From: Miles Prodan <MProdan@winebc.com>
Sent: Monday, February 5, 2018 11:03 AM

**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: <a href="http://www.winebc.org/press">http://www.winebc.org/press</a> 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

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	Alberta's B.C. Wine Boycott
Minister Responsible: Hon. Lana Popham	

#### **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.

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 \$.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

\*\*Please note: This email is intended for the addressee(s) only and may contain legally privileged information. Any unauthorized use, disclosure or reproduction is strictly prohibited.\*\*

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 \$.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'

<u>CBC News</u> Posted: Feb 06, 2018 2:52 PM MT Last Updated: Feb 06, 2018 2:52 PM MT

Page 009 to/à Page 010

Withheld pursuant to/removed as

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

Page 012

Withheld pursuant to/removed as

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: s.14 s.14

Fazil

Sent from my iPhone

On Feb 6, 2018, at 7:31 PM, Anderson, Steve JTT:EX < <a href="mailto:Steve.Anderson@gov.bc.ca">Steve.Anderson@gov.bc.ca</a> 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

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; 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:

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

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 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 Copyright Page 022 to/à Page 024

Withheld pursuant to/removed as

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"

<<u>Douglas.S.Scott@gov.bc.ca</u>>
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

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 intigrated 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).

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

From: Hodson, Georgina AGRI:EX

Sent: Wednesday, February 7, 2018 7:25 PM

To:Shoemaker, Wes AGRI:EXSubject: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 percentof 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

>Thanks Georgina!

>

>William

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.

- 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 30<sup>th</sup>, 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:**

Page 036 to/à Page 044

Withheld pursuant to/removed as

s.16;s.13;s.17

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: Subject: Mihlar, Fazil JTT:EX

**Attachments:** 

Trade action on wine 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

**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 30<sup>th</sup>, 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.

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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:

Page 047 to/à Page 053

Withheld pursuant to/removed as

s.16;s.13;s.17

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:  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.  More shelf space for small-lot wines and additional BC wine SKUs not normally featured in BC Liquor Stores.  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.  Increase the number of local craft product tastings in BC Liquor Stores.  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.	
Funding (\$300K) for a provincial wide Buy BC: Eat Drink Local campaign to include BC agri-foods products and100% 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:  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:  i. On-premise partnership with the BCRFA featuring by-the-glass paring courses with recipes, chef demos, how-to tips etc. using a variety of media channels including traditional media, web, social media and video podcasts;	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.
<ul> <li>ii. Off-premise, retail partnership with multiple retail channels (i.e. BLS, SaveOn Foods, etc.) featuring instore demos, point-of-sale recipes, pairing and how-to tips;</li> <li>iii. Series of farm-to-table dinner events featuring BC agrifoods &amp; BCVQA wine will to run in conjunction with the media campaign. These dinners will showcase local chefs &amp; restaurants, BC agrifoods 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 agrifood producer(s).</li> </ul>	
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.	Industry and Government do not agree on this issue. It would need to be worked on longer term in the context of trade challenges
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.	Government can commit to working with industry to implement these recommendations.
<ul> <li>(Likely to be added in next version) Government support for export development activities</li> </ul>	Government can commit to continuing to work on these efforts. Funding already provided for programs through Ministry of Agriculture.

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

Recon	nmendation	Lead	Comments	Proposed Approac
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	1	

 	·
provincial liquor stores this will	
lead to greater profile for farm	
to bottle producers	
Increased the sku listings for BC	LCLB/LDB
wineries at Government liquor	
stores this has been reduced by	
the BC Liberal government year	
after year.	
 All and the second second second	1010/100
Allow all wineries to have direct	LCLB/LDB
delivery for 100% BC wine in	or AGRI
kegs (restaurants are asking for a	
greater offering and 50% of the	
wine produced is non-eligible for	
wine in keg.	
	1

6) Support agriculture with implementation Sub-appellation task group – the report is on your desk waiting for approval.	AGRI s.13,s.16,s.17
7) Activate Industry Licenses that	LCLB/LDB
are dormant to allow for further points of distribution and greater access to the consumer.	

LCLB/LDB

			¯s.13,s.16,s.17
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	

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.)	LCLB/LDB	s.13,s.16,s.17



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

Copyright

Page 064

Withheld pursuant to/removed as

Copyright

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 <a href="MProdan@WineBC.com">MProdan@WineBC.com</a> (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.

