing divisions of the Liquor Control and Licensing Branch. Recently, Randy and his inspectors have been focused on manufacture's Special Event Permit (SEP) (i.e. BCWI's Bloom, etc.) to ensure compliance with Serving it Right certification, proof of manufacturer licence, etc. For further information, please contact: Randy.G.Brown@gov.bc.ca

CVA VINTNERS DAY ON PARLIAMENT HILL

The BCWI participated in the CVA's annual Vintners Day on the Hill last week that kicked off with a hosted Wine Caucus dinner for MPs and CVA Board members at the Parliamentary Restaurant and a Canadian Wine Reception. The annual lobby day provided an opportunity to meet with more than 20 senior decision makers, including MPs, Senators, Ministers, Deputy Ministers, etc. and focused on three main elements: educate and brand wine as a high value-added agri-food product; build support for an interprovincial winery-to-consumer delivery system; and build knowledge about the growth of import competition in Canada resulting from free trade agreements. The two days of activities were highlighted by the 12th annual Canadian Wine Experience Reception on Parliament Hill, held in the Speaker's Salon and hosted by House Speaker Geoff Regan and CVA Chair David Wilson (Mission Hill) that included BC wines from Blasted Church, Dirty Laundry, Mission Hill, Nk'Mip, Poplar Grove, Quails' Gate, Tantalus and Time.

April 20, 2018

SUPREME COURT OF CANADA'S RULING R. v. GERARD COMEAU

Supreme Court of Canada's ruling states that Section 121 does not impose absolute free trade across Canada. Specifically, the Court determined that while Section 121 prohibits laws whose main purpose is to prevent the movement of goods across provincial borders, total unrestricted free interprovincial trade would have far-reaching effects on provincial matters such as agricultural supply management, public health prohibitions, environmental controls, etc. Accordingly, the Court determined that Section 121 allows provinces to enact measures to protect these matters, as long as their main purpose is not simply to prevent the importation of goods from other provinces. While disappointed with the outcome, the

CVA and BCWI will continue to collaborate with industry in advocating with all levels of governments to allow interprovincial wine delivery from wineries to consumers. See [link](#).
BCWI WINE & FOOD TOURISM STRATEGY 2016 -2018

BC has never been in a better position to grow its wine and food tourism market. Wine and food tourism is on the rise globally with award-winning wines, amazing cuisine and incredible destinations, BC has the potential to evolve into a go-to destination for wine and culinary tourists. In engagement and alignment with Destination BC, Destination Canada, regional destination marketing organizations and wine and food tourism providers at all levels, the strategy outlines BCWI's plans for doing just that. See [link](#).

April 13, 2018

INDUSTRY PLEBISCITE FOR WINES OF MARKED QUALITY REGULATION AMENDMENTS

BC Ministry of Agriculture has announced full implementation of the remaining BCWA Industry Plebiscite Results including four new Geographical Indications (Thompson Valley, Shuswap, Lillooet and Kootenays) and a flat fee for the BC VQA program for small wineries (see link: goo.gl/S8vkgR). The provincial-wide industry vote was based on BC Wine Appellation Task Force recommendations representing the interests of all 100% BC grape wine producers, to better meet the demands of today's market conditions. Broad adoption of the BCWA Plebiscite is the result of ongoing advocacy & lobbying efforts of the BCWI and individual wineries. Special thanks to BC Agriculture Minister Alana Popham for her ongoing support of certified 100% BC wine.

PROMOTE APRIL BC WINE MONTH

The BCWI, with the Government of BC and Destination BC funding, are encouraging BC residents to buy BC wines for April's BC Wine Month (see link: goo.gl/nmkah9). BC wineries are encouraged to take advantage of an industry toolkit: POS materials, social media images, events calendar, etc. For more information, please contact: TNykilchuk@WineBC.com

COMEAU CASE VERDICT APRIL 19, 2018

The Supreme Court of Canada (SCC) will issue a ruling on Her Majesty the Queen v. Gerard Comeau on Thursday April 19, 2018 at 9:45 AM (EST). Legal counsel for all intervenors, will participate in a SCC lock-up and will be provided with approximately 45 minutes to review the decision before it is released to the public. Given the importance of this issue, the BCWI is working with the CVA and other regional associations on key industry, consumer and media messages, FAQs, etc. communication materials to ensure an immediate response to the SCC ruling.

March 29, 2018

APRIL BC WINE MONTH

The BC government has ramped up its support for the industry by proclaiming April as BC Wine Month: “B.C.’s wine industry is made up of family-run vineyards and wineries that have chosen farming and wine-making as their passion and their profession. We are proud to shine a spotlight on the work they do and the wine they make. Proclaiming an entire month to B.C. wines is a wonderful way to celebrate and promote their work”. Industry is invited to join a kick-off celebration with Premiere John Horgan & Agriculture Minister Lana Popham, 3:30 PM, Tuesday, April 3 at Tinhorn Creek Vineyards, Oliver.

