November 8, 2023

WGBC CEO UPDATE: OPPORTUNITIES ASSESSMENT FOR THE BC GRAPE AND WINE INDUSTRY

Last week the BC Wine Grape Council released their report: An Opportunities Assessment for the BC Grape and Wine Industry.

With financial support of the Province of British Columbia through the Ministry of Agriculture, the report details the once-in-a-generation existential crisis vineyards and wineries in British Columbia are currently facing. The combination of grapevine virus and volatile and extreme climatic conditions have resulted in both a reduction in crop yields and significant crop losses. In particular, the estimated 50% decline in this year's crop, 30% of grapevines in the province estimated to suffer from viral diseases with 29% estimated to have died after a severe cold event in December 2022.

The report quantifies the tremendous volume of replanting that needs to take place in British Columbian vineyards, imposing unprecedented costs on local grapegrowers. Based on current estimates of viral disease prevalence and winter frost damage, the replacement need is estimated to be between 3,814 and 7,492 acres and cost between \$164 million and \$323 million.

Government support will be crucial for these investments to take place with Wine Growers BC engaging the Premier and key cabinet ministers to ensure support is in place as soon as possible to be included in grower's plans for next year. WGBC will be asking industry to help emphasize the urgency of the need.

Other recommendations of the report include:

- Modernizing the industry's data capabilities
- Increasing funding for resiliency research
- Updating the list of permitted grape varieties under the BC VQA program

November 3, 2023

WGBC CEO UPDATE: SUPPORT FOR FUTURE INDUSTRY VITALITY

Following up on the WGBC omnibus request for regulatory reforms and financial support sent to the premier and key ministers Oct 5, Wine Growers British Columbia (WGBC) has undertaken the following:

• Friday, Oct 20 – meeting between Premier Eby and MLA Russell and a group of Similkameen Valley wine growers at Vanessa Vineyards to see and hear firsthand the challenges facing the BC Wine industry

Subsequently at an event in Osoyoos that evening, the Premier's remarks indicated he understands and appreciates the circumstances the industry is currently operating in and the importance of government support, specifically:

- A multi-year (3-5 year) commitment to a wine grape specific replant program in the range of \$50 million per annum
- Commit to a three-year, dedicated BC Wine Tourism Marketing Program at a cost of \$3 million per annum over a five-year period
- Declaring wine production as being eligible under Business Risk Management (BRM) programs/Ag StabilitY

WGBC is following up with the Premier's office on next steps to ensure any support is in place as soon as possible in order to be included in grower's plans for next year.

 Week of Oct 23 – WGBC met with BC Liquor Stores (BCLS) senior staff to discuss BC VQA category management issues raised at the Oct 13 winery meeting with BC Liquor Distribution Branch (BC LDB). Issues discussed included the procurement process to access permanent listings, the diversification of the sales channel, as well as shelf facings etc.

BCLS committed to getting back directly to the wineries who met with the BC LDB regarding BC VQA category management issues with WGBC continuing to work directly (i.e., marketing committee) with the BCLS supporting marketing and promotional efforts for the category.

BC WINE ASSOCIATIONS ADVOCACY SUMMIT

Following the Nov 16 WGBC board planning session will be a Nov 17 summit inviting the directors and staff of the various BC wine industry associations including:

- British Columbia Grapegrowers' Association (BCGGA)
- British Columbia Wine Authority (BCWA)
- British Columbia Wine Grape Council (BCWGC)
- Wine Growers British Columbia (WGBC)

The purpose of the summit is to better coordinate inter-association communications and cooperation for a unified advocacy voice to influence political, economic, and social policy affecting our industry.

October 25, 2023
WGBC CEO UPDATE
FALL FOR BC WINE CAMPAIGN

This year, the BC wine industry has been severely impacted by several natural, economic and tourism threats. In response, WGBC has launched #FallforBCWine.

Similar to how April is #BCWineMonth flourished into one of WGBC's most successful programs in response to the adversity of the Alberta boycott of BC wine (2018), this campaign is meant to transform the recent negative context into one that fosters not only local pride but a deeper connection between wineries, industry stakeholders and their patrons.

After consultation and input from member wineries and key stakeholder partners, with funding in part from Agriculture and Agri-Food Canada and the Government of British Columbia through programs delivered by the Investment Agriculture Foundation of BC, #FallforBCWine will inspire consumers across the province to buy local this fall and includes an inspirational video that captures the resiliency and tenacity of our industry.

Through influencer partnerships, exciting BC wine visuals, media coverage and more, the campaign is delivering some impressive metrics.

Everyone is invited to join #FallforBCWine by downloading the assets and key messaging. Customize to your brand and share, tagging @WinesofBC and use #FallforBCWine #BCWine.

View Key Messages > Download Assets >

BC'S PAY TRANSPARENCY ACT - NOVEMBER 1

On November 1, BC rolls out the Pay Transparency Act, which was passed on May 11, 2023. This act places new requirements on employers to help address systemic discrimination in the workplace.

Beginning November 1, 2023, BC employers are required to include expected pay or pay range in job postings.

All people deserve to be paid fairly and our communities are stronger when everyone is treated equally. However, too many women in BC are still making less than men. Last year, women in BC earned 17% less than men. The pay gap also disproportionately impacts Indigenous women, women of colour, and immigrant women, as well as women with disabilities and non-binary people. Learn more >

UPDATE: WINE SECTOR SUPPORT PROGRAM (WSSP)

WGBC continues to support Wine Growers Canada in building political support for the extension of the Wine Sector Support Program (WSSP) beyond March 31, 2024, given the final WSSP payment will be delivered within the next four weeks. Key messages including the ongoing challenges for our sector and the need for this funding to incentivize investment, growth and quality enhancement in Canada's wine sector to ensure that WSSP is addressed in the federal Fall Economic Statement, which will be delivered in November. Thanks to all members who have engaged discussions with their local MP, and for your continue to voice the need for the WSSP to continue, to ensure success.

