

December 7, 2020

## **BCWI CEO UPDATE**

As 2020 draws to a close and we look forward to a brighter, more hopeful year ahead, I want to take a moment to acknowledge the strength and perseverance of our industry. Just like grapegrowing and winemaking itself, this year has presented challenges that required patience, innovation and above all resiliency.

Since early March, we have been asked to adhere to new and broadening restrictions, escalating numbers of infections and deaths, financial and work worries, all combining to a growing anxiety that comes from continual uncertainty. Now, as we approach the holiday season when we traditionally look forward to time with family and friends, the reality is becoming clear that this will not be a time to gather as we have in the past.

It is a time, however, where we need to work together more than ever and to show appreciation for the people supporting us at home and work. It is a time to ensure that they know that their commitments and sacrifices to help get us all through this year do not go overlooked.

I want to take the time to personally acknowledge the BC Wine Institute Board of Directors, committee members and team, each of whom has made huge changes to their work and personal lives as we, like so many others, have had to find new ways to continue to support the BC wine industry.

From learning new skills and adapting old ones, creating new programs, and finding new ways of getting the Wines of British Columbia word out, none of this was what any of us had planned for. Still, time and time again the BC Wine Institute has shown the resilience and tenacity to continue to implement programs that deliver value to our members and support for our industry across the province.

On behalf of the BC Wine Institute, warm wishes this holiday season, best to you and your families, and in the words of Dr Bonnie Henry, Be Kind, Be Calm and Be Safe.

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December 7, 2020

## **BCWI CEO UPDATE**

### **New Provincial Cabinet**

Last week the [new provincial cabinet](#) was sworn in with the following impacting the BC wine industry:

1. BC Liquor Distribution Branch will be moving into a newly created Crown Services Secretariat under new Finance Minister Selina Robinson.
2. BC Liquor & Cannabis Regulation Board will be moving to the Solicitor General under incumbent Minister Farnworth.

3. Melanie Mark is the new Minister of Tourism, Arts, Culture and Sport.
4. Lana Popham will remain, Minister of Agriculture, Food and Fisheries.
5. Ravi Kahlon, Minister of Jobs, Economic Recovery and Innovation will also have an impact on our industry concerning government COVID-19 recovery policy and program priorities.

Going forward, the BC wine industry now falls under at least five distinct ministries of which four ministers are new and whom we look forward to getting up speed on our advocacy issues.

### **BC Wine and Grape Acreage Survey 2019**

Last updated in 2014, the goal of the acreage survey is to conduct an in-depth analysis of the vineyard landscapes and advise industry members on best practices in terms of healthy vine selection, sustainable farming practices, and the marketability of BC wines in both the domestic and global marketplace.

Individual information provided is strictly confidential and will only be used to compile aggregate statistics for both independent grapegrowers and wineries of the BC grape and wine industry. This information is critical in government awareness of our industry and invaluable in securing policy and funding support.

[Please complete the survey](#) at your earliest convenience as the report is scheduled to be published in the New Year.

If you have any questions or would like help reporting, please feel free to contact the BC Grapegrowers' Association at 1-877- 762-4652 or via [email](#).

### **John Peller, Officer of the Order of Canada**

Congratulations to John Peller, President & CEO of Andrew Peller Ltd, in being named as an Officer of the Order of Canada, one of our country's highest civilian honours.

Andres Wines was established in British Columbia in 1961 with John joining the business in the late 1980s. Over his tenure, he has demonstrated leadership and compassion for the industry and the Canadian wine community worthy of this tremendous and much-deserved honour.

### **BC Wine Institute Industry Recognition Awards Virtual Ceremony**

BC Wine Institute's (BCWI) annual recognition awards that include the Industry Recognition Award and the Award of Distinction aim to recognize our industry peers and commend them on their support, passion and commitment to our industry.

Join us virtually **December 16 at 10 AM** to recognize this year's BCWI Industry Recognition Awards recipients; Award of Distinction: Robert Smith, Director of Sales, Hester Creek Estate Winery and Industry Recognition Award: Tim Pawsey, wine and food writer, [hiredbelly.com](#). [Register today](#).

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October 23, 2020

## **BCWI CEO UPDATE**

### **BC Liquor Store Boutique BC VQA Wines Program**

Commencing in May 2020 and including the months of June, July and August the BC Wine Institute (BCWI) and BC Liquor Stores (BCLS) collaborated to feature 40 new BC VQA Wine one-time (3-month sell-through) listings (10 per month).

Featured in select stores, the wines included instore free-stand, end-aisle displays and point-of-sale collateral. Since August, due to growing inventory, the program has shifted to a three-month intake basis with an additional BC VQA 10 wines for November that matched the criteria of price-point, small-lot, unique and/or originality, etc. and were new to the BCLS customer.

The BCWI continues to support the program with instore signage and digital promotions including [At Home with Mijune Pak](#) social media content and ads, as well as media coverage and inclusion in the Wines of BC Explorer app that to-date has reached 873,000 consumers across the province. Though a one-time listing, sell-through over 90 days is the sales expectation with future re-buy consideration tied to this performance.

In addition to Boutique BC VQA Wines, starting October 5, the BCLS has selected 24 BC VQA Wines for ongoing in-supply listings (12-month sell-through) featured in a “Fall for BC Wines” promotion supported through the BCWI’s [“Local Crush Time. October is BC Wine Month”](#) campaign.

### **UPDATE: BC Wine Institute COVID-19 Advocacy Report**

Since the start of the pandemic, the BCWI has worked to advocate to help ensure the survival of our industry. In addition to keeping you informed there have been a number of policy changes made during the COVID-19 crisis that are in direct response to the advocacy work of the BCWI, the Business Technical Advisory Panel and our industry partners that include:

- ensuring wineries were defined as an essential service in BC;
- preventing winery closure;
- working with industry, Provincial Health Officer and WorkSafeBC to establish the [BC Wine Institute Ready to Reopen Toolkit](#);
- Liquor & Cannabis Regulation Branch extension of manufacturer licenses and renewal fees;
- expanded service areas, such as tasting rooms;
- extended hours for wine-in-grocery retail; and
- recognition of hospitality wholesale impact to our industry and the ability for delivery to customers from a registered secondary warehouse.

While many of these policies are temporary, the BCWI is following up to ensure those that support our industry are continued, if not permanently, where appropriate.

### **Canadian Wine Industry Remembers David Wilson**

Last week, BCWI and Wine Growers Canada issued a joint statement on the passing of former

Canadian Vintners Association (CVA) Chair and BCWI Board member, David Wilson. David passed on October 8th following a courageous battle with cancer. David successfully saw the industry through critical policy files, such as the renegotiation of the North American Free Trade Agreement, and helped to lead the industry through the CVA's lobbying efforts on repealing the annual indexation on the excise tax. Please read the full statement [here](#)

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September 30, 2020

### **BCWI CEO UPDATE**

#### **BCWI Survey Results Highlight COVID-19 Industry Impact**

Thanks to those who participated in the recent industry-wide survey conducted by the BC Wine Institute (BCWI) in collaboration with the BC Grapegrowers' Association that found 83 per cent of BC wineries and grapegrowers have been negatively impacted by COVID-19.

Other key findings from the survey results included one in 10 BC wineries and grapegrowers worried they are at risk of closing due to COVID-19, with 58 per cent seeing a loss in revenue and 55 per cent having reduced access to customers. Although the long-term financial impacts may not be fully realized, the survey is the first step in identifying key areas where critical, lasting solutions and government policy are required for the successful recovery of our industry. [Read](#) the full report here.

#### **UPDATE: Direct Delivery to Retail Customers from Registered Offsite Storage**

The temporary authorization from the BC Liquor & Cannabis Regulation Branch effective July 31, 2020 for manufacturers to direct deliver their liquor products to retail customers from their onsite store or from their registered offsite storage locations is due to expire October 31, 2020. Given the off-season reduction in winery visits, etc. and ongoing COVID-19 measures, the BCWI has asked for the continuation of the program to at least March 31, 2020 and ideally in perpetuity. Anyone with quantitative or anecdotal examples of the impact the temporary policy has had on their business is encouraged to, in confidence, contact [mprodan@winebc.com](mailto:mprodan@winebc.com).

#### **Wines of British Columbia Colour Fall Release Tasting Now Local Flights**

As a result of COVID-19 guidelines on large events, the BCWI's traditional Colour Fall Release Tasting event is now Wines of British Columbia Local Flights. The new format will provide member wineries the opportunity to showcase select wines in an intimate tasting with 120 of Vancouver's top wine buyers, wine directors and decision makers in the city - without having to leave the winery. Trade attendees will pre-select and self-taste up to six flights of nine BC wines in staggered appointments to ensure all event safety regulations and protocols are adhered to. To learn more about this opportunity open to all BCWI member wineries, please [register in advance](#) for the BCWI Wines of British Columbia Local Flights new VIP Trade Tasting Webinar October 7 from 10:00 AM to 11 AM.