RSVP to: Marlene.Behrens@gov.bc.ca

BCWI & OKANAGAN COLLEGE MOU AGREEMENT

The BCWI and Okanagan College have entered into a Memorandum of Understanding (MoU) that outlines enhanced collaboration to provide a broad range of opportunities for partnerships, projects and applied research in wine and related industries (see link: goo.gl/f4mprk). As an example, at the recent BC Wine Industry Insight Forum, Dr. Svan Lembke and Professor Lee Cartier, researchers at the Okanagan School of Business, presented outcomes from their recent research projects, highlighting new opportunities for BC wineries to grow the domestic market. Lembke and Cartier are working on a project that aims to describe how the wine habits of Baby Boomers and Generation X differ from Generation Y (often referred to as Millennials) and are co-ordinating one of the most extensive surveys of its type to examine generational differences toward wine purchases.

CVA ACTION ON DTC

Canadian Vintners Association (CVA) met with federal and provincial members of the Alcoholic Beverages Working Group (ABWG) March 14 to present options to support a legislated interprovincial direct-to-consumer (DTC) wine sales system across Canada, including the legal issues surrounding internal and international trade. The meeting provided an opportunity to review DTC options for wine as part of the ABWG recommendations, which are due July 1, and discuss opportunities to build political support.

NAFTA UPDATE

US Trade Representative Robert Lighthizer has stated that the US is opposed to discriminatory wine sales practices in Canada and that he believes that this issue can be resolved but will be one of the last issues sorted out in a NAFTA deal. In response to these developments, the CVA has been in contact with negotiators responsible for the wine file at Global Affairs Canada (GAC), and they have informed us that there has been no discussion on wine with the US since Round 7 in Mexico. While the US comments may not be of great concern to federal decisionmakers, the fact that wine continues to be identified as an issue means that the CVA and BCWI must place greater focus on ensuring that federal and provincial Ministers, officials and elected representatives understand that the Canadian

wine industry cannot risk being an “11th hour” trade off to appease the unreasonable demands of the US wine industry.

UPDATE ON AUSTRALIA’S WTO COMPLAINT

Working closely with the CVA in preparation, GAC has engaged in a one-day dispute settlement consultation in response to the Australian Government’s January 12 WTO complaint. GAC was able to address a number of issues and misunderstandings. Additional informal discussions are being scheduled in the coming months (outside of the WTO process) on remaining concerns in an effort to find an acceptable resolution and avoid a WTO dispute settlement panel.

March 2, 2018

ALBERTA BC WINE BOYCOTT

Late last week Alberta suspended its ban on the importation of BC wine. In the subsequent statement (see link: <https://goo.gl/Q5R11B>), BCWI noted that our intent to challenge the constitutionality of the Alberta BC wine ban no doubt had influence on the Alberta government’s decision to suspend the prohibition. It is also widely believed that BCWI actions and statements, and the media focus on this ban, has garnered the attention of the Supreme Court of Canada (SCC) given the ban’s direct relevance to the SCC’s pending decision in the Comeau Case. See [link](#).

Given the pending SCC decision, the BCWI will not proceed any further at this time with our Alberta Application. That decision can be revisited should Alberta move to re-impose the ban before the Comeau decision is released.

SUPREME COURT OF CANADA COMEAU CASE UPDATE

It is not a coincidence that as the media attention surrounding the Alberta ban reached its peak, the SCC notified all parties to the case to respond by March 01 to indicate whether they would like a media lock up for the release of the Comeau decision. The fact that the ban prohibited interprovincial commerce based solely upon the province of origin as a retaliatory trade measure will have underscored for the SCC the value of restraints on provincial powers in this area. In prominent cases it is common for the SCC to allow the media and parties to review the decision in a lockup early on the day the decision is released, before it is released to the public. It should be noted that sometimes lockup notices are received a few weeks before the decision is released and sometimes well before.

The BCWI and CVA remain concerned by this interprovincial trade dispute and have worked, and will continue to work, together to actively alert all federal, provincial and territorial Ministers of Trade and the Alcoholic Beverage Working Group (ABWG) about the

seriousness of the ban, and the immediate development and implementation of a legislated interprovincial direct-to-consumer wine system under the Canada Free Trade Agreement.