October 10, 2023
WGBC CEO UPDATE
WINE GROWERS BC REQUESTS URGENT SUPPORT FOR FUTURE VITALITY

British Columbia wine growers are currently facing a crisis the level of which has not been seen since the 1990s. In recent years, several unprecedented challenges are threatening the viability of the industry as we know it. The combination of climate change-related freezing, wildfires, and disease pressure has severely impacted the short and long-term crop yield and placed many wineries and growers in financial peril.

Accordingly, and following unanimous support at the WGBC board meeting held October 3, an omnibus request for regulatory reforms was sent to the premier and key ministers. Requests included:

- Accelerate the modernization of LDB agreements to treat certified 100% BC equally (i.e., the distinction between land-based and commercial wineries)
- Maintain BCL BC VQA shelf space with a greater BC VQA producer offering of small volume producers
- Specify a target increase to the domestic share of 100% BC wine sales in the BC LDB mandate letter
- Accelerate single site, by-the-glass licensing endorsement for the 2024 tourism season
- Align the LDB's treatment of the Federal Excise Tax with other provincial jurisdictions
- Loosen ALR restrictions on the ability of land-based wineries to offer onsite accommodation and culinary experiences
- Continued commitment to direct delivery benefits, BC VQA rebate and ad valorem markup|

The request also included financial support requests:

- A multi-year (3-5 year) commitment to a wine grape specific replant program in the range of \$50 million per annum
- Commit to a three-year, dedicated BC Wine Tourism Marketing Program at a cost of \$3 million per annum over a five-year period
- Declaring wine production as being eligible under Business Risk Management (BRM) programs/Ag Stability
- Establish a Finance Ombudsperson to liaise with lending institutions, the FCC and provide debt restructuring assistance to growers and producers
- Support the Federal Government to renew and expand the Wine Sector Support Program
- Federal wage assistance for re-plant programs

- Defer Property Taxes entirely for the first year and for the subsequent 2 years with a schedule to repay outstanding taxes over a subsequent 5-year period
- Defer BC Hydro costs for a 2-3 year period with a schedule to repay outstanding taxes over a subsequent 5-year period

WGBC believes immediate implementation of these supports will reinforce the crucial role that policies and investments enacted today will play in shaping the BC wine industry for Wine BC 2030.

Thankfully some of this work is underway, but more is required, we will be following up with in-person meetings to press the urgency of our need for support.

September 22, 2023

WGBC CEO UPDATE

UPDATE: BCLDB LAND BASED SALE AGREEMENT 25% REQUIREMENT

Recognizing the WGBC-highlighted challenges facing the BC wine industry this past year, The BC Liquor Distribution Branch (LDB) has announced support available to land-based wineries (LBW) that may be unable to meet the requirement that a minimum 25 per cent of manufactured input come from owned or leased land.

Specifically, LDB Regulatory & Compliance will consider exemptions on a case-by-case basis, and may require evidence that your owned or leased crops have sustained damage that prevent your winery from meeting the 25 per cent criterion. Furthermore, the LDB understands that in some cases it may take several years to regenerate yields from crops damaged by the frosts and other incidents this past year. In these instances, if leasing or purchasing additional acreage is infeasible to return to compliance for harvest 2024, LBWs will need to apply for additional exemptions once again next year.

To explore the support available to you, please contact LDB Regulatory via regemail@bcldb.com or 604-252-6233.

UPDATE: LCRB MANUFACTURE LICENSE RENEWAL

Wine Growers BC has confirmed that because of this years' well documented "crop failure" (i.e., due to winter damage, wildfire smoke impact, etc.), the BC

LCRB Manufacture License Renewal requirement to produce a minimum of 4,500 litres of wine annually will be reviewed on a case-by case basis.

Wineries who have not met the volume minimums will need to cite the reason (see: Section 29 (3)) in their renewal application for review on a case-by case basis with a recommendation to submit early to avoid delays or risk late renewals.

Renewals should be available online as of February 1 for licensees to submit their letters for review. Additionally, the LCRB will be sending reminders out closer to the time of renewal.

For more information contact: In Victoria Office – 250-952-5787 In Canada Toll Free Office – 1-866-209-2111 Liquor licences – LCRBLiquor@gov.bc.ca

WGBC ADVOCACY EFFORTS

Wine Growers BC thanks the BC LDB, LCRB and various Ministry's including Ministry of Public Safety and Solicitor General (Minister Farnworth) and BC Ministry for Agriculture and Food (Minister Alexis) for their support to date as the BC wine industry faces several unprecedented challenges that are threatening the viability of the industry as we know it. We look forward to continued cooperation as the combination of climate change-related freezing, wildfires and disease pressure has severely impacted the short and long-term crop and placed many wineries and growers in financial stress and an uncertain future.

CANADIAN ALLIANCE FOR RESPONSIBLE DRINKING (CARD) LAUNCHES

Following the confusing messaging presented to Canadians regarding the health issues associated with alcohol consumption, WGBC supports the newly launched Canadian Alliance for Responsible Drinking (CARD) website. The website recognizes given importance of balanced and sensible information on responsible alcohol consumption and related health issues.

WGBC believes Canadians have a right to accurate information enabling them to make informed choices regarding responsible alcohol consumption and what amount of consumption, if any, is appropriate for them. WGBC and our member wineries support responsible drinking and moderation... and always will.

Wineries interested in directly supporting the initiative are invited to contact CARD Executive Director Mark Hicken at mark@cafrd.ca.

Or ... you can just re-tweet, like or re-post these links:

Facebook LinkedIn Twitter/X

September 19, 2023 WGBC CEO UPDATE

ACTION REQUIRED: WINE SECTOR SUPPORT PROGRAM

The second and final payments under the initial Wine Sector Support Program (WSSP) will soon be issued. The federal government has <u>not yet committed</u> to continuing the program funding which puts at peril our industry's long-term survival.

At a time when the government is cutting program spending it is important that the industry send a strong message, supported by Members of Parliament, that continued WSSP funding is not just a priority, but a necessity.

