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January 19, 2024

SURVEY: BC LIQUOR DISTRIBUTION BRANCH (LDB)

The LDB is undertaking a review of its manufacturer sales agreements, starting with wineries. The purpose of the review is to ensure the sales agreements (which outline the requirements, restrictions and many of the benefits for BC manufacturers selling liquor products within BC) continue to reflect current industry and market conditions and align with government policy objectives.

The LDB is inviting winery sales agreement holders to complete an online survey from January 15 to February 9, 2024. Winery sales agreement holders should have received a separate an email invite with the Survey Monkey link on Monday, January 15, 2024. If you did not receive this email, please check your junk folder, if you need it to be re-sent, or require more background information please contact the LDB via wineryagreementconsult@bcldb.com.

WGBC continues to advocate for sales agreement changes that allow for the sale, transfer, etc. of certified 100% BC wine between agreement holders and for the equal treatment (i.e., direct sale & direct delivery access) for all certified 100% BC wine under either agreement. WGBC contends these changes can be expedited through minor changes to the existing agreements and provide industry with needed flexibility to help mitigate current and anticipated supply and demand disruptions.



INPUT: WINE CLOSURES AND TAMPER EVIDENCE STANDARDS REVIEW

Liquor jurisdictions across Canada currently follow the Canadian Association of Liquor Jurisdictions (CALJ)'s <u>Standards for Tamper Evidence</u>. In response to increasing interest by producers in selling sparkling wine without capsules, the Canadian Association of Liquor Jurisdictions (CALJ)'s National Quality Assurance Committee (NQAC) has created a Tamper Evidence Standards Working Group to review the current standard, and any potential amends.

The working group is open to slight amends to this standard to facilitate those producers interested in the ability to sell sparkling wine with simply a cork, metallic disc on top of the cork and a wire cage (muselet) to liquor boards. Under consideration is language to indicate the removal of a foil is permitted, provided that the absence of foil continues to avoid unintentional opening. Specific guidance is also being considered, permitting the ability to sell sparkling wine with simply a cork, metallic disc on top of the cork and a wire cage (muselet) to liquor boards, but only where both the cork and the metallic disc are branded.

If you have produced sparkling wine without a traditional foil overwrap, or are interested in doing so, please provide any feedback by February 5, 2024 to caroline@wgcanada.ca.

UPDATE: EU LABELLING REMINDER

Wine Growers Canada (WGC) would like to share a reminder of an important change that applies to wine produced and labelled on or after December 8, 2023, so will start to apply to the next vintage in most cases here in Canada: the EU's new labelling requirements. The new EU rules introduce a compulsory nutrition declaration, energy value and list of ingredients for wine products sold in the EU market, for all wine produced and labelled on or after December 8, 2023. For wineries that opt to use an electronic label, energy value per 100mL and any substances causing allergies or intolerances remain mandatory. The WGC briefing note on this change can be accessed https://example.com/here/briefing-note-on-this-change-can-be-accessed-here/.

Global Affairs Canada and WGC have been working to ensure as smooth a transition as possible for our producers as this new requirement is implemented. While the EU regulation set out the requirement for the product's list of ingredients to also appear on the VI-1 Form, Canada has now been assured that this requirement will not be in place for Canadian bottled wine imported into the EU, by virtue of the pre-existing obligations



contained in the Canada-EU Agreement on the Trade of Wines and Spirit Drinks. Canadian wineries do not therefore have to list the product for export's list of ingredients in Box 6 of the VI-1 Form for bottled wine exports. Rather, this would only be required for Canadian wine imported into the EU in bulk.

January 23, 2024

SURVEY: BC LIQUOR DISTRIBUTION BRANCH (LDB)

Yesterday WGBC was made aware of Alberta Gaming, Liquor and Cannabis (AGLC) sending alcohol manufactures (wine, cider, etc.) across the country (BC, Ontario, etc.) a cease desist order for direct-to-consumer (DTC) sales and delivery in Alberta or risk access to their central warehouse.

Obviously, as the BC wine industry's largest market outside, this development is of grave concern. As a result, Wine Growers British Columbia (WGBC) has engaged legal council for a written response to the AGLC on behalf of the industry and calling into question the validity of the action as it is in intervention with the New West Partnership Trade Agreement (NWPTA): an accord between the Governments of British Columbia, Alberta, Saskatchewan, and Manitoba that creates Canada's largest, barrier-free, interprovincial market. The letter also includes other specifics including the lack of any current Alberta law creating DTC an offence applicable to BC manufacturers.

We are also in constant contact with Wine Growers Canada for a federal perspective and support if/when required.

Additionally, WGBC has been in direct contact BC Solicitor General Farnworth's office so they are aware. We have been advised ministry senior staff will be meeting Monday to discuss the options that will look to put the matter to rest and avoid any BC counter measures and escalation.

In the meantime, as we monitor the situation, wineries determining how best to respond to the AGLC letter should seek legal advice to align with their risk tolerance.



January 25, 2024

UPDATE: ALBERTA GAMING, LIQUOR AND CANNABIS (AGLC)

Yesterday WGBC followed up directly with concerns regarding AGLC notice that it was immediately blocking all wholesale shipments of wine into Alberta from Canadian producers, even if such shipments are totally legally compliant. WGBC pointed out the ALGC action does not reflect the administrative law principles relating to due process and fair dealing. They reference 'tangible evidence' of a breach of DTC Shipping laws by the recipient winery without providing factual particulars and did not provide for a hearing or an adjudication of the allegations.

Wine Growers Canada has also facilitated a legal opinion that includes the option of challenging the AGLC in Court with an immediate injunction to prevent them for taking any action to stop shipment of wine to Alberta. WGBC is looking further into the option weighing cost and timing considerations against a potential political remedy. We expect to have a better idea of how the BC government is prepared to assist following an upcoming meeting scheduled for next week with BC Solicitor General Franworth and senior staff.

READ THE WGBC RESPONSE

UPDATE: BC WINE GROWERS INDEPENDENT DIRECTOR

A volunteer Board of Directors made up of nine full winery members governs the WGBC. Directors are nominated by member wineries of their same size category. I.e., three seats representing small, three representing medium, and three representing large full member wineries (size category based on annual reported BC LDB sales). Directors are then elected by WGBC all winery members at annual general meetings for three-year terms. There are also ex officio non-voting members also sit on the Board — an independent grapegrower (vacant), a non-industry representative (optional) and the WGBC President.

Recognizing the current turmoil and hardship facing the industry and to confirm balanced and equitable governance, WGBC has elected Al Hudec as the non-industry representative for an initial term until the 2024 AGM.

Currently a semi-retired mergers/acquisitions and governance lawyer and living in the South Okanagan, Al has spent a large part of his career advising boards and board



committees on important transactions and looks forward to contributing to the effective and constructive functioning of the WGBC Board.

WGBC BOARD STRUCTURE

February 9, 2024 BC WINE INDUSTRY GOVERNMENT ADVOCACY MEETING UPDATE

Earlier this week representatives from Wine Growers BC, BC Wine Grape Council and the BC Grapegrowers' Association met with Minister Pam Alexis, Ministry of Agriculture and Food, Minister Lana Popham Minister of Tourism, Arts, Culture and Sport and senior staff. There was also an opportunity to briefly update Premier Eby on the status of our industry.

The presentations to both ministers included a summary from the Anticipated Impact of January 2024 Cold Event on BC Wine Industry Report that forecasts an anticipated result of catastrophic crop losses for BC wineries and independent grapegrowers. Preliminary industry-wide estimates are that the 2024 crop will produce just 1-3% of typical yields, resulting in anticipated losses to British Columbian businesses in and supported by the wine industry estimated to be between \$440-445 million.

In the meeting with Minister Popham, the pre-COVID growth and impact of wine tourism on the provincial economy was highlighted. The slow COVID-19 recovery and recent wildfire impact on wine tourism led to an ask of the minster to commit to recognizing BC wine tourism as a strategic marketing priority fundamental to the provincial brand with funding levels to reflect. The minister and senior staff committed to conferring with Destination BC on prioritizing provincial wine tourism.

