

Hansen, Erin AGRI:EX

From: Miles Prodan <MProdan@winebc.com>
Sent: Monday, February 5, 2018 11:03 AM
To: Shoemaker, Wes AGRI:EX
Cc: Vance Campbell
Subject: Alberta Consumer Boycott of BC wine

Wes:

I'm sure the Ministry is as concerned as we are about recent news coverage of a potential Alberta consumer boycott of BC wine in opposition to BC government policy vis-à-vis the Kinder Morgan Pipeline and wanted to keep you apprised of our efforts.

The BCWI has had conversations with the Attorney General to express our concerns and have a request in for a meeting with the Trade Minister. The BCWI has made press statements to try to stem the flow: http://www.winebc.org/press_room/news/

Regarding a boycott, our position right now is to monitor the media over the next couple of days to see if it dies down. If it doesn't then we will ask government to step up to clarify their communication and the value of our trading relationship etc.

Will update as we progress.

Miles Prodan | President & CEO | British Columbia Wine Institute
o: 250.762.9744 x101 | c: 250.863.9379

Hansen, Erin AGRI:EX

From: McRae, Meghan GCPE:EX
Sent: Tuesday, February 6, 2018 1:58 PM
To: Shoemaker, Wes AGRI:EX
Cc: Hodson, Georgina AGRI:EX; Lalani, Arif AGRI:EX
Subject: IN-Boycott BC Wine
Attachments: IN_AB Wine Boycott Feb 5 18 v.5.docx

Importance: High

Attached is the draft IN, developed from TAC's IN around Tourism (that's why there's an exceptional amount of detail in the background section).

I understand that Premier Notley just held a news conference where she spoke about banning the import of BC Wine, so this may need further tweaks, but would like something in Minister's hands before 3 PM.

Meghan McRae
Communications Director,
Ministry of Agriculture
Government Communications and Public Engagement
P:250-952-0622

Confidential Issues Note - ADVICE TO MINISTER

Ministry of Agriculture Date: Feb 5, 2018 Minister Responsible: Hon. Lana Popham	Alberta's B.C. Wine Boycott
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RECOMMENDED RESPONSE:

- As neighbors that share more than just a border, Albertans and British Columbians have a long-standing friendship.
- Our government knows that the potential for a diluted bitumen/oil spill poses a significant risk to our environment.
- We are approaching decisions on the Kinder Morgan Trans Mountain Pipeline Expansion thoughtfully.
- In the meantime, we will continue to work on promoting and expanding B.C.'s agriculture sector, including our world class wine industry, as well as other sectors that bind us together.

If asked about #boycottbc?

- B.C. wineries are world class and I am confident that people across the country and around the globe will continue to be drawn to the exceptional quality and variety of our B.C. wines.
- Naturally, citizens of both provinces enjoy the amazing agricultural products that we each have to offer.
- I hope they continue to do so as our governments work to find solutions on collaborative topics.

Background:

s.21

Confidential Issues Note - ADVICE TO MINISTER

- Kinder Morgan's Trans Mountain Expansion Project was approved by the federal government with 157 conditions on November 29, 2016.
- A provincial Environmental Assessment Certificate for the Trans Mountain Expansion Project was issued on January 11, 2017 with 37 legally-binding conditions.
- The Environmental Assessment Certificate requires Trans Mountain to develop various environmental management plans in consultation with the Province and Aboriginal groups.
- Judicial reviews challenging the issuance of the certificate have been commenced by the City of Vancouver and the Squamish First Nation.
- In June 2017, Trans Mountain announced it reached a final investment decision.
- The project requires approximately 1,200 provincial permits, under various provincial acts, many of which require First Nation consultation.
- The BC Government is presently developing numerous tools to protect BC's interests.
- For example, on August 10, 2017, the Province announced that Thomas Berger has been secured as external counsel to government in the legal action related to the pipeline. Mr. Berger will provide legal advice to government on the options for participation in legal challenges.
- On August 21, 2017, Thomas Berger filed an application for British Columbia to intervene in the Federal Court of Appeal regarding the Trans Mountain Pipeline Expansion Project.
- On August 29, 2017 the Province was granted intervenor status on the consolidated 16 legal challenges to the NEB Recommendations Report and the federal Cabinet approval.
- From October 2-15, 2017 the Federal Court of Appeal held a hearing on the consolidated 16 legal challenges to the NEB recommendation report and federal Cabinet approval and a Court decision is pending.
- From October 23-25, 2017 the Supreme Court of British Columbia held a hearing on a petition from the City of Vancouver regarding B.C.'s issuance of an Environmental Assessment Certificate for the Trans Mountain Expansion Project. A Court decision is pending.
- From November 6-10, 2017 the Supreme Court of British Columbia held a hearing on a petition from the Squamish Nation regarding B.C.'s issuance of an Environmental Assessment Certificate for the Trans Mountain Expansion Project. A Court decision is pending.
- **Since the announcement of a scientific panel and possible regulations related to dilbit there have been vocal attempts to place economic sanctions on British Columbia. For example the boycotting of BC wine and a #boycottBC campaign which asks citizens of Alberta to avoid traveling to BC.**

Hansen, Erin AGRI:EX

From: Scott, Douglas S AG:EX
Sent: Tuesday, February 6, 2018 3:27 PM
To: Shoemaker, Wes AGRI:EX
Subject: Re: Call me on cell 250.516.6892

Pardon me... your right New West Partnership... I believe it is extension of TILMA that includes Sask... out of my depth though

On Feb 6, 2018, at 3:20 PM, Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca> wrote:

s.16

Wes

From: Scott, Douglas S AG:EX
Sent: February 6, 2018 3:13 PM
To: Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca>
Subject: Re: Call me on cell 250.516.6892

My understanding is that s.16
s.16
you make contact...

Standing by regarding call w Fazil if

On Feb 6, 2018, at 2:35 PM, Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca> wrote:

Wes

W.H. (Wes) Shoemaker, MBA
Deputy Minister
Ministry of Agriculture
5th Floor, 808 Douglas Street
Victoria, BC V8W 9B4
Tel: 250.356.1803 | Cell: 250.516.6892 | Fax: 250.356.7279
E-mail: wes.shoemaker@gov.bc.ca

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Hansen, Erin AGRI:EX

From: Mihlar, Fazil JTT:EX
Sent: Tuesday, February 6, 2018 5:28 PM
To: Shoemaker, Wes AGRI:EX
Subject: Fwd: Heads Up:

Factual information.

Sent from my iPhone

Begin forwarded message:

From: "Anderson, Steve JTT:EX" <Steve.Anderson@gov.bc.ca>
Date: February 6, 2018 at 3:30:00 PM PST
To: "Schollen, Tasha GCPE:EX" <Tasha.Schollen@gov.bc.ca>, "Jessee, Janna L JTT:EX" <Janna.Jessee@gov.bc.ca>, "Musgrave, Robert JTT:EX" <Robert.Musgrave@gov.bc.ca>, "Hammond, James JTT:EX" <James.Hammond@gov.bc.ca>
Cc: "Perzoff, Lara GCPE:EX" <Lara.Perzoff@gov.bc.ca>, "Hickli, Hope A GCPE:EX" <Hope.A.Hickli@gov.bc.ca>, "Stewart, Courtney GCPE:EX" <Courtney.Stewart@gov.bc.ca>, "Mihlar, Fazil JTT:EX" <Fazil.Mihlar@gov.bc.ca>
Subject: RE: Heads Up:

If Premier Notley's comments about halting the import of BC wines into Alberta are accurate, Alberta would be contravening its trade obligations under the New West Partnership and the Canadian Free Trade Agreement.

From: Schollen, Tasha GCPE:EX
Sent: Tuesday, February 6, 2018 3:20 PM
To: Anderson, Steve JTT:EX; Jessee, Janna L JTT:EX; Musgrave, Robert JTT:EX; Hammond, James JTT:EX
Cc: Perzoff, Lara GCPE:EX; Hickli, Hope A GCPE:EX; Stewart, Courtney GCPE:EX; Mihlar, Fazil JTT:EX
Subject: FW: Heads Up:
Importance: High

Are you okay with this one line? Will run up to PO once you are good with it.

According comments made by Premier Notley, Alberta's decision to boycott the import of B.C. wines into that province is contrary to trade obligations under the New West Partnership and the Canadian Free Trade Agreement.

From: Anderson, Steve JTT:EX
Sent: Tuesday, February 6, 2018 3:05 PM
To: Mihlar, Fazil JTT:EX
Cc: Schollen, Tasha GCPE:EX; Jessee, Janna L JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX; McColl, John-Michael JTT:EX; Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX; Musgrave, Robert

JTT:EX

Subject: RE: Heads Up:

s.13,s.16,s.17

These are our initial review and factual responses. Please do not hesitate to contact us s.13,s.16
s.13,s.16

Steve

From: Mihlar, Fazil JTT:EX

Sent: Tuesday, February 6, 2018 2:28 PM

To: Anderson, Steve JTT:EX

Cc: Schollen, Tasha GCPE:EX; Jessee, Janna L JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX; McColl, John-Michael JTT:EX; Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX

Subject: Re: Heads Up:

Please have some bullets. But MGH is the lead. And all comms on this should move through PO.

Sent from my iPhone

On Feb 6, 2018, at 2:24 PM, Anderson, Steve JTT:EX <Steve.Anderson@gov.bc.ca> wrote:

Just spoke with Jamie. We are on it and will have some bullets shortly

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On Feb 6, 2018, at 2:17 PM, Schollen, Tasha GCPE:EX <Tasha.Schollen@gov.bc.ca> wrote:

From: Schollen, Tasha GCPE:EX
Sent: Tuesday, February 6, 2018 2:14 PM
To: Jessee, Janna L JTT:EX; Anderson, Steve JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX; McColl, John-Michael JTT:EX; Mihlar, Fazil JTT:EX
Cc: Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX
Subject: Heads Up:

Hi we have two media requests from CKNW and CFAX on this. I'm waiting to find out if this is our lead or not.

Breaking

Alberta premier announces immediate boycott on B.C. wines

**'I know a lot of Albertans who love B.C. wine, quite
frankly, I'm one of them'**

CBC News Posted: Feb 06, 2018 2:52 PM MT Last Updated: Feb
06, 2018 2:52 PM MT

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Hansen, Erin AGRI:EX

From: Wright, Don J. PREM:EX
Sent: Tuesday, February 6, 2018 6:44 PM
To: Shoemaker, Wes AGRI:EX
Subject: Re: CP News: Notley says Alberta to stop importing B.C. wine in pipeline feud

Thanks Wes.

Sent from my iPhone

On Feb 6, 2018, at 2:19 PM, Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca> wrote:

Don/Fazil/Bobbi:

Don't know if you have seen the latest. Our wine industry is growing increasingly concerned and has been in regular contact with my office and the MO. My Minister is currently in Kelowna meeting with stakeholders (including the wine industry) and is doing a media avail (hopefully trying to avoid speaking to this issues, and definitely not being proactive about it). Our GCPE is awaiting messaging from the PO in case this issue is raised in the media avail.

