

## Catungal, Renin LDB:EX

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**From:** Miles Prodan <mprodan@winebc.com>  
**Sent:** Friday, March 27, 2015 4:30 PM  
**To:** Perlova, Elena LDB:EX  
**Subject:** RE: New VQA Stores

Thanks, have a good weekend!

---

**From:** Perlova, Elena LDB:EX [<mailto:Elena.Perlova@bclddb.com>]  
**Sent:** March-27-15 4:27 PM  
**To:** LDBChanges LDB:EX  
**Cc:** Miles Prodan  
**Subject:** FW: New VQA Stores

Forwarding the request to the communication team for tracking. They should get back to you ASAP.

**Elena Perlova**, CPA, CGA  
Director, Revenue, Finance  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-2998 E: [elena.perlova@bclddb.com](mailto:elena.perlova@bclddb.com)

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**From:** Miles Prodan [<mailto:mprodan@winebc.com>]  
**Sent:** Friday, March 27, 2015 1:47 PM  
**To:** Perlova, Elena LDB:EX; Traci Deman; Melanie MacLeod  
**Cc:** Bissoondatt, Roger LDB:EX; Cournoyer, Vince LDB:EX  
**Subject:** RE: New VQA Stores

Elena:  
Would you please provide the hospitality price list for BCVQA wines, thanks.  
Miles

---

**From:** Miles Prodan  
**Sent:** March-27-15 1:22 PM  
**To:** 'Perlova, Elena LDB:EX'; Traci Deman

**Cc:** Bissoondatt, Roger LDB:EX; Cournoyer, Vince LDB:EX

**Subject:** RE: New VQA Stores

Thanks Elena. Currently there is one BCVQA wine store in grocery for April 1<sup>st</sup> & operating exactly as the other stores. We've been communicating directly with wineries with the details regarding shipping, etc. Traci will forward details for you to provide inquiries, thanks.  
Miles

---

**From:** Perlova, Elena LDB:EX [<mailto:Elena.Perlova@bcldb.com>]

**Sent:** March-27-15 1:02 PM

**To:** Miles Prodan

**Cc:** Bissoondatt, Roger LDB:EX; Cournoyer, Vince LDB:EX

**Subject:** New VQA Stores

Hi Miles,

Our Communications team began receiving a lot of inquiries from wineries on new VQA store reactivated and relocated to the Save-On-Food.<sup>s.17</sup> . Looks like not all wineries contacted by the store and receiving orders from it are familiar with the process on pricing, reporting, etc.

Can you please advise if there are any special terms that you have for these<sup>s.17</sup> stores or their relationship with the suppliers?

If they are treated as any other VQA stores, have you communicated to the industry about the addition of these<sup>s.17</sup> stores, that they are VQA stores even though they are located in grocery stores, and clarification that the sales and ordering process with them will be the same as with any existing VQA store?

Thank you,

**Elena Perlova**, CPA, CGA

Director, Revenue, Finance

BC Liquor Distribution Branch

2625 Rupert Street, Vancouver BC V5M 3T5

T: 604 252-2998 E: [elena.perlova@bcldb.com](mailto:elena.perlova@bcldb.com)

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## Catungal, Renin LDB:EX

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**From:** Traci Deman <tdeman@winebc.com>  
**Sent:** Friday, March 27, 2015 1:45 PM  
**To:** Stephanie Watts; Sharpe, Jessica JAG:EX; Perlova, Elena LDB:EX; McGinn, Georgia LDB:EX; Cournoyer, Vince LDB:EX; Bissoondatt, Roger LDB:EX  
**Cc:** Liquor Control and Licensing LCLB:EX; cindy\_mclean@owfg.com; Julia\_Harrison@owfg.com; Melanie MacLeod; Miles Prodan; Steve Moriarty; Vance Campbell  
**Subject:** BC Wine Institute BC VQA Wine Store Update

Hello all

I've been remised in advising you...

The BC LCLB has approved (pending final inspection) Save-On-Foods - South Point (3033 152 St, Surrey, BC V4P 3K1) for an April 1<sup>st</sup> launch of BC VQA wine on grocery shelves.

This is one of BCWI's 21 BC VQA Wine Store Licences (LCLB license 302890; former LDB store 977; new LDB customer number 302890).

Consignment/BCWI contract, etc. payment, reporting all same as for other BC VQA wine stores. "Save-On-Foods" is acting as third party operator... just like for all other stores.