At the meeting with <u>Minister Alexis</u> an update on a wine grape specific multi-year replant program was requested, specifically what level of support can be reasonably expected for this and next fiscal year. Citing budget confidentiality, the minster was unable to provide detail noting the provincial budget 2024 is due to be released February 22, 2024. Also discussed was status of implementation of any new funding noting the Perennial Crop Renewal Program (PCRP) announced last spring while a welcome step, was unexpectedly restrictive, limited in scope, and underfunded. The ministry also confirmed PCRP Stream 3 funding can be allocated to BCWGC Resiliency Research as requested.



When asked on the status of negotiations with the federal government regarding Ag Recovery and Ag Stability programs the minister indicated she was meeting in Ottawa next week to discuss. Finally, it was agreed by all parties there needed to be more effort in working together in a transparent and vigorous fashion with a commitment to establish a working group with industry and the ministry led by the Deputy Minister to deal with the content, design and elements of a wholesome aid package.

MEETINGS & TOWNHALLS

As we look to the future, we are organizing a series of industry meetings and townhall sessions in order to share where we are currently at with our advocacy asks and also come together as a community to share concerns and come up with ideas on the best direction for our industry as a whole. Note, you do not need to be members to attend.

Note, we will have a virtual option for one of the townhall events. If you are interested in attending virtually, please email Lindsay Kelm at lkelm@winebc.com.

WGBC & BCWGC TOWNHALL - KELOWNA

Wednesday, February 21 – 9:30 AM to 11:30 AM Summerhill Pyramid Winery

WGBC & BCWGC TOWNHALL - PENTICTON

Wednesday, February 21 – 1:30 PM to 3:30 PM Penticton Lakeside Resort

WGBC & BCWGC TOWNHALL - OSOYOOS

Thursday, February 22 – 10:30 AM to 12:30 PM Watermark Beach Resort

BCWGC MONTHLY R&D SERIES - VIRTUAL

Thursday, February 15 - 12:00 PM to 1:00 PM Strategies for mitigating the impacts of cold damage, <u>click here</u> to register.

WINERY OUTREACH PROGRAM



WGBC, BCWGC and BCGA are calling on all growers and wineries to engage their local MLAs and Members of Parliament to support association efforts in garnering both provincial and federal support for the survival of the BC wine industry. While we have all communicated the severity of the situation, we know that hearing the personal stories of grapegrowers, owners, winemakers, staff and even friends of the industry are key to all levels of government truly understanding how dire the reality is for our industry right now.

Our winery outreach toolkit includes key messages and letter templates.

WINERY OUTREACH TOOLKIT

February 16, 2024 INDUSTRY TOWNHALLS

As we look to the future, we are organizing a series of industry meetings and townhall sessions in order to share where we are currently at with our advocacy asks and also come together as a community to share concerns and come up with ideas on the best direction for our industry as a whole. Note, you do not need to be a member to attend, however, attendance will be restricted to industry attendees only to allow for candid and open discussion.

WGBC & BCWGC TOWNHALL - KELOWNA

Wednesday, February 21 – 9:30 AM to 11:30 AM Summerhill Pyramid Winery, 4870 Chute Lake Rd, Kelowna, BC V1W 4M3

WGBC & BCWGC TOWNHALL - PENTICTON & VIRTUAL

Wednesday, February 21 – 1:30 PM to 3:30 PM
Penticton Lakeside Resort, 21 Lakeshore Dr W, Penticton, BC V2A 7M5
Virtual link for Penticton

WGBC & BCWGC TOWNHALL - OSOYOOS

Thursday, February 22 – 10:30 AM to 12:30 PM Watermark Beach Resort, 15 Park PI, Osoyoos, BC VOH 1VO

WINERY OUTREACH PROGRAM

WGBC, BCWGC and BCGA are calling on all growers and wineries to engage their local MLAs and Members of Parliament to support association efforts in garnering both



provincial and federal support for the survival of the BC wine industry. While we have all communicated the severity of the situation, we know that hearing the personal stories of grapegrowers, owners, winemakers, staff and even friends of the industry are key to all levels of government truly understanding how dire the reality is for our industry right now.

Our winery outreach toolkit includes key messages and letter templates.

WINERY OUTREACH TOOLKIT

February 20, 2024

BC WINE INDUSTRY GOVERNMENT ADVOCACY MEETING UPDATE

Following on the February 7, 2024, meeting that included representatives from Wine Growers BC, BC Wine Grape Council and the BC Grapegrowers' Association with Minister Pam Alexis, Ministry of Agriculture and Food and senior staff we are scheduled to meet next week to discuss further issues that industry has raised regarding the provincial Business Risk Management (BRM) programs. Specifically, Agrilnsurance (AKA production or crop insurance), AgriStability, Agrilnvest, and AgriRecovery are on the agenda to provide input for provincial and federal government discussions on support for the BC wine industry.

WGBC has identified several issues for discussion including:

AgriRecovery

In addition to replacement grape vine coverage provided by Agrilnsurance, the wine grape sector incurs other extraordinary costs as an AgriRecovery initiative was announced in Ontario covered for wine grapes damaged by weather.

AgriStability

Clarity on program rules and guidelines including what percentage of purchased grapes will be allowed for a winery eligibility and a review of the methodology for valuing grapes and wine (both bulk wine $\bar{\alpha}$ bottled wine).

Please take a minute to answer the <u>BC Grapegrower's Association online survey</u> for insight on how existing Business Risk Management programs are meeting your needs. The deadline to complete the survey is February 23, 2024.



BC WINE INDUSTRY TOWNHALL EVENTS

WGBC & BCWGC TOWNHALL - KELOWNA

Wednesday, February 21 – 9:30 AM to 11:30 AM Summerhill Pyramid Winery, 4870 Chute Lake Rd, Kelowna, BC V1W 4M3

WGBC & BCWGC TOWNHALL - PENTICTON & VIRTUAL

Wednesday, February 21 – 2:00 PM to 4:00 PM
Penticton Lakeside Resort, 21 Lakeshore Dr W, Penticton, BC V2A 7M5
Virtual link for Penticton

WGBC & BCWGC TOWNHALL - OSOYOOS

Thursday, February 22 – 10:30 AM to 12:30 PM Watermark Beach Resort, 15 Park Pl, Osoyoos, BC VOH 1VO

UPDATE: WGBC BOARD OF DIRECTOR

Following on Christa Lee McWatters' resignation the WGBC board has appointed Angela Lyons of Quails' Gate Estate Winery (medium) interim representative on the board and until the September 2024 Annual General Meeting. While Angela unsuccessfully ran for a seat last year, the board looks forward to her contributions. Please join in welcoming Angela as well as thanking Christa Lee for her years on the board and as chair.

February 27, 2024

UPDATE: BC WINE INDUSTRY TOWNHALL SESSIONS

Last week WGBC organized town halls inviting industry stakeholders to discuss the recent adverse climate events (sustained periods of extreme cold) in December 2022 and January 2024, and resulting crop loss. Over 250 attended the town halls held in Kelowna and Penticton (February 21) as well as Osoyoos (February 22) with Mark Hicken facilitating feedback and input on potential mitigating options for assistance from government.

There was active discussion with consensus for the following:

 Support the ability for BC wineries to import grapes, juice or wine from outside of BC



- Support regulatory changes to suspend ALC rules related to wine production and ancillary activities on ALR land
- Support regulatory changes such that all BC wineries be eligible for temporary markup exemptions (subject to some form of limit to prevent abuse) on non-BC wine
- Support changes to ensure BC producer shelf space in BCLS, wine stores etc. for non-BC wines

In addition to unanimous agreement the BC VQA certification remain based on 100% BC grapes, other topics included truth in labelling as critically important, efforts to help customers understanding of the non-BC substitute products, and ensuring support for BC independent grape growers.

Based on the townhall discussions, direct stakeholder feedback, etc., WGBC is developing a prioritized catalog of immediate government support for advocacy committee feedback and board approval prior to briefing government over the next two weeks.