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September 18, 2020

## **BCWI CEO UPDATE**

### **UPDATE: BC Wine Institute (BCWI) Fiscal 2021 Q2 Member Dues**

BCWI Fiscal 2021 Q2 Member dues invoices have been sent out and again include a COVID-19 Relief Adjustment.

The adjustment reflects COVID-related Q2 modifications to the FY21 budget (e.g. cancellation and/or savings in the move to virtual events, staff terminations, etc.) and applied against member dues in consideration of the pandemic's impact on our industry. Distribution of the adjustment is weighted accordingly to a percentage of winery contribution to the total.

While not as significant as the Q1 Relief Adjustment, the Q2 adjustment reflects the revised FY21 budget and the ability of the BCWI to 'pivot' to continue in delivering programming opportunities of value and benefit to members as presented in our *BCWI Weekly Update* newsletter with results conveyed in the [Quarterly Reports](#).

We will continue to monitor COVID-19 effects on the FY21 budget for the remaining quarters to determine the practicality of potential additional COVID-19 Relief Adjustments this fiscal.

### **UPDATE: Temporary Expanded Service Area (TESA)**

In direct response to the advocacy work of the BCWI and the Business Technical Advisory Panel, the [provincial government has announced](#) an extension for expanded service areas, such as patios (extended from October 31, 2020 to October 31, 2021) and for the sale and delivery of unopened liquor products with the purchase of a meal by food and liquor primary licensees (extended from October 31, 2020 to March 31, 2021).

New applications for TESA authorization will be considered up until October 31, 2021 and must also receive the approval of local governments. [Learn more](#).

If you have any questions regarding these changes, please contact the Liquor and Cannabis Regulation Branch toll free in Canada at 1-866-209-2111 or 250 952-5787.

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September 14, 2020

## **BCWI CEO UPDATE**

### **BC Wine Institute (BCWI) Welcomes New Board of Directors**

The BCWI held its first-ever virtual annual general meeting September 1, 2020. At the meeting, the following Board of Directors were elected for 2020-2021:

- Charlie Baessler, Corcelettes Estate Winery
- Greg Berti, Andrew Peller
- Darryl Brooker, Mark Anthony Group (Board Vice-Chair)
- Santiago Cilley, Phantom Creek Estates
- Erik Fisher, Monte Creek Ranch Winery (Board Chair)
- Leo Gebert, St.Hubertus & Oak Bay Estate Winery

- Dapinder Gill, Kismet Estate Winery
- Christa-Lee McWatters, TIME Winery
- Josh Stewart, Arterra Wines Canada

Thank you to all of the nominees who put their names forward for consideration.

During the meeting, a proposed amendment to change the name of BC Wine Institute to Wine Growers British Columbia was passed. The official launch of the new name will take place in early 2021. See the media release [here](#), and for the year in review, please refer to the [BCWI 2020 Annual Report](#).

### **BCWI Industry Recognition Awards**

Nominations are open for the 2020 BCWI annual recognition awards that include the Award of Distinction & Industry Recognition Award. Nomination deadline is September 25, 2020. [Learn more](#).

### **BCWI Virtual Townhall**

September 10, 2020 the BCWI hosted an online meeting to provide members with a BC Liquor Store and Save-On-Foods Wine in Grocery Marketing Update that included programming to date along with COVID-19 efforts and plans for the remainder of the year. Watch the webinar replay [here](#).

### **UPDATE: BCWI BC Wine Stores**

The BCWI Marketing Committee and Save-On-Foods (SOF) met September 10 to review the Annual Marketing & Merchandising Plan, a condition of the BCWI operating agreement.

During the meeting, SOF confirmed the limited impact 100% BC non-BC VQA grape and non-grape Wine has had on shelf-space allocation but its positive effect on customers. SOF also re-confirmed their commitment to prioritize merchandising and shelf space to BC VQA Wine with 100% BC non-BC VQA grape and 100% BC non- grape Wine (i.e. cider, fruit, etc.) having limited opportunities and requiring a higher sell-through to maintain a listing.

Similar non-BC VQA Wine restrictions are also included in the current operation agreements for Pentiction Wine Information, as well as SWIRL which is currently converting to the wholesale purchase model, BCWI BC wine stores.

In making their July 2020 decision to meet customer demand and keep the stores competitive with limited 100% BC non-BC VQA grape and non-grape Wine alternative product, the BCWI board confirmed 5% member commission on 100% BC non-BC VQA grape and non-grape Wine. The board also reiterated the BCWI tenet of 100% BC ‘certification of authenticity’ and support of the current bylaw for BCWI winery membership to include “producing [an amount of] 100% BC grape wine certified by the regulatory body” (i.e. BC Wine Authority membership in good standing).

### **BC Liquor & Cannabis Regulation Branch (BC LCRB) Temporary Expanded Service Area**

Current authorization for liquor primary, food primary and manufacturer licensees increased service area to serve patrons while complying with the Provincial Health Officer's physical distancing guidelines are due to expire on Oct. 31, 2020. Accordingly, the BCWI and other BC manufacturers met recently with government to discuss consideration of options for extension, including a recommendation for permanent status. BC LCRB has advised a decision is expected by mid-October.

### **Revised BC Public Health Order**

September 8, 2020 BC's Provincial Health Officer, Dr. Bonnie Henry announced verbal orders for new restrictions aimed at curbing the spread of COVID-19 including:

- all nightclubs and all standalone banquet halls are ordered closed until further notice
- liquor sales in all bars, pubs and restaurants must cease at 10 PM and these venues must close at 11 PM, unless they're providing full meal service, in which case the meal service can continue, but not alcohol service

While not directly impacting BC wineries, the BCWI has supported our industry partners in a letter to the Premier, Attorney General, Minister of Health, Minister of Jobs, Economic Development and Competitiveness and the Provincial Health Officer expressing concerns, particularly in relation to ending liquor service at 10 PM.

### **Call to Action Campaign: Canadian Wine Industry**

A reminder of Wine Growers Canada's Excise Exemption Call-to-Action campaign. Canadian wineries are encouraged to write a letter requesting that a federal excise exemption replacement program be implemented no later than the next federal budget. It's important to note that the loss of the excise exemption is equivalent to \$5.99 per case and the excise rate will be indexed to inflation every April 1st, to all Canadian wineries.

We strongly encourage wineries to take advantage of the [online form letter](#) to the Minister of Finance and the Minister of Agriculture as well as your local MP as quickly as possible and also encourage your staff to do the same.

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August 14, 2020

### **BCWI CEO UPDATE**

#### **REGISTER BY AUGUST 21, 2020**

#### **BC WINE INSTITUTE (BCWI) ANNUAL GENERAL MEETING (VIRTUAL)**

Please mark your calendars for September 1, 2020 from 10 AM to 11 AM for the virtual BCWI Annual General Meeting. As quorum is critical to proceed, we encourage all members to join and participate. [Please register](#) your virtual attendance no later than August 21, 2020.

#### **PROPOSED BCWI NAME CHANGE VIRTUAL TOWN HALL**

**11:00 AM – 12:00 PM, Tuesday, August 25**

Included in the [BCWI AGM package](#) mailed out this week is a motion for a membership to vote on the name change from “British Columbia Wine Institute Society” to “Wine Growers British Columbia”.

Following the lead of Wine Growers Canada (WGC) (recently renamed from Canadian Vintners Association), the BCWI Board has identified the importance of rebranding both the BCWI and the BC wine industry as part of a complex value-added agri-food chain, not simply a beverage alcohol product.

In advance of the AGM, the BCWI will host a virtual town hall to discuss the proposed name change. [Please register in advance.](#)

### **BC WINE AUTHORITY (BCWA) PLEBISCITE VIRTUAL TOWN HALL**

The Aug 13th BCWI virtual town hall discussed the BCWA plebiscite proposed amendments including:

1. Alternative packaging options for BC VQA
2. Updating list of permitted grape varieties for BC VQA Wines and aromatic sparkling wines
3. Update definitions of and allowed methods for BC VQA sparkling wines

**Moderated by Rhys Pender, MW guests panelists included: Steve Moriarty, Save-On-Foods; David Stansfield, Earls Restaurants, and Laurie Macdonald VQA Ontario.**

Watch a recording of the town hall [here](#).