We need every grower and winery to contact their local Member of Parliament to explain the importance of the WSSP program to your business, your employees, and the local economy, and explain the consequences should the government decide to end the program.

Please take the time to either write to your MP, or arrange an in person meeting, preferably at your vineyard/winery. We are also asking members to record a short video using your smartphone to help us tell our stories and put a human face on our industry.

The Wine Growers Canada **Campaign Tool Kit** below includes resources to help you identify your MP and links to letter templates, meeting instructions, talking points, and tips.

Who is my MP?

Click here to identify your Member of Parliament and their contact information by entering your business postal code.

Write a letter

Click here to view a suggested letter template. Click here to send the letter in WORD format to your downloads. The template can serve as a guide to include key messages and facts however it is most effective for you to relay the specifics of your situation.

Request a Meeting

An in-person meeting is the most effective way to emphasize the importance of the issue and secure a commitment of support. It is even more effective if the meeting can take place at the winery/vineyard. Click here for tips and suggestions for a successful meeting.

Employee Letters

Click here for a suggested template for a letter from employees to relay the importance of continued WSSP funding on their jobs and community.

Make a video

In addition to contacting your local MP, we are asking winery personnel (proprietors, winemakers, managers, employees) to record a short video using a smartphone to tell your story, and the importance of continued WSSP funding to your business, employees and region.

WGC will be making a compilation video and individual videos to strengthen our campaign to secure long term federal support for our industry. Click here for instructions on how to record a short video, what to say and how to send it to us.

Social Media

WGC will be providing additional materials in the coming weeks and asking wineries and staff to post on social media (LinkedIn, Facebook, Instagram, and X/Twitter).

If you have any questions please contact Rob Taylor rob@wgcanada.ca or (613) 983-2225

August 21, 2023 WGBC CEO UPDATE

The last 72 hours have been exceptionally challenging both personally and professionally for so many in the BC wine industry. WGBC shares the deep concern for the safety of our communities and most importantly for the safety of each one of our industry employees, stakeholders, and their families, some of whom have been displaced from their homes during the wildfires that are continuing to affect the region.

Compounding an already challenging season, the devastating impacts of climate change are being felt throughout the Okanagan, Similkameen and Shuswap regions once again with wildfires raging throughout these regions. These wildfires not only have an impact on wine tourism, but also the livelihoods of

winery staff; many of whom have been evacuated themselves. We have been in regular contact with provincial ministers and senior staff with updates as it's not premature to begin discussions on how best to support recovery for our industry.

Currently, the safety of our community is the top priority and we're asking everyone to do their part, be mindful of the conditions, and make safe and responsible decisions. This is a challenging time for our community, impacting individuals, communities, and neighbourhoods in the Central Okanagan. We extend our heartfelt thoughts to those who have experienced loss or are displaced.

It is too early to know how the wildfires will impact this vintage for select producers in the impacted regions. The study of how smoke impacts finished wine is evolving and depends on many variables and we will provide updates once the situation becomes clearer.

In accordance with the emergency order issued on August 19th restricting nonessential travel to the Okanagan, we are asking everyone to please postpone their trips to the Okanagan until a time when wineries will be in a better position to welcome you. Wineries in the Thompson, Fraser Valley, Kootenays, Vancouver Island and Gulf Islands remain open and ready to welcome visitors.

With so many small businesses and wineries being affected by the fires and tourism impacts, we have encouraged the public to continue to support their favourite local suppliers and producers directly or via their online boutiques. Support is truly crucial during this time and the businesses truly appreciate it.

Appreciate if you would share any examples of winery support by including @WinesofBC in social media posts (@BCWine on Twitter) or contacts us directly so we can share through our network.

Wine Growers BC will continue to provide updates on wine tourism and the smoke situation as it evolves. In the meantime, we encourage you to follow Wine Growers BC, Central Okanagan Emergency Operations, Destination BC and Tourism Kelowna for community updates.

August 8, 2023 WGBC CEO UPDATE

UPDATE: BC LDB WEBINAR ON LAND-BASED VS COMMERCIAL WINERY

Wineries (LBWs) interested in learning about the process to convert to Commercial Winery status and will be publishing shortly a Q&A document that came from the session.

With over 70 wineries in attendance there is a clear interest from many concerned with the anticipated BC grape crop reduction of 54% in volume, and who are interested in exploring alternative options for production of Vintage 2023.

For wineries interested in exploring bringing in finished wine from Ontario, the Niagara Wine Exchange regularly distributes a listing for wine on offer. To receive directly and/or for more information, please contact:

Frank Neufeld Cell: 905-327-1948

Email: Frank.Neufeld@gmail.com Click here for a BC wine resource.

REMINDER: WINE GROWERS BRITISH COLUMBIA ANNUAL GENERAL (VIRTUAL) MFFTING

A reminder to register for WGBC Annual AGM, Wednesday, September 6, 2023 10:00 AM to 11:00 AM that will include an overview of the most recent fiscal year, the release of the FY'23 Annual Report, as well as the election of new Board Directors. The Honourable Pam Alexis, BC Minister of Agriculture and Food to give a keynote address just prior to the AGM commencement.

Register Now

July 14, 2023 WGBC CEO UPDATE

BC LDB WEBINAR: LAND-BASED VS COMMERCIAL WINERY

On July 20, 2023, the BC Liquor Distribution Branch (LDB) will host an online information session for Land-Based Wineries (LBWs) interested in learning about the process to convert to Commercial Winery status. The WGBC-requested information session is being held in response to requests from LBWs who are concerned with the anticipate crop reduction of 54% shortage of grape volume in BC, and who are interested in exploring alternative options for production this harvest.

The seminar is Thursday, July 20, 2023, 1:00 PM to 2:00 PM LEARN MORE

WGBC is also pursuing temporary policy and licensing changes to help mitigate the short crop including LDB acreage owned/leased percentage and LCRB licensing production minimum requirements.

BC MINISTRY OF FOOD & AGRICULTURE: BUSINESS RISK MANAGEMENT PROGRAMS

On June 27, 2023, WGBC hosted an industry round table with BC Agriculture and Food Minister Pam Alexis, senior ministerial staff, as well as MLA Roly Russell and MP Richard Cannings to discuss the devastating impact of climate change to our industry.