BCWI is working with Save-On-Foods to ensure all wines are properly registered with both LDB and BC Wine Authority and eligible for sale under the licence.

Save-On-Foods is following up directly with wineries regarding shipping instructions.

Please let me know if you have any questions.

Regards,

**Traci Deman**

Administration Coordinator

[TDeman@WineBC.com](mailto:TDeman@WineBC.com)

phone. 250-762-9744 ext. 105

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

### **British Columbia Wine Institute**

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## Catungal, Renin LDB:EX

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**From:** Changes, LDB  
**Sent:** Friday, February 13, 2015 10:57 AM  
**To:** Miles Prodan  
**Cc:** Schultz, Marie LDB:EX  
**Subject:** RE: BC Wine Institute monthly LDB files

Good morning Miles.

Further to Marie's email below, we will be back in touch with you with more details in due course, as the changes and their impact on external reporting are further defined.

Thank you for your patience during this period of transition.

Regards,  
LDB Changes

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**From:** Schultz, Marie LDB:EX  
**Sent:** Thursday, February 12, 2015 7:53 AM  
**To:** Miles Prodan; Changes, LDB  
**Cc:** James, Rob LDB:EX  
**Subject:** FW: BC Wine Institute monthly LDB files

Hi Miles,

Thank you for your email. I am forwarding your request to [ldbchanges@bclldb.com](mailto:ldbchanges@bclldb.com). This email address is for any questions you might have about the upcoming changes.

We are still working on how the changes might affect some of our external reporting. I will keep you posted as I learn more.

Kind Regards,

**Marie Schultz**

Senior Business Information Officer, Information Services - Planning & Architecture

BC Liquor Distribution Branch

2625 Rupert Street, Vancouver BC V5M 3T5

T: 604 252-3492 E: [marie.schultz@bclldb.com](mailto:marie.schultz@bclldb.com)

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---

**From:** Miles Prodan [<mailto:mprodan@winebc.com>]  
**Sent:** Thursday, February 05, 2015 3:34 PM  
**To:** Perlova, Elena LDB:EX; Schultz, Marie LDB:EX  
**Cc:** Bissoondatt, Roger LDB:EX; Traci Deman  
**Subject:** BC Wine Institute monthly LDB files

Hi Marie/Elena

I'd appreciate if you would please pass this along to the right person to ensure BCWI continues to get the information we need.

Attached are samples of two of the files we currently get:

- LDB Monthly EPL – we require this file each period, at minimum with the columns marked in the attachment; need this for ALL BC VQA Wines, and preferably for ALL 100% BC Wines (as they could be registered as BC VQA mid-period); USE: entering wines into our POS system and for monthly price changes
- BCWIDomesticWineJulToSep2014 – we REQUIRE this file quarterly; USE: determine our membership dues, which are based on sales of 100% BC Wine in British Columbia

Also, we continue to require the data files for period sales (Product.CSV, Sales.CSV, ScCat.CSV, Supplier.CSV, SalesFixed.CSV, BarCode.CSV, CatSales.CSV), which I'm assuming will now separate BC VQA Wine Store sales from the Winery sales. As discussed previously, we also want to have a file (or a new column within one?) to accompany these, which will indicate if a winery is a landbased winery (ie. produces ONLY 100% BC Wine) or is able to produce blended wines (your term: CAS).

Feel free to call if you have any questions.

---

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

## Catungal, Renin LDB:EX

---

**From:** Miles Prodan <mprodan@winebc.com>  
**Sent:** Thursday, February 05, 2015 3:34 PM  
**To:** Perlova, Elena LDB:EX; Schultz, Marie LDB:EX  
**Cc:** Bissoondatt, Roger LDB:EX; Traci Deman  
**Subject:** BC Wine Institute monthly LDB files  
**Attachments:** LDB Monthly EPL.csv; BCWIDomesticWineJulToSep2014.xlsx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Marie/Elena

I'd appreciate if you would please pass this along to the right person to ensure BCWI continues to get the information we need.

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- LDB Monthly EPL – we require this file each period, at minimum with the columns marked in the attachment; need this for ALL BC VQA Wines, and preferably for ALL 100% BC Wines (as they could be registered as BC VQA mid-period); USE: entering wines into our POS system and for monthly price changes
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Feel free to call if you have any questions.