WATCH PENTICTON TOWNHALL RECORDING

UPDATE: BC MINISTRY OF AGRICULTURE AND FOOD

Monday, February 26, 2024 - WGBC along with industry representatives from the BC Wine Grape Council and BC Grapegrowers' Association met with senior ministry officials. The discussion included an update of current Business Risk Management (BRM) program participation (i.e., Agrilnsurance, AgriStability and AgriRecovery) as well as possible additional supports including a dedicated grape wine replant program. With a lack of full industry uptake of the current BRM suite of programs the group agreed to work together on industry outreach and education.

Along with the addition of five new inspectors and a communications specialist, the Ministry reported ongoing discussion with the federal government specifically providing AgriStability coverage to wineries based on their wine revenue.

UPDATE: AGLC ACTION



The AGLC continues to block imports of BC wines from BC wineries it claims are in contravention of an unspecified restriction on direct-to-consumer (DTC) shipments by BC wineries.

Lead to believe the issue is about the collection of AGLC liquor taxes on direct-to-consumer shipments by BC wineries to persons in Alberta and working in conjunction with the Ministry of Public Safety and Solicitor General (PSSG), WGBC has again proposed a simple solution to protect the integrity of the Alberta alcohol marketplace, provide for the collection of tax revenues and remove the AGLC blockage and are awaiting a response.

UPDATE: PROVINCIAL BUDGET 2024

Thursday, February 22, 2024 – the BC government announced it's 2024 budget that included more than \$6 billion in spending. While the wine grape industry was not specifically identified, the budget included \$405 million over the next four years to prepare for and respond to climate-related disasters ranging from wildfire prevention to damage to crops that Premier Eby confirmed in a post budget Canadian Press <u>interview</u>, " ...disasters like that impacting our agriculture sector, floods, forest fires, are examples of these foreseeable but unpredictable costs that can arise during the year, which is what the contingency money is for."

When asked in a Castanet News <u>interview</u> about assistance to the wine and fruit sectors, Finance Minister Conroy replied, "We're looking at what can we do to help them, because it is a significant issue. It's an economic driver in the province, especially in the Okanagan."

WGBC anticipates any specific industry funding will require Treasury Board approval and continues to work with Government for a favourable announcement as soon as possible. BC wine industry stakeholders are also asked to continue reaching out to local MLAs in asking for their support.

UPDATE: CELEBRATE THE WINES OF BRITISH COLUMBIA Q3 REPORT

Celebrate the Wines of British Columbia provides a quarterly review of Wine Growers British Columbia (WGBC) activities, including marketing, communications, advocacy and more. This issue covers the third quarter (Q3) of Fiscal Year 2024 (FY24): October, November, and December of 2023, in support of the objectives laid out in the WGBC Operational Plan and Wine BC 2030 Long-Term Strategic Plan.



March 15, 2024

ADVOCACY WIN: REPLANT FUNDING & WINERY EXPERIENCE SUPPORT

At the recent BC Wine Industry Insight Conference, Premier Eby and Agriculture and Food Minister Alexis <u>announced</u> \$70 million for a new enhanced replant program. Along with cherries, tree fruit and berries, BC grape growers will receive support to replant climate-change-damaged vineyards to make them more resilient which is confirmation of this government's commitment to resiliency support the B.C. wine industry.

Government staff will work with the industry to develop planting guidelines to help growers make replant choices based on the best available agronomic science to ensure they can handle extreme weather events. Application information will be made available as soon as the guidelines are established.

Boundary, South Okanagan MLA and Parliamentary Secretary for Rural Development Roly Russell also announced the Province is working to implement a suite of policy changes to enhance the winery visitor experiences in time for the summer season to support tourism that include:

Supporting better guided-tour experiences that allow people to sit and enjoy a glass of wine while on a tour;

Allowing sales in more places on site, including on tours;

Allowing more flexibility around sampling so manufacturers can customize sampling experiences; and Allowing manufacturers to sell their product in picnic areas and host people more effectively throughout the property

Wine Growers British Columbia, in partnership with the BC Wine Grape Council, BC Wine Authority, and BC Grapegrowers' Association hosted the 6th Annual BC Wine Industry Insight Conference to a sold-out crowd of 250 in Penticton on March 13th. Themed Resilience and Renewal: Crafting the Future of BC Wine Together, the conference captured the momentum behind collaboration in the BC wine industry and the shared goal of a sustainable and profitable future. Thank you to everyone who attended and we look forward to future networking and learning opportunities together.

Click here to view the B.C. Government News Release



April 19, 2024

TOWN HALL SESSION: PATTISON FOOD GROUP (AKA SAVE-ON-FOODS) BC WINE STORES

Following the WGBC Board's conclusion to allow restricted sales of non-BC wine through the Save-On-Foods (SOF) operated wine stores, there have been a number of questions regarding the decision and future of the channel.

As reported <u>earlier</u>, the decision was the result of consultation δ negotiations with SOF and the declining viability of the high-value channel, generating over \$20 million in wholesale sales for members annually.

Board members were faced with limited options and the very real threat of losing the licenses. After an intense number of meetings, the Board determined that allowing a limited amount of non-BC wine under specific guardrails was the best solution for the industry. While some may believe this was the wrong decision, it is important to understand all the facts and context the Board faced. It is also important to understand that, when the decision was made, there existed no potential alternative for these licenses.

As a result, and in an effort for openness and transparency, WGBC is hosting a <u>Town Hall</u> with Steve Moriarty, Director of Wine, Pattison Food Group (PFG) so members can learn firsthand the retail challenges happening in the marketplace, the rationale behind PFG's request for limited non-BC wine, their continued commitment to 100% BC and plans and timing going forward. Steve will also outline what the layout of these spaces will look like as they change them from store-to-store.

Registration is not required, however, if you are unable to attend and would like to share any ideas in advance of the sessions, please feel free to contact Lindsay Kelm (lkelm@winebc.com) or Miles Prodan (mprodan@winebc.com).

We are also working on a virtual option; however, if you are local to the Okanagan, we recommend you attend in person. You do not need to be a WGBC member to attend, however, we would like to keep this discussion to those in the grape/wine industry only at this time.



Thursday, April 25, 2024 1:00 PM to 3:00 PM Penticton Convention Centre, Meeting Rooms 1 & 2

Virtual link will be posted here when finalized.

May 3, 2024 – WGBC Board Governance Review Task Group

Following the <u>April 23, 2024 announcement</u> of the establishment and funding of a WGBC Board Governance Review Task Group, we would like to thank those who expressed interest in participating and confirm the following members:

WGBC Board

- 1. Sheila Whittaker, Nostalgia Wines
- 2. Paul Sawler, Dirty Laundry Vineyards(Chair)
- Sam Collins, Iconic Wineries of BC
- 4. Independent: Al Hudec

At-Large

- 5. Lauren Skinner Buksevics, Painted Rock Estate Winery
- 6. Chris Wyse, Burrowing Owl Estate Winery
- 7. Michael Bartier, Bartier Bros.
- 8. Ron Kubek, Lightning Rock Vineyards
- 9. Jim D'Andrea, Noble Ridge Vineyards & Winery
- 10. Charlie Baessler, Corcelettes Estate Winery

WGBC Staff

Lindsay Kelm, Acting Communications Director

WGBC Staff

Lindsay Kelm, Acting Communications Director



While other members have expressed an interest in participating, approval of any additions will be the responsibility of the task group through updates to the terms of reference. In consultation with a 3rd-party consultant, the Governance Review will include, but is not limited to, the following areas:

- Specific concerns raised by members regarding board size and composition, board/CEO accountability, communications to members and transparency.
- Review current board policies, procedures and governance structure using best practices.
- Roles, responsibilities, and authority: clarify roles and responsibilities of the WGBC board, board and management committees, task groups, task forces, town halls, member-led initiatives and others, as needed. Identify best practices of each position's authority, leadership and staff authority, and level at which different types of decisions should be made.
- Key Performance Indicators (KPIs): Recommend how the KPIs fit within the governance framework and advise how to implement the Board's KPIs.
- Best practices for coordinating and avoiding duplication of effort other industry associations including the BC Wine Grape Council, BC Grapegrowers' Association and BC Wine Authority.
- Board of Directors eligibility, skills and competencies.

The current timeline includes having a final report and recommendations for WGBC Board approval in time to bring forward any required bylaw changes for WGBC AGM scheduled for September 18, 2024.

If you have any questions regarding the WGBC Board Governance Task Group, please contact Lindsay Kelm at lkelm@winebc.com.nt goes here

May 21, 2025 - WGBC FISCAL 2025 ADVOCACY, COMMUNICATIONS, AND MARKETING OPERATIONAL PLAN

Wine Growers British Columbia is pleased to share our <u>Fiscal 2025 Operational Plan</u>. This year, the plan is focused on five key Board-approved objectives:



Objective 1 - Build a world-class brand for Wines of British Columbia

Objective 2 - Position BC as a premier wine region with trade

Objective 3 - Make BC wine country a benchmark for wine tourism

Objective 4 - Strengthen wine industry leadership

Objective 5 - Leverage government advocacy efforts

Amidst the trials faced by the BC wine industry over the past years, including wildfires, deep freezes, tourism bans, etc., advocacy and tourism have been set as priority focuses for this fiscal year.

On the advocacy front, our work focuses on collaborative efforts to support wineries and growers during this challenging time to keep the BC wine industry viable and minimize financial and employment impact for BC wineries and vineyards. We are coordinating efforts with both provincial and federal industry stakeholder groups and organizations to present a united front for the BC wine industry to secure operating options with the regulatory and financial support needed.

We also know that, with the challenges presented over the past several years, there is a pressing need to prioritize tourism as a key focus moving forward. The Fiscal 2025 Operational Plan will feature BC wine tourism as a cornerstone for the marketing efforts of Wine Growers BC with 69% of the total marketing budget earmarked for enhancing BC Wine Tourism.

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UPDATE: ENHANCED REPLANT PROGRAM

In March of 2024, The Ministry of Agriculture and Food announced a new Enhanced Replant Program that will provide as much as \$70 million in support to help wine grape, berry, and tree fruit producers replace damaged, diseased, and low-producing vines, plants and trees with climate-resilient varieties that produce in-demand, premium fruit.

WGBC is working with the other grape wine industry associations and the Ministry to develop planting guidelines with the goal of launching the Program Guide and Planting Guidelines in time for a September 2024 launch, including:

• BC Grapegrowers' Association: Felix Egerer, Tyrion Miskell, Sue de Charmoy



- Sustainable Winegrowing BC: Severine Pinte, Ruth King
- British Columbia Wine Grape Council: Ross Wise, Kate Durisek, Carl Van der Merwe
- BCWA | Wine Industry Advisory Committee: Galen Barnhardt
- Wine Islands Growers Association: Zac Brown, Yonadav Anbar
- Wine Growers BC: John Bayley, Sebastian Farms, Chris Holler, Poplar Grove Winery, Miles Prodan

Please visit the program webpage for more information: <u>Enhanced Replant Program - Province of British Columbia (gov.bc.ca)</u>

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WINE GROWERS BC ON THE HILL

On May 7, Wine Growers BC joined Wine Growers Canada hosted meetings on Parliament Hill with Members of Parliament and senior decision–makers from Agriculture and Agri–Food Canada. This provided the opportunity to, first and foremost, thank officials and MPs for their support, resulting in the 3–year \$177–million Wine Sector Support Program, which will benefit wineries across the country. Presenting our industry's economic footprint, discussions focused on the need to establish a Federal Wine Strategy Roundtable, involving officials from relevant departments with the goal of identifying regulatory, R&D, legislative and tax changes that would help grow the Canadian wine industry and help us better adapt to our changing climate. WGBC raised the need for federally supported Business Risk Management programs (i.e., AgriStability, AgriRecovery, etc.) to include bulk and bottled wine in any coverage.

June 3, 2024 - UPDATE: WGBC BOARD GOVERNANCE REVIEW TASK GROUP

Following a thorough RFP process, the WGBC Task Group has selected <u>Watson Advisors Inc.</u> as the independent third-party consultant to assist in making governance recommendations to the WGBC Board. The Watson Advisor engagement includes direct member engagement (i.e., surveys, town halls, interviews, etc.) including, but is not limited to, specific concerns raised by members regarding board size and composition, board/CEO accountability, communications to members and transparency.



The current timeline includes having the Task Group final report and recommendations for WGBC Board approval in time to bring forward any required bylaw changes for WGBC AGM scheduled for September 18, 2024.

Task Group members include:

WGBC Board

- 1. Sheila Whittaker, Nostalgia Wines
- 2. Paul Sawler, Dirty Laundry Vineyard (Chair)
- 3. Sam Collins, Iconic Wineries of BC
- 4. Al Hudec, Farris LLP (Independent director)

WGBC Members-at-Large

- 5. Lauren Skinner Buksevics, Painted Rock Estate Winery
- 6. Chris Wyse, Burrowing Owl Estate Winery
- 7. Michael Bartier, Bartier Bros. Vineyard & Winery
- 8. Ron Kubek, Lightning Rock Winery
- 9. Jim D'Andrea, Noble Ridge Vineyards & Winery
- 10. Charlie Baessler, Corcelettes Estate Winery

WGBC Staff

Lindsay Kelm, Acting Communications Director

If you have any questions about the RFP process or the Board Governance Review, please contact Lindsay Kelm at lkelm@winebc.com.

UPDATE: BC WINE INDUSTRY SUPPORT & AGLC BC WINE EMBARGO

Last week WGBC hosted a VIP reception at Kismet Estate Winery for Premier David Eby and MLA Roly Russell. The primary purpose of the reception was to thank the Premier, his government and Roly Russell for their continued support of the BC wine industry including the recently announced Enhanced Replant Program and regulatory changes to allow flexibility to deliver the tailored visitor experience.

It was also an opportunity to ask the Premier for an update on our April 18^{th} presentation to Minister Farnworth δ staff regarding BC Wine Industry Resiliency Support and the AGLC BC wine embargo.



Regarding resiliency support, specifically the temporary extension of markup concession and BC VQA rebate to non-BC wine, the Premier indicated a decision based on our submission would be made 'soon'. He acknowledged the need for wineries to know ASAP and that his preference was to do so in advance of the bureaucracy working out the details.

Regarding the AGLC embargo, the Premier said he had brought the issue up directly with Alberta Premier Smith, and both agreed to find a resolution as soon as practically possible. In the meantime, WGBC has followed up directly with AB Minister responsible Dale Nally with a letter reiterating our solution presented earlier.

WGBC will continue to follow up on both of these outstanding issues to ensure they are resolved ASAP.

July 16, 2024 - Direct to Consumer Shipping to Alberta Resumes

Earlier today Alberta Premier Danielle Smith and <u>BC Premier David Eby</u> announced a memorandum of understanding (MOU) ending the ban on shipping BC wine directly to consumers in Alberta effective immediately.

According to the <u>Province of Alberta release</u>, the MOU follows discussions from Alberta and BC officials to resolve tax issues resulting from suppliers shipping directly to customers, which are now addressed. "Albertans are once again able to order wine directly to their doorstep from their preferred suppliers." In the meantime, the MOU establishes a bilateral working group between the two provinces focused on mechanisms for collecting provincial mark-ups, cost of service and other required fees.

The announcement is the result of tireless and continued advocacy undertaken by Wine Growers BC with <u>acknowledgement</u> of efforts by BC Solicitor Mike Farnworth, BC MLAs Harwinder Sandhu and Roly Russell for their support in ensuring the relationship between BC wineries and Alberta wine tourists and consumers continues to flourish and grow.

July 29, 2024 VINTAGE 2024 RELIEF & SUPPORT

On Thursday, July 25, MLA Roly Russell <u>announced</u> temporary provincial measures designed to help wineries produce a 2024 vintage. The measures follow this year's



devastating loss of grapes and support job security within the industry by ensuring the continued availability of wines produced in BC.

Specifically, support will offer BC wineries the option to address policies, regulations and costs associated with importing grapes and grape juice in relation to producing 2024 replacement vintage. As the province recognized, without the support, wineries face substantial financial losses and possible cuts to thousands of direct and indirect jobs,

Preliminary <u>BC LDB details</u> indicate support will be available to any BC winery that has sold BC VQA/100 per cent BC wine in the last five years and capped equal to the five-year Olympic average of mark-up concessions and rebates that the LDB has provided to those wineries.

The announcement is the culmination of provincial support for our industry unveiled on Thursday, which also included:

- Permitting land-based wineries to apply for a temporary exemption from the requirement in their LDB sales agreement to source 25% of their agricultural inputs from their owned or leased land;
- Permitting wineries temporary exemption to the Agricultural Land Reserve (ALR)
 50% of the primary farm product (e.g. grapes) must come from the farm requirement;
- Permitting wineries to apply to the LCRB for temporary waivers to the 4,500-litre minimum annual production requirement for annual licence renewals; and
- Providing industry with \$26 million for grape replant programs and \$92.6 million in Production Insurance and AgriStability payments through the Ministry of Agriculture and Food; and
- Launching a BC wine-grape-sector task force to support long-term crop resiliency.

The LDB also indicated the relief period will be from April 1, 2025 to March 31, 2026, calling into question inclusion of red and sparkling wines from the 2024 vintage as these wines are often released 18 to 24 months or more after harvest. WGBC is following up with government to clarify the exclusion of these wines was not intentional and that the



required program adjustment will be made to include <u>ALL</u> Vintage 2024 BC replacement wines with confirmation as soon as possible.

In the meantime, in early August 2024, the LDB will be providing individual wineries with a customized letter on the calculations of their individual supports sent from 2024vintagereplacement@bcldb.com.

The LDB is developing an implementation plan and will communicate with wineries in Fall 2024 to provide further details on requirements, processes, and timelines for accessing relief supports. More details will be provided once they are confirmed. If you have any questions, please send them to 2024vintagereplacement@bcldb.com.

<u>WGBC</u> has worked diligently on behalf of our members to secure this support, engaging in lengthy and in-depth consultations with members, industry stakeholders, our Board of Directors and advocacy committee. We thank Premier Eby, Minister Farnworth and his caucus colleges, local MLAs Harwinder Sandhu and Roly Russel along with senior officials at the BC LDB and Liquor and Cannabis Regulation Branch for their ongoing support to our industry, giving BC wine growers the confidence to plan for the day when they can return to 100% BC VQA wines and the assurance that this critical industry will continue for years to come.

August 9, 2024

UPDATE: ENHANCED REPLANT PROGRAM

BC Ministry of Agriculture and Food has made public reports to address the urgent need for replanting in the BC wine grape industry following significant crop losses due to environmental factors and disease. The primary objective of the reports is to address knowledge gaps from the earlier 2023 'An Opportunities Assessment for the BC Grape and Wine Industry.'

The newly released reports included input from BC grape growers and wineries as well as industry organizations, including BC Grapegrowers' Association, BC Wine Grape Council, Wine Islands Growers Association and the Wine Growers BC board and members on the Enhanced Replant Committee. Together, they support science and market-based guidelines for the strategic framework for the 2024 Enhanced Replant Program:



- <u>BC Wine Grape Industry Gap Analysis</u> (highlights the widespread prevalence of grapevine trunk diseases and viruses, underscoring the need for timely intervention and replanting efforts)
- Re-Planting Guidelines and Recommendations (identifies recommended mandatory criteria for funding eligibility)

BC Ministry of Agriculture and Food is committed to keeping to the September deadline for the launch of the Enhanced Replant Program details and application process.

September 6, 2024 - UPDATE: VINTAGE 2024 RELIEF & SUPPORT

With BC wineries having received individualized letters from the LDB regarding calculations of their individual support for vintage 2024 replacement wines, several issues have been identified:

- The LDB is based on a calculation involving wholesale price minus duty paid cost
 (net markup or net margin) and rebates provided by the LDB. Some wineries may be
 unfamiliar with these calculations and keep their records of sales in number of cases
 and gross revenue from sales. As such, it may be difficult for some to reconcile its
 own records and calculations with the LDB calculations.
- Markup relief is applied to reported LDB sales and not production. There is no
 markup exemption entitlement relating to wine still in tank, barrel, bottle or
 otherwise not sold within the year. Inventory over the five-year period is not
 included in the LDB calculation.
- LDB has <u>clarified</u> that replacement grapes, unfinished wine, etc. can only be from the 2024 vintage and cannot include previous vintages.
- The LDB cap will be applied to both sales of replacement product AND 100% BC and BC VQA wines during the sell through period. Wineries that complete their sales of 2024 vintage replacement wines before the relief period concludes on March 31, 2028, will have the option to opt-out of relief in the remaining fiscal years and will not be subject to an ongoing cap on their sales of BC only wines.



• The 5-year Olympic average reduces the program's usefulness for new wineries (<5-year sales) and wineries with growing sales over the 5-year period.

WGBC has brought these issues to the LDB's attention and encourages wineries to follow up directly to verify the issues, or to identify any others via: 2024vintagereplacement@bcldb.com

UPDATE: NAVIGATING VINTAGE 2024 RESOURCE GUIDE

A reminder that WGBC is regularly updating the <u>Navigating Vintage 2024 Resource</u> <u>Guide</u> to give BC wineries references to assist with the transition for vintage 2024, including:

- Overview on Importing Fresh Fruits (Grapes) into Canada
- Federal Ministerial Exemption Proof of Supply Shortage
- Canadian Food Inspection Agency Labeling

Recent additions include:

Informative session on navigating administrative requirements for importing grapes from the USA into Canada. Representatives from the CFIA and CBSA will be on hand to share regulatory details and answer questions.

WEBINAR: RESOURCES FOR GRAPE IMPORTS WITH THE CFIA

Friday, September 13, 2024 11:00 AM to 12:30 PM

WINE GROWERS BRITISH COLUMBIA ANNUAL GENERAL & SPECIAL MEETING

Register now to attend the WGBC Annual General and Special Meeting. The event <u>agenda</u> will include review of the Governance Task Group final report and recommendations, an overview of FY'24 including the release of the Annual Report and Financial Statements, as well as an election for available seats on the WGBC Board of Directors.



ANNUAL GENERAL & SPECIAL MEETING

Friday, September 27, 2024

Penticton Trade & Convention Centre

September 19, 2024 - FALL FOR BC WINE: NEW MARKETING CAMPAIGN

<u>Wine Growers British Columbia</u> (WGBC) and <u>Destination BC</u> have announced the secondannual "<u>Fall for BC Wine</u>" campaign celebrating the changing season and a call to action to savour all that BC's nine wine regions have to offer. Between September 4 and November 1, BC and Alberta residents are invited to slow down, embrace the moment, and enjoy BC's fall harvest in its nine diverse wine regions this fall.

Paired with Destination BC's "Fall Has it All", the campaigns seek to educate visitors on the breadth of activities and destinations available in BC wine regions and inspire them to take a 2+ night trip this fall, discovering more people, places, and experiences along the way.

BC wineries are invited to take advantage of the province-wide initiative by:

- Browsing and sharing our <u>campaign assets</u> (stories, videos, images) and adding the
 official wordmark to your visuals.
- Tagging @WinesofBC @HelloBC in your social media posts and using the hashtag #FallforBCWine.
- Submitting your fall winery events to our <u>consumer calendar</u>, a key landing page for the campaign.

Wine Growers British Columbia (WGBC) thanks the collaboration with Destination BC, Pacific Coastal Airlines and participating Regional and Community Destination Management Organizations in supporting the message that despite recent farming challenges, BC wineries are open, thriving, and ready to welcome visitors with open arms.

UPDATE: ENHANCED REPLANT PROGRAM (ERP)

In March 2024, the BC Agriculture and Food Ministry <u>announced</u> a new 5-year ERP that will provide up to \$70 million to support wine grape, berry, and tree fruit producers to replace existing acreage with climate-resilient varieties. The funding builds on the \$15-million



Perennial Crop Renewal Program launched in spring 2023, which has helped producers remove diseased and unproductive plants and replace them with higher quality crops.

ERP eligibility and program criteria have been finalized and scheduled to go live on IAF's website September 19. Links will also be available on the Ministry website.

Further information and communication materials will be provided by IAF directly to industry.

Wine Growers British Columbia (WGBC) thanks the collaboration efforts of our industry partners, other sector and grower partners as well as the Ministry for leadership during these challenging times for BC producers.