Key to the discussion is the need to update existing Agriculture Business Risk Management programs to realize the actual costs related to crop loss and replant as well as confirmation on eligibility of finished wine as an agricultural commodity.

Minister Alexis acknowledged that the BC wine grape crop yields have fallen as much as 30% below historical levels due to changes in BC's climate, further compounded by the devastating climate-change related freeze events in December 2022 resulting in a crop reduction of 54%.

The Minister advised the group that she has been in contact with federal Minister of Agriculture and Agri-Food, Marie-Claude Bibeau, and would be following up in person including a request for Federal AgriRecovery help with the gaps in provincial crop insurance coverage to cover current values and farm practices.

WINE GROWERS BRITISH COLUMBIA ANNUAL GENERAL MEETING

The official First Call for Nominations has been sent out to WGBC full members with available Board of Director positions to be elected/acclaimed by those members present and in good standing at our Annual General Meeting, to be held virtually on September 6, 2023.

Wine Growers BC encourages all eligible Full Winery Members in good standing to consider soliciting nominations from their same Winery Category for the position of a Board Director. Request your nomination package here.

A reminder that during the AGM, all Full Winery Members will have the opportunity to vote for each director for which there is an election required.

REGISTER TO ATTEND THE AGM

June 23, 2023

WGBC CEO UPDATE

BC'S WINE GRAPE CLIMATE CHANGE DISASTER MEDIA EVENT

Wine Growers BC hosted a media conference at Spearhead Winery to highlight climate-change and related freeze resulting in devastating short-term and long-term effects on BC's wine grape crops.

Specifically, we wanted to draw media attention to the fact that BC wine grape crop yields have fallen as much as 30% below historical levels because of changes in BC's climate. This was compounded by the devastating climate-change related freeze events in December 2022 resulting in a crop reduction of 54% – forecasted to result in \$133 million in direct revenue lost to the BC wine industry with over \$200 million in direct economic revenue loss to suppliers, BC Liquor retailers, restaurants etc.

Included in our support messaging was:

- Modernization to Provincial Agriculture Insurance & Income Protection programs (i.e., crop insurance)
- Adequate funding for wine grapes in the provincial Perennial Crop Renewal Program
- Modernization of provincial licensing and sales agreement policy including temporary reduction in 25% owned/leased grapes and 4,500 litre/year requirements
- Victoria's help in bringing Ottawa to the table to access the Federal AgriRecovery Framework meant to help agricultural producers recover from natural disasters

Industry will be meeting with BC Agriculture and Foods Minister Pam Alexis and staff early next week to further the discussion on moving forward with support to the BC wine industry.

READ THE MEDIA RELEASE

LAST CALL - BC SUSTAINABLE DEVELOPMENT GOAL SURVEY

Deadline: June 29, 2023

Wine Growers BC has launched an important new survey that aims to gain an understanding of the barriers and opportunities associated with the adoption of sustainable business practices in the BC wine industry.

To show our appreciation for taking the time to complete this short survey (5-10 minutes), we are offering respondents the chance to win a sustainability prize pack including a \$100 gift card to Kelowna-based Pela Case as well as \$100 off first-year vineyard or winery certification with Sustainable Winegrowing British Columbia.

TAKE THE SURVEY

June 15, 2023

WGBC CEO UPDATE

UPDATE: VINTAGE 2023 DAMAGE REPORT

The first indication of the severity of the cold event at an industry level came in April 2023. Building on bud damage assessments from the Summerland Research and Development Centre and a selection of wineries, a previous study estimated that overall grape and wine production for the 2023 vintage will be 39-56% lower than in a typical year.

Unfortunately, results from our recent stakeholder survey following bud break confirm the earlier projections with the following estimated agricultural impacts:

- 54% reduction in grape and wine production for the 2023 vintage
- 45% of total planted acreage suffering long-term damage
- 29% of total planted acreage needing to be replaced

Accordingly, we have followed up with the BC Ministry of Agriculture and Food to ensure existing Insurance and Income Protection Programs are adequate and that there is support for wine producers impacted by the loss of grapes for Vintage 2023.

We look forward to Minister Alexis visit to the Okanagan later in the month to see firsthand the devastation and meet with wine growers to discuss government support for our industry.

BC CANCER AGENCY CAMPAIGN 'THE PROOF'

In January 2023, the Canadian Centre on Substance Use and Addiction (CCSA) released Canada's Guidance on Alcohol and Health Report, which recommends that no amount of alcohol is safe to consume, and that Canadians should have no more than two alcoholic drinks per week. This is a major shift from Canada's current low risk drinking guidelines of a maximum of 15 drinks per week for men and 10 drinks per week for women.

The CCSA report and proposed guidelines have been controversial including Mark Hicken's recent editorial in the Daily Hive highlighting faults of the study and warning of basing government policy on such non-peer reviewed evidence.

It is important to remember that the CCSA suggested guidelines have not yet been adopted by Health Canada. Despite the CCSA's claims, they do not replace the current low risk drinking guidelines.

WGBC has been active in cautioning the BC's Ministry of Health in promoting these suggested guidelines publicly in cooperation with The BC Cancer Agency and The Proof, a campaign to bring awareness to British Columbians about cancer risks associated with drinking alcohol. We have also advised that WGBC is opposed to imposing any new regulations on the production or sale of alcohol including the CCSA report recommendation of placing warning labels on all alcohol products.

WGBC is working with our provincial industry colleagues and Wine Growers Canada in developing a strategy to ensure all levels of government and the public are aware of the limitations to the CCSA report and will be sharing with our stakeholders.

SHARE YOUR THOUGHTS ON SUSTAINABILITY IN THE BC WINE INDUSTRY

Deadline: June 29, 2023

Wine Growers BC has launched an important new survey that aims to gain an understanding of the barriers and opportunities associated with the adoption of sustainable business practices in the BC wine industry.