---

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o: 250.762.9744 x101 | c: 250.863.9379

Page 008 to/à Page 092

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## Catungal, Renin LDB:EX

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**From:** Traci Deman <tdeman@winebc.com>  
**Sent:** Tuesday, February 03, 2015 3:44 PM  
**To:** Perlova, Elena LDB:EX  
**Cc:** Julian Scholefield; Miles Prodan  
**Subject:** Winery Price Calculator  
**Attachments:** 2015 02 OCP Wholesale Price Calculator.xlsx

Hi Elena

Our member winery, Okanagan Crush Pad, has created the attached calculator and very kindly is willing to offer its use to our other members.

Its benefits include:

- It is MAC compatible, where the LDB online calculator *is not*
- It allows entry and review of multiple SKUs, and the ability to save/print a full report, where the LDB calculator works with one SKU at a time

While this calculator has been tested against the LDB calculator, we want to ensure its accuracy before distributing it. We would appreciate if you could please test the file and confirm the formulae before we can send it out.

Thanks so much for your help.

Regards,

**Traci Deman**

Administration Coordinator

[TDeman@WineBC.com](mailto:TDeman@WineBC.com)

phone. 250-762-9744 ext. 105

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

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Page 094 to/à Page 098

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s.21

## Catungal, Renin LDB:EX

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**From:** Traci Deman <tdeman@winebc.com>  
**Sent:** Friday, January 30, 2015 2:26 PM  
**To:** Perlova, Elena LDB:EX; Rob Lassiter; Melanie MacLeod; 'Hector Berks'  
**Cc:** Miles Prodan; Rai, Del LDB:EX  
**Subject:** BCWI reporting to LDB / price lists

Thanks, Elena!

Rob/Hector, hopefully you'll have the chance to work through some of this prior to the BCWI/KingCorp call on Tuesday.

FYI. I'm going to be working with Elena regarding what price lists we get up front and monthly, and I'll report back to everyone in due course.

Regards,

**Traci Deman**

Administration Coordinator

[TDeman@WineBC.com](mailto:TDeman@WineBC.com)

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---

**From:** Perlova, Elena LDB:EX [mailto:[Elena.Perlova@bcldb.com](mailto:Elena.Perlova@bcldb.com)]  
**Sent:** January-30-15 1:34 PM  
**To:** Traci Deman; Rob Lassiter; Melanie MacLeod; 'Hector Berks'  
**Cc:** Miles Prodan; Rai, Del LDB:EX  
**Subject:** RE: BC VQA Wine Store Customer Numbers + Tax Qs

Good afternoon!

I attached the package with the file specification requirements and sample files tailored for BCWI reporting. It includes the following documents:

- Solution Design Document\_DSWR CSV File Upload Format (BCWI)\_v1.0
- DSWR CSV File Upload Layout v5.1 (BCWI)
- DSWR Sample CSV File v5.1 (BCWI)

You will also find a document specifying the rules for a CSV price download tool and a sample CSV wholesale price list file that will be available for you to download from the LDB Vendor-Facing website. The link will be provided later.

I don't have a final/signed decision on the price distribution rules but we requested your access to wholesale pricelist of the products sold from BC VQA Stores.

Please let me and Del know if you have any questions to the formats.

Can you also specify when your test file will be ready for testing? Since your report is not going to be required until first week of May, we expect your test file for validation sometime in April.

Thank you,

**Elena Perlova, CPA, CGA**  
 Director, Revenue, Finance  
 BC Liquor Distribution Branch  
 2625 Rupert Street, Vancouver BC V5M 3T5  
 T: 604 252-2998 E: [elena.perlova@bcldb.com](mailto:elena.perlova@bcldb.com)

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---

**From:** Traci Deman [<mailto:tdeman@winebc.com>]  
**Sent:** Thursday, January 22, 2015 10:34 AM  
**To:** Rob Lassiter; Melanie MacLeod; 'Hector Berks'  
**Cc:** Perlova, Elena LDB:EX; Miles Prodan; Rai, Del LDB:EX  
**Subject:** RE: BC VQA Wine Store Customer Numbers + Tax Qs

Agreed, Rob. There are many pieces that need to come together.

It seems to me that the ideal is for LDB to provide a "wholesale price list" (WPL) each period, similar to the previously provided display price list.

Initially the WPL would be used for BCWI to determine (ie. in due course) what the “BC VQA retail markup” will be. This will determine the “BC VQA wine store retail price” and that can be pumped into the system.

Then in subsequent periods the WPL would be used as before to determine wholesale price changes as they occur. But you’ve written “BCWI does not want to go through each wine every month to determine if the wholesale prices changed.” Is that not what we’re doing already with the price change list you prepare?