BC WINE INDUSTRY LONG-TERM STRATEGIC PLAN

In preparation for the development of the BC Wine Industry Long-term Strategic Plan, the BCWI has established an Industry Task Group to engage industry stakeholders to define and document the specific goals, deliverables, features, functions, tasks, deadlines, and ultimately, costs of a long-term strategic plan for the BC wine industry. The project was identified by the BCWI Board of Directors and funded by the BC Ministry of Agriculture. The goal of the task group is to provide the BCWI Board of Directors with recommendations for the terms of reference for a long-term strategic plan to meet stakeholder requirements that are in the best interests of the industry as a whole. The task group activities will include facilitating stakeholder input through regional town hall meetings and an online survey. Facilitating the process is Honore Comfort, Founder and Principal of the Artemis Group (see link: <https://goo.gl/fr9ycL>). Chairing the Task Group is Ezra Cipes, Summerhill Pyramid Winery, Kelowna (see [link](#)), with other members including:

Maggie Anderson, BC Wine Institute
Marcus Ansems, Daydreamer Wines, Naramata
Lynn Bremmer, Chair, BC Wine Grape Council
Christine Coletta, Okanagan Crush Pad, Summerland
Erik Fisher, Monte Creek Ranch Winery, Kamloops
Mike Nierychlo, Emandare Vineyard, Duncan
Josie Tyabji, Arterra Wines, Oliver

February 22, 2018

BCWI RESPONSE TO BC WINE BAN SUSPENSION

Please find below a statement we have released to the media based on the Alberta government's suspension of the BC wine ban. We expect to hear from the AGLC formally tomorrow and will be in touch with additional detail:

February 22, 2018 – The BC Wine Institute yesterday notified the Alberta Gaming and Liquor Commission (AGLC) of its intent to challenge the constitutionality of the Alberta BC wine ban and seek an injunction to end it. Today, we welcome the Alberta government's decision to suspend the prohibition. However, uncertainty remains. We remain concerned that any provincial government believes it has the constitutional authority to impose trade bans on Canadian products based on their place of origin. Over the course of the next few days, we will confer with legal counsel and our members to determine our path forward. We are, however, thrilled that Alberta consumers once again have the choice to purchase and enjoy BC wines, as they have long done.

February 5, 2018

POTENTIAL ALBERTA BOYCOTT OF BC WINE

The BCWI has responded, including various media interviews, to the recent potential of an Alberta boycott of BC wine. See [link](#). (CHECK NEW LINK)

In addition, we've been in contact with BC's Attorney General, Ministry of Agriculture and the Premier's office to emphasize the importance of the situation and its impact on BC Wine Institute's ongoing work to overcome long-standing barriers for trade into Alberta, including interprovincial direct-to-customer shipping of 100% BC wine.

BC'S APPROACH TO CANNABIS LEGISLATION

The provincial government has announced a private/public retail model for non-medical cannabis sales in BC. The LDB will be the public retailer and sole online retailer of non-medical cannabis for the province. Cannabis retail stores will be standalone stores, separate from liquor stores. See [link](#).

REVITALIZING THE AGRICULTURAL LAND RESERVE (ALR) & AGRICULTURAL LAND COMMISSION

B.C.'s Minister of Agriculture announced the formation of an independent committee to consider the best approaches to revitalizing the ALR and the ALC. The Minister's Advisory Committee is seeking views to deliver recommendations. See [link](#).

REMINDER: BC WINE INDUSTRY INSIGHT FORUM

The BC Wine Institute, BC Wine Authority, BC Wine Grape Council and the BC Grapegrowers' Association are pleased to host the inaugural BC Wine Industry Insight Forum. The forum is an opportunity to hear from industry experts on issues that affect, and will drive, our collective success. March 13, 2018, 10:00 AM to 5:00 PM (lunch included) at the Penticton Lakeside Resort & Conference Centre.

NAFTA ROUND 6 CONCLUDES IN MONTREAL

Round 6 of NAFTA renegotiations took place in Montreal January 21 through 28, 2018. CVA was present on the ground in Montreal and met with the team at Global Affairs Canada to ensure that the message is clear that US imports are doing well in the Canadian market and that the US wine trade surplus with Canada has increased by C\$450.6 million since CUSFTA was ratified in 1989. CVA continues to work closely with Global Affairs Canada and Agriculture and Agri-Food Canada on this file with the BCWI in regular communication with BC's Ministry of Jobs, Trade and Technology, including a pending meeting with Minister Ralston.

January 26, 2018

BC WINE INDUSTRY INSIGHT FORUM

The BC Wine Institute, BC Wine Authority, BC Wine Grape Council and the BC Grapegrowers' Association are pleased to host the inaugural BC Wine Industry Insight Forum. The forum is an opportunity to hear from industry experts on issues that affect, and will drive, our collective success. Topics will include Climate Change; Working Collaboratively – A Washington State producers perspective; Ministry of Agriculture update and focus for 2018/2019; and Research affecting the value chain – from vineyard to consumer. March 13, 2018, 10:00 AM to 5:00 PM (lunch included) at the Penticton Lakeside Resort & Conference Centre.