Wes

From: McRae, Meghan GCPE:EX
Sent: February 6, 2018 2:11 PM
To: Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca>
Subject: FW: CP News: Notley says Alberta to stop importing B.C. wine in pipeline feud

Here.

From: tno@gov.bc.ca [<mailto:tno@gov.bc.ca>]
Sent: Tuesday, February 6, 2018 2:08 PM
Subject: CP News: Notley says Alberta to stop importing B.C. wine in pipeline feud

CP News

06-Feb-2018 13:52

EDMONTON _ Alberta Premier Rachel Notley says the province will stop importing wine from British Columbia.

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Hansen, Erin AGRI:EX

From: Anderson, Steve JTT:EX
Sent: Wednesday, February 7, 2018 11:06 AM
To: Schollen, Tasha GCPE:EX
Cc: Mihlar, Fazil JTT:EX; Jessee, Janna L JTT:EX; Musgrave, Robert JTT:EX; Hammond, James JTT:EX; Perzoff, Lara GCPE:EX; Hickli, Hope A GCPE:EX; Shoemaker, Wes AGRI:EX; Carr, Michelle LCLB:EX; Carnaghan, Matthew JTT:EX; McColl, John-Michael JTT:EX; Scott, Douglas S AG:EX
Subject: RE: As Requested: More Q's about Wine

s.13,s.14,s.16,s.17

From: Schollen, Tasha GCPE:EX
Sent: Tuesday, February 6, 2018 8:09 PM
To: Anderson, Steve JTT:EX
Cc: Mihlar, Fazil JTT:EX; Jessee, Janna L JTT:EX; Musgrave, Robert JTT:EX; Hammond, James JTT:EX; Perzoff, Lara

GCPE:EX; Hickli, Hope A GCPE:EX; Shoemaker, Wes AGRI:EX; Carr, Michelle LCLB:EX; Carnaghan, Matthew JTT:EX; McColl, John-Michael JTT:EX

Subject: Re: As Requested: More Q's about Wine

I will wait for your green light Steve.

Sent from my iPhone

On Feb 6, 2018, at 8:08 PM, Anderson, Steve JTT:EX <Steve.Anderson@gov.bc.ca> wrote:

Ok.

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On Feb 6, 2018, at 8:06 PM, Mihlar, Fazil JTT:EX <Fazil.Mihlar@gov.bc.ca> wrote:

Hi Steve: These s.14
s.14

. Fazil

Sent from my iPhone

On Feb 6, 2018, at 7:31 PM, Anderson, Steve JTT:EX <Steve.Anderson@gov.bc.ca> wrote:

Fazil

s.13,s.14,s.16,s.17

From: Mihlar, Fazil JTT:EX
Sent: Tuesday, February 6, 2018 5:56 PM
To: Anderson, Steve JTT:EX
Cc: Schollen, Tasha GCPE:EX; Jessee, Janna L JTT:EX; Musgrave, Robert JTT:EX; Hammond, James JTT:EX; Perzoff, Lara GCPE:EX; Hickli, Hope A GCPE:EX
Subject: Re: More Q's about Wine

Hi Steve: s.13

s.13

s.13 Please include DM Wes Shoemaker in emails.

Tash should see it as well so that it can go to GCPE central. s.13

s.13

s.13 Thx. Fazil

Sent from my iPhone

On Feb 6, 2018, at 5:34 PM, Anderson, Steve JTT:EX
<Steve.Anderson@gov.bc.ca> wrote:

Hi

s.13,s.16

Cheers

From: Schollen, Tasha GCPE:EX
Sent: Tuesday, February 6, 2018 5:00 PM
To: Anderson, Steve JTT:EX; Jessee, Janna L JTT:EX;
Musgrave, Robert JTT:EX; Hammond, James JTT:EX

Cc: Perzoff, Lara GCPE:EX; Hickli, Hope A GCPE:EX;
Mihlar, Fazil JTT:EX
Subject: More Q's about Wine

Hi Steve et al,
PO issues mgmt. team has further questions they are hoping to get answered. I am hopeful that you can assist with some information.
They are looking to get the information as quickly as you are able tomorrow morning.

Thanks,
Tasha

From: Matthen, Sheila GCPE:EX
Sent: Tuesday, February 6, 2018 4:58 PM
To: Schollen, Tasha GCPE:EX
Cc: McColl, John-Michael JTT:EX; Sali, Meghan JTT:EX; Howlett, Tim GCPE:EX
Subject: Request for Info

Hi Tasha,

As discussed, I'm hoping to get more background information on the dispute resolution processes in both the NWPTA and the CFTA. With respect to the consultation process for both agreements:

- Who does the formal request for consultation go to? Does it go to a NWPTA or CFTA dispute resolution tribunal, or a panel of member partners, or something entirely different?
- Has BC made requests for consultation before under either agreement? If so, what have the outcomes been?

s.13,s.14,s.16

We're hoping to get this info ASAP – by tomorrow morning would be great.

Thank you!

Sheila Matthen
Issues Management | 250-893-5218

From: Anderson, Steve JTT:EX
Sent: Tuesday, February 6, 2018 3:05 PM

To: Mihlar, Fazil JTT:EX
Cc: Schollen, Tasha GCPE:EX; Jesse, Janna L JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX; McColl, John-Michael JTT:EX; Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX; Musgrave, Robert JTT:EX
Subject: RE: Heads Up:

s.13,s.16,s.17

These are our initial review and factual responses. Please do not hesitate to contact us s.13,s.16

Steve

From: Mihlar, Fazil JTT:EX
Sent: Tuesday, February 6, 2018 2:28 PM
To: Anderson, Steve JTT:EX

Cc: Schollen, Tasha GCPE:EX; Jesse, Janna L JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX; McColl, John-Michael JTT:EX; Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX

Subject: Re: Heads Up:

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Sent from my iPhone

On Feb 6, 2018, at 2:24 PM, Anderson, Steve JTT:EX
<Steve.Anderson@gov.bc.ca> wrote:

Just spoke with Jamie. We are on it and will have some bullets shortly

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On Feb 6, 2018, at 2:17 PM, Schollen, Tasha GCPE:EX
<Tasha.Schollen@gov.bc.ca> wrote:

s.13,s.16,s.17

From: Schollen, Tasha
GCPE:EX
Sent: Tuesday,
February 6, 2018 2:14
PM
To: Jessee, Janna L
JTT:EX; Anderson,
Steve JTT:EX;
Hammond, James
JTT:EX; Sali, Meghan
JTT:EX; McColl, John-
Michael JTT:EX; Mihlar,
Fazil JTT:EX
Cc: Perzoff, Lara
GCPE:EX; Stewart,
Courtney GCPE:EX
Subject: Heads Up:

Hi we have two media
requests from CKNW
and CFX on this. I'm
waiting to find out if
this is our lead or not.

Breaking

Alberta premier announce s immediat e boycott on B.C. wines

**'I know a lot of
Albertans who
love B.C. wine,
quite frankly, I'm
one of them'**

CBC News Posted:

Feb 06, 2018 2:52

PM MT Last

Updated: Feb 06,
2018 2:52 PM MT

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Hansen, Erin AGRI:EX

From: Carr, Michelle LCLB:EX
Sent: Wednesday, February 7, 2018 12:38 PM
To: Shoemaker, Wes AGRI:EX; Smith, George AG:EX; Milne, Gala AG:EX
Subject: Fwd: Call with BCWI - 7 Feb

Sent from my iPhone

Begin forwarded message:

From: "Hammond, James JTT:EX" <James.Hammond@gov.bc.ca>
Date: February 7, 2018 at 12:32:15 PM PST
To: "Mihlar, Fazil JTT:EX" <Fazil.Mihlar@gov.bc.ca>
Cc: "Anderson, Steve JTT:EX" <Steve.Anderson@gov.bc.ca>, "Jessee, Janna L JTT:EX" <Janna.Jessee@gov.bc.ca>, "Musgrave, Robert JTT:EX" <Robert.Musgrave@gov.bc.ca>, "Vale, Elaine LCLB:EX" <Elaine.Vale@gov.bc.ca>, "Carr, Michelle LCLB:EX" <Michelle.Carr@gov.bc.ca>, "Yuma Morisho, Okenge PREM:EX" <Okenge.YumaMorisho@gov.bc.ca>, "Scott, Douglas S AG:EX" <Douglas.S.Scott@gov.bc.ca>
Subject: Call with BCWI - 7 Feb

Fazil

s.13,s.16,s.17,s.21

Jamie

James W. Hammond
Assistant Deputy Minister
International Strategy and Competitiveness
Ministry of Jobs, Trade and Technology
778-698-8778

Hansen, Erin AGRI:EX

From: BC Cattlemen's Association <bccattle@cattlemen.bc.ca>
Sent: Wednesday, February 7, 2018 1:37 PM
To: Lalani, Arif AGRI:EX; Shoemaker, Wes AGRI:EX; Popham, Lana; Minister, AGRI AGRI:EX
Subject: Key messages from BC Cattlemens regarding Ban on Alberta Beef
Attachments: Key messages for Minister Popham on Beef Ban.docx

Dear Minister Popham

Please find attached some key messages and thoughts that I have put together for your consideration when looking at a possible Ban on Alberta Beef.

Our board and members would not endorse this as we feel that the industry is too integrated nationally to have the desired affect that your government is looking for and in reality would likely hurt the BC producers more than the industry in Alberta.

Should you wish to discuss in more detail please feel free to call me at anytime either at the office or on my cell at 250-320-3611.

Thanks
Kevin

Kevin Boon
General Manager
BC Cattlemen's Association
#4 10145
Dallas Drive, Kamloops BC
phone 250 573 3611
cell 250 320 3611
bccattle@cattlemen.bc.ca

Key messages

BC Cattlemen would discourage the BC government from using any Agriculture products as a bargaining tool in this dispute. We would like to see a more civil and organized approach whereby the 3 governments sit down and discuss the issues around the pipeline rather than getting into a no win dispute that in the end will only hurt the residents of both provinces.

We do not think that logistically a Ban on Alberta Beef could be achieved and suspect that it would violate federal trade laws as it falls under different laws than the likes of wine.

GENERAL

- The Canadian beef industry is highly integrated provincially and throughout North America;
- A large portion of BC calves come to Alberta for finishing, with interprovincial trade mutually beneficial for both provinces;
- The majority of BC beef is exported to Alberta or the U.S. for processing;
- The lion's share of beef processing in Alberta occurs at federally registered packing plants which are under federal jurisdiction and not sure but it would probably not be supported in a court as a legal ban if a province tried to implement;
- B.C.'s provincially licensed abattoirs are only permitted to sell their product within BC. Provincial establishments represent less than 5 per cent of processing nationally; (BC is likely a little higher percentage as we do not have federal processing capacity.
- Virtually all the beef consumed in BC that is not imported is Alberta Beef. [while impressive, this could inspire some BC folks caught up in the boycott fracas to stop buying beef]
- BC has about 5% of the beef in Canada
- BC consumes about 6% of Canadas beef consumption
- BC does not have a significant federal packing capacity and little feeding capacity so roughly 85-90% of the cattle raised in BC are exported to either Alberta or the US to be finished feeding and processed at which time we import it back
- Under current situation a ban on Albertas Beef would in effect be putting a ban on our own beef as we are basically a wash for what we send away to be processed and then bring back processed
- Banning AB beef would not have a huge impact on Alberta as BC is a small percentage of their sales and they could make it up easily but could hurt BC producers if they decide to stop using BC cattle in their feeding regime
- Short term may not impact BC too much as most of the cattle moved there from last years production last fall.
- Will more likely have an impact on consumers and drive up costs which would likely push them to consume more pork, poultry, or fish
- Could have long term affect on BC beef consumption

DATA

- Alberta Agriculture stopped providing data on interprovincial trade by province in 2002 and has aggregated the data since then;
- Historically Alberta does move more trade interprovincially than it does internationally;

- Alberta exports around 58% of production interprovincially, compared to 29% being exported internationally and 14% consumed within the province.
- Historically (1994-2002), BC took 25-34% of interprovincial exports, representing 15% of production.
- Based on Alberta Agriculture data.

BEEF VS WINE

- A big difference between beef and wine is that all beef is not purchased through a single government entity the way wine is purchased in Alberta;
- Beef is purchased by individual businesses with no government involvement. And would require cooperation of the major retailers to implement a Ban.
- While Alberta is B.C.'s second largest customer for wine, BC is by no means the second biggest customer of the AB beef supply and would not have the same impact on Alberta but would probably have more of an effect of "poking the bear" of public opinion and backlash as beef is pretty sacred in Alberta.

ECONOMIC IMPACT of CDN BEEF INDUSTRY

Canada's beef industry contributes \$33 billion worth of sales of goods and services either directly or indirectly to the economy. Every job in the sector yields another 3.56 jobs elsewhere in the economy. For every \$1 of income received by workers and farm owners, another \$2.08 is created elsewhere. Either directly or indirectly through induced income effects, the beef sector generates 228,811 jobs (Source: [Kulshreshtha, 2012](#)).

Hansen, Erin AGRI:EX

From: Lloyd, Evan GCPE:EX
Sent: Wednesday, February 7, 2018 7:22 PM
To: Shoemaker, Wes AGRI:EX
Subject: BC Wine

If you have some time Wes I would appreciate a few minutes to speak with you concerning possible steps on the Alberta - BC Wine issue. I spoke this morning with Minister Popham and have been kept abreast of the BCWI concerns and requests. Specifically I would like to discuss some possible advertising in support of the sector - possibly as soon as this coming week.

Evan Lloyd
250 812 9153

Sent from my iPad

Hansen, Erin AGRI:EX

From: Hodson, Georgina AGRI:EX
Sent: Wednesday, February 7, 2018 7:25 PM
To: Shoemaker, Wes AGRI:EX
Subject: Fwd: Request (BC Wine)

Wes, staff provided a response to the MO today re: wine issue. I thought you may find these points useful as well.

Begin forwarded message:

From: "Hodson, Georgina AGRI:EX" <Georgina.Hodson@gov.bc.ca>
Date: February 7, 2018 at 4:43:29 PM PST
To: "Beale, William AGRI:EX" <William.Beale@gov.bc.ca>
Subject: Request (BC Wine)

One additional point that staff gleaned from an Alberta media news release that there was 117 British Columbia wineries registered to sell product in Alberta, 1,460 total products - and also, BCWI agrees with Alberta figures (about \$70M wholesale and \$160M retail is at risk).

Q1. Number of wineries in B.C.?

Answer:

- BC Wine Institute website states 929 vineyards and 346 licensed wineries.
- BC Wine Institute reports 276 are grape wineries.

Q2. How many BC wineries currently have contracts with Alberta?

Answer:

- This information would have to come directly from Alberta.
- LDB does not track this information.

Q3. How much does Alberta hold as a BC wine market share?

Answer:

- Total BC wineries (including cideries and brandy) manufacturing shipments for 2017 estimated at \$633 million.
- Latest BC Stats estimates BC wine (and brandy) sales to Alberta worth \$60.7 million (2014) approximately estimated at 10 percent of total BC wineries shipment value.
- BC 2017 international exports of wine worth \$9.5 million (less than 2 percent of shipment value).
- The remainder - an estimate of about 88 percent of BC wine shipment sales are within BC or to other provinces.

Q4. What would Alberta stand to lose in revenue selling BC wine, Notley said 17m bottles at \$70m revenue - does this match our figures?

Answer:

- BC does not track information that would allow us to identify the value of lost revenue to Alberta.

- Most likely Alberta Gaming and Liquor Commission (AGLC) has information on BC important based on information they would monitor related to imports to apply their liquor mark-ups.
- LDB only tracks imports and sales into BC due to revenues gained from liquor mark up; there is no incentive to track exports to other provinces.
- Alberta is not a producer of wines, therefore no data is available. BC does import some beers and spirits (rye, vodka), but the import numbers are tracked at the domestic level only, not province by province.

Q5. What is the state of our inter-Provincial trade regulations. Does Alberta have the legal authority to do this?

Answer:

- Alberta appears to be relying on a provision in their provincial Gaming and Liquor Act that gives the province's minister the ability to make policies that the Alberta Gaming and Liquor Commission (AGLC) must follow.
- Only licence holders may sell to consumers. Only those who hold a valid liquor license (Class E) can take and deliver orders to persons within AB. It is these licenses that BC wineries rely on for sales to Alberta consumers, and they appear to be the licenses targeted to halt imports of BC wine into Alberta.
- Direct-to-consumer orders and shipments from BC wineries directly to individual Albertans is not permitted.
- As part of the ban, Alberta's premier has also directed AGLC to step up enforcement on direct-to-consumer sales. Anecdotally, there is a suspicion that many small BC wineries do not follow the rules and deliver directly to consumers without a licence.

Q6. What does it take to sign up as a wine club member?

Answer:

- Signing up to a wine club appears to be very easy (name, address, and a payment), any wine club would be required to conform to the policy and rules of the province that it operates in.

Additional Information on Canadian Trade Agreements and the potential impacts to this action:

- There are two internal trade agreements that could be breached because of this action by Alberta.
- The New West Partnership Trade Agreement: require the Provinces (BC, AB, MB and SK) to avoid measures that operate to restrict or impair trade.
- The Canadian Free Trade Agreement: contains similar requirements that provinces are not to restrict or impair trade within Canada. As part of the CFTA, promoting strengthened domestic trade in the future, it commits parties to establish a working group that will assess options for further liberalizing trade in alcohol.
- In general, both agreements have dispute resolution provisions.
- More work will need to be done to understand if there is any remedy available to BC wineries through these agreements and will likely involve other ministries as well as industry.

On 2018-02-07, 11:00 AM, "Beale, William AGRI:EX"

<William.Beale@gov.bc.ca> wrote:

>Hi Georgina,

>

>We have some stakeholder calls to do as the AB/BC dispute continues.

>The Minister has requested some stats on the industry:

>-number of BC wineries

>-how many currently have contracts with AB -how much does AB hold as a
>BC wine market share -what would AB stand to lose in revenue selling BC
>>wine -Notley said 17m bottles at \$70m revenue- does that match our
>figures?
>
>Additionally she would like to know the state of our inter-Provincial
>trade regulations- can AB legally do this, and what does it take to
>sign up as a wine club member.
>
>Thanks Georgina!
>
>William

Hansen, Erin AGRI:EX

From: Mack, James AGRI:EX
Sent: Thursday, February 8, 2018 12:34 PM
To: Shoemaker, Wes AGRI:EX
Cc: Lalani, Arif AGRI:EX; Hrycuik, Lorie AGRI:EX; Easton, Joan E AGRI:EX; Patterson, Mat AGRI:EX; Hodson, Georgina AGRI:EX; Cameron, Sandra AGRI:EX; Scott, Melissa AGRI:EX
Subject: update on wine
Attachments: updated ABBCWI CLIFF 139852.docx; Potential options to support BC wine industry.docx

Wes,

Lots of moving pieces so wanted to send an update to try and loop everyone in.

- 1) We have a 3pm call with ADMs from AGRI (both divisions), Liquor Control Licensing Branch (Michelle Carr), Liquor Distribution Branch, and JAG legal counsel
- 2) JTT has a draft note going to their DM on high level options which has been shared with ministries and I've attached it here. Looks okay to me but we're reviewing.
- 3) We have blocked out analysis of the 10 recommendations (second attachment). It includes some ideas of what we could do (includes the two projects Arif mentioned to you) along with the ten recommendations.
 - a. Note that almost all of the recommendations are with LCLB/LDB. Michelle is going to try and fill these in for discussion at 3pm but I anticipate all of them will be described as having legal and trade issues
- 4) Will mentioned that the Minister might have to go out earlier on this so I'll give him a status update waiting for other ministries to weigh in.

Let me know if we're missing anything or if anything else is needed.

James Mack

Assistant Deputy Minister – Agriculture Science and Policy

Ministry of Agriculture

Phone: 250-356-1821

Fax: 250-356-7279

e-mail: James.mack@gov.bc.ca

MINISTRY OF JOBS, TRADE AND TECHNOLOGY

DECISION NOTE

Cliff #: 139852

Date: February 8, 2018

PREPARED FOR: Fazil Mihlar, Deputy Minister, Ministry of Jobs, Trade and Technology

ISSUE: Government of Alberta's boycott of the purchase of BC Wines by the Alberta Gaming and Liquor Control Board

BACKGROUND:

On February 6, 2018 Alberta Premier Rachel Notley announced that the Government of Alberta (Alberta) was immediately implementing measures to boycott British Columbia (BC) wines including the halt of imports by the Alberta Gaming and Liquor Commission (AGLC); and stepped up enforcement of Direct to Consumer sales. These measures were in response to its opposition to BC's January 30th, 2018, announcement that BC was proposing a second phase of consultations and regulations to improve preparedness, response and recovery from potential spills (i.e., Kinder Morgan Trans Mountain pipeline expansion project).

In response, Premier Horgan issued a statement on February 6, 2018 stating BC's support for its wine producers and the intent to respond to the Alberta's "unfair trade actions". In an interview on February 7, 2018, Premier Horgan further stated that BC would not seek retaliatory action but reiterated BC's intent to defend the BC wine industry.

In 2017, BC exported an estimated 17.2 million bottles or over 1.4 million cases of wine worth an estimated \$70 million (wholesale) to Alberta.

BC and Alberta are parties to both the New West Partnership Trade Agreement (NWPTA) and the Canadian Free Trade Agreement (CFTA) which include specific trade obligations and dispute settlement provisions.