The BC VQA wine stores do not purchase from the wineries. The wine is received on a commission basis. Wine sold to the consumer will include the “BC VQA retail markup” (ie. resulting in the “BC VQA wine store retail price”), and PST and GST. (Currently CRF, PST and GST included in price shown on the shelf. Presumably that will remain status quo...?)

I imagine that tax/fee reporting would be status quo: “With the LDB period end monthly winery payment, BCWI pays the winery the GST on its portion of sales. BCWI remits to government its portion of the GST and BC VQA Wine Stores remit their portions. BCWI remits to government the Container Recycling Fee as well as any bottle deposits collected at the stores. Stores remit all PST.”

Rob/Hector, in case you haven’t seen it, here is a link to the LDB presentation from last week. Suggest you review.  
<http://goo.gl/LKCsHT>

Elena, correct me if I’ve got any of this wrong. Thanks.

Regards,  
**Traci Deman**  
Administration Coordinator  
[TDeman@WineBC.com](mailto:TDeman@WineBC.com)  
phone. 250-762-9744 ext. 105

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**From:** Rob Lassiter [<mailto:rob@kingcorp.ca>]  
**Sent:** January-22-15 9:52 AM  
**To:** Traci Deman; Melanie MacLeod; 'Hector Berks'  
**Cc:** 'Perlova, Elena LDB:EX'  
**Subject:** RE: BC VQA Wine Store Customer Numbers + Tax Qs

Thanks Tracy. DSWR export/reporting is just a small part of what we need to prepare for. There are Crystal and LBOSS Reports and Markups and massive POS Changes. What we need now is a test file with wholesale prices. BCWI does not want to go through each wine every month to determine if the wholesale prices changed.

When the VQA stores purchase wine, are they invoiced Wholesale Price + GST? (no PST involved at this level)

When the VQA stores sell wine to the consumer, is the consumer charged Markup plus 10% added-on PST and 5% GST?

Rob Lassiter  
King Business Services Corp  
[www.KingCorp.ca](http://www.KingCorp.ca)  
Support (866)898-0888  
Email [rob@kingcorp.ca](mailto:rob@kingcorp.ca)



---

**From:** Traci Deman [<mailto:tdeman@winebc.com>]  
**Sent:** Thursday, January 22, 2015 9:11 AM  
**To:** Melanie MacLeod; Rob Lassiter; Hector Berks  
**Cc:** Perlova, Elena LDB:EX  
**Subject:** BC VQA Wine Store Customer Numbers

Hi Rob & Hector

Here is the list of LCLB Licence numbers for the stores... which will be the new LDB BC VQA Wine Store Customer numbers.

Store Name	LCLB Licence Number
BC Wine Information Centre	302874
BC Wine Museum & VQA Wine Shop	302875
BC Wineguys – VQA Wine Store Cadboro Bay Road	302884
BC Wineguys – VQA Wine Store Nelson	302967
CLOSED (July 31, 2013) Courtenay BC VQA Wine Store	302876
CLOSED (September 30, 2013) Swirl Wine Store – Maple Ridge	302890
Discover Wines – Kamloops	302886
Discover Wines – Kelowna	302891
Edgemont Village Wines	302877
Kensington Square Wines	302887
Mud Bay Wines – Tsawwassen	302885
Sardis Park VQA Wine Store	304059
Sip Wines	302889

Sumas Mountain Wines	302879
Swirl Wine Store – White Rock	302966
Swirl Wine Store – Yaletown	302881
The Wine Emporium	302882
Village VQA Wines – Dunbar	302883
Village VQA Wines – Kitsilano	302888
VQA Wine Shop at Mattick’s Farm	302878
Westwood Wines	302880

Regards,

**Traci Deman**

Administration Coordinator

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**From:** Traci Deman <tdeman@winebc.com>  
**Sent:** Wednesday, January 21, 2015 4:39 PM  
**To:** Perlova, Elena LDB:EX; Rai, Del LDB:EX  
**Cc:** Miles Prodan; Melanie MacLeod  
**Subject:** RE: BCVQA Wine Store Reporting

Hi Elena

Thanks so much for taking the time with us today.

As requested, please forward the BC VQA Wine Store customer number list to me to review, then I will send along to Hector and Rob at King Corp.

Also as discussed (and I concede not related to reporting to the LDB), BCWI would like the following:

- Wholesale Price List
- Hospitality Price List
- LDB Retail Price List

Once we have those, BCWI will be able to determine its internal business direction regarding setting the retail pricing in the BC VQA wine stores. It's possible we may require any or all of those reports going forward on a monthly basis (ie. instead of the previously-provided monthly "LDB display price list").