To show our appreciation for taking the time to complete this short survey (5-10 minutes), we are offering respondents the chance to win a sustainability prize pack including a \$100 gift card to Kelowna-based Pela Case as well as \$100 off

first-year vineyard or winery certification with Sustainable Winegrowing British Columbia.

Take the Survey

May 30, 2023

WGBC CEO UPDATE

Deadline Extended: 2023-24 (year 2) Wine Sector Support Program Applications due Friday, June 2, 2023

Due to concerns it may not be understood Year 1 applications do not carry over and that application is required from all wineries for Year 2 of the federal Wine Sector Support Program (WSSP) the deadline has been extended to Friday, June 2, 2023.

A separate application must be submitted for Year 2 prior to the Friday, June 2, 2023 deadline to be eligible for Year 2 funding.

All licensed wineries in Canada that produce or contract out the production of bulk wine from primary agricultural products, such as grapes, berries, other fruit, dandelions, rice and sap, will be eligible for support under the program. The total funding for Year 2 of the program is \$83 million, and payments will be based on the total litres of eligible wine the applicant produced in the previous year.

Wine Sector Support Program website Applicant Guide Application Form PDF

Please email at aafc.wssp-pasv.aac@agr.gc.ca or call 1-877-246-4682 if you have any questions.

Update: Extension to Direct Delivery from off-site storage

Due to WGBC advocacy efforts, Liquor and Cannabis Regulation Branch (LCRB) has amended Manufacturer licence terms and conditions to extend the authorization for B.C. manufacturers to deliver directly to retail customers from their on-site store or registered off-site storage facilities up to and including June

30, 2025. Manufacturers can continue deliver directly to retail customers using their own employees or a third-party service delivery service.

This measure does not authorize liquor manufacturers to sell liquor from their offsite storage locations. Customers will still be required to complete transactions through a licensee's on-site store, online, or by telephone – they will not be able to physically purchase products at off-site storage locations.

If you have questions about these changes, please email LCRBLiquorPolicy@gov.bc.ca

May 23, 2023

WGBC CEO UPDATE

INPUT REQUIRED: Vintage 2023 Survey

With bud break underway, preliminary anecdotal reports indicate that our Vintage 2023 winter damage modeling of a 50% crop decline is being realized. While we have advised the BC Ministry of Agriculture & Food of the situation we need a better analysis of the actual impact of this winter's freeze event

Accordingly, we would like your input to the quick (2-3 minute) online survey to help us quantify the damage to back up our discussions with government for potential support to this year's vintage. As time is of the essence, we would appreciate if you could please complete by Friday, May 26th.

Also included in the survey is an opportunity for feedback to existing support programs to compensate growers (i.e. Production Insurance, AgriStability, etc.), as well as support for wineries facing a significant decrease in grapes for the 2023 vintage.

Please note survey results are being collected independently by third-party contractor Cascadia Partner, kept strictly confidentially for use in an aggregate provincial-wide report.

SURVEY HERE

Reminder: BC Ministry of Agriculture and Food Insurance and Income Protection Programs

The Business Risk Management Branch administers a suite of insurance and income stability programs that are designed to work together to enable B.C.'s agricultural producers to manage business risks that are beyond their control (production losses, severe market volatility, extreme weather events or disasters). These programs are an important part of a farmer's overall risk management strategies.

2022 AgriStability Late Participation Option ensures that producers have until June 30, 2023 to enroll in the 2022 AgriStability program.

Deadline Reminder: 2023-24 Wine Sector Support Program Applications are due Friday, May 26,2023

The application intake period for Year 2 of the federal Wine Sector Support Program (WSSP) will close on May 26, 2023.

Only those wineries who apply prior to the May 26, 2023 deadline will be eligible for funding. All licensed wineries in Canada that produce or contract out the production of bulk wine from primary agricultural products, such as grapes, berries, other fruit, dandelions, rice and sap, will be eligible for support under the program. The total funding for Year 2 of the program is \$83 million, and payments will be based on the total litres of eligible wine the applicant produced in the previous year.

Click here for the Wine Sector Support Program website at Agriculture and Agri-Food Canada.

Click here for a copy of the Applicant Guide.

Please email at aafc.wssp-pasv.aac@agr.gc.ca or call 1-877-246-4682 if you have any questions.

Update: BC Cancer Agency Campaign - The Proof

In January 2023 the Canadian Centre on Substance Use and Addiction (CCSA) released Canada's Guidance on Alcohol and Health Report, which recommends that no amount of alcohol is safe to consume and that Canadians should have no more than two alcoholic drinks per week. This is a major shift from Canada's current low-risk drinking guidelines of a maximum of 15 drinks per week for men

and 10 drinks per week for women.

This report and the proposed guidelines have been controversial including a recent editorial in the Financial Post highlighting faults in the CCSA study and warning of basing government policy on such non-peer reviewed evidence.

It is important to remember that **these guidelines have not yet been adopted by Health Canada**. Despite the CCSA's claims, they **do not** replace the current low-risk drinking guidelines.

We are also concerned about the lack of expert peer-review of the CCSA's data and conclusions. Despite this, BC's Ministry of Health is promoting these guidelines publicly in cooperation with The BC Cancer Agency and The Proof, a campaign to bring awareness to British Columbians about cancer risks associated with drinking alcohol. The CCSA report also recommended placing warning labels on all alcohol products.

Wine Growers BC has recommended <u>against</u> imposing any new regulations on the production or sale of alcohol and is engaging with both our Provincial and Federal Government partners on this issue and we will continue to provide updates as they are available.

If you have concerns or perspectives you'd like to share, please contact Miles Prodan at mprodan@winebc.com.

May 2, 2023

WGBC CEO UPDATE

Update: Perennial Crop Renewal (Replant) Program

The BC Ministry of Agriculture and Food has announced the Perennial Crop Renewal Program that will provide as much as \$15 million to support multiple sectors with potential agronomic and market opportunities. Wine Growers BC has been actively working with Minister Pam Alexis and staff to have BC wine grapes included in the new program that will help address the persistent short crop problem identified in last summer's BC Vineyard Resilience Project.