The BC Wine Institute (BCWI) met with the Minister of Agriculture, the Honourable Lana Popham on February 6, 2018 and with representatives of the Ministry of Jobs, Trade and Technology and the Liquor Control and Licensing Branch of the Ministry of Attorney General on February 7, 2018.

DISCUSSION:

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Withheld pursuant to/removed as

s.16;s.13;s.17

Hansen, Erin AGRI:EX

From: Jang, Monica JTT:EX
Sent: Thursday, February 8, 2018 12:38 PM
To: Meggs, Geoff PREM:EX; Lloyd, Evan GCPE:EX; Shoemaker, Wes AGRI:EX; Yuma Morisho, Okenge PREM:EX; Fyfe, Richard J JAG:EX; Harvey, James JAG:EX; Plecas, Bobbi ENV:EX
Cc: Mihlar, Fazil JTT:EX
Subject: Trade action on wine
Attachments: updated ABBCWI CLIFF 139852.docx

Importance: High

Please find attached from DM Mihlar.

s.13

Thanks,

Monica.

Monica Jang
Director, Executive Operations
Deputy Minister's Office
Ministry of Jobs, Trade and Technology
Phone: 604 660-3346
Mobile: 604 290-7572

MINISTRY OF JOBS, TRADE AND TECHNOLOGY

DECISION NOTE

Cliff #: 139852

Date: February 8, 2018

PREPARED FOR: Fazil Mihlar, Deputy Minister, Ministry of Jobs, Trade and Technology

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DISCUSSION:

Page 47 to/à Page 53

Withheld pursuant to/removed as

s.16;s.13;s.17

Hansen, Erin AGRI:EX

From: Mack, James AGRI:EX
Sent: Thursday, February 8, 2018 7:14 PM
To: Shoemaker, Wes AGRI:EX; McRae, Meghan GCPE:EX; Beale, William AGRI:EX; Lalani, Arif AGRI:EX
Cc: Hrycuik, Lorie AGRI:EX; Easton, Joan E AGRI:EX
Subject: update on wine proposals
Attachments: Potential options to support BC wine industry.docx; Mitigation measures recommended to The Government of BC (002).docx

The first document is with ministries for comment. At a high level it works, but we really need to nail down exactly what Liquor Distribution Branch is able to do in particular.

I also just received a heads-up draft of what the BC Wine Institute intends to send to government (Premier's Office and Ministers Eby, Popham and Ralston with DMs) tomorrow as their 5 priorities (see attached). I'm told they're likely to add a sixth priority on export development in response to some members but they recognize that we have the programs in place already to do this.

I walked through these with Miles (BCWI) and candidly told him that we're likely to support some but not all of them. He's very positive about any quick response from government of support and would like to help out with any government announcements.

We've started the work with other ministries, but based on today's discussions, my sense is:

BCWI recommendation	Comments
Provide funding to help underwrite a BCWI-lead challenge of the constitutionality and Canadian Free Trade Agreement compliance of the recent actions taken by the Government of Alberta and the AGLC to prohibit the importation of British Columbia wines.	Depends on BC's overall strategy on the trade issues. If BC does not want to escalate the issue with Alberta it may not want to support an industry challenge. JTT is looking at whether it is appropriate and whether funding is available to support this.
Activate the BC Liquor Distribution Branch, in concert with BC Liquor Stores, to immediately implement a Buy BC: Eat Drink Local program (see below) that includes: <ul style="list-style-type: none">o Immediate increased support from the BCLS by proactively purchasing small-lot BC wines from local wineries and featuring Buy BC: Eat Drink Local promotions in all BC Liquor Stores.o More shelf space for small-lot wines and additional BC wine SKUs not normally featured in BC Liquor Stores.o Prominent store-front displays and increased general advertising focused on BC craft products, especially products from small and medium sized wineries not normally carried in BC Liquor Stores.o Increase the number of local craft product tastings in BC Liquor Stores.o Provide wholesale prices to licenced restaurants in support of a Buy BC: Eat Drink Local campaign on a 60-day trial basis to specifically encourage the sale and promotion of BC wine	Government could work with LDB to advance these proposals. LDB indicates that providing hospitality pricing (last sub-bullet) would require major system changes and they are currently focused on cannabis issues.

products in hospitality venues.	
<p>Funding (\$300K) for a provincial wide Buy BC: Eat Drink Local campaign to include BC agri-foods products and 100% BC-certified craft alcohol (i.e. beers, cider, fruit wines, and (potentially) distilled products & aimed to highlight and bring attention to local BC products by leveraging media and creating unique events, including:</p> <ul style="list-style-type: none"> o fully integrated campaign, in partnership with a major provincial media partner (i.e. Pattison Outdoor), will target BC consumers and will feature notable BC farm-to-table chefs and esteemed BC sommeliers who will promote local BC agri-foods products. o Eat Drink Local promotion featuring BC agri-foods products and 100% BC-certified craft alcohol: <ul style="list-style-type: none"> i. On-premise partnership with the BCRFA featuring by-the-glass pairing courses with recipes, chef demos, how-to tips etc. using a variety of media channels including traditional media, web, social media and video podcasts; ii. Off-premise, retail partnership with multiple retail channels (i.e. BLS, SaveOn Foods, etc.) featuring in-store demos, point-of-sale recipes, pairing and how-to tips; iii. Series of farm-to-table dinner events featuring BC agri-foods & BCVQA wine will to run in conjunction with the media campaign. These dinners will showcase local chefs & restaurants, BC agri-foods producers and sommeliers and focus on the pairings to highlight Eat Drink Local and will be strategically offered throughout the province in cooperation with participating BC agri-food producer(s). 	<p>Government could work with industry on these activities. They relate to existing programs but a new \$300k investment would need to be found to support enhanced activities.</p>
<p>Activate BC winery dormant licences while normalizing them under industry control and allowing them to sell 100% BC products via the grocery channel. There are 60 farm distribution licences grandfathered into NAFTA and ratified by CETA, of which only 21 BCWI-owned licences have been authorized for the grocery channel.</p>	<p>Industry and Government do not agree on this issue. It would need to be worked on longer term in the context of trade challenges</p>
<p>Implement the recommendations made by the BC Wine Appellation Task Force Group to the Ministry of Agriculture. This will serve to show the BC wine industry that Government supports its initiatives and stands by the industry.</p>	<p>Government can commit to working with industry to implement these recommendations.</p>
<ul style="list-style-type: none"> • (Likely to be added in next version) Government support for export development activities 	<p>Government can commit to continuing to work on these efforts. Funding already provided for programs through Ministry of Agriculture.</p>