Cheers,

Regards,

**Traci Deman**

Administration Coordinator

[TDeman@WineBC.com](mailto:TDeman@WineBC.com)

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**From:** Perlova, Elena LDB:EX [mailto:Elena.Perlova@bclddb.com]  
**Sent:** January-20-15 3:30 PM  
**To:** Melanie MacLeod; Rob Lassiter; Hector Berks; Traci Deman  
**Cc:** Miles Prodan  
**Subject:** RE: BCVQA Wine Store Reporting

Good afternoon,

I would like to give you some information ahead of tomorrow's meeting so have some understanding of the background of the changes.

The government recommendations following the Liquor Policy Review are changing the way the BC Liquor sales are reported and structure of the organization. Part of the change, there will be Retail and Wholesale line of business, with private distribution being part of wholesale. Another big one is shift to wholesale pricing from pricing based on discount from a retail price.

This is the summary of all changes to BCWI reporting:

1. BCWI will be assigned a new single LDB Reporting Store number for sales reporting to all VQA Stores.
2. VQA Customers will be registered in LDB systems as 'VQA' type in the Customer Hierarchy and will be assigned a 6-digit LCLB-issued customer number, similar to all other private retailers.
3. BCWI will be required to report sales through each VQA store as a sale to a 'VQA' Customer using a BCLC-assigned licence number as a customer number.
4. LDB Wholesale Price will be used for sales to the VQA Stores reported by the BCWI.
5. Reporting frequency will not change and will be once a fiscal month, within 5 calendar days after month-end, based on the LDB Fiscal Year Calendar.
6. Reporting will have to be done electronically, using a CSV upload feature of the LDB Online Application called Direct Sales Web-Reporting. BCeID registration is required to login.

The transactions will still be done on consignment basis, the commission formula can be reviewed to reflect the wholesale pricing reporting. LDB will communicate as the process is confirmed.

Licence fee calculation model will be reviewed by the LCLB to provide a new formula based on wholesale pricing used as a basis. The new model will be applicable to the next year fees and will not be used for 2015-2016 licence fees.

The change will require some system changes on the BCWI do be completed by April 1. The biggest one is the transition to CSV reporting.

Below are the links to the format specification, sample file and validation rules. The format is very straight forward.

[http://www.bclddb.com/files/Solution\\_Design\\_Document\\_DSWR\\_CSV\\_File\\_Upload\\_Format\\_v1.0.pdf](http://www.bclddb.com/files/Solution_Design_Document_DSWR_CSV_File_Upload_Format_v1.0.pdf)

[http://www.bclddb.com/files/DSWR\\_CSV\\_File\\_Upload\\_Layout\\_v5\\_1.pdf](http://www.bclddb.com/files/DSWR_CSV_File_Upload_Layout_v5_1.pdf)

[http://www.bclddb.com/files/DSWR\\_Sample\\_CSV\\_File\\_v\\_5.1.csv](http://www.bclddb.com/files/DSWR_Sample_CSV_File_v_5.1.csv)

The links to the documents are also available through our DSWR website (look for April 1 formats):

<http://www.bclddb.com/direct-sales-web-reporting-user-guides>

To assist you further, after tomorrow meeting we will send you a package tailored to your specific needs (only one customer type VQA will be used for example, LCLB- issued licence numbers will be used as customer numbers, etc.).

This is what has been communicated to the industry so far:

<http://www.bcldb.com/doing-business-ldb>

Thank you, and looking forward to speaking with you tomorrow.

**Elena Perlova, CPA, CGA**

Director, Revenue, Finance

BC Liquor Distribution Branch

2625 Rupert Street, Vancouver BC V5M 3T5

T: 604 252-2998 E: [elena.perlova@bcldb.com](mailto:elena.perlova@bcldb.com)

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## Catungal, Renin LDB:EX

---

**From:** Melanie MacLeod <mmacleod@winebc.com>  
**Sent:** Tuesday, January 20, 2015 4:22 PM  
**To:** Perlova, Elena LDB:EX  
**Subject:** RE: BCVQA Wine Store Reporting

Thank you

**Melanie MacLeod**  
Finance Manager  
[mmacleod@winebc.com](mailto:mmacleod@winebc.com)  
phone. 250-762-9744 ext. 106

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

**British Columbia Wine Institute**  
107 – 1726 Dolphin Avenue  
Kelowna, B.C. V1Y 9R9  
[twitter.com/winebcdotcom](https://twitter.com/winebcdotcom)  
[winebc.org](http://winebc.org)  
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phone. 250-762-9744  
toll free. 1-800-661-2294  
fax. 250-762-9788