British Columbia Wine Institute
107 - 1726 Dolphin Avenue
Kelowna, B.C. V1Y 9R9
WineBC.org | WineBC.com
Twitter | Facebook | Instagram: @winebcdotcom

phone. 250-762-9744 toll free. 1-800-661-2294 fax. 250-762-9788



Please consider the environment before printing this e-mail or its attachment.



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

Copyright

Page 067 to/à Page 094

Withheld pursuant to/removed as

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

From: Mack, James AGRI:EX

Sent: Monday, February 12, 2018 11:16 AM

To: Shoemaker, Wes AGRI:EX; Scott, Douglas S AG:EX
Carr, Michelle LCLB:EX; Hrycuik, Lorie AGRI:EX

Subject: draft BCWI letter
Attachments: BCWI letter.docx

The next step from Friday was to draft a letter that Minister Popham could send in response to the BCWI. I've circulated it to key ministries for comment but anticipate that this is fairly straightforward.

Let me know if there are any thoughts on this.

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

#### Miles Prodan, BC Wine Institute

Thank you for your letter of February 9, 2018, proposing recommendations for how the provincial government can work with the BC Wine Institute to support the BC wine industry. Restrictions by the Government of Alberta against BC wine pose a serious and immediate economic impact on BC wineries, but it also presents an opportunity to profile BC wine to domestic and international markets.

To help profile our collective efforts, the Government of BC is considering proclaiming April as "BC Wine Month". As part of this, we would like to move immediately in partnership with the BC Wine Institute on the following of your recommendations:

- Activate the BC Liquor Distribution Branch, in concert with BC Liquor Stores, to immediately implement a Buy BC: Eat Drink Local program. The BC Liquor Distribution Branch is prepared to begin working with the BCWI on:
  - Proactively purchasing small-lot BC wines from local wineries and featuring Buy BC: Eat Drink Local promotions in all BC Liquor Stores
  - More shelf space for small lot wines and additional BC wine SKUs not normally featured in BC Liquor Stores
  - 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 Increased number of local product tastings in BC Liquor Stores
- 2) Through the BC Ministry of Agriculture, provide funding for a province-wide Buy BC: Eat Drink Local campaign to include BC agri-foods products and all certified 100% BC craft alcohol (i.e. grape wine, beer, cider, fruit wines and potentially distilled products) and to bring attention to local BC products by leveraging media, creating unique events, etc.
- 3) Through the BC Ministry of Agriculture, provide funding for programs to increase BC VQA Wine export sales and expansion of international markets focusing on trade shows, food fairs, sales exhibitions and/or participation in events of missions.

I have asked Wes Shoemaker, Deputy Minister of Agriculture, and Doug Scott, Associate Deputy Minister, Attorney General, to contact you to begin work on these initiatives.

We feel that these are the best opportunities to make an immediate difference for BC wineries. I do want to be clear that the province will continue to work with industry on the other proposals you have put forward, such as implementing the BC Wine Appellation Task Group recommendations as well as considering wholesale pricing for the hospitality sector.

I will keep in touch with you as we progress on these initiatives. Please contact me if you have any questions or concerns.

Minister Popham

From:

Carr, Michelle LCLB:EX

Sent:

Tuesday, February 13, 2018 8:12 AM

To:

Mack, James AGRI:EX; Shoemaker, Wes AGRI:EX; Scott, Douglas S AG:EX

Cc:

Hrycuik, Lorie AGRI:EX; Scott, Pamela LCLB:EX

Subject:

BCWI letter - LCLB edits

**Attachments:** 

BCWI letter.docx; ATT00001.txt

Pls see my edits in the attached. I sent to Blain yesterday and will follow up to see if he has additional edits. Michelle

Page 098 to/à Page 099

Withheld pursuant to/removed as

s.13

From:

Shust, Susan D AGRI:EX

Sent:

Tuesday, February 13, 2018 2:29 PM

To:

Shoemaker, Wes AGRI:EX

Cc:

Hansen, Erin AGRI:EX

Subject:

FW: BCWI letter

Attachments:

187817 Prodan.docx

Hi Wes - here is the formatted version of the letter James just sent.

