



## FCCA recommendations and suggestions

Prepared for: Mark Hicken, Chair, Business Technical Advisory Panel

March 12, 2018

### Considerations:

1. Cider is neither wine nor beer. Nor is it a "refreshment beverage". Whereas in other jurisdictions cider is its own category, in BC "cider" sits in a grey area
2. Cider, by definition, is fermented apple juice.
3. Cider is made from apples, that grow on a tree, and are harvested once a year.
4. Our association represents 23 land-based licensed cideries based on ALR. Our association is agriculture focused, where we are apple growers with value-added services for our crops.

### General recommendations:

1. We recommend that land-based produced cider be separated from the 'refreshment beverage' category and BC craft cider (the stuff made from fresh pressed apples) become its own category.
2. With a growing BC craft cider industry, both commercial and land-based licensed, we recommend that cider should be made by licensed cider maker. For example; We can't make beer, so why can breweries make cider? A license to produce cider should be obtained by all cider makers, including the requirement for the apples, where possible, be made from BC apples and if not, then labeled accordingly.  
**Recommendation:** All cider in BC is to be made by a licensed cider maker (land-based or commercial license) and the source of apples to be declared on the packaging.
3. Forming a quality program, (for example; a Cidermaker Quality Alliance (CQA) that is recognized and has similar provincial benefits as VQA. BC Farm-crafted cider is becoming more and more popular, and as most of our cider making process is the same as wine making. We have the same license, but are unable to partake in the same benefits. A simple program that helps to designate higher quality cider from the concentrates/refined sugar commercial ciders would be beneficial to the consumer, and to the industry.

4. Our members are fundamentally happy with the Land-Based licensed structure, and do not recommend any changes to the overall structure or intent.

In regard to the Panel Topics & Agenda from March 5th:

#### Wholesale and Hospitality pricing:

Most of our members are selling direct to LRS and Hospitality clients.

- wholesale pricing is adequate, as the land-based licensee is able to establish an effective, and competitive price structure for their products.
- hospitality pricing: some members are taking advantage of the wine rule that allows us to set our own price to hospitality clients. Generally speaking, keeping a wholesale and hospitality price list has its advantages for other industries, but in an ever competitive market, the disadvantages may outweigh the advantages. For example; as our craft cider is a premium product compared to, for example, a commercial canned cider from England, it is difficult for our locally crafted products to be competitive for the small restaurants without that flexibility of being able to offer less than listed hospitality pricing.

**Recommendation:** No changes to the flexibility of land-based licensees being able to adjust their hospitality pricing.

#### BC Liquor stores:

- most of our members do not sell to LDB retail, so we do not have much input into the existing structure. Part of this reason, is that our sell price to LDB is lower than the cost to produce the cider, so therefore we're not able to actually sell to LDB store. However, we highly encourage that the LDB retail stores be able to purchase our cider as part of a 'buy local' program. Because there are far fewer cideries than breweries, and our cideries need to be located where we grow our apples, it would be appreciated if the distance for eligibility to be purchased by a local store would be increased.

**Recommendation:** Allow BC Liquor stores to be able to reach out further to purchase BC Farm-Crafted Cider for their 'buy local' type program, at our current wholesale prices.

Hospitality issues:

Special events become difficult for our hospitality customers to conduct, due to limitations on licensing areas. The Special events that our members typically become involved with are more of a craft beverage event, than a binge drinking event. Consuming quality, craft beverages as part of a celebration or special event, in a responsible location, has many benefits.

#### Onsite Events:

Our members run many on-site events that promote the art of craft cider. Depending on which specific license endorsements the cidery has, we might need to suspend our license and endorsement areas in order to run an event in accordance with the liquor laws.

We are grateful to receive this option but sadly many times this means that we must suspend our bottle sales via the onsite store. There must be a way that we can continue to sell bottles to take away to customers at public events.

#### Recommendation:

Allow land-based cideries temporarily suspend their license without suspending their on-site store. This will allow them to sell bottles to guests to take away while they are having a public event.

#### Social responsibility:

- our members generally feel that their cider is a higher quality product than a lot of beverages that refer to themselves as cider. We feel that education is key to providing choice for the consumer, and we also feel that if a consumer is going to have a cider, then at least let it be made from real apples in the traditional way, if its going to be called cider. Otherwise, terms such as 'apple-flavoured beverage', should be used instead.
- We find that quality beverages generally are consumed in a more responsible manner, and if the consumer becomes aware of the contents of the beverage, better choices can be made.

Comments or questions can be directed to our association for discussion by the Board members, and thank you for your consideration.

Chris Schmidt  
President, BC Farm-Crafted Cider Association  
chris@todcreekcider.com  
250-882-1061 cell