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August 12, 2020

### **BC WINE AUTHORITY (BCWA) PLEBISCITE VIRTUAL TOWN HALL**

**9:00 AM – 10:00 AM Thursday, August 13, 2020**

BC Wine Institute is hosting a virtual town hall to discuss the BCWA plebiscite proposed amendments including:

1. Alternative packaging options for BC VQA
2. Updating list of permitted grape varieties for BC VQA Wines and aromatic sparkling wines
3. Update definitions of and allowed methods for BC VQA sparkling wines

Moderated by Rhys Pender, MW with audience Q & A, panel guests will include: Steve Moriarty, Director, Save-On-Foods; David Stansfield, Sommelier, Earls Restaurants, Tap & Barrel Brands and Laurie Macdonald, Executive Director, VQA Ontario. [Please register in advance.](#)

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August 5, 2020

## **BCWI CEO UPDATE**

### **UPDATE: Public Health Order**

Resulting from BCWI follow up, the July 23 PHO order has been amended - effective as of July 31, 2020 (see [link](#)) and provides greater clarity on which settings are covered by this order, specifically manufacturer's licence e.g. tasting lounges can serve alcohol to customers from a counter are excluded from requirements to have to assigned seating, keep patrons seated, and have staff to ensure people stay seated.

### **UPDATE: direct deliver to retail customers from a registered offsite storage**

At the request of the BCWI and BTAP and in response to the COVID-19 pandemic the BC LCRB has put place time-limited measures to provide support to manufacturing licensees. Effective July 31, 2020, the BC LCRB is temporarily authorizing manufacturers to direct deliver their liquor products to retail customers from their onsite store or from their registered offsite storage locations. This new policy is effective up to and including October 31, 2020 (see [link](#)).

## **BC LIQUOR STORES BC VQA WINE INVITATION**

Following the BCWI's successful [Boutique Wines from BC](#) Program, featuring small-lot/one-time buy BC VQA wines, with BC Liquor Stores (BCLS) which reached over 383,000 consumers in May and June, the BCLS has announced a BC VQA Wine invitation. The invitation is for an ongoing listing in BC Liquor Stores Fall 2020. Interested BC wineries are asked to visit the [BC LDB Vendor](#) website to learn more and submit their BC VQA Wines based on the specifications. The deadline to submit is August 7, 2020.

## **ACTION REQUIRED: Leger Marketing COVID-19 Survey**

The BCWI has engaged Leger Marketing to conduct an industry survey. While thorough (approximately 15 to 20 minutes), your feedback is critical to help establish the impact of COVID-19 and to identify the relevant services, resources and programs that will help our industry recover. The survey link will be personalized to a single winery contact (proprietor, etc.) and will come from Leger Marketing who is responsible for gathering and analyzing your responses. Please watch your inbox for an email from Leger Marketing that includes your individualized link to the survey and follow the simple directions as indicated.

## **REGISTER BY AUGUST 21, 2020: BCWI ANNUAL GENERAL MEETING (VIRTUAL)**

Please mark your calendars for September 1, 2020 from 10 AM to 11 AM for the virtual BC Wine Institute Annual General Meeting. As quorum is critical to proceed, we encourage all members to join and participate. Please register your virtual attendance no later than August 21, 2020 (see [link](#)).

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July 29, 2020

## **BCWI CEO UPDATE**

### **UPDATE: Public Health Order**

On July 24th, Provincial Health Officer Dr. Bonnie Henry released a Public Health Order (PHO) for all licensed premises in British Columbia. Please read the Provincial Health Officer Public Order [here](#).

As indicated in the BC Wine Institute (BCWI) [CEO Update](#) on the same date, we had spoken with senior staff of the BC Attorney General Minister and confirmed the intention of the PHO was to accommodate for patrons to stand at a manufacturer's tasting bar (counter) so long as physical distancing is maintained. Unfortunately, we were advised there wasn't time for the PHO to adequately reflect this position.

We spoke again with Victoria yesterday, and again today, and they re-confirmed the PHO intent of allowing standing for tastings at a manufacturer's tasting counter. They indicated they are working with the Provincial Health Office for follow-up clarification notice though given the workload, uncertain as to when that may be.

In the meantime, given concern over when local health authorities will be updated and as to how Health Officers or Liquor Inspectors may interpret the current PHO, and until it is modified, wineries may choose to wait for the pending clarification.

### **ACTION REQUIRED: Leger Marketing COVID-19 Survey**

The BCWI has engaged Leger Marketing to conduct an industry survey. While thorough (approximately 15 to 20 minutes), your feedback is critical to help establish the impact of COVID-19 and to identify the relevant services, resources and programs that will help our industry recovery.

The survey link will be personalized and will come from Leger Marketing who is responsible for gathering and analyzing your responses. Survey responses are submitted directly to Leger and are kept anonymous and strictly confidential.

Accordingly, please watch your inbox for an email from Leger Marketing that includes your individualized link to the survey and follow the simple directions as indicated.

### **Canada Agreement with Australia at the World Trade Organization (WTO)**

Wine Growers Canada (WGC) reported that despite two years of working to protect the excise duty exemption on 100% Canadian wines implicated in the WTO challenge put forward by Australia, Canada has agreed to repeal by June 30, 2022, the federal excise duty exemption on 100% Canadian wine. Please see full release [here](#).

As part of the settlement discussions with the federal government, WGC made it clear that the Canadian wine industry requires a commitment to a replacement program given the financial impacts of losing the excise exemption. Finance Minister Bill Morneau confirmed with WGC that the government is prepared to support the wine industry in managing the impacts of this trade challenge, and are actively investigating options that align with Canada's international trade obligations, with a view to ensuring the long-term success of the industry.

The BCWI, WGC and the wine growers across Canada will continue to work to develop and implement a permanent, trade legal replacement program in the next federal budget to remove uncertainty and stimulate investment for our industry.

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July 24, 2020

## **BCWI CEO UPDATE**

### **UPDATE: Revised Public Health Order**

Late yesterday Provincial Health Officer Dr. Bonnie Henry released a revised Public Health Order (PHO) for all licensed premises in British Columbia. Specifically, all patrons in bars, restaurants and nightclubs are required to be seated, alcohol self-service will not be available, and dancing as well as singing (including Karaoke) are prohibited. Please read the new Provincial Health Officer Public Order [here](#).

These conditions apply to owners and operators of premises, including licensed premises, in which food services or drink services are provided. This order repeals and replaces the PHO order made on June 19, 2020.

Important updates in the new PHO order include:

- If patrons remain on the premises after being served, there must be sufficient seating for them, whether at tables, booths or counters, and patrons must be seated.
- In licensed premises, patrons must be assigned to a table, booth or counter and shown to their seats. Patrons must remain seated except to use a self-serve station, use washroom facilities or leave the premises. (Patrons in premises with a manufacturing license may leave their seats to go to a bar for the purpose of being served a drink.)
- There must be a sufficient number of staff at licensed premises to ensure that patrons remain seated and that patrons do not congregate in areas of the premises.
- Patrons who are not in the same party must be seated two metres apart from one another unless they are separated by a physical barrier. There must be no more than six patrons seated at a table or booth, even if they belong to the same party.

While not specifically addressed in the PHO, the BCWI/BTAP has confirmed that manufacturing license holders (e.g. wineries) can continue to provide standing counter tasting experiences and sampling provided they follow the PHO and BCWI's [Winery and Hospitality Best Practices](#).

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July 22, 2020

## **BCWI CEO UPDATE**

### **Temporary Hospitality Pricing Changes**

Following the provincial government's June 16<sup>th</sup> announced measure to support the hospitality sector impacted by COVID-19 allowing hospitality customers to purchase liquor at the BC Liquor Distribution Board (BC LDB) Wholesale Price from July 20, 2020 to March 31, 2021, BC wine manufacturers should have received directly from the BC LDB [Notice of Changes to Hospitality Pricing](#).

As of July 20<sup>th</sup>, hospitality customers who have registered with the BC LDB can use a searchable hospitality price list including the current BC LDB wholesale price. The list will be updated for August 2nd (Period 5) that will include wholesale price changes made prior to the June 24<sup>th</sup> deadline. A complete online hospitality product catalogue will launch September 1, 2020.

While supportive of the temporary measure to help our important on-premise channel partners particularly impacted by the COVID-19 shut-down, the BC Wine Institute (BCWI) also recognizes hospitality wholesale effect on BC wineries' business plans, hospitality customer relations and COVID-19 recovery efforts.

Accordingly, the BC LDB has agreed to the BCWI's request, as a temporary measure, to leave out of the July 20<sup>th</sup> hospitality price list ALL direct delivered BC wine. The BC LDB and the BCWI (through [Business Technical Advisory Panel \(BTAP\)](#)) will be reviewing and developing a more comprehensive solution to accommodate options for the inclusion of direct delivery products when the BC LDB Hospitality Product Catalogue is updated for September 2020.