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---

**From:** Perlova, Elena LDB:EX [mailto:[Elena.Perlova@bclldb.com](mailto:Elena.Perlova@bclldb.com)]  
**Sent:** January-20-15 4:18 PM  
**To:** Melanie MacLeod  
**Subject:** RE: BCVQA Wine Store Reporting

No, this will not change. Wineries are selling on behalf of the LDB, i.e. the LDB authorizes the wineries to sell to other retailers and hospitality customers; or in other words, even now all retailers are buying from the LDB. For VQA products there's no markup, therefore there is no financial transaction with the LDB, only reporting.

**Elena Perlova, CPA, CGA**  
Director, Revenue, Finance  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-2998 E: [elena.perlova@bclldb.com](mailto:elena.perlova@bclldb.com)

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---

**From:** Melanie MacLeod [<mailto:mmacleod@winebc.com>]

**Sent:** Tuesday, January 20, 2015 3:41 PM

**To:** Perlova, Elena LDB:EX

**Subject:** RE: BCVQA Wine Store Reporting

Thank you Elena for this information, it is still greek to me though.

One question though before our meeting, I read in your e-mail that Effective Apr 01, 2015 all liquor retailers will purchase their product from the LDB. Does liquor retailer refer to our BC VQA Stores? Currently the winery drops the wine to the stores, but is that changing?

**Melanie MacLeod**

Finance Manager

[mmacleod@winebc.com](mailto:mmacleod@winebc.com)

phone. 250-762-9744 ext. 106

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toll free. 1-800-661-2294

fax. 250-762-9788



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---

**From:** Perlova, Elena LDB:EX [<mailto:Elena.Perlova@bcldb.com>]

**Sent:** January-20-15 3:30 PM

**To:** Melanie MacLeod; Rob Lassiter; Hector Berks; Traci Deman

**Cc:** Miles Prodan

**Subject:** RE: BCVQA Wine Store Reporting

Good afternoon,

I would like to give you some information ahead of tomorrow's meeting so have some understanding of the background of the changes.

The government recommendations following the Liquor Policy Review are changing the way the BC Liquor sales are reported and structure of the organization. Part of the change, there will be Retail and Wholesale line of business, with private distribution being part of wholesale. Another big one is shift to wholesale pricing from pricing based on discount from a retail price.

This is the summary of all changes to BCWI reporting:

1. BCWI will be assigned a new single LDB Reporting Store number for sales reporting to all VQA Stores.
2. VQA Customers will be registered in LDB systems as 'VQA' type in the Customer Hierarchy and will be assigned a 6-digit LCLB-issued customer number, similar to all other private retailers.
3. BCWI will be required to report sales through each VQA store as a sale to a 'VQA' Customer using a BCLC-assigned licence number as a customer number.
4. LDB Wholesale Price will be used for sales to the VQA Stores reported by the BCWI.
5. Reporting frequency will not change and will be once a fiscal month, within 5 calendar days after month-end, based on the LDB Fiscal Year Calendar.
6. Reporting will have to be done electronically, using a CSV upload feature of the LDB Online Application called Direct Sales Web-Reporting. BCeID registration is required to login.

The transactions will still be done on consignment basis, the commission formula can be reviewed to reflect the wholesale pricing reporting. LDB will communicate as the process is confirmed.

Licence fee calculation model will be reviewed by the LCLB to provide a new formula based on wholesale pricing used as a basis. The new model will be applicable to the next year fees and will not be used for 2015-2016 licence fees.

The change will require some system changes on the BCWI do be completed by April 1. The biggest one is the transition to CSV reporting.

Below are the links to the format specification, sample file and validation rules. The format is very straight forward.

[http://www.bclldb.com/files/Solution\\_Design\\_Document\\_DSWR\\_CSV\\_File\\_Upload\\_Format\\_v1.0.pdf](http://www.bclldb.com/files/Solution_Design_Document_DSWR_CSV_File_Upload_Format_v1.0.pdf)

[http://www.bclldb.com/files/DSWR\\_CSV\\_File\\_Upload\\_Layout\\_v5\\_1.pdf](http://www.bclldb.com/files/DSWR_CSV_File_Upload_Layout_v5_1.pdf)

[http://www.bclldb.com/files/DSWR\\_Sample\\_CSV\\_File\\_v\\_5.1.csv](http://www.bclldb.com/files/DSWR_Sample_CSV_File_v_5.1.csv)

The links to the documents are also available through our DSWR website (look for April 1 formats):

<http://www.bclldb.com/direct-sales-web-reporting-user-guides>

To assist you further, after tomorrow meeting we will send you a package tailored to your specific needs (only one customer type VQA will be used for example, LCLB- issued licence numbers will be used as customer numbers, etc.).