UPDATE: AGRISTABILITY

As a result of WGBC advocacy, the BC Agriculture and Food Ministry undertook a review of current AgriStability Guidelines as they pertain to processing of commodities grown on the farm, specifically wine produced from grapes grown on the farm.

Consequently, and in consultation with Agriculture and Agri-Food Canada, farm operations that produce wine grapes in BC and process them into wine for sale are eligible to enroll in AgriStability that includes coverage for expenses related to the production and harvesting of wine grapes; also expenses for winemaking including crushing, fermentation, bottling, and storage costs.

While wineries that only purchase grapes and do not grow grapes are not eligible for AgriStability, there is some allowance for the purchase of grapes used to augment or blend with wine produced from farm grown grapes.

Other 2024 AgriStability Program Enhancements include:

- Higher compensation rate increases from 80 to 90 percent of net income margin losses.
- Broader coverage with the difference between the existing AgriStability \$3M payment limit and the enhanced program's \$6.2M limit.
- Faster financial relief: Farmers enrolled in AgriStability for 2024 will automatically receive the increased benefits.



- For farms not yet enrolled in AgriStability 2024, the program allows late participation until April 30, 2025, for the 2024 program year.
- Increased interim AgriStability payments for farmers; eligible BC farmers can now access up to 75 percent of their estimated final AgStability 2024 benefit as an upfront payment to help manage cash flow challenges in 2024. The application deadline for the interim payment is March 31, 2025.

Full AgriStability Program details can be found on the website.

Dedicated AgriStability Customer Support is available by calling 1-877-343-2767 or by email at AgriStability@gov.bc.ca.

UPDATE: VINTAGE 2024 RELIEF & SUPPORT

Thanks to those who have submitted questions and concerns regarding the program directly to the BC LDB. As a result, they are considering alternatives for wineries not able to meet the 5-year Olympic average reported sales criteria and will be communicating directly with those affected.

In the meantime, they are on track for the release of an implementation plan and policy details with specifics of the program in October.

Please continue to provide feedback and bring concerns to the LDB's attention via 2024vintagereplacement@

September 23, 2024

Wine Growers BC President and CEO Miles Prodan Announces Retirement

Miles Prodan, President and CEO of Wine Growers British Columbia (WGBC), has announced his retirement, effective December 31, 2024. This announcement concludes a distinguished 14-year tenure marked by significant accomplishments and transformative leadership.

WGBC Chair Paul Sawler expressed gratitude for Prodan's dedicated service, noting that his decision to step down aligns with both his personal goals and the evolving needs of WGBC. Sawler highlighted that this transition comes at a time when the organization is poised for a strategic shift in response to emerging industry challenges and opportunities.



Under Prodan's leadership, the BC wine industry has celebrated numerous achievements, including:

- Market Share Growth: A 6.4% increase in provincial BC VQA market share.
- **Economic Impact:** Elevating the BC agriculture-based wine industry to a \$3.75 billion contributor to the provincial economy.
- Retail Success: Transitioning BC VQA wine stores to a grocery model, creating a \$20 million wholesale channel.
- Tourism Revenue: Driving BC wine tourism, resulting in over one million visitors and \$750 million in tourism and tourism employment related economic impact annually.
- **International Recognition:** Boosting the number of awards won by BC wineries at global wine competitions.

Prodan's tenure has also been marked by several recent notable advocacy successes, including:

- **2024 Vintage Replacement:** Securing support from the BC LDB and other agencies for 2024 vintage replacement.
- Alberta DTC: Facilitating the end of the AGLC BC wine embargo and enabling directto-customer shipping in Alberta.
- Replant/Resiliency Supports: Implementing funding initiatives for replant and longterm crop resiliency programs, as well as wine tourism campaigns.

As WGBC approaches a turning point, both Prodan and Sawler agree that new marketing and advocacy initiatives are required to address ongoing and emerging challenges. The recent comprehensive review of WGBC's governance model further underscores the need for changes in the role of the CEO and the organization's structures and processes. Prodan and Sawler believe that the successful completion of recent initiatives and the evolving landscape make this an opportune moment for leadership transition.

Prodan has been instrumental in shaping WGBC into a leading force in the BC wine industry, renowned for its innovation, advocacy, and contributions to the provincial



economy. As he prepares for retirement, Prodan is committed to ensuring a seamless transition and will assist in a contract capacity during the leadership handover.

The WGBC Board of Directors appreciates Prodan's significant contributions and years of service. A search for his successor and a transition plan will be initiated to ensure continuity and alignment with WGBC's strategic objectives.

Prodan thanked current and previous WGBC directors and board chairs for their support and direction throughout his tenure, as well as members who consistently contributed with positive collaboration in his achievements for the BC wine industry.

Last, but not least, Prodan stressed that his successes could not have been achieved without the support, dedication and teamwork of loyal WGBC staff.

For further information, please contact: info@winebc.com

About Wine Growers BC: Wine Growers BC (WGBC) represents the interests of British Columbia's wine industry, promoting the province's wine regions, advocating for industry needs, and supporting economic growth and tourism.

October 2, 2024

UPDATE: WINE GROWERS BRITISH COLUMBIA ANNUAL GENERAL & SPECIAL MEETING

Wine Growers BC hosted its Annual General Meeting on Friday, September 27, and we are pleased to congratulate the new and incumbent directors elected to the WGBC Board:

- ADAM WOODWARD, Privato Winery and Vineyard
- ANGELA LYONS, Quails' Gate Family Estate
- JOSH STEWART, Arterra Wines Canada (Vice-Chair)
- LAUREN SKINNER-BUKSEVICS, Painted Rock Estate Winery
- MARK SHERIDAN, Hester Creek Estate Winery
- MIKE DOWELL, Liber Farm and Winery
- PAUL SAWLER, Dirty Laundry Vineyard (Chair)



- SAMANTHA COLLINS, Mission Hill Family Estate Winery
- VINCENT ONG, Andrew Peller
- MILES PRODAN, President & CEO, Wine Growers BC (ex officio non-voting)

In addition to the election of directors, the Special Resolution was unanimously passed that included:

- Increasing term limits to three 3-year terms
- Changing ex officio non-voting Board members to only include the President & CEO
- Committee structure flexibility to facilitate implementation of recommendations from the Watson Advisors Governance Review Report

At the Board meeting following the AGM, Paul Sawler, Dirty Laundry Vineyard, was elected chair, and Josh Stewart, Arterra Wines Canada, was elected vice chair. The Board also approved the immediate formation of a Board People & Culture Committee to commence with a CEO search as well as the development of the terms-of-reference for a member Nominating Committee in advance of the independent directors search, which will commence following the Board retreat and planning session taking place late October.

WGBC extends its gratitude to outgoing board members Chris Turyk of Unsworth Vineyards, Greg Berti of Andrew Peller Ltd., who is retiring following a fruitful 35-year career with Andrew Peller, Sheila Whittaker of Nostalgia Wines Inc., ex-officio member Al Hudec, as well as retiring President & CEO Miles Prodan for their significant contributions and dedication to the organization.

BCL LISTING SUBMISSION INFORMATION REGARDING BC VQA REPLACEMENT WINES

BCL has <u>advised</u> they will be posting an invitation later this fall to review new SKU submissions for Bottled-in-BC (BIBC) and this will be open to replacement wines (SKUs) for the 2024 vintage. Replacement wines are not VQA and they do not plan to have them shelved in the VQA section.

Specifically, BCL will be accepting submissions for the 2024 vintage in an upcoming BIBC tender scheduled for fall. Submissions will require:



- A new SKU number
- A new listing application including marketing plan and pricing details
- Label image which clearly denotes place of origin for customer transparency
- Listing type proposal and case quantity available i.e. Seasonal, Only@BCL
- Samples

The WGBC Vintage 2024 Relief and Support Replacement Wine Task Group will be providing retail channel marketing and BC VQA Replacement Wines merchandising recommendations, including a clearly indicated "BC VQA 2024 Replacement" section adjacent to existing BC VQA so as not to disrupt consumer behaviour, etc. and in support of BC wineries.