Details of the program include cost-sharing funding for; Sector Development Projects, Removal Projects and Sector-Specific Planting Projects. The BC Wine Grape Council will be developing a BC wine grape sector development plan that

will include a market opportunity assessment to help quantify and qualify replanting projects.

WGBC thanks Minister Alexis and staff for acknowledgement of the \$3.75 billion/year economic impact of our industry to the provincial economy and the critical role the program will play in helping BC wineries adapt to environmental and market conditions because of climate change.

Reminder: May 26,2023 is the deadline for Year 2 Wine Sector Support Program Funding

The application intake period for Year 2 of the federal Wine Sector Support Program (WSSP) will close on May 26, 2023.

Only those wineries who apply prior to the May 26, 2023 deadline will be eligible for funding. All licensed wineries in Canada that produce or contract out the production of bulk wine from primary agricultural products, such as grapes, berries, other fruit, dandelions, rice and sap, will be eligible for support under the program. The total funding for Year 2 of the program is \$83 million, and payments will be based on the total litres of eligible wine the applicant produced in the previous year. Please reach out to your winery neighbours and fellow winegrowers to ensure everyone is aware of the application intake period and deadlines.

Click here for the Wine Sector Support Program website at Agriculture and Agri-Food Canada.

Click here for a copy of the Applicant Guide.

April 14, 2023

WGBC CEO UPDATE

WGBC Economic Impact of December 2022 BC Grape Wine Bud Damage

On December 21 and 22, 2022 an extreme cold weather event swept across British Columbia including the major wine growing regions or geographical indications (GIs). Temperatures were below -20°C for a sustained period in most regions in the BC interior, with temperatures reaching as low as -30°C in Kelowna, West Kelowna. Accordingly, WGBC commissioned a report to estimate the impact of this extreme cold based data collected across 13 vineyards located in different areas of the Okanagan Valley and 18 different varieties. Buds were

collected and analyzed for damage assessment by both wine producers and damage analysis conducted by Dr. Ben-Min Chang of the Agriculture and Agri-Foods Canada Summerland Research Centre.

Due to the severity of bud damage caused by the extreme cold event, the 2023 harvest is projected to be significantly reduced, with an estimated reduction of 39% to 56% reduction in grape and wine production. Regional differences in weather and variety composition mean that the December 2022 extreme cold event will likely impact some regions more severely than others. For many regions, the impacts are anticipated to be quite stark. Proportionately, crop losses are estimated to be largest in Osoyoos (55-71%), Lake Country / Vernon (49-73%), West Kelowna (44-71%), Kelowna (43-71%), and Oliver (46-67%). Together, these regions account for more than 70% of historical wine grape yields.

Differences in the winter hardiness and location of grape varieties mean that the December 2022 extreme cold event will likely impact some grape varieties more than others.

White varieties – which generally are more robust to cold temperatures – are anticipated to be less severely hit and have a much greater potential to 'bounce back' due to effective bud pruning and vine management to start the growing season.

Red grape varieties are anticipated to experience the most severe crop losses, including Syrah (95-96%), malbec (97-98%), merlot (75-76%), and cabernet sauvignon (71-72%). By contrast, white grape varieties are estimated to experience more moderate losses, including pinot gris (1-20%), gewurztraminer (0-26%), Riesling (27-58%), and chardonnay (36-52%).

Wine Growers BC has advised the BC Ministry of Agriculture and Food of the potential damage and is meeting with industry representatives on how best to work with government to help mitigate the impact to industry.

End of an Era: Sumac Ridge Family Estate Winery to Close But Iconic Brands Live On

Arterra Wines Canada is announcing the closing of both retail and winemaking operations at Sumac Ridge Estate Winery, effective immediately. Sumac Ridge has served as an important hub for the BC wine industry since it was opened as BC's first estate winery by wine pioneers Harry McWatters and Lloyd Schmidt in 1980. Sumac Ridge was the first to develop a commercially successful Okanagan sparkling wine; the first to have a winery restaurant; the first winery in

Canada to begin using Meritage on its Bordeaux blends; and the first Okanagan winery to release a \$50 bottle of wine. The winery also helped to popularize Gewürztraminer.

Sumac Ridge Estate Winery was purchased in the Spring of 2000 by Vincor Canada (now Arterra Wines) and was the proud home of Sumac Ridge Family Estate, Steller's Jay sparkling and Black Sage brands. With operations being shifted to the state-of-the-art facility in Oliver, these brands will continue to live on through on-premise partners and the Great Estate Okanagan website despite the closure of winery retail operations.

Arterra would like to thank the hundreds of industry professionals, visitors, customers and employees who made the Estate so iconic for over four decades. Join us in raising a glass to the legacy of Sumac Ridge Estate Winery.

Wine Sector Support Program - Year 2 Application Information

The application intake period for Year 2 of the federal Wine Sector Support Program (WSSP) will be open from April 17 to May 26, 2023. Only those wineries who submit an application prior to the May 26, 2023 deadline will be eligible for funding. According to WSSP officials, the application process has been shortened for second year applicants as much of the information was obtained through Year 1 intake.

All licensed wineries in Canada that produce or contract out the production of bulk wine from primary agricultural products, such as grapes, berries, other fruit, dandelions, rice and sap, will be eligible for support under the program. The total funding for Year 2 of the program is \$83 million, and payments will be based on the total litres of eligible wine the applicant produced in the previous year. Please talk to your winery neighbours and fellow winemakers to ensure everyone is aware of the application deadlines.

Click here for Wine Sector Support Program website at Agriculture and Agri-Food Canada.

Click here for a copy of the Applicant Guide.

March 30, 2023

WGBC CEO UPDATE FEDERAL BUDGET 2023 OVERVIEW:

The biggest announcement for the Canadian wine industry is the one-year 2% cap on the excise duty annual inflation indexation. Alcohol excise duties are automatically indexed to total Consumer Price Index (CPI) inflation at the beginning of each fiscal year (i.e. on April 1). The excise duty on wine, therefore, was due to increase by 6.3%, which would have been the highest increase of the excise escalator yet for the industry. The excise rate will be \$0.702 per Litre (it was scheduled to be \$0.731 per Litre).

This is a significant outcome for our industry and the result of extensive advocacy by Wine Growers Canada with support from Wine Growers British Columbia as well as other regional and industry associations across the country. READ THE BUDGET OVERVIEW.

BC WINE INDUSTRY SUPPORTED BY NEW CANADA-BC PARTNERSHIP:

BC farmers and food processors will receive increased food security support over the next five years through the Sustainable Canadian Agricultural Partnership (Sustainable CAP). A new agreement between the governments of Canada and British Columbia, Sustainable CAP is a \$3.5-billion, 5-year agreement (April 1, 2023, to March 31, 2028), to strengthen the competitiveness, innovation and resiliency of the agriculture, agri-food and agri-based products sector.

The Sustainable CAP is expected to assist the B.C. wine grape sector through new and enhanced programs and funding that includes climate change adaptation, preparedness and mitigation; domestic and international marketing and research, innovation and technology. LEARN MORE.

WGBC'S 'THE PULP' E-NEWSLETTER

Wine Growers British Columbia's (WGBC) launched a new trade e-newsletter, The Pulp.

With close to 7,000 subscribers, The Pulp provides both on and off-premise trade professionals with the inside scoop on industry events, marketing and education opportunities in support of BC Wine.

Read the latest issue of 'The Pulp'

APRIL IS BC WINE MONTH

Wine Growers British Columbia and the BC Ministry of Agriculture and Food are delighted to announce the provincial government proclamation of April 2023 as BC Wine Month (#BCWineMonth).

The sixth annual April is BC Wine Month celebrates four weeks of local 100% BC wine that includes consistent consumer messaging across channels and the province as proven and effective in increasing sales.

Celebrate BC Wine Month by:

- Download & Share our Visual Assets, tag @WinesofBC and use #BCWineMonth #BCWine
- Add our GIFs & Stickers to your social media stories, simply search 'BC Wine'
- Get certified with Wines of BC Ambassador Program Level
 One online here use promo code BCWineMonth
- Get certified with Wines of BC Ambassador Program Level Two in person, check here for dates & locations

Visit a Pour More BC Restaurant crafting BC wine experiences around local cuisine

March 13, 2023

WGBC CEO UPDATE

UPDATE: TESA AUTHORIZATIONS EXTENDED UNTIL DECEMBER 31, 2024

At last week's BC Wine Industry Insight Conference BC LCRB General Manager David Hume alluded to an announcement made official on Friday, March 10, of an extension to the existing Temporary Expanded Service Area (TESA) authorizations to December 31, 2024.

WGBC worked in partnership with industry associations to secure this extension. We extend our sincere thanks to government for understanding the importance of extending this deadline for industry. Without this extension, many wineries would be faced with removing their temporary tasting areas just as the busy summer wine tourism season begins.

TESAs have played a key role in pandemic recovery, enabling wineries to create or expand outdoor service areas, giving customers more space to taste and enjoy their wine. Moreover, BC wineries' successful implementation of TESAs is helping WGBC make the case for a 'single-site' endorsement allowing for site-wide tasting and by-the-glass at the wineries' discretion and responsibility.

While WGBC continues to advocate to unencumber BC wineries, if you have an extended service area under the TESA authorization, you must apply for a

permanent structural change to make this a permanent fixture of your establishment. Structural change applications can take up to 10 months to process, so we strongly encourage you to start the application process now.

You can find more information on how to apply on the LCRB's website.

2023 BC WINE INDUSTRY INSIGHT CONFERENCE

Wine Growers British Columbia, in partnership with the BC Wine Grape Council, BC Grapegrowers' Association and the BC Wine Authority were pleased to host this year's 5th Annual BC Wine Industry Insight Conference in Penticton.

The purpose of the sold-out conference was to provide an informative overview of the current and future state of the wine industry from experts in the field. If you attended, we'd love your feedback on this year's event and appreciate your input to assist with next year's planning.

Please consider taking 5 minutes to complete this anonymous online survey for access to the Insight Conference 2023 speaker presentation files.

PROMOTING THE RIGHT AMOUNT

As a WGBC member, you will have read about Wine Growers Canada's The Right Amount campaign. As we see more and more developments both domestically and internationally seeking to further regulate beverage alcohol – particularly in terms of mandating labelling to include health/cancer warnings, standard drink and nutritional content information, the Right Amount Campaign aims to educate the consumer on responsible alcohol consumption.

The Right Amount offers a host of information for consumers, from tips on drinking in moderation and a standard drink calculator, to a range of resources for wineries.

On February 15th, the Minister of Mental Health and Addictions, Carolyn Bennett, said she supported industry voluntarily educating Canadians about standard drinks to help consumers make informed choices. Further, she confirmed her support for increased public education on standard drinks. Whether your wine business shares The Right Amount campaign via social media (images and shareable text can be easily accessed here), or engages consumers in your tasting room with moderation or standard drink collateral, a little can go a long way. All of these are available for your use via the design resources hub here.

UPDATE: EXCISE TAX ESCALATOR

WGBC is continuing to voice our concerns along with WGC to the federal government over the 6.3% excise duty increase, scheduled for April 1, 2023. Such an increase would see the excise rate on wine over 7% alc./vol. increase from \$0.688/ Litre to \$0.731/ Litre, over and above the inflationary and supply chain cost increases impacting producer costs.

On behalf of the Canadian wine industry, WGC continues to meet with a range of federal decision-makers and consumer organizations to gain support for our recommendation that the Government of Canada either temporarily suspends the legislated inflation indexation of the excise duty on beverage alcohol for two fiscal years or implements a legislated annual inflationary cap of no more than 2% annually.