This is what has been communicated to the industry so far:

<http://www.bclldb.com/doing-business-ldb>

Thank you, and looking forward to speaking with you tomorrow.

**Elena Perlova, CPA, CGA**  
Director, Revenue, Finance  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-2998 E: [elena.perlova@bcldb.com](mailto:elena.perlova@bcldb.com)

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-----Original Appointment-----

**From:** Melanie MacLeod [<mailto:mmacleod@winebc.com>]  
**Sent:** Monday, January 19, 2015 2:12 PM  
**To:** Melanie MacLeod; Rob Lassiter; Hector Berks; Traci Deman  
**Cc:** Perlova, Elena LDB:EX  
**Subject:** BCVQA Wine Store Reporting  
**When:** Wednesday, January 21, 2015 3:00 PM-3:30 PM (UTC-08:00) Pacific Time (US & Canada).  
**Where:** Conference Call

Miles is out of the office this day, but would like us to proceed.

**Teleconference**

s.15,s.17

Dial-in number

Participant passcode

---

**From:** Melanie MacLeod  
**Sent:** January-19-15 9:03 AM  
**To:** Rob Lassiter  
**Cc:** Perlova, Elena LDB:EX; Miles  
**Subject:** FW: BCVQA Wine Store Reporting

Miles would like you and I to have a call with the LDB with regards to the new wholesale pricing, etc coming into effect I think March 01<sup>st</sup>.

Elena from the LDB is suggesting this Wednesday, January 21<sup>st</sup> after 2PM.

Please advise of your availability.

**Melanie MacLeod**

Finance Manager

[mmacleod@winebc.com](mailto:mmacleod@winebc.com)

phone. 250-762-9744 ext. 106

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fax. 250-762-9788

<< File: ATT23253 1.jpg >>

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## Catungal, Renin LDB:EX

---

**From:** Melanie MacLeod <mmacleod@winebc.com>  
**Sent:** Monday, January 19, 2015 9:03 AM  
**To:** Rob Lassiter  
**Cc:** Perlova, Elena LDB:EX; Miles Prodan  
**Subject:** FW: BCVQA Wine Store Reporting

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Elena from the LDB is suggesting this Wednesday, January 21<sup>st</sup> after 2PM.

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### **Melanie MacLeod**

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---

**From:** Miles Prodan  
**Sent:** January-16-15 2:28 PM  
**To:** Perlova, Elena LDB:EX  
**Cc:** Melanie MacLeod  
**Subject:** RE: BCVQA Wine Store Reporting

I'm out of the office next week but will suggest Melanie (cc'd above) coordinate, along with our POS provider, in my absence.  
Miles



---

**From:** Perlova, Elena LDB:EX [<mailto:Elena.Perlova@bclddb.com>]  
**Sent:** January-16-15 2:22 PM  
**To:** Miles Prodan  
**Cc:** Melanie MacLeod  
**Subject:** RE: BCVQA Wine Store Reporting

Hi Miles,

Was a pleasure speaking with you. How does next Wednesday afternoon look for you? It will be January 21, after 2 pm.

We can also discuss this afternoon if you have time after 3:30 pm.

Thank you,

**Elena Perlova**, CPA, CGA  
Director, Revenue, Finance  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-2998 E: [elena.perlova@bclddb.com](mailto:elena.perlova@bclddb.com)

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---

**From:** Miles Prodan [<mailto:mprodan@winebc.com>]  
**Sent:** Friday, January 16, 2015 2:17 PM  
**To:** Perlova, Elena LDB:EX  
**Cc:** Melanie MacLeod  
**Subject:** BCVQA Wine Store Reporting

Elena:

Sorry we didn't get a chance to discuss our store reporting changes in more detail earlier this week.

Would like to set up a conference call at your convenience, please advise.

Miles

---

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

## Catungal, Renin LDB:EX

---

**From:** Melanie MacLeod <mmacleod@winebc.com>  
**Sent:** Friday, January 16, 2015 2:31 PM  
**To:** Miles Prodan; Perlova, Elena LDB:EX  
**Subject:** RE: BCVQA Wine Store Reporting

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Elena

I will contact our POS fellow regarding next Wednesday and get back to you .