For any questions related to the requirements and timelines for accessing relief supports for 2024 vintage replacement wines, please contact 2024vintagereplacement@bcldb.com.

For any questions related to the BIBC tender process, please contact Lesley Brown lesley.brown@bcliquorstores.com.

For any ongoing VQA submissions, please reach out to Barb Philip at <u>Barbara.philip@bcliquorstores.com</u>.

November 26, 2024 - VINTAGE 2024 RELIEF AND SUPPPORT REPLACEMENT "CRAFTED IN BC" WINES RECOMMENDATIONS

In response to the July 25, 2024, government announcement allowing temporary relief for BC wineries to use out-of-province grapes for the 2024 vintage, Wine Growers British Columbia (WGBC) formed the Vintage 2024 Relief and Support Replacement Wine Task Group.

Comprising 25 BC winery, retail, and trade representatives, the group met on September 5 and 19 to develop marketing, merchandising, and communication recommendations to support the introduction of 2024 non-BC replacement "Crafted in BC" wines to the market.

Supporting Messages >



Recommendations >

BC LIQUOR DISTRIBUTION BRANCH (LDB) 2024 VINTAGE REPLACEMENT INFORMATION SESSIONS

The BC Liquor Distribution Branch (LDB) is hosting virtual information sessions for BC wineries that are participating in the 2024 vintage replacement.

LDB Policy, Regulatory and Wholesale representatives will join us to go over the 2024 vintage replacement supports. Following that presentation, members of the BCLIQUOR team will join the call to provide an overview of their recently posted Crafted in BC invitation. All sessions will also include an opportunity for participants to ask questions.

The agenda will focus on:

- 2024 vintage replacement overview
- Mark-up relief support cap calculation, and how the support will be administered
- Wholesale product registration and labeling requirements
- BCLIQUOR Crafted in BC invitation overview and retail considerations.

Please select a session to attend by November 27 at 4:00 PM

COMMERCIAL WINERIES

LAND BASED WINERIES

Monday, December 2 - 10:30 AM to 12:00 PM Thursday, December 5 - 1:00 PM to 2:30 PM Monday, December 2 - 1:00 PM to 2:30 PM Thursday, December 5 - 10:30 AM to 12:00 PM

Click here to choose a session >

Click here to choose a session >

BCLDB will send you a calendar invitation with the Microsoft Teams link to confirm your attendance. Please submit any questions you have in advance of the sessions to 2024vintagereplacement@bcldb.com, with the subject line: "Questions for 2024 Vintage Replacement Information Session."

FEDERAL GOVERNMENT PAUSES GST/HST ON BEVERAGE ALCOHOL AND OTHER CONSUMER GOODS OVER HOLIDAY SEASON



On November 21, 2024, the federal government announced that it will be introducing legislation in parliament that would provide for a two-month GST/HST break for groceries and holiday essentials. The legislation would require majority support.

The government is proposing that the GST/HST be fully and temporarily relieved on groceries, restaurant meals, and alcoholic beverages excluding spirits but including all wine, beer, cider as well as spirit-based coolers (but restricted to spirits coolers up to 7% ABV). The relief would apply to the above alcoholic beverages sold in all retail sales channels, including restaurants, bars and pubs from December 14, 2024, to February 15, 2025.

In provinces where the HST will also be removed from qualifying goods (Ontario, Newfoundland and Labrador, Nova Scotia, New Brunswick, and Prince Edward Island), further savings would be realized. According to the federal information provided, the GST/HST would also be fully and temporarily relieved on importation of these same qualifying alcoholic beverages, if they are imported during the period beginning on December 14, 2024, and ending on February 15, 2025.

Government Press Release >

Backgrounder >

December 9, 2024

NEW OPPORTUNITY FOR BC WINERIES: DIRECT-TO-CONSUMER SALES IN ALBERTA

Following the <u>July 2024 memorandum of understanding</u> announced by the Governments of Alberta and British Columbia that allows BC wineries to sell their wine directly to consumers in Alberta, and after extensive discussions with the AGLC, the WGBC board is excited to share the details of the official DTC Program, as outlined in today's release from the Liquor and Cannabis Regulation Branch (LCRB) on behalf of Alberta Gaming, Liquor and Cannabis (AGLC).

Through the <u>AGLC Direct-to-Consumer (DTC) program</u>, BC wineries can expand their market access by selling directly to Alberta customers, including wine club members and other consumers seeking premium wines that may not be widely available in their area.

Interested wineries can begin the approval process with AGLC starting Monday, December 9, 2024.



It's important to note that wineries must wait for formal approval from AGLC before selling directly to Alberta consumers. The approval process takes 2 to 4 weeks, and approved wineries can start shipping to Alberta customers on January 6, 2025.

The agreement will run for one year, at which time it will be evaluated on its effectiveness. It is important wineries follow established processes to ensure the success of the program.

This is the most reasonable solution and the one WGBC's board have been advocating for years. This is the final piece of a big win for industry and one we hope can be used as a model across the country.

NEXT STEPS:

If you're interested in participating in the DTC program, your first step is to email DTCShipping@aglc.ca to let them know that you'd like to onboard into the program. From there:

- (1) Sign the required documentation:
 - Interested wineries will receive an Acknowledgement and Undertaking form from AGLC. This form acknowledges your legal obligations under Alberta's Gaming, Liquor and Cannabis Act (GLCA) and Gaming, Liquor and Cannabis Regulation (GLCR).
- (2) Complete the onboarding process by submitting your signed form to the AGLC to obtain an onboarding package that will include:
 - Sales reporting requirements (export products into Alberta should not be reported to the BC Liquor Distribution Branch as part of your sales reporting), payment terms, and associated costs,
 - A Remittance Report template,
 - A Pre-Authorized Debit (PAD) form; and,
 - A Bank Account Verification form.
- (3) Get approved!



Submit your completed onboarding documents to AGLC. Upon approval, AGLC will
notify you via email that your winery is authorized to start selling directly to Alberta
consumers.

Questions about the DTC program or need support with the process?

For additional information about the DTC program or to get support with the required documentation, please contact the AGLC Customer Care team directly via DTCShipping@aglc.ca or 1-888-447-8289.

WGBC FISCAL YEAR 2025 Q3 & Q4 MEMBER DUES ABATEMENT

As Wine Growers BC faces some extraordinary expenses for Fiscal Year 2025, we would like to update you on the membership dues structure. Currently, membership dues for this year include an abatement of \$0.025 per litre. The Board has confirmed the continuation of this abatement for the remainder of Fiscal Year 2025. As a result, members will continue to receive the \$0.025 per litre abatement on their dues for both Q3 and Q4.

Please note, however, that there are currently no plans for an abatement in Fiscal Year 2026 due to the anticipated decrease in volumes. We greatly appreciate your understanding and continued support.

December 12, 2024 WGBC COMMITTEE STRUCTURE AND FUNCTIONING

In response to the Watson Review Recommendations for better delineation between Board, Operations, and Member Committees, the WGBC board of directors has reviewed and revised the current <u>Committee framework</u>. This includes the introduction of new WGBC Committee Operating Guidelines and refreshed Committee Terms of Reference.

- WGBC Committee Operating Guidelines clearly define the purpose and needs of
 each of these Committees in their terms of reference to make clear who the
 Committee is reporting to, what roles and responsibilities (and decision-making
 authority) the Committee has, and who is involved in each of these Committees.
- WGBC's Committee terms of reference have been refreshed to establish clear and consistent operating guidelines, modernize the role of the Committees, and ensure



that the Committee mandates and WGBC's bylaws are in accordance with each other.

In support of transparency, member engagement and Director recruitment and alignment, WGBC has formed two new Committees:

- People and Culture Board Committee
- Nominations Member Committee

WGBC NOMINATIONS COMMITTEE - CALL FOR COMMITTEE MEMBERS

Wine Growers BC is pleased to invite member wineries to submit their expression of interest to the board to participate on the Nominations Member Committee.

The purpose of the Nominations Committee is to assist in the recruitment of new Board and committee members in accordance with WGBC Bylaws and the Societies Act to ensure strong, diverse leadership for the Society.

Please provide as much detail as possible when submitting your interest. Committee members will be selected on their relevant experience and knowledge to the task.