There is no doubt that these are extraordinary times and I want to acknowledge the responsiveness and leadership of BC Attorney General David Eby, his ministry and staff, particularly the BC LDB in their support of the BC wine industry as we navigate through COVID-19. I also want to acknowledge our industry peers and colleagues on BTAP as we collaboratively bring forward recommendations to government on behalf of the liquor industry in the province.

### **BC Liquor Stores**

In support of COVID-19 recovery, BCWI and BC Liquor Stores (BCLS) have implemented a [Boutique BC Wines](#) promotion featuring 35 new small-lot (one-time buy) BC VQA Wines that was supported by and reached 383,000 consumers in May and June. Depending on their sell-through and support of participating wineries, additional BC VQA Wines may be added to the program in the coming months. Interested wineries should check *BCWI Weekly Updates* for further information.

Additionally, the BCLS has announced a BC VQA Wine Invitation for ongoing in-supply listings for sale in BC Liquor Stores Fall 2020/21. With an August 7, 2020 deadline, interested BC wineries are asked visit the [BC LDB Vendor](#) website ASAP to submit their BC VQA Wines based on wholesale cost and invitation parameters.

### **BCWI Director Nominations and AGM**

A reminder of the Second Call for BCWI Director Nominations (July 16, 2020). Deadline to return your completed nomination form to BCWI is 5:00 PM, Friday, July 31, 2020.

Anyone interested is invited to access the online [Board of Directors Election Information Package](#) and the [BCWI Voting Winery Member List](#). In accordance with the Bylaws, late nominations, including from the floor, will not be considered.

Please mark your calendars for September 1, 2020 from 10 AM to 11 AM for the BC Wine Institute Annual General Meeting to be held virtually. As quorum is critical to proceed, we encourage all members to join and participate. Please [register](#) your virtual attendance no later than August 27, 2020.

### **Safe Food for Canadians Regulations (SFCR)**

Effective July 15, 2020, the SFCR set out traceability requirements for food products including beverage alcohol. This new regulation requires that all selling units must bear a lot code and products sold must have traceability records one step forward and one step backward in the supply chain.

The Canadian Food Inspection Agency (CFIA) has recognized this is a difficult time for many food and beverage businesses who continue to struggle with challenges resulting from the COVID-19 pandemic. Consistent with the April notice, CFIA is not prioritizing compliance activities at this time.

While businesses are still expected to meet requirements, Wine Growers Canada has successfully lobbied the CFIA to adapt the application of lot codes to wine as follows:

- Lot codes will be required on all non-vintage wine packaged and labelled after July 15, 2020
- All vintage-dated wines packaged before or after July 15, 2020, can choose between either a vintage date or a lot code – the lot code is only mandatory if a vintage date is not on the container

Non-vintage dated wines packaged and labelled before July 15, 2020, are exempt from requiring a lot code. In addition, there is no time period to burn down this inventory after July 15, 2020

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July 17, 2020

### **BCWI CEO UPDATE**

#### **Hospitality Price List Accommodations for Direct Delivery BC Wines and Spirits**

The BC Liquor Distribution Branch (BC LDB) has issued the following message:

Thank you for your continued partnership as we navigate the evolving COVID-19 situation and look for ways to support industry.

The first phase of the wholesale price for hospitality systems changes will be delivered on Monday, July 20, 2020 when hospitality customers will be able to buy liquor at wholesale prices

through the temporary pricing model for hospitality licensees to purchase liquor until March 31, 2021.

While BC suppliers and manufacturers that direct deliver to hospitality customers will change their pricing model to sell to hospitality customers at wholesale price, we understand the potential implications of publishing exclusive, direct delivered products in the BC LDB wholesale hospitality price list.

Following a request from the BC Wine Institute and through discussions with industry and the Business Technical Advisory Panel members, to mitigate this risk, BC LDB wholesale will be providing a short-term solution, removing all direct delivered BC wine and spirit products and associated prices from the Hospitality Product Catalogue that will go live on Monday, July 20.

Thank you for understanding that in order to meet the July 20, 2020 deadline to provide wholesale prices to hospitality customers that this is a system-wide change and we will not be able to accommodate any individual product exemption requests. We will be reviewing and developing a more comprehensive solution to accommodate direct delivery products when the BC LDB Hospitality Product Catalogue is updated for September 2020.

Please note that direct delivered beer and cider and all products currently distributed by BC LDB wholesale and (non-exclusive) BC Liquor Stores products will be included in the hospitality price list. Products that are currently on cross dock (e.g. on allocation) will continue to be hidden on Web store and the hospitality price list just as they are today.

Thank you for your cooperation during this transitional period. Our customers and industry partnerships are very important to us, and we are committed to working with you to support our customers.

*- BC Liquor Distribution Branch*

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### **BCWI Hospitality Wholesale Update Webinar**

On June 16, the Province announced approval of a [temporary wholesale pricing](#) model allowing hospitality liquor licensees to purchase beer, wine and spirits at BC Liquor Stores (BCLS) and pay only the wholesale price set by the BC Liquor Distribution Branch (BCLDB), effective June 20, 2020.

On June 19, BCWI CEO & President Miles Prodan hosted a webinar update addressing the temporary wholesale pricing model and what this means for the BC wine industry.

Watch a replay of the BCWI Hospitality Wholesale Update Webinar here: [REPLAY](#)

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June 22, 2020

## **BCWI CEO UPDATE**

### **Hospitality Wholesale Update**

The BC Liquor Distribution Branch (BCLDB) is extending its price change submission deadline for Period 5 (August) from **June 19** to **June 24** with the price change/s taking effect on **August 2nd**.

Vendors, agents and manufacturers now have until **5PM on June 24th, 2020** to make any changes to their wholesale price for Period 5/August.

The BCLDB's hospitality customers will be able to purchase liquor at the wholesale price, including from manufacturers who sell direct to hospitality customers (bars, restaurants, hotels, etc.), beginning July 20, 2020. This temporary regulatory change – which will be in effect until March 31, 2021 – was approved to provide support to the liquor and hospitality operators significantly impacted by the COVID-19 pandemic.

For more information on price change schedules please contact the [BCLDB](#).

### **REMINDER: BC Liquor & Cannabis Regulation Branch (LCRB) Extension of Manufacturer Licenses**

Licensees, including manufacturers, whose licence expires between March 31, 2020 and June 30, 2020, and who find themselves in financial need, may request a licence extension to September 30, 2020 by contacting the LCRB.

If your licence expired between March 31, 2020 and April 30, 2020 and has been renewed, but you find yourself in financial need, please [contact the branch](#).

Please read the [full LCRB update](#) for more details.

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June 16, 2020

## **BCWI CEO UPDATE**

### **Hospitality Wholesale Update**

The Province has announced temporary wholesale pricing allowing hospitality liquor licensees (e.g. restaurants, bars and licensed tourism operators) to purchase beer, wine and spirits at BC Liquor Stores (BCLS) and pay only the wholesale price – not the current wholesale price, plus a retail mark-up (estimated to be approx. 20%) set by the BC Liquor Distribution Branch (BCLDB).

The measure is meant to provide financial support for hospitality businesses in their COVID-19 recovery and will be in place from the end of July 2020 until March 31, 2021, when the program will be reviewed. See [official announcement](#).

The BCLDB has [confirmed](#) the changes will take six to 12 weeks to complete, in two phases:

- By July 20, hospitality customers will be able to buy liquor through the BCLS at the wholesale price.
- Suppliers, manufacturers and agents that direct deliver to hospitality customers will also have to change their pricing model to sell at wholesale price.
- By September 1, hospitality customers will have access to the wholesale price list made available via an online hospitality portal.

**IMPORTANT:** Manufacturers deadline for making August (Period 5) wholesale price changes is this **Friday, June 19th**.

In addition to COVID-19 recovery changes to the hospitality pricing model, government is considering other measures identified by the Business Technical Advisory Panel (BTAP), including permitting manufacturers to deliver to consumers from off-site storage locations.

### **BC Wine Authority (BCWA) Plebiscite Survey**

The BCWA is asking for feedback from members on issues brought forward from the Wine Industry Advisory Committee ([WIAC](#)), specifically:

- Alternative Packaging for BC VQA (e.g. kegs, bag-in-box, cans, etc.)
- Updates to Permitted Grape Varieties
- Permitted Grape Varieties for BC VQA Aromatic Sparkling Wines
- Update Definitions / Methods for Sparkling Wines

Recognizing the new competitive environment, the BC Wine Institute (BCWI) recently updated the BCWI Wine Store agreements (purchase model) to allow the sale of limited quantities of non-BC VQA 100% BC wine that could include alternative packaging. Updating the Wines of Marked Quality Regulation to allow for BC VQA in alternative packaging would recognize the evolution in packaging and changes in consumer demand.