### Melanie MacLeod

Finance Manager  
[mmacleod@winebc.com](mailto:mmacleod@winebc.com)  
phone. 250-762-9744 ext. 106

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fax. 250-762-9788



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**From:** Perlova, Elena LDB:EX [<mailto:Elena.Perlova@bclddb.com>]  
**Sent:** January-16-15 2:22 PM  
**To:** Miles Prodan  
**Cc:** Melanie MacLeod  
**Subject:** RE: BCVQA Wine Store Reporting

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We can also discuss this afternoon if you have time after 3:30 pm.

Thank you,

**Elena Perlova**, CPA, CGA  
Director, Revenue, Finance  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-2998 E: [elena.perlova@bcldb.com](mailto:elena.perlova@bcldb.com)

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---

**From:** Miles Prodan [<mailto:mprodan@winebc.com>]

**Sent:** Friday, January 16, 2015 2:17 PM

**To:** Perlova, Elena LDB:EX

**Cc:** Melanie MacLeod

**Subject:** BCVQA Wine Store Reporting

Elena:

Sorry we didn't get a chance to discuss our store reporting changes in more detail earlier this week.

Would like to set up a conference call at your convenience, please advise.

Miles

---

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

## Catungal, Renin LDB:EX

---

**From:** Lawson, R. Blain LDB:EX  
**Sent:** Thursday, February 26, 2015 6:13 PM  
**To:** Dahlke, Cindy LDB:EX; Welt, Lilian LDB:EX  
**Subject:** FW: Follow up to eariier correspondence  
**Attachments:** 2015 01 21 BCWI BCLDB Meeting.docx

**Importance:** High

For our records

### R. Blain Lawson

General Manager and Chief Executive Officer,  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-3021 E: [blain.lawson@bclddb.com](mailto:blain.lawson@bclddb.com)

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---

**From:** Lawson, R. Blain LDB:EX  
**Sent:** Thursday, February 26, 2015 6:12 PM  
**To:** 'Josie Tyabji'  
**Cc:** Lalonde, Jarett JAG:EX; Miles Prodan; Wong, Audrey LDB:EX; Bissoondatt, Roger LDB:EX  
**Subject:** RE: Follow up to eariier correspondence  
**Importance:** High

Hello Josie,

Attached is the LDB's reply to the three outstanding issues highlighted in your email on February 24, 2015.

Best regards,

Blain

### R. Blain Lawson

General Manager and Chief Executive Officer,  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-3021 E: [blain.lawson@bclddb.com](mailto:blain.lawson@bclddb.com)

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---

**From:** Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]  
**Sent:** Tuesday, February 24, 2015 8:22 AM  
**To:** Lawson, R. Blain LDB:EX  
**Cc:** Lalonde, Jarett JAG:EX; Miles Prodan  
**Subject:** Follow up to earlier correspondence

Hi Blain,

Thank you for your recent correspondence related to industry concerns on the transition to wholesale pricing within the BC marketplace.

We are still awaiting confirmation of the attached key 3 items identified on the document attached.

We would appreciate you confirming back in writing that these initiatives will be as written here consistent with today, as we move forward, so we can assure industry that we will maintain the integrity of the systems that existed in past, as committed to us earlier.

Thanks for your attention to this important matter.

Josie



**BC Liquor Distribution Branch**  
**4:00 PM to 5:00 PM, Wednesday, January 21, 2015**  
**BCLDB Office, 2526 Rupert Street, Vancouver**

**Attending:**

BCLDB	Roger Bissoondatt, Chief Financial Officer Mike Procopio, Acting Director, Wholesale and Retail Services
BC Wine Institute	Josie Tyabji, BCWI Chair (Constellation Brands) Ezra Cipes, BCWI Director (Summerhill Pyramid Winery) Miles Prodan, BCWI President/CEO Vance Campbell, BCWI Government Consultant (One Hospitality Inc.)

- Government is proposing that the BCLDB will establish the retail price for all products sold to restaurants (hospitality price) that will include onsite winery lounges, etc.
  - As retailers, BC manufacturers should be able to set these prices on their own.
  - There is no need for the BCLDB to intervene in setting the selling prices for products sold directly from wineries.

Currently BC manufacturers must sell to hospitality through an LDB established retail price and this remains the same post-April 1. This is to keep prices consