

August 28, 2017

Dear Honourable Minister Lana Popham:

RE: BC Hopped Beer & Cider Program

BC grown Hops are a re-emerging industry. At one time BC could claim to be the largest provider of hops to the British Empire. At its peak, there were over 2,000 acres of hops being grown in B.C. This industry experienced a shift to the United States when the foreign owners of the remaining 1,300 acres of hop yard consolidated their business to Yakima Washington in 1997. This shift occurred for economic reasons, and the corresponding resurgence in hop growing is once again happening for economic reasons, driven by the craft beer industry.

The purpose of creating a Buy Certified BC Grown Hops Program is to ensure that history does not repeat itself. While the current resurgence in hop growth is being driven by perceived demand from craft brewers, the reality is that in order for craft brewers to actually switch from readily available imported hops to BC Grown hops in a meaningful way, there needs to be an incentive that helps to offset the costs associated with recipe changes, marketing changes, breaking of existing contracts, or new capacity to brew a BC Hopped Beer or Cider.

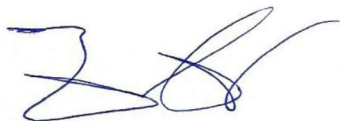
Many of the new hop farms being planted at this time in BC are family farms. These family farms can be better maintained if the revenue source that they rely on is securely entrenched with the single client, fermented beverage manufacturers, which are the consumer of the resulting product. Hops are an international commodity, but they have only one buyer: fermented beverage producers. These producers are always highly regulated and taxed. The BC Government is in the best position to create an incentive for BC based fermented beverage producers to use a BC grown Hop product by creating the economic environment where that product is the smartest choice for the producer.

We believe that by diversifying the agricultural products produced by BC we create both greater Food Security for the Province and help drive real GDP growth. This new revenue category for BC Agriculture can also help to build Export Capacity for the Province. We believe that this program, once fully taken up by local Breweries and Cideries, will help to establish production and processing capacity for the BC Hop industry. This will ultimately allow us to promote international exports of our locally grown product, creating a strong local industry that can continue to drive GDP for generations to come.

This program helps to support Buy BC initiatives, provides direct benefits to Rural BC, supports BC Craft Breweries and Cideries, and most importantly it will help preserve Family Farms across B.C.

Please find attached the draft of the policy for your review. We look forward to discussing the policy with you further.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dwayne Stewart', with a stylized flourish at the end.

Dwayne Stewart, on behalf of the

BC Hop Growers Association