For more background please see [briefing document](#). To receive a link to the BCWA Plebiscite Survey, please [email](#) the BCWA directly.

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June 11, 2020

### **BCWI CEO INDUSTRY STATEMENT** **The Time For Change is Now**

These are challenging times. As we begin to recover and carefully and thoughtfully reopen from a devastating global pandemic, we are faced with another world issue, one of injustice and inequality. Right now, many are grieving, angry and frustrated, taking to the streets to speak out against a history of inequality that can no longer be ignored.

Our thoughts are with the families impacted and communities disrupted by senseless acts of racism, violence and injustice. People being treated differently on account of their race is

unacceptable, and simply cannot be tolerated.

As an industry that is first and foremost farmers and stewards of the land, we celebrate diversity and welcome the inclusivity of others who share our love of Mother Earth and the responsibility to its sustainability for future generations.

We have long prided ourselves in providing a safe and welcoming workplace, a decent wage and benefits to our employees, regardless of their background, gender or where in the world they come from. We now have an opportunity to better listen, to learn and to strengthen those efforts going forward and attempt to make our industry more just, and fair.

Clearly the time for change has arrived, and change requires action by all of us. Just as we have changed the way we live our day to day lives to ensure the health and safety of our families and communities, so can we change how we show up in the world. To be better, to do better, and most of all, to drive sustainable change.

We have heard from our community, and although we may not have all the answers today, we do believe that every single step forward is a step towards change for the better. We must work together to create a future in which racial and gender inequality is eliminated, and we continue to embrace diversity, inclusivity and equal rights for all.

We can be better as an industry, as an organization, as a community and as global citizens. Let's continue to work together to ensure we're doing just that.

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June 1, 2020

### **BCWI Fiscal 2021 Q1 Member Dues**

BCWI Fiscal 2021 Q1 Member dues will be sent out shortly and will include a COVID-19 Relief Adjustment.

The adjustment is the result of COVID-related reductions to the FY21 Q1 BCWI budget (e.g. cancellation and/or savings in the move to virtual events, temporary staff layoffs, etc.). The board felt a decrease in members' dues best applied this quarter considering the pandemic's impact on our industry. Distribution of the adjustment is weighted accordingly to a percentage of winery contribution to the total.

The quarterly dues amount (prior to the adjustment) is based on the recent BCWI membership dues and commission structure review that concluded it fair and equitable to continue based on \$.10 /litre of 100% BC grape wine reported sold in the province. Also, as a result of the review, the board determined to base reported litres sold in BC on the full previous fiscal year in the planning cycle, not rolling six months, to ensure certainty for member and BCWI fiscal budgeting.

As a result, the quarterly due amount in your BCWI Fiscal 2021 Q1 Member dues invoice reflects a quarter of your FY2018-2019 reported litres sold in BC and will remain constant for the remainder of this year's quarterly dues. We will continue to monitor COVID-19 effects on the budget each quarter to determine the practicality of further COVID-19 Relief Adjustments.

On behalf of the BCWI board and staff, we recognize the tremendous challenge COVID-19 has had on our industry and that this quarter's COVID-19 Relief Adjustment may not fully compensate its impact.

At the same time, we believe the BCWI has proven our versatility and resourcefulness in pivoting from the [BCWI FY21 Operational Plan](#) to continue to deliver quality and effective marketing, communications and advocacy programming that justifies your continued voluntary participation in the organization during these times of uncertainty.

### **BCWI Toolkit: Ready to Reopen**

The BC Wine Institute has developed a [Ready to Reopen Toolkit](#) to provide member wineries with reopening best practices, key messages, templates, checklists, social media guidelines and other key resources to help ensure a smooth and safe reopening of your winery.

As a reminder, WorkSafeBC requires all employers to have a COVID-19 Safety Plan that outlines the policies, guidelines and procedures they have put in place to reduce the risk of COVID-19 transmission posted at the worksite.

For more information please refer to the [Ready to Reopen Winery & Hospitality Best Practices](#) document and [Winery Checklist](#) both found in the Ready to Reopen Toolkit.

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May 20, 2020

### **BCWI CEO UPDATE**

#### **Liquor & Cannabis Regulation Branch (LCRB) Temporary Expanded Service Area Authorization**

Government announced today support of BC's hospitality sector by temporarily authorizing the expansion of service areas, such as patios, lounges and tasting rooms. This change is meant to help support physical-distancing requirements and industry recovery during the COVID-19 pandemic.

The LCRB will now permit wineries to apply through a simplified online process to temporarily expand their service areas. Applications will be reviewed in the order they are received using an expedited approval process for faster processing times. While there will not be a site inspection prior to approval of the permit, inspectors will conduct regular compliance inspections.

The temporary authorizations (until October 31, 2020) are focused on expanding a licensed service area's footprint only and will not permit an increase in an establishment's overall

occupancy. Licensees must comply with all local bylaws, and liquor-primary and manufacturer licensees must also receive the approval of their local government.

The BC Wine Institute (BCWI) recognizes this positive change is in direct response to the advocacy work of the Business Technical Advisory Panel, including the BCWI and our industry partners the BC Restaurant & Foodservices Association, BC Craft Brewers Guild, Craft Distillers Guild of BC and ABLE BC. The BCWI greatly appreciates the ongoing work of Attorney General David Eby, his staff and the LCRB to support our industry in this time of crisis.

For more information:

- [BC Government News Release](#)
- [LCRB Policy Directive: Temporary Expanded Service Area Authorization](#)
- [Apply](#) for a temporary service expansion
- Updated [Terms and Conditions Handbooks](#)

#### BC Wine Institute (BCWI) Reopening Tasting Rooms and Hospitality Recommendations Webinar

During a live webinar today, the BCWI provided an overview of the draft Reopening Tasting Rooms and Hospitality Recommendations for the BC wine industry. [Watch replay video](#).

The recommendations are the culmination of a review of best practices of wine regions from across North America as well as feedback from 60 industry stakeholders taking part in the May 14, 2020 BC Wine Industry Reopening Workshop.

Access the BCWI Reopening Tasting Rooms & Hospitality Recommendations working document [here](#).

Please [email us](#) with your questions or suggestions as we will update prior to posting the final document and tool kit on the [WineBC.com COVID Updates](#) page.

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May 20, 2020

#### **BCWI CEO UPDATE**

##### **BC Wine Industry COVID-19 Update**

On Saturday, May 16th, the BC Provincial Health Officer posted a [new health order](#) that permits the reopening of restaurants, certain liquor primaries and manufacturer tasting rooms (capacity limits to be confirmed), all effective Tuesday, May 19th, with restrictions on operations and capacity.

There are some differences between the different categories, but the significant restrictions contained in the reopening order include:

- Must create two-metre separation between patrons who are not in the same party

- Maximum of six customers per table
- Maximum 50% of usual capacity (not applicable to tasting room/lounges)
- No events at an establishment that includes more than 50 people (I read this as per event, not as an overall capacity maximum)
- Overall capacity maximum of 50 people for tasting room/lounges
- If practical, maintain contact information of patrons for contact tracing purposes

As anticipated, Sunday, May 17th, an [additional order](#) was posted that requires that ALL BC employers (i.e. all businesses with staff) create and post (including on your website) a COVID-19 workplace safety plan (see [WorkSafeBC Guidelines](#)).

**BC Wine Institute (BCWI) Reopening Tasting Rooms and Hospitality Guidelines Webinar**  
With input into [WorkSafeBC's guidelines for restaurants, cafés and pubs](#), the BCWI has engaged industry stakeholders in a constructive dialogue around reopening guidelines, and ultimately best practices, specific to the BC wine industry. Please [register](#) to join us on Friday, May 22nd at 10:00 AM to review the recommended guidelines.

#### **BCWI: Business Technical Advisory Panel**

As a member of the Business Technical Advisory Panel, the BCWI supports the Panel's COVID-19 Response Recommendations for our industry to government including:

- extend tasting room and sales licensing areas to site-wide coverage
- permit manufacturers to deliver direct-to-consumer from registered off-site storage locations

**fast-track structural change licensing applications (e.g. patios, etc.)**

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May 15, 2020

#### **BCWI CEO UPDATE**

##### **BC Wine Industry COVID-19 Update**

Earlier today, WorkSafeBC [reopening protocols and guidelines](#) were released for restaurants, cafes and pubs. While not specifically mentioned in the guidelines, the BC Wine Institute (BCWI) has confirmed with WorkSafeBC that the guidelines apply to BC wineries licensed to serve liquor in their own lounges or tasting rooms.