Thanks Susan

From: Mack, James AGRI:EX

Sent: Tuesday, February 13, 2018 2:24 PM

To: Shust, Susan D AGRI:EX; Shoemaker, Wes AGRI:EX

Cc: Hansen, Erin AGRI:EX; Hodson, Georgina AGRI:EX; Hrycuik, Lorie AGRI:EX; Scott, Melissa AGRI:EX

Subject: BCWI letter

Here is the updated letter. Some minor changes from LCLB and Trade.

I'll be resending this out to ADMs so they have the final copy

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



February 13, 2018

File: 0280-30 Ref: 187817

Miles Prodan
President and CEO
BC Wine Institute
107 – 1726 Dolphin Avenue
Kelowna, BC V1Y 9R9

Dear Mr. Prodan:

Thank you for your letter of February 9, 2018, proposing recommendations for how the Provincial Government can work with the BC Wine Institute to support the BC wine industry.

Restrictions by the Government of Alberta against BC wine pose a serious and immediate economic impact on BC wineries, but it also presents an opportunity to profile BC wine to domestic and international markets.

To help profile our collective efforts, the Government of British Columbia is considering proclaiming April as "BC Wine Month". As part of this, we would like to move immediately in partnership with the BC Wine Institute on the following of your recommendations:

- Activate the BC Liquor Distribution Branch, in concert with BC Liquor Stores, to immediately implement a Buy BC: Eat Drink Local program. Bearing in mind the trade obligations, the BC Liquor Distribution Branch is prepared to begin working with the BCWI on:
  - Proactively purchasing small-lot BC wines from local wineries and featuring Buy BC: Eat Drink Local promotions in all BC Liquor Stores.
  - More shelf space for small lot wines and additional BC wine SKUs not normally featured in BC Liquor Stores.
  - 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 Increased number of local product tastings in BC Liquor Stores.

.../2

- 2. Provide funding, through the Ministry of Agriculture, to support a province-wide Buy BC: Eat Drink Local campaign to bring attention to local BC wine products by leveraging media, creating unique events, etc.
- 3. Provide funding, through the Ministry of Agriculture, to increase BC wine export sales and expansion of international markets through participation in trade shows, food fairs, sales exhibitions, market development events and/or missions using existing programs.

I have asked Wes Shoemaker, Deputy Minister of Agriculture, and Doug Scott, Associate Deputy Minister, Attorney General, to contact you to begin work on these initiatives.

We feel that these are the best opportunities to make an immediate difference for BC wineries. I do want to be clear that the Province is considering the other proposals you have put forward, such as implementing the BC Wine Appellation Task Group recommendations and has engaged Mark Hicken, government's Liquor Policy Advisor, to engage industry on matters such as wholesale pricing for the hospitality sector.

I will keep in touch with you as we progress on these initiatives. Please contact me if you have any questions or concerns.

Sincerely,

Lana Popham Minister

pc: Wes Shoemaker, Deputy Minister

Ministry of Agriculture

Doug Scott, Associate Deputy Minister Attorney General

From:

McRae, Meghan GCPE:EX

Sent:

Tuesday, February 13, 2018 10:21 PM

To: Subject: Beale, William AGRI:EX; Shoemaker, Wes AGRI:EX; Mack, James AGRI:EX

Attachments:

FOR REVIEW: BC Wine Month NR AGRI NR-BC Wine Month v.2.docx

As discussed with Will and Minister, attached is a draft NR that announces the proclamation of April as B.C. Wine Month.

Still some gaps, but I need it reviewed for accuracy. Will and I have discussed making this an initial high level announcement that doesn't touch on some of the finer points that government has committed to. Those are items that we can time to announce in April once BC Wine Month kicks off.

We're aiming to release this tomorrow shortly after QP (3 PM). Please let me know what feedback you have on this. I'll also share this with JTT and AG GCPE in the AM.

Thanks, Meghan



# NEWS YOU CAN USE

For Immediate Release [Release Number] [Date] Ministry of Agriculture Ministry of Jobs, Trade and Technology Auditor General

### Province supports local wine industry by proclaiming April B.C. Wine Month

VICTORIA – In support of B.C.'s wine industry, following Alberta's sudden ban on B.C. wine imports last week, the Province will proclaim the month of April as B.C. Wine Month, in conjunction with BC Liquor Stores throughout the province.

"B.C.'s wine industry is made up of family-run vineyards and wineries that have chosen farming as their life's course, provide good jobs in communities in our wine-growing regions, and share their award-winning varietals with British Columbians, Canadians and consumers from around the world," Said Minister of Agriculture Lana Popham. "We told British Columbians we would fight for our wine-making community, and promoting an entire month to B.C. wines is a wonderful way to do just that."