February 2, 2023

WGBC CEO UPDATE

2023 BC WINE INDUSTRY INSIGHT CONFERENCE

Wine Growers British Columbia, in partnership with the BC Wine Grape Council, BC Grapegrowers' Association and the BC Wine Authority, are thrilled to host the annual Insight Conference for the BC wine industry. This year's theme, 'Forward Momentum in the BC Wine Industry' encompasses an exciting and relevant line up of speaker sessions, insight presentations, and workshops designed to fortify and inspire BC wine industry professionals to ignite forward momentum – together, our industry is stronger.

REGISTRATION NOW LIVE
Tuesday, March 7 – 8:30 AM to 5:00 PM
Penticton Lakeside Resort & Conference Centre

View the agenda > Meet the Speakers >

REGISTER NOW

UPDATE: BC DRUG DECRIMINALIZATION

On January 31, British Columbia decriminalized the personal possession of small amounts of certain drugs. This means that, beginning January 31, adults will not be subjected to criminal charges for the personal possession of small amounts of certain illegal drugs, and the drugs will not be seized.

Licensed establishments, including wineries, are responsible for creating their own policies regarding on-site consumption with the LCRB providing an FAQ to help understand what decriminalization means for your business.

If you have any questions, please email LCRB.Outreach@gov.bc.ca

UPDATE: WINE SECTOR SUPPORT PROGRAM

Most wineries have or will shortly receive their first year WSSP payment. The second year production will be based on the fiscal year ending March 31, 2023. As such, Wine Growers Canada has been actively engaging with Members of Parliament, Ministerial offices and has met with the federal Deputy Ministers of Finance, Agriculture and Industry to ensure that an extension to WSSP is included in Budget 2023.

Some WSSP Grant Payments are at risk according to AAFC officials, dozens of Canadian wineries have yet to return their signed WSSP grant agreements. WSSP grant funds must be allocated by the end of the federal fiscal year. Any grant agreements that have not been processed by March 31, 2022, will be denied payment.

If you have not submitted your signed WSSP grant agreement, please do so as soon as possible. If you have not received the agreement, please check your email (including your junk mail and spam folders) or contact your WSSP program officer or contact the program via e-mail: aafc.wssp-pasv.aac@agr.gc.ca or by telephone: 1-877-246-4682.

UPDATE: CANADIAN CENTRE ON SUBSTANCE USE AND ADDICTION (CCSA) REPORT

On January 17th, the Canadian Centre on Substance Use and Addiction (CCSA) released its final report 'Canada's Guidance on Alcohol and Health', with recommendations for government review. It is important to note that the new CCSA report has not been accepted by the federal government and has not replaced the existing Low Risk Drinking Guidelines.

As broadly published in the media, the CCSA Report presents Canadians with a risk continuum, indicating that 0-2 standard drinks a week is low risk, 3-6 standard drinks per week is moderate risk, and 7 or more standard drinks per week represents an increasing level of health, cancer and disease risks. This represents a significant departure from the previous guidelines (maximum 2 drinks per day or 10 drinks a week for women, and no more than 3 drinks a day or 15 drinks a week for men).

The federal response to the report to date has confirmed that it is committed to efforts that address alcohol harms, that are informed by evidence-based research. Wine Growers BC supports Wine Growers Canada in their work to provide this information both to the Minister and to Canadians using global experts to ensure the development of effective policies to reduce harms and understand the risks associated with harmful use including The Right Amount.

THE RIGHT AMOUNT CAMPAIGN

The Right Amount is an interactive website that promotes responsible wine consumption. It is an approachable and informative site, complete with a standard drinks calculator and tips for consumers.

What's more, the site has a whole range of ready-to-use design resources for wineries to promote this message of moderation. The resources range from neck tags (that read 'Wine Pairs best with moderation') to postcards that could be used in your tasting room, to photos and images that you may consider using on your social media to direct your customers to The Right Amount website. We encourage BC wineries to participate in this voluntary initiative – feel free to download all design resources or a selection that best fits your needs. EXPLORE WINERY RESOURCES

January 19, 2023

WGBC CEO UPDATE
UPDATE: LOW RISK DRINKING GUIDELINES

On January 17, 2023 the Canadian Centre for Substance Abuse and Addiction (CCSA) released their final report and recommendations to the federal government to update Canada's 2011 Low Risk Drinking Guidelines (LRDG).

The report and recommendations will be presented to the federal Ministers of Health and Mental Health and Addictions for consideration to updating the LRDG. The focus is on responsible consumption with "moderate risk" defined at 7 or less standard drinks per week, and recommended regulations requiring

warning labels on beverage alcohol containers. There is no timeline for government response and no requirement for action.

Prior to the report, Wine Growers Canada (WGC) research found that there is a common misconception that a glass of wine represents a standard drink of alcohol. The reality is that the alcohol content in wine can vary from less than 10% to over 20% alcohol by volume (ABV), and pour size can also vary significantly from 3oz to 9oz, or more.

Accordingly, in November 2021, WGC launched The Right Amount campaign as an initiative for Canadian wineries to promote responsible consumption of alcohol, providing Canadians with tools and information to make informed and responsible decisions about alcohol, and promote drinking wine in moderation. The campaign drives consumers to The Right Amount website which contains public low risk drinking guidelines and resources, the definition of a standard drink, as well as an innovative drink calculator that will determine the number of standard drinks in a glass or bottle based on volume and alcohol percentage. The CCSA report is a reminder for wineries to participate through the free online industry resource hub which offers voluntary promotional materials, website wordmark for use on labels or neck tags, standard drink logos designed for voluntary use on-label; digital and print-ready assets for use in tasting rooms, etc., all highlighting the importance of drinking in moderation.

RESOURCE HUB FOR WINERIES

The Right Amount campaign is designed to be long-standing, and grow organically over time, strengthened by the participation of all wineries across Canada to become an industry standard practice. Industry-wide participation is required for The Right Amount to be truly effective in engaging Canadian consumers and promoting the responsible consumption of Canadian wines. Wine Growers British Columbia encourages all member wineries to participate.

If you are receiving media inquiries on the final CCSA report and recommendations, or have any questions, please refer them to kjosephson@winebc.com.