Note the new WorkSafeBC protocols do not reference a specific reopening date. While the [Provincial Health Officer Order](#) from March 20, 2020 must be officially rescinded, BCWI is working to confirm the anticipated May 19 reopening date and will provide updates as soon as possible.

BCWI's *Reopening Tasting Rooms and Hospitality Recommendations* will be released next week to offer greater details to BC wineries. In the meantime, and as reference, please find a link to Ontario's [Safe and Welcome in Wine Country Guidelines for Winery Hospitality](#).

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May 13, 2020

## **BCWI CEO UPDATE**

### **BC Wine Industry COVID-19 Update**

#### **Background**

- Effective March 20, 2020 (until May 30, 2020), the [Provincial Health Officer \(PHO\)](#) [ordered](#) that premises licensed to sell liquor (e.g. restaurants, bars, pubs, etc.) must close;
- Manufacturers (e.g. breweries, wineries and distilleries) that are licensed to serve liquor in their lounges or "dedicated sampling area" (e.g. tasting room) were also no longer permitted to do so. However, they could continue to manufacture and sell liquor from their on-site stores.

#### **BC's Restart Plan**

- May 6, BC Premier Horgan released [BC's Restart Plan](#): a four-phased approach to reopening businesses and the province;
- In anticipation, the BCWI provided input to the government-requested BC Restaurant & Food Service (BCRFA) best practices for operators timed for the reopening of in-restaurant dining
- The BCRFA plan is currently under review by WorkSafeBC for suggested controls for restaurants, including manufacturer's lounges, patios, etc. to be released before Phase 2 - May 19;
- While not explicitly contained in the BCRFA recommendations, the BCWI has confirmed with WorkSafeBC that the controls will apply to a BC winery manufacturer license "dedicated sampling area" (tasting room).

#### **WorkSafeBC**

- In addition to providing suggested restaurant controls for reopening, WorkSafeBC is asking workers, employers and industry associations to ensure manufacturing workplaces remain healthy and safe during and post the COVID-19 outbreak;
- Before resuming operations following COVID-19 related work stoppages or interruptions, employers need to develop a plan to minimize the risk of COVID-19 appropriately following WorkSafeBC's [returning to safe operation guidelines](#);
- During a WorkSafeBC inspection, they will ask employers about the steps they have taken to protect their workers.

#### **BCWI**

- In addition to input to the BCRFA recommendations, the BCWI has identified BC winery-specific best practices recommendations and will require BC LCRB Terms and

Conditions and municipal permitting changes (e.g. extend tasting room and sales licensing areas to site-wide coverage);

- Other winery-specific recommendations provide an opportunity to bring together the spirit of innovative and industry-wide thinking to raise the bar for health and safety to build upon our industry-leading standards in customer experience and engagement;
- Accordingly, the BCWI is ensuring industry stakeholders are engaged in a constructive dialogue around what the phases of reopening, and ultimately best practices, looks like.

## Summary

- As they were in the PHO March 20 order to close, BC winery licensed restaurants, lounges, patio areas and "dedicated sampling area" (e.g. tasting room) are expected to open Phase 2 - May 19; provided they meet the yet to be released WorkSafeBC's suggested restaurant controls;
- In the meantime, wineries need to develop a plan to minimize the risk of COVID-19 appropriately following WorkSafeBC's [returning to safe operation guidelines](#);
- In addition to WorkSafeBC's suggested restaurant controls, the BCWI is working with industry to develop winery hospitality best practice recommendations for WorkSafeBC review and implementation ASAP;

Additionally, the BCWI continues to work with government for the necessary regulatory changes to implement these recommendations properly.

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May 1, 2020

## BCWI CEO UPDATE

### Roadmap and Best Practices in Reopening the BC Wine Industry

After weeks of intense reaction to COVID-19, the BCWI is looking towards the recovery phase, and bringing together stakeholders, operators and industry representatives with the goal of building best practices in advance of the pending reopening of BC wineries.

Recognizing post-COVID winery workplace and hospitality practices may never return to 'normal', there is an opportunity to bring together the spirit of innovative and industry-wide thinking in setting out practical processes that raise the bar for health and safety, and build upon our industry-leading standards in customer experience and engagement. At the core of the process will be ensuring that as stakeholders in industry we are engaged with government in a constructive dialogue around what the phases of reopening, and ultimately best practices, looks like and will include: tasting-by-reservation model; outdoor tasting areas; merchandising and product displays and sales protocols, etc.

While an ultimate reopening date has yet to be confirmed, the BCWI is committed to gathering stakeholder input with a final recommendation completed over the next two weeks. Though industry-wide participation is the preference, given the timeline and quick turnaround, initial

stakeholder engagement will be drawn from directors of the various industry groups and associations from around the province.

### **Direct-to-Consumer Delivery from Registered Offsite Storage**

As BC's winery sales have been severely impacted with the closure of restaurants and hotels along with tasting rooms due to COVID-19 protocols, many are trying to make up revenue shortfalls by increasing their direct-to-consumer efforts. Accordingly, the BCWI has asked government to allow deliveries from a manufacturer's registered offsite storage to help speed delivery times and control costs. Specifically, relaxation of the clause in the Liquor Manufacturing Terms and Conditions, "*You may deliver from your retail store only. You cannot deliver from your registered offsite storage*", that restricts wineries from picking, packing and shipping from registered offsite storage to people legally able to purchase liquor.

Frustrating the request is the reported practice of wineries creating a 'pop-up' offsite storage facility for third-party delivery without BC Liquor and Cannabis Regulation Branch approval. As a result, the branch is having to take valuable time away from providing an industry-wide solution to deal with these illegal entities.

### **Update: Ontario Inter-provincial Direct-to-Customer (DTC) Wine Shipping**

The Ontario provincial regulation closing the loophole created with the June 2019 removal of the federal prohibition to continue to make it illegal for Ontario consumers to import wine directly from wineries in other provinces was scheduled to be repealed on January 1, 2020. However, late last year, [Ontario extended the regulation](#) prohibiting inter-provincial shipment of alcohol to July 1, 2020. Therefore, while it remains illegal (as it always has) to ship wine directly to an Ontario customer, we look forward to the regulation being repealed. In the meantime, we are aware that there may be BC wineries that do so regardless and assume they have analyzed the risk.

The BCWI continues to coordinate with Wine Growers Canada in advocating ALL provinces to allow for DTC shipping of Canadian wine with COVID-19 providing a vivid example of the impact such restrictions have on Canadian business

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April 27, 2020

### **BC Wine Institute (BCWI) Wine Store Update**

April 1, 2020 celebrated the 5<sup>th</sup> anniversary of the sale of BC wine on grocery store shelves with Save-On-Foods (SOF), the first retailer to offer wine sales that same day. Since that time, BCWI Wine Store licenses have transitioned from stand-alone operators to today's 19 of the BCWI's 21 licenses currently operated by Save-On-Foods throughout the province.

The other two licenses continue to be operated by the BC Wine Information Centre in Penticton and Swirl Wine Store, Vancouver. Swirl's last remaining consignment operating agreement expires September 2020 with the BCWI exploring options to maximize the value of the license for members.

In addition to providing previous operators the opportunity to sell their business (not the licenses as they are issued exclusively to the BCWI) the transition to grocery has provided wineries expanded retail access with SOF offering over 1,200 SKUs from over 150 wineries today.

Over the same five years, annual sales through the 21 BCWI Wine Stores has increased from \$18,823,974 in 2014 to \$27,984,052 in 2019 with the average retail, excluding tax, price/bottle going from \$18.00 to \$20.30 respectfully.

The same government policy that allowed BCWI Wine Stores to relocate to grocery, also created 10 Special Wine Store (SWS) licenses. These licenses were for 100% BC wines (including cider, fruit, etc.) on grocery store shelves and were auctioned off to the highest bidder.

Recognizing the new competitive environment, the BCWI board voted recently in favour of updating the BCWI Wine Store agreements (purchase model) to allow the sale of limited quantities of non-BC VQA 100% BC wine.

In making their decision, the BCWI board acknowledged SOF continued commitment to 100% BC wine and that with the ability to now offer 100% BC non-grape wine (e.g. cider, etc.) they could meet customer demand for alternative product and allow them to keep competitive in the market.

The BCWI cautioned that as 'new' licenses, they had the potential of instigating a World Trade Organization (WTO) dispute settlement procedure. At the same time, they issued the SWS licenses, government also removed the BC VQA-only restriction on the BCWI Wine Store licenses for compatibility.

As anticipated, the US launched a WTO dispute against government policy of restricting on grocery store shelves to BC only. In a side-letter agreement to the United States-Mexico-Canada Agreement (USMCA) (North American Free Trade Agreement (NAFTA) 2.0), the US agreed to drop the WTO dispute in exchange for BC allowing imported wine sales on grocery store shelves, which the province announced July 2019. As a result, in addition to 100% BC non-grape wine (e.g. cider, fruit wine, sake) some SWS stores have expanded to include non-100% BC wine. SOF has repeatedly and publicly confirmed their commitment to 100% BC.

While taking effect immediately, the BCWI and SOF are in the process of updating the BCWI operating agreement to reflect the change to include 100% BC wine, as well as steps for the initial limited store roll-out and the steps for managing the appropriate product mix process, etc. annually.

## **Q&A**

### ***BCWI Wine Stores have been exclusively BC VQA-only wine since their inception, why the change now?***

BCWI Wine Stores pre-date the original 1993 NAFTA agreement and were grandfathered at that time. They continue to be grandfathered in the new USMCA, recognizing their role in supporting the BC wine industry. With the 2015 expansion of liquor into grocery, the retail landscape has

changed significantly with many options now available to consumers. Keeping our stores BC VQA restricts their ability to compete and impacts their effectiveness for selling 100% BC wine.

***Even with the BCWI expanding the offering to 100% BC wine, what stops SOF from also selling import wine?***

While the July 2019 government policy removed the restriction to 100% BC wine-only for grocery store shelves, SOF has repeatedly and publicly confirmed their commitment to 100% BC.

Moreover, it is the BCWI and SOF view that no import wine can force a retailer to carry a wine as it is a private-sector business decision on what product is offered for sale. Finally, the BCWI operating agreement originally stipulated BC VQA-only (now BCWI-board approved amendment to include 100% BC wine) and any additional changes cannot be made unilaterally and require similar BCWI approval.

***Won't including 100% BC non-BC VQA wine (e.g. cider) mean less shelf space for BC VQA wine?***

The rationale for the decision to allow 100% BC non-BC VQA wine for sale was to allow BCWI Wine Stores the flexibility to offer other products in order to meet consumers needs and remain competitive.

The BCWI agreement that governs how a store can operate the BCWI Wine Store license includes assurances that BCWI member wine will be made available for sale. Furthermore, the BCWI and SOF mutually agree annually, under the agreement's Annual Marketing and Merchandising Plan (AAMP), to include 100% BC non-BC VQA wine amount, shelving space, shelving configurations and storage requirements to ensure the right product mix is maintained each year.

***In addition to now allowing BCWI Wine Stores to sell 100% BC non-BC VQA wines, what other products could there be?***

Because BC VQA does not currently recognize packaging other than bottles, by removing the BC VQA-only restriction means alternative packaging (i.e. cans, bag-in-box, etc.), provided they are 100% BC, could also be made available for sale in a BCWI Wine Store.

***What will the commission be for 100% BC non-BC VQA sold through a BCWI Wine Store?***

All 100% BC wines purchased by a BCWI Wine Store operator will deduct and remit to the BCWI 5% of the wholesale price for purchased wines of BCWI members and 20% for non-members.

Current BCWI Bylaws requires members to be "a winery that produces 100% BC grape wine", meaning an exclusive cider, fruit, etc. winery cannot currently be a BCWI member.

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April 7, 2020

## **COVID-19 UPDATE**

### **New Liquor Policy Directive: Extension of Store and Delivery Hours for Liquor Retail Outlets**

As a result of the BC Wine Institute's (BCWI) coordinated efforts through the Business Technical Advisory Panel (BTAP), effective April 3, 2020, the Liquor & Cannabis Regulation Branch (LCRB) is [temporarily extending the hours of liquor service](#) for Licensee Retail Stores, Wine Stores and Special Wine Stores, and Manufacturer Onsite Store endorsements to no earlier than 7:00 AM and end no later than 11:00 PM.

These optional extended hours are intended to assist retailers in implementing the [Provincial Health Officer's recommendations](#), including social distancing and providing early shopping hours for seniors and the vulnerable population. The LCRB is also authorizing delivery services to purchase liquor on behalf of a customer from a liquor store or from any licensee authorized to sell in unopened containers, and deliver and sell that liquor to a customer, provided the delivery does not take place between 11:30 PM and 7:00 AM.

This new policy is effective immediately and is in effect until July 15, 2020. Licensees do not need to apply to change their hours of sale.

Please review the [Terms and Conditions Handbooks](#) for more information:

- Licensee Retail Store [Terms and Conditions](#) (see page 14)
- [Manufacturers Terms and Conditions](#) (see page 18)
- [Wine Stores Terms and Conditions](#) (see page 16)

### **Updated Overview of Federal and Provincial Government Support**

BCWI auditor Grant Thornton has a comprehensive online overview of federal and provincial government support. The website provides updates to guiding businesses through Coronavirus (COVID-19) including what government measures impact businesses, changes to employment and labour, and provides links to find more information. [Click here.](#)

### **Western Agriculture Labour Initiative (WALI) Update: Estimated timeline for Mexico workers through the Seasonal Agricultural Workers Program (SWAP)**

The situation in Mexico and Canada is constantly evolving, so many factors are still unforeseeable. [Sign up](#) for ongoing updates including the [latest update.](#)

### **BC Wine Institute (BCWI) Communications, Marketing & Advocacy Update Webinar**

Please join us Thursday April, 16 at 10:00 AM for a BCWI industry update webinar on COVID-19 initiatives with a special keynote address from Honourable Lana Popham, Minister of Agriculture. [Click to register.](#)

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March 26, 2020

## **URGENT COVID-19 UPDATE**

### **BC Wineries and Liquor Industry Defined as Essential Service**

Earlier today Premier John Horgan and Minister of Public Safety and Solicitor General Mike Farnworth announced British Columbia's next steps to support the COVID-19 response.

A summary of the ministerial orders can be found [here](#).

Included in BC's list of essential services:

- Food processing, manufacturing, storage and distribution of foods, feed products and beverages
- Liquor retail
- Restaurants and other facilities that prepare and serve food, if operating under rules for social and physical distancing or other recommendations from the Provincial Health Officer
- Hotels and places of accommodation
- Cannabis retail and cannabis producers

Find the full list of essential services at the bottom of the [government news release](#) (under Backgrounders).

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March 25, 2020

### **COVID-19 UPDATE**

With the COVID-19 outbreak evolving rapidly, the BC Wine Institute (BCWI) will provide ongoing updates via the following dedicated [website](#).

The latest update includes a link to the recent BCWI webinar update on efforts and plans in response to COVID-19 that featured Advocacy, Communications and Marketing initiatives.

### **Pending BC Non-Essential Business Closure**

Tuesday, March 24, Quebec and Ontario both ordered the closure of all non-essential workplaces. Ontario's list of essential services to remain open during the closure include:

- Businesses that farm, harvest, process, manufacture, produce or distribute food, including beverages, crops, animal products and by-products, aquaculture, hunting and fishing
- Beer, wine and liquor stores and alcohol producers, and stores that sell beer and wine through arrangements with authorized providers; cannabis stores and cannabis producers
- Restaurants and other food facilities that prepare and serve food, but only for delivery or takeaway, together with food delivery services

As of Monday, March 23, Premier Horgan stated BC currently has no plans to implement a provincial shutdown of services, including no plans to close liquor stores. In the meantime, the BCWI is doing everything we can to deem BC wineries as essential, with liquor stores and other liquor licensees to remain open when the BC government orders the closure of all non-essential businesses.

We have been in contact with Agriculture Minister, the Attorney General and offices of the Premier and Prime Minister to request that similar to any agriculture enterprise whereby

cultivation, processing and distribution would be considered an essential service, BC wineries be recognized as the same in order to preserve production and inventory. We've also reiterated that just as important to the BC wine industry is the maintenance of the supply chain and liquor retail channels across the province, specifically direct from the winery sales either in person or through direct delivery.

### **Wine Growers Canada (WGC) and Regional Associations WGC COVID-19 Task Group**

Wine Growers Canada, the British Columbia Wine Institute, the Winery Association of Nova Scotia and the Winery & Grower Alliance of Ontario have teamed up to create the Wine Growers Canada COVID-19 Task Group. The task group will have weekly calls to ensure associations are up-to-date on what work is being done in each region to support our respected members. The regions and WGC will be sharing key messaging and resources to ensure we work together to get the industry through this global health crisis.

### **Federal Support for Farmers and Agri-Food Businesses**

Prime Minister Justin Trudeau announced Farm Credit Canada (FCC) will receive support from the Government of Canada that will allow for an additional \$5 billion in lending capacity to producers, agribusinesses and food processors. This will offer increased flexibility to farmers who face cash flow issues and to processors who are impacted by lost sales, helping them remain financially strong during this difficult time. FCC ensured Wine Growers Canada that the wine industry is eligible, but on a case-by-case basis, as is the case for all [agribusinesses looking for support](#).