With B.C. Wine Month being proclaimed in April, British Columbians can expect to see an increase in B.C. wines on the shelves of their local BC Liquor Store, including craft wines from small and medium wineries that are not typically available outside of the wineries. BC Liquor Store patrons will be made aware of the promotion through an increase in prominent storefront displays and a greater variety of in-store tastings of B.C. wines.

" Quote from Minister Eby"

The Ministry of Agriculture will also be working with the BC Wine Institute to open up new markets for B.C. wines within Canada and globally.

"Miles Prodan quote"

#### Fast Facts:

- BC is home to 929 vineyards, including 254 licensed wineries.
- There are just under 3,900 hectares of wine grapes and 56 hectares of fresh market grapes.
- Over 60 different grape varieties are produced in the province, the top ten of which include Merlot, Pinot Gris, Pinot Noir, Chardonnay, Cabernet Sauvignon, Gewurztraminer, Cabernet Franc, Syrah, Riesling, and Sauvignon Blanc.
- In 2016, BC wine exports increased 4% to \$9.7 million shipped to 17 international markets.
- Ice wine exports were \$1.8 of the total.
- The top markets for BC wine were China (54%), Taiwan (23%) and the US (11%)

Learn More: BC Liquor Stores BC Wine Institute

Contact:
Dave Townsend
Government Communications and Public Engagement
Ministry of Agriculture
Ph. 250-356-7098

From: Jang, Monica JTT:EX

Sent: Sunday, February 18, 2018 10:48 AM

To: Shoemaker, Wes AGRI:EX
Cc: Mihlar, Fazil JTT:EX

**Subject:** Fwd: JTT Wine Package

Attachments: 139983\_IN\_CFTA\_Wine\_Dispute.docx; ATT00001.htm; NR Province Takes Action to

Protect BC Wine Industry\_Feb 2018-V2.docx; ATT00002.htm

Hi Wes,

Please find attached. Fazil would like to let you know that the plan is to launch Monday.

FYI,

Monica.

Sent from my iPhone



# **NEWS RELEASE**

For Immediate Release [release number] Date Ministry of Jobs, Trade and Technology

### Province takes further action to protect B.C. wine industry

VICTORIA – The Province is acting to protect B.C. wine producers whose businesses are being impacted by the Alberta government's recent boycott on B.C. wine imports. Today, Bruce Ralston, Minister of Jobs, Trade and Technology, announced B.C. is formally challenging Alberta's measures through the Canadian Free Trade Agreement's (CFTA) dispute settlement process.

"B.C.'s wine industry is an important contributor to our economy, creating good jobs and other economic benefits for people in B.C." said Ralston. "We're standing by our wine producers and the communities that rely on this important industry by launching a formal trade dispute, with the ultimate aim of reaching a positive resolution."

The Province has notified the Government of Alberta that it's formally requesting consultations under the CFTA regarding Alberta's actions to ban the sale of B.C. wine in that province. B.C. sees these actions as inconsistent with Alberta's obligations under the CFTA.

"Alberta's actions threaten the livelihood of the families that have worked so hard to build B.C.'s world-class wine industry," said Ralston. "B.C. has an obligation to protect our reputation and the interests of the people and industries that are part of our strong, sustainable economy."

Consultations can start immediately and can last a minimum of 120 days. If consultations don't resolve the matter B.C. can call for an arbitral panel to hear the issue. This will be the first formal dispute to occur under the new CFTA.

In addition to this trade challenge, the Province is supporting B.C.'s wine industry by proclaiming April to be B.C. Wine Month. Government is also increasing opportunities to have B.C. wines in local BC Liquor Stores, including local wines from small and medium producers that are not typically available outside of the wineries. Funding is also being made available for the Buy BC: Eat Drink Local campaign, and to support the marketing of BC VQA wines to new international markets.

#### **Quick Facts:**

- B.C.'s wine industry employs about 12,000 people, and has an economic impact of \$2.8 billion annually on our province.
- B.C. is home to 929 vineyards, including over 350 licensed wineries.
- There are just under 3,900 hectares of wine grapes grown in B.C.

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- In 2016, B.C. wine exports increased 4% to \$9.7 million shipped to 17 international markets.
- Ice wine exports were \$1.8 million of the total.
- The top markets for B.C. wine were China (54%), Taiwan (23%) and the US (11%)

#### Learn More:

To learn more about the Canadian Free Trade Agreement, visit:

https://news.gov.bc.ca/factsheets/factsheet-canadian-free-trade-agreement-cftaww.something.com

#### Media Contact:

Media Relations Ministry of Jobs, Trade and Technology 250 889-1121

#### MINISTRY OF JOBS, TRADE AND TECHNOLOGY

#### **INFORMATION NOTE**

Cliff #: 139983

Date: February 16, 2017

PREPARED FOR: Honourable Bruce Ralston, Minister of Jobs, Trade and Technology

**ISSUE:** Canadian Free Trade Agreement (CFTA) dispute challenging Alberta's measures on the importation of BC wine.

**BACKGROUND:** On February 6, 2018 Alberta announced measures directing the Alberta Gaming and Liquor Commission (AGLC) to halt its importation of BC wine into that province. BC believes these measures violate numerous provisions of the CFTA and has directed a formal trade dispute against Alberta be launched.

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Page 110 to/à Page 111

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s.16;s.13;s.17

Page 112 to/à Page 113

Withheld pursuant to/removed as

s.16;s.13

Ref: 139983

Ms. Lorraine Andras
Director, Trade Policy – Domestic
Alberta Economic Development and Trade
Commerce Place, Floor 12
10155 – 102 Street, N.W.
Edmonton, AB T5J 4G8

Email: lorraine.andras@gov.ab.ca

#### Dear Ms. Andras:

Pursuant to Article 1003 (Consultations) of the *Canadian Free Trade Agreement* (the "CFTA"), I am writing to inform you that the Government of British Columbia is hereby requesting consultations with the Government of Alberta regarding certain measures that act to restrict of the sale of British Columbia wine in Alberta. In British Columbia's view these measures are inconsistent with Alberta's obligations under the CFTA.

## 1. Measures Subject to Consultation

The measures at issue here are the Government of Alberta's direction to the Alberta Gaming and Liquor Commission (the "AGLC") to put a halt to the import of British Columbia wine into Alberta and the AGLC's implementation of that direction (collectively, the "Measures"). In the course of consultations additional non-compliant measures may become apparent and British Columbia reserves the right to add any such additional measures to its complaint.

## 2. Applicable Provisions of the CFTA

A preliminary assessment of the Measures indicates that the following provisions of the CFTA are most relevant in the circumstances:

- Article 201 (Non-Discrimination)
- Article 301 (Right of Entry and Exit)
- Article 316 (Non-Discrimination)
- Article 317 (Commercial Considerations)

If during consultations other provisions of the CFTA appear to be applicable we will bring them to your immediate attention.

#### 3. Summary of Complaint

British Columbia is of the view that the Measures discriminate against British Columbia wine and restrict its movement across provincial boundaries. In addition, the implementation of the Government of Alberta's direction by the AGLC is not consistent with commercial considerations. The CFTA requires Alberta to extend non-discriminatory treatment to all British Columbia wine and to allow its free movement across provincial boundaries. The CFTA also requires the AGLC to make its purchases of wine solely in accordance with non-discriminatory commercial considerations.

#### 4. Address for Service

Please address all further correspondence relating to this matter to:

Matthew Carnaghan
Senior Manager, Trade Policy and Negotiations
Ministry of Jobs, Trade and Technology
P.O. Box 9835, Stn. Prov. Gov.
Victoria BC V8T 5C3

I look forward to your earliest response to this request in order to commence an open dialogue amongst our two governments and any other Parties to the CFTA that may choose to participate in these consultations.

Sincerely,

Fazil Mihlar Deputy Minister

cc: Honourable Bruce Ralston, British Columbia Minister of Jobs, Trade and Technology bruce.ralston@gov.bc.ca

Honourable Lana Popham, British Columbia Minister of Agriculture lana.popham@gov.bc.ca

Honourable Deron Bilous, Alberta Minister of Economic Development and Trade edt.ministeroffice@gov.ab.ca

Miles Prodan, President and CEO, BC Wine Institute mprodan@winebc.com

Patrick Caron, Managing Director, Internal Trade Secretariat <a href="mailto:pcaron@ait-aci.ca">pcaron@ait-aci.ca</a>

# Internal Trade Representatives

barbara.dunlop@gov.yk.ca

matthew.carnaghan@gov.bc.ca
stephen.fertuck@canada.ca
tami.reynolds@gov.mb.ca
andrew.hashey@gnb.ca
rsquires@gov.nl.ca
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richard.caine@ontario.ca
kbwhitnell@gov.pe.ca
marie-andree.marquis@economie.gouv.qc.ca
arla.cameron@gov.sk.ca

From:

Beale, William AGRI:EX

Sent:

Tuesday, February 20, 2018 1:43 PM

To: Cc: Shoemaker, Wes AGRI:EX Hodson, Georgina AGRI:EX

Subject:

FW: News Release

FYI

From: s.22

Sent: Tuesday, February 20, 2018 1:42 PM

To: Beale, William AGRI:EX

Cc: Miles Prodan

Subject: RE: News Release

Dear Mr Beale

After our discussion yesterday it became even more clear in my mind that the only viable solution for the BC industry is for the BC and Alberta governments to sit down and to negotiate an agreement that both sides can live with as soon as possible. It is vital that this be done within the next month before supplies are depleted in the Alberta warehouse. Consumers will not wait; they will buy other brands, most likely from the US, Chile, Argentina, Australia, New Zealand or France. After the dispute is settled we will then have the expensive job to reinitiate them to our wines. A long and expensive process that our small cottage farm based industry can ill afford.

I question the information in your release where you indicate that the top market for BC wine is China at 54%, Taiwan at 23 % and the US at 11 %; this leaves BC and all other markets accounting for just 12%.

This makes no sense to me. Perhaps you were referring to icewine which accounts for a high profile but very very small portion of BC wine sales.

Yours sincerely

s.22

From: Beale, William AGRI:EX [mailto:William.Beale@gov.bc.ca]

Sent: February-19-18 12:47 PM

To: Beale, William AGRI:EX < William.Beale@gov.bc.ca>

Subject: News Release

#### Good afternoon,

For those of you who have not yet seen it, I am sending along today's press release regarding the Province of BC's formal challenge of the Alberta wine ban under the Canadian Free Trade Agreement's dispute settlement process.

I have spoken to some of you today and left messages for others. If you have any questions please feel to reach out to me.

William Beale

Ministerial Assistant to the Honorable Lana Popham

### https://news.gov.bc.ca/releases/2018JTT0008-000236

#### **NEWS RELEASE**

Province takes further action to protect B.C. wine industry

VICTORIA - In a move aimed at protecting and supporting the province's wine producers, Minister of Jobs, Trade and Technology Bruce Ralston has announced that the B.C. government is formally challenging Alberta's ban on B.C. wines through the Canadian Free Trade Agreement's (CFTA) dispute settlement process.

"B.C.'s wine industry is an important contributor to our economy, creating good jobs and other economic benefits for people in B.C.," Ralston said. "We're standing by our wine producers and the communities that rely on this important industry by launching a formal trade dispute, and we are confident we will be successful."

The Province has notified the Government of Alberta that it is formally requesting consultations under the CFTA regarding Alberta's actions to ban the sale of B.C. wine. This will be the first formal dispute to occur under the new CFTA.

"Alberta's actions threaten the livelihood of the families that have worked so hard to build B.C.'s world-class wine industry," Ralston said. "These actions are inconsistent with Alberta's obligations under the CFTA, and we will protect our reputation and the interests of British Columbians."

In addition to this trade challenge, the Province is supporting B.C.'s wine industry by proclaiming April as B.C. Wine Month. Government is also increasing opportunities to have B.C. wines in local BC Liquor Stores, including local wines from small and medium producers that are not typically available outside of the wineries. Funding is also being made available for the Buy BC: Eat Drink Local campaign, and to support the marketing of BC VQA wines to new international markets.

#### Quick Facts:

- \* B.C.'s wine industry employs about 12,000 people, and has an economic impact of \$2.8 billion annually on the province.
- \* B.C. is home to 929 vineyards, including over 350 licensed wineries.
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- \* Ice wine exports were \$1.8 million of the total.
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## Learn More:

To learn more about the Canadian Free Trade Agreement, visit: <a href="https://news.gov.bc.ca/factsheets/facts

From:

Mack, James AGRI:EX

Sent:

Tuesday, February 20, 2018 5:17 PM

To:

Shoemaker, Wes AGRI:EX; Beale, William AGRI:EX

Cc:

Hodson, Georgina AGRI:EX

Subject:

RE: News Release

Just to confirm the numbers: the percentages refer to BC's international exports (ie not of total BC wine sales). This means that China accounts for 54% of total sales of BC exported wine.