SUBMIT YOUR INTEREST

Deadline: December 19, 2024

Please note: Participation in this Committee is open to WGBC full member wineries in good standing.

GST RELIEF GUIDANCE OVERVIEW

Wine Growers Canada published a special edition of WineLine December 10, on the topic of Bill C-78 - *Tax Break for All Canadians Act,* including the clarification of eligible beverage alcohol products:

- Beer
- Wine, including cider, sake and fortified wine up to 22.9% ABV
- Wine coolers that are 7% ABV or less
- Other low alcohol packaged beverages that are 7% ABV or less



The newsletter also clarified ineligible products: spirits or other hard alcohol, and cannabis products (including food and drink).

To learn more about how this Bill relates to restaurant and catering services, payment and delivery, interprovincial supply HST/GST rates, and documentation/record keeping, <u>read</u> the full newsletter.

LDB WHOLESALE OPERATIONS MEMO

BC LDB Wholesale Operations also shared a memo for all manufacturers, suppliers, agents and third-party warehouses on December 9, 2024. The memo covers the BC Liquor Distribution Branch (LDB) responsibility to remove GST from qualifying products sold at BCLIQUOR stores and through the wholesale channels which includes LDB distribution and private distribution channels. Read the memo for important information on the steps the LDB is taking for implementation. Read the memo.

ADDITIONAL RESOURCES

- LDB Wholesale Operations Resources
- Canada Revenue Agency (CRA) details on the GST holiday tax break
- Department of Finance November 27 release
- Department of Finance backgrounder
- Bill C-78

BC WINE INDUSTRY RECOGNITION AWARDS - CALL FOR NOMINATIONS

Nominations are now open for the BC Wine Industry Recognition Awards! The three award categories embody the core values of BC wineries and wine champions who inspire, innovate, and collaborate to shape the future of the BC wine industry. This year, we will honour three deserving recipients for the Leadership Excellence Awards, the Ultimate BC Wine Ambassador Award, and the Master Marketer Award.

We encourage you to nominate an individual, winery, organization or business in the BC grape wine industry that meets the criteria for recognition at the awards.

SUBMIT A NOMINATION



Deadline: January 10, 2025

The Industry Recognition Awards ceremony will take place at the Insight Conference scheduled for March 12, 2025 in Penticton, BC. <u>Learn more about the award selection</u> committee and process here >

December 19, 2024

UPDATE: NAVIGATING VINTAGE 2024 RESOURCE GUIDE

A reminder that WGBC has created a helpful <u>online Resource Guide</u> for wineries to navigate the 2024 Vintage process. This is a living document that continues to be updated as new information and tools are made available.

IMPORTANT: Wine Growers BC does not oversee the accuracy of packaging or labeling. These resources have been provided to WGBC by the CFIA, BC LDB, BCWA and the associated regional bodies. While they can provide helpful guidance, wineries are responsible for the final decisions and compliance on these matters.

Please make sure you consult with the <u>CFIA</u> and <u>BC LDB</u> when starting the label design process.

LDB INFORMATION SESSIONS - LABELLING REQUIREMENTS

The LDB hosted a series of online information sessions this past month that included an overview of the requirements, processes, and timelines for accessing relief supports, as well as answers to frequently asked questions such as labelling and the use of AVAs. The deck from the information session will be shared with wineries via the <u>resource guide</u> once available.

December 27, 2024

UPDATE: CLARIFICATION ON LDB WHOLESALE COMMUNICATIONS REGARDING THE GST HOLIDAY TAX BREAK

The WGBC Board of Directors has communicated member's questions and concerns regarding the implementation of the GST Holiday Tax Break (Bill C-78) to LDB Wholesale Operations. As a result, we are pleased to share the following memo with clarification on



LDB communications shared to date, which includes a high-level analysis on the potential cash flow implications for some wineries that direct deliver.

BC wineries are encouraged to contact LDB at <u>GSTholiday@bcldb.com</u> if they have any concerns specific to their situation to be addressed on a case-by-case basis. Thank you again for your patience and understanding while we work together to make reasonable efforts to comply with the CRA guidelines related to Bill C-78.

READ THE MEMO

ADDITIONAL RESOURCES

- LDB Wholesale Operations Resources
- Canada Revenue Agency (CRA) details on the GST holiday tax break
- Department of Finance November 27 release
- Department of Finance backgrounder
- Bill C-78

Please direct any questions related to 2024 vintage replacement product registrations to Idbvendorhelp@bcIdb.com or call LDB Vendor Relations at 604-252-8700.

Please forward inquiries regarding BC LDB details and labelling to 2024vintagereplacement@bcldb.com.

ONTARIO NEW LABELLING REQUIREMENTS: NOTICE TO BC WINERIES

The use of Ontario on wine labels is regulated by the Ontario Wine Appellation Authority (OWAA), and if you wish to make this declaration on a label of a wine bottled in BC, you will need approval from OWAA.

With the goal to support our BC colleagues as much as we can and support consumer transparency, OWAA has developed an interim procedure to permit the use of Ontario on BC winery labels. It is designed to meet BC LDB requirements for origin records and will use a streamlined process to verify the integrity of the label claim.



To use Ontario on your label, you must be a licensed winery in BC and registered with the BC Wine Authority. The finished wine must be made from 100% Ontario grapes, with no blending with grapes or wines from outside of Ontario. Please note you cannot reference "VQA" or any other regulated Ontario appellation terms (GIs) such as Niagara or subappellation regions — ONLY Ontario.

Here is what you will need to do:

- Contact OWAA to obtain a login code for your winery (starting December 19)
- Register your winery online at OWAA's secure VQA Services website
- Contact the selling winery or grape grower from Ontario and ask them to complete an online transfer form to your winery with the wine details

OWAA will collaborate with BC LDB to provide audit support if needed and review labels in the BC market for compliance.

This is a temporary measure for the 2024 vintage, subject to the BC short crop rules.

Login credentials will be available starting December 19. To register, contact us at any of the following email addresses:

Helen.ly@vqaontario.ca

Katherina.Radcliffe@vqaontario.ca

Laurie.macdonald@vgaontario.ca (use this email between December 24 and January 2)

Or by telephone at 416-367-2002 (Monday to Friday, 8 am to 4 pm, Eastern time)

USE OF 'CRAFTED IN BC' ON LABELS

The BC Wine Authority recently provided the following clarity on the use of 'Crafted in BC' on labels:

- The use of Crafted in BC is acceptable for signage/promotions/storytelling
- The use of BC or British Columbia is not permitted on the front labels of wine using imported grapes



- Use of BC or British Columbia is acceptable in the back label copy in reference to "crafted in..."
- No use of GIs or Sub-GIs on the bottle

WGBC CEO SEARCH & RECRUITMENT

The <u>Wine Growers British Columbia</u> (WGBC) Board is working with Watson Board Advisors in the search for WGBC's next Chief Executive Officer to build upon a world-class brand and 30-plus-year history of representing and advocating for British Columbia wineries.

A natural networker, the ideal candidate will be a strategic, relationship-oriented leader who understands the nuances of advancing an industry through best-in-class member engagement, programs and advocacy. This is an exciting opportunity for a proven leader with a passion for people, wine and business, and the vision to further empower a vibrant wine-producer community in British Columbia.

Anyone interested in this position should contact <u>Cameron</u> <u>Wilson at cameron@watsoninc.ca</u> or <u>Barb Schimnowsky</u>, CMC, FEA at barb@watsoninc.ca.

WGBC NOMINATIONS COMMITTEE - LAST CALL FOR MEMBERS

Wine Growers BC is pleased to invite member wineries to submit their expression of interest to the board to participate on the Nominations Member Committee.

The purpose of the Nominations Committee is to assist in the recruitment of new Board and committee members in accordance with WGBC Bylaws and the Societies Act to ensure strong, diverse leadership for the Society.

Please provide as much detail as possible when submitting your interest. Committee members will be selected on their relevant experience and knowledge to the task.

SUBMIT YOUR INTEREST



Deadline extended: January 2, 2025

Please note: Participation in this Committee is open to WGBC full member wineries in good standing.