In addition, Trudeau announced that all eligible farmers who have an outstanding Advance Payments Program (APP) loan due on or before April 30 will receive a Stay of Default, allowing them an additional six months to repay the loan. The Stay of Default will provide farmers the flexibility they need to manage their cash flow when facing lower prices or reduced marketing opportunities. Applicable farmers who still have interest-free loans outstanding will have the opportunity to apply for an additional \$100,000 interest-free portion for 2020-2021, as long as their total APP advances remain under the \$1 million cap. [Learn more](#).

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March 17, 2020

### **COVID-19 UPDATE**

In response to the [rapidly evolving COVID-19 updates](#), the BC Wine Institute (BCWI) supports the government's continued efforts to minimize the risk and spread of the COVID-19 virus. Following the direction of the [Province and Provincial Health Authority](#), we have postponed and/or cancelled the following [BC wine consumer and industry events](#), including BC VQA wine store tastings in an attempt to help flatten the curve.

In an effort to practice social distancing, the BCWI has also implemented a 'work from home' policy until further notice to ensure the safety and health of our employees. Work hours will remain the same and all team members will be available via email during this time. We are

committed to continuing business as usual and have put tools in place to ensure we can follow our same process while working remotely.

We have provided several information links in a recent [CEO update](#) and will continue to provide timely updates both through e-newsletters and through industry social media channels – both on BCWI [Twitter](#) and [LinkedIn](#).

### **What you can do:**

We are working closely with the Ministry of Agriculture, Provincial and Federal ministries, Wine Growers Canada, Destination Canada, Destination BC and other industry stakeholders and partners to assess current and potential impact of the virus on our wine, food and tourism industry.

We encourage you to complete the [following survey](#) to help us better understand and collect data on the long- and short-term effects this situation has on your business, and also what government can do to help support our industry. We will circulate this survey every week as answers will change regularly. We encourage your weekly participation.

All of the information collected will be anonymous and regularly shared with Destination BC and Agriculture Minister, Lana Popham and her Minister colleagues as she works together with other key ministries to assist the BC wine industry in both the short- and long-term.

We ask you to reach out to us if you have information and recommendations that you believe will be useful to share. Please contact me directly at [mprodan@winebc.com](mailto:mprodan@winebc.com), and we will make sure your thoughts are included in our reporting.

Also, as COVID-19 updates continue to evolve by the hour, navigating the situation will test us all. I want to take a minute to thank the women and men on the front lines, assisting those that are unwell, potentially putting themselves in harm's way, as well as those that are working tirelessly to find a vaccine.

In times of crises, community is more important than ever. Collectively, we can strive to listen, communicate real facts and follow the guidelines set out by our public health officials. Working together, we can slow this virus down and flatten the curve, which protects our health care system and ensures that those in need of it the most have the access when they require it.

### **Member resources & key links**

#### **Member Resources**

[Message to Wine Club Members & Guests](#)  
[COVID-19 Tasting Room Protocol](#)

#### **Key Links**

[HealthLinkBC](#) – Coronavirus  
[Destination BC](#) – Coronavirus Update  
[Destination Canada](#) – Coronavirus Update

## **Who to follow online**

Follow Canada's Chief Public Health Officer, Dr. Theresa Tam, on Twitter: [@CPHO\\_Canada](#)

Follow BC CDC on Twitter for regular updates: [@CDCofBC](#)

Hashtag: #COVID19

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March 11, 2020

## **COVID-19 Update. Trust official sources. Prepare your workplace now.**

Working with tourism stakeholders, the BC Wine Institute (BCWI) continues to closely monitor the COVID-19 and reminds all BC winery stakeholders to rely on **official sources of information** only for updates.

The situation regarding COVID-19 continues to evolve, while Canada continues to be a safe travel destination, we understand that COVID-19 is top of mind for travellers and businesses in BC, and globally. The Ministry of Health, Office of the Provincial Health Officer and the BC Centre for Disease Control have plans to respond to this new virus and the BC Health System is preparing.

The BC Wine Institute is here to support the BC wine industry, and we are sharing the latest information from official sources as they relate to our sector.

## **What you need to know**

Visit and review the Public Health Agency of Canada (PHAC)'s online resources located [here](#). This page provides updated travel risk and advice, guidance for the workplace and the latest on the [current situation](#).

Stay informed on priority key messaging and key information from Destination BC, Ministry of Tourism, Arts & Culture website located [here](#).

This [guide](#) on public health measures for individuals, gives detailed information on how to reduce the spread of COVID-19.

## **What you can do now**

COVID-19 is still very rare in British Columbia but we suggest now is the time to begin safeguards. We encourage BC wineries to get prepared and consider implementing precautionary measures early to help safeguard staff and visitors.

Please note the preventative information for the workplace at the PHAC website [here](#), and note valuable occupational health and safety guidance for employers and employees [here](#).

The BC government and the provincial health officer have developed the [British Columbia Pandemic Provincial Co-ordination Plan](#) to respond to the evolving outbreak. Phase 1 of the plan is underway, addressing identification and containment. As new COVID-19 materials are produced (i.e. workplace "[Hand Hygiene](#)" poster) they will be published [here](#).

## **BCWI events**

Accordingly, in complying with the provincial standards for health and food safety guidelines, BCWI is working closely with our venue and culinary partners to provide additional precautionary measures to enhance the cleanliness and sanitization throughout their facilities and asking patrons and staff not to attend if feeling unwell.

At this time, [Vancouver Coastal Health](#) encourages public gatherings to continue with the customary precautions regarding food preparation, etc.

Monitoring and risk assessment on current BCWI events continues (i.e. Bloom, Discover, Chef Meets BC Grape, etc.) and communication including cancellation, postponement, etc. will be shared with members as more information becomes available.

## **Who to follow online**

Follow Canada's Chief Public Health Officer, Dr. Theresa Tam, on Twitter: [@CPHO\\_Canada](#)

Follow BC CDC on Twitter for regular updates: [@CDCofBC](#)

Hashtag: #COVID19

## **Answers to questions**

Call the Health Canada 2019 COVID-19 information line: 1-833-784-4397. Interpretation services are available in multiple languages. Or email: [phac.info.aspc@canada.ca](mailto:phac.info.aspc@canada.ca).

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March 5, 2020

## **BCWI Board of Director Update**

In the New Year, BCWI director (small) and chair Christa-Lee McWatters stepped down from the BCWI. The BCWI board unanimously elected Erik Fisher, Monte Creek Ranch Winery (medium) as interim chair until the July 28, 2020, AGM. The board chose not to appoint a director to replace Christa-Lee, opting instead to focus on recruiting vacant director nominations for election at the AGM. Nominations open in late-May with further information to follow.

## **BCWI Board & Committee Update & Highlights**

*Government Relations Committee, February 24, 2020*

Review of advocacy strategies for supporting board-approved business objectives for Fiscal 2021 strategic priorities and business objectives, including:

- Advocate, with input from and in collaboration with industry, on high priority issues and supported government policy recommendations;
- Advocate for government support of the BCWI's "Policy Recommendations for Growing the Domestic BC Wine Industry" White Paper;
- Support the BC Wine Authority, BC VQA program and plebiscite process and results;
- Continue supporting Wine Growers Canada (WGC) in its lobbying efforts at the federal level.

*Board of Directors, February 18, 2020*

- For both member wineries and BCWI budgeting certainty, BCWI membership dues continue to be \$0.10 per litre (plus GST) of all 100% BC grape wine sales within the province, based on the prior full fiscal year;
- For total transparency, a review of the collection and reporting of commissions from sales in the BC VQA Wine stores on the purchase model specifically, BCWI invoice and collect the commissions directly from the winery, rather than the operator withholding and remit to the BCWI;
- Approval of the Fiscal 2021 operations budget, including a decrease (0.5%) in expenses from last year.

View the full list of Board and Committee reports [here](#).

### **Federal Excise Exemption Update**

Recently the Wine Growers Canada (WGC) met with several MPs, the Minister of International Trade Mary Ng, Chair of the Agriculture Committee, political staff from the Minister of Agriculture and Agri-food, and the entire senior team at Global Affairs dealing with the World Trade Organization (WTO) challenge, including Canada's Chief Negotiator Steve Verheul. The BCWI-supported WGC excise letter writing campaign generated over 500 letters to MPs, raising the profile of industry concerns regarding the loss of the excise exemption benefit. Australia has drawn its line in the sand and will accept nothing less than the removal of the excise exemption on 100% Canadian wine with final WTO report expected on May 29, 2020. This has elevated the level of risk facing the industry with the WGC making every effort to find a negotiated settlement position as soon as possible.