BCWI FISCAL 2019 OPERATIONAL PLAN

The BCWI Marketing Committee provided its final input to the BCWI's Fiscal 2019 Advocacy, Communications and Marketing Operational Plan to deliver on the vision, mission, core values, visionary goals and strategic business objectives as approved by the BCWI Board of Directors. The plan's strategies are next reviewed by the BCWI Board in February, then presented to members at the March 13, 2018 BC Wine Industry Insights Forum. [ADD LINK](#)

BC WINE INDUSTRY LONG TERM STRATEGIC PLAN

Included in the Fiscal 2019 Operational Plan is the Board-prioritized objective for development of a long-term strategic plan for the BC wine industry. Conception of the plan will include facilitated industry consultations over the coming months to establish a baseline understanding of the project's scope and deliverables, the work required to complete the deliverables, and to ensure a common understanding of the project's scope among all stakeholders. Input from all industry sectors will be crucial to the successful development of a long-term strategic plan to position our industry well into the next decade. More details in due course.

QUESTIONNAIRE: IDENTIFY REGULATORY & TRADE BARRIERS

The Government of British Columbia would like to hear from BC businesses and other stakeholders regarding regulatory barriers in Canadian jurisdictions which hinder their ability to do business or work across Canada. The questionnaire should take 20 minutes to complete, depending on the number of sections you complete, and offers the BC wine industry the opportunity to emphasize the importance of direct-to-consumer shipping of BC wine across Canada. The closing date for the questionnaire is Friday, February 9, 2018.

January 17, 2018

SPECIAL ADVISOR ON BC LIQUOR POLICY

On November 6, BC's new government announced it had retained wine industry lawyer and expert Mark Hicken and would act upon on a campaign promise to create a beer, wine and spirits panel. Reporting through Attorney General David Eby, Hicken is leading an outreach to BC's beer, wine and spirits stakeholders, including the manufacturing, retail and hospitality sectors to provide recommendations to government on ways to support BC's industry.

In meeting with Hicken recently, BCWI Board of Directors emphasized issues critical to the continued success of the BC wine industry, including: entrench the world-wide accepted practice of direct delivery for 100% local wine; safeguard the pre-NAFTA 60 industry off-site retail licences – including BCWI's BC VQA Wine stores; better access to, and transparent pricing, at BC Liquor Stores; and BC winery satellite tasting rooms. The BCWI also advocates for the Appellation Task Group recommendations of which only three of the 10 recommendations have been implemented to date.

To ensure alignment with other industry stakeholders, BCWI also spearheaded a collaborative process to develop an industry stakeholder position paper for Hicken focused on issues of mutual concern, including: corporate structure, governance and retail pricing policies of the BC LDB, and the potential impact of cannabis retail on provincial liquor sales (see link <https://goo.gl/tHjTKz>).

BCWI COMMUNICATIONS AND CONTENT DIRECTOR

Pleased to announce the return from mat leave of Maggie Anderson. Maggie takes the role of newly created Communications & Content Director and will be responsible for crafting, sharing and protecting the British Columbia Wine Institute and Wines of British Columbia brand, image and reputation through key messaging and communications channels with all audiences, reporting to the CEO. This will be achieved through the development and implementation of annual strategic communication plans and content marketing plans for BCWI audiences: members, stakeholders, government, media, trade and consumers. Feel free to contact Maggie directly with any questions: MAnderson@WineBC.com; 250.762.9744 x113.

BC LCLB POLICY DIRECTIVES

Manufacturer Guided Tours: Directive announces changes to sampling during winery guided tours allowing patrons to access liquor from anywhere on the manufacturing property.

Special Event Permit Exemption: Announces a new policy that allows special event permit holders to apply for an exemption from donating event profits to charity. See [link](#).

AUSTRALIA WTO CHALLENGE

Earlier this week, Australia issued a request for consultations at the World Trade Organization (WTO) about provincial liquor sales practices in four provinces (BC, ON, QC and NS) which they claim discriminate against Australian wines. While we know very little about the substance of the complaints raised by Australia, the Canadian Vintners

Association will be working with the federal government to set a date to engage in further discussions with Australia as part of the WTO process.

It is important to understand that wine produced in Canada represent just 32% of total sales, while imports own 68% of our market. Over the past decade, imports have captured more than 75% of total wine sales growth in Canada. Australia is no exception. Australian wine imports represent 14% of all wine import volume to Canada, valued at FOB \$221 million (10% of total import value).