BC’s Fruit Wine Industry

Current state of the Fruit Wine Industry

- Approximately 25 fruit wineries in BC (heavy to Vancouver Island and Lower Mainland)
- Another 10 wineries producing some fruit wine along with their grape portfolio.
- Some Mead wineries and a growing Cider sector.
- New varietals of grape wine being produced in cooler climates (Monte Creek)
- Volumes range from 1,500 cases to 8,000 cases per year.

- 1990 Grape Wineries in BC - 17 (today just short of 300)

  Average grape winery size (2015) 8,500 cases per year
  - Removing the 10 largest wineries in BC the average of the remaining 222 wineries is 3,700 cases per year (2015)
  - Government policy has had a positive influence on the industry
Fruit Wineries are working together in an informal organization.

- 2 meetings held with consensus on many key issues
- 20 industry participants representing 12 wineries and 2 consulting winemakers
- 5 wineries interested but unable to attend for various reasons
- Government, BCWI and BCWA attendance
- 4 areas of mutual interest (Representation, Marketing, Certification, Access)

Representation

- We should include all Licensees that operate under the “Land Based Winery” licenses in BC. This includes Fruit Wine, Mead, Cider and Saki. The feeling is we all have many areas of common interest.
- Our preference will be to be part of the BCWI but at this time the BCWI has rejected our approach and put measures in place so that non VQA wineries will not be accepted as members. Based on this we should form our own association.
- Fruit Wine Association can contract with BCWA to deliver a QA program, however this will require BCWA Member approval. (May be problematic since they are the same wineries who voted to disallow fruit wineries from being members of the BCWI.)
Marketing

Need to break through the perception that fruit wine is a poor quality.

- Domestic initiatives:
  - Equal access to BC Government stores (25% of VQA sales)
  - Equal access to BC VQA stores (6% of VQA sales)
  - First Annual BC Fruit Wine Festival
  - First Annual BC Fruit Wine Competition
  - Certification
  - Formalize Association

- Export
  - Work collaboratively on China exports.

Certification

- Need a new certification process (outside of VQA).
- We do not want to diminish the VQA standard.
- Taste Panel could be used but only to look at fault free wine.
- Process should not disqualify creativity in wine making.
- Consider a phased approach
- BC Wine Authority is appropriate delivery agent.
Access

- Currently BC VQA Stores represent about 6% of BC VQA wine sales. The Government regulations were amended to allow these licenses to sell any wine or cider produced from 100% BC Fruit. Despite this license change the Licensee (BCWI) has refused to allow the sub-licensees to carry non VQA product.

- Currently BCLSSs represent about 25% of BC VQA sales. In 1995 the BC Government introduced the “Quality Enhancement Program” for BC VQA wine encouraging wineries to improve wine quality. This program provides a commission to the qualifying winery in the amount of 50% of the wineries asking price for VQA wine purchased by the LDB to be sold in the BCLSSs. (i.e. If the winery sells a bottle to the BCLDB for $10 they receive a commission in the amount of $5).

BC’s Fruit Wine Industry will:

- 1. Form our own industry Association. To be clear our preference is to be part of the BCWI but at this time we do not appear to be welcome even in an Associate status.

- 2. Through our Association act to provide joint marketing initiatives including: Wine Festival, Wine Competition, Joint Marketing, International marketing

- 3. Work with the BCWA to develop a “user pay” certification model for fruit wine.
Our Requests of Government:

1. Encourage the BCWI to allow access to VQA Stores for fruit wine and mead as their license currently allows. Should the BCWI continue to refuse access then licenses should be taken back by Government and provided to the sub-licensees currently holding these rights. To be clear many of these sub-licensees would like to sell our product and are currently doing so in Government auctioned licenses (Save On Foods).

2. Allow all wines produced from 100% BC fruit or honey and certified by either the VQA standard or a yet to be developed standard for non VQA wines to be included in the current “Quality Enhancement Program” commission system.

3. Amend the regulation to allow the BCWA to provide a standards program for fruit wine and mead without approval of the BCWA membership.

Thank You on Behalf of BC’s Participating Fruit Wineries

- Northern Lights Estate Winery
- Monte Creek Ranch
- Elephant Island
- Blue Moon
- Maan Farms
- Coastal Black
- Wellbrock
- Ripples
- Krause Winery
- Festina Lente Estate Winery
- Canada Berry
- Hornby Island Winery