James Mack
Assistant Deputy Minister – Agriculture Science and Policy
Ministry of Agriculture
Phone: 250-356-1821
Fax: 250-356-7279
e-mail: James.mack@gov.bc.ca

Summary of potential measures to support BC wine industry

- 1) Announce pending Ministry of Agriculture projects currently in development
 - a. Phase I of long term strategic plan for BC Wine Institute
 - b. Feasibility study for a BC Wine Centre of Excellence
- 2) Increase profile of BC wine through:
 - a. Enhanced profile in government liquor stores
 - b. Proclamation by legislature of BC Wine Month (similar to what is done for Craft Beer)
 - c. Government and industry activities at events, trade missions, and with media
- 3) Increase AGRI market development funding to support BC wineries in developing new domestic and export markets.

Analysis of "Farm to Bottle" recommendations

Recommendation	Lead	Comments	Proposed Approach
1) Buy local focus for the Government Liquor Stores – This has always been their mandate but they continually do not do this.	LCLB/LDB		s.13,s.16,s.17
2) BC wine focus month – displays, etc. for the Provincial liquor stores.	LCLB/LDB		
3) Additional tasting for wineries in	LCLB/LDB		

provincial liquor stores this will lead to greater profile for farm to bottle producers	<p data-bbox="378 1270 410 1396">LCLB/LDB</p> <p data-bbox="378 1440 565 1900">4) Increased the sku listings for BC wineries at Government liquor stores this has been reduced by the BC Liberal government year after year.</p>
<p data-bbox="881 1440 1109 1900">5) Allow all wineries to have direct delivery for 100% BC wine in kegs (restaurants are asking for a greater offering and 50% of the wine produced is non-eligible for wine in keg.</p>	<p data-bbox="881 1270 954 1396">LCLB/LDB or AGRI</p>

6) Support agriculture with implementation Sub-appellation task group – the report is on your desk waiting for approval.	AGRI	
7) Activate Industry Licenses that are dormant to allow for further points of distribution and greater access to the consumer.	LCLB/LDB	

	<p>8) Provide wholesale pricing to restaurants for 60 days (allows more consumers to try BC wines).</p> <p>LCLB/LDB</p>

9) Required Reporting –Each winery license should be mandated to report, this will provide clarity to the current state of the BC wine industry (currently we do not know how many acres, cases, or varietals for each winery). In every other wine region in the world this is required reporting to identify comprehensive wine strategy – this will allow for strategic wine government and industry planning. (BCLDB & BC Wine Authority).	LCLB/LDB

LCLB/LDB

10) To assist BC wineries with a matching marketing fund to expand sales of BC wines into other provinces and countries.
(Could be funded via a levy on all liquor sales of 1 cent per litre.)



BC Wine Institute (BCWI)
Mitigation measures for the Alberta Government embargo that are
recommended to The Government of BC for immediate implementation
February 2018

BC WINE INSTITUTE (BCWI) POSITION

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Hansen, Erin AGRI:EX

From: Traci Deman <TDeman@winebc.com>
Sent: Friday, February 9, 2018 9:33 AM
To: Minister, AG AG:EX; Minister, JTT JTT:EX; Minister, AGRI AGRI:EX; Oreck, Mira PREM:EX; Pivnick, Evan V LASS:EX
Cc: Mihlar, Fazil JTT:EX; Fyfe, Richard J JAG:EX; Shoemaker, Wes AGRI:EX; Hammond, James JTT:EX; Lalani, Arif AGRI:EX; Mack, James AGRI:EX; Scott, Douglas S AG:EX; Carr, Michelle LCLB:EX; Miles Prodan; Christa-Lee McWatters Bond
Subject: Mitigation measures recommended to The Government of BC
Attachments: Mitigation measures recommended to The Government of BC.pdf

Attorney General Eby, Minister Ralston, Minister Popham

Attached please find BC Wine Institute's recommended mitigation measures related to the recent embargo by the Government of Alberta.

Please contact BCWI President/CEO Miles Prodan at MProdan@WineBC.com (250-762-9744 ext. 101 or 250-863-9379).

Thank you.

Sent on behalf of Miles Prodan by
Traci Deman
Office Manager
TDeman@WineBC.com
phone. 250-762-9744 ext. 105

The Wines of British Columbia. BC VQA = 100% BC Grapes.

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BC Wine Institute (BCWI)
Mitigation measures recommended to The Government of BC for immediate
implementation regarding the Alberta Government Embargo
February 2018

BC WINE INSTITUTE (BCWI) POSITION

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s.14;s.16;s.13;s.17