From: Shoemaker, Wes AGRI:EX

Sent: Tuesday, February 20, 2018 2:22 PM

To: Beale, William AGRI:EX; Mack, James AGRI:EX

**Cc:** Hodson, Georgina AGRI:EX **Subject:** RE: News Release

Thanks Will. We will have our folks confirm the numbers. James, please confirm.

#### Wes

From: Beale, William AGRI:EX Sent: February 20, 2018 1:43 PM

To: Shoemaker, Wes AGRI:EX < Wes.Shoemaker@gov.bc.ca > Cc: Hodson, Georgina AGRI:EX < Georgina.Hodson@gov.bc.ca >

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William Beale Ministerial Assistant to the Honorable Lana Popham Ministry of Agriculture (604) 677-8958

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From: Miles Prodan <MProdan@winebc.com>
Sent: Wednesday, February 21, 2018 8:20 AM

To: Hammond, James JTT:EX; Shoemaker, Wes AGRI:EX; Scott, Douglas S AG:EX; Carr,

Michelle LCLB:EX; Musgrave, Robert JTT:EX; Carnaghan, Matthew JTT:EX; Oreck, Mira PREM:EX; Minister, JTT JTT:EX; Minister, AGRI AGRI:EX; 'EDT.MinisterOffice@gov.ab.ca';

DM JTT JTT:EX; 'lorraine.andras@gov.ab.ca'

Subject: B.C. Wine Institute to seek injunction to protect B.C. wineries

Attachments: AGLC Letter Feb 21.pdf; BCWI FAQ FINAL\_Alberta Ban.pdf; BCWI Media

Background\_Alberta Ban.pdf; PRESS RELEASE - BCWI Notice to AGLC.PDF

Please see attached Notice to the AGLC, Media Release and background materials from the BCWI.

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Miles Prodan | President & CEO | British Columbia Wine Institute

o: 250.762.9744 x101 | c: 250.863.9379



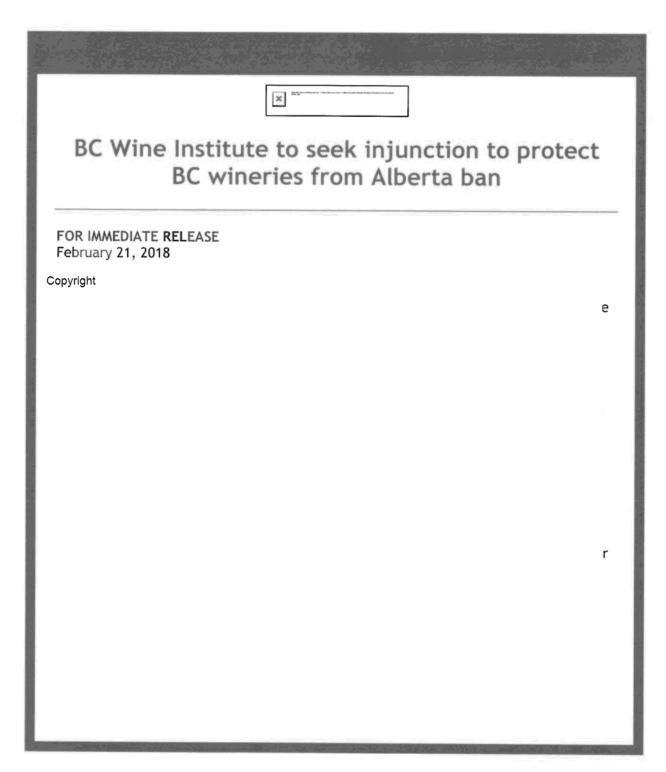
# BC Wine Institute Media Backgrounder

From: BC Wine Institute < lkittmer@winebc.com> Sent:

Wednesday, February 21, 2018 8:43 AM

To: Shoemaker, Wes AGRI:EX

Media Release: BC Wine Institute to seek injunction to protect BC wineries from Alberta Subject:



Page 126 to/à Page 127

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Reply to the Attention of: Scott Maidment

Direct Line: 416.865.7911
Direct Fax: 416.865.7048

Email Address: scott.maidment@mcmillan.ca

Date: February 21, 2018

#### **VIA EMAIL and FAX**

Alain Maisonneuve
President and Chief Executive Officer
Alberta Gaming and Liquor Commission
50 Corriveau Avenue
St. Albert, AB

T8N 3T5 Phone: 780.447.8600

Fax: 780.447.8989

Email: alain.maisonneuve@aglc.ca

Dear Mr. Maisonneuve,

#### Re: Alberta Gaming and Liquor Commission Ban of British Columbia Wines

We are counsel for the British Columbia Wine Institute Society. We have been instructed to commence an originating application against the Alberta Gaming and Liquor Commission (the "AGLC") related to the AGLC's recent actions to ban the importation of British Columbia wines.

We expect to file the application in the Alberta Court of Queen's Bench in Calgary on February 26<sup>th</sup>, 2018. Our client will seek a declaration that s. 77 of the *Gaming and Liquor Act*, R.S.A. 2000, c. G-1 is constitutionally invalid, a declaration that the recent banning actions taken by the AGLC are *ultra vires*, and other relief, including an injunction against the AGLC.

While our application will be filed with a placeholder date, we will ask that Associate Chief Justice Rooke provide us with an emergency special date so that we may seek an immediate interim injunction against the AGLC, with the balance of the application to be adjourned and heard without delay. As required, we are writing first to you to ask that the AGLC consent to an emergency special hearing date.

We are able to proceed on March 2, 5 or 6, 2018. We ask that you promptly advise us of the availability of the AGLC on those dates. We caution you that if we do not receive a response by 1pm MST on February 23, 2018, we will advise Associate Chief Justice Rooke of



this request and ask that a date be set unilaterally. We will, of course, copy you and counsel on any correspondence to the court.

We would naturally prefer to avoid an emergency injunction hearing if possible. The AGLC must surely appreciate that a prohibition on the importation of any Canadian good based solely upon its province of origin raises serious constitutional issues, that irreparable harm will be suffered if this ban is not immediately lifted, and that the balance of convenience favors lifting the ban until the constitutional issues are determined. We therefore urge the AGLC to immediately lift the ban pending that determination. If the AGLC is prepared to lift the ban to avoid an emergency hearing, please advise us forthwith.

Yours truly,

Scott Maidment

cc: Ganley, Kathleen, Honourable

Minister of Justice and Solicitor General

Members of Executive Council

Executive Branch

J Scott Maidment

424 Legislature Building

10800 - 97 Avenue

Edmonton, AB

T5K 2B6

Phone: 780.427.2339

Fax: 780.422.6621

E-mail: ministryofjustice@gov.ab.ca

(via email and fax)

Andrew Stead, McMillan LLP

Phone: 403.531.8748

E-mail: andrew.stead@mcmillan.ca

Samantha Gordon, McMillan LLP

Phone: 416.865.7251

E-mail: samantha.gordon@mcmillan.ca

## BC Wine Institute MEDIA RELEASE



For Immediate Release: February 21, 2018

BC Wine Institute to seek injunction to protect BC wineries from Alberta ban Copyright

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From: McRae, Meghan GCPE:EX

Sent: Thursday, February 22, 2018 7:21 PM

To: Lalani, Arif AGRI:EX; Mack, James AGRI:EX; Shoemaker, Wes AGRI:EX; Easton, Joan E

AGRI:EX

Subject: Fwd: Media Availability: Horgan/Heyman - TMP wine war

Sent from my iPhone

Begin forwarded message:

From: <tno@gov.bc.ca>

Date: February 22, 2018 at 2:47:21 PM PST

To: Undisclosed recipients:;

Subject: Media Availability: Horgan/Heyman - TMP wine war

Media Availability

Horgan/Heyman confcall TMP court reference

22-Feb-2018 14:30

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Withheld pursuant to/removed as



### BC Wine Institute Frequently Asked Questions

Page 135 to/à Page 136

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From: McRae, Meghan GCPE:EX

Sent: Thursday, February 22, 2018 7:22 PM

To: Lalani, Arif AGRI:EX; Shoemaker, Wes AGRI:EX; Mack, James AGRI:EX

**Subject:** KMs\_QAs-Premier-ProtectingTheCoast-REVISEDFINAL.docx

Attachments: KMs\_QAs-Premier-ProtectingTheCoast-REVISEDFINAL.docx; ATT00001.txt

FYI

Page 138 to/à Page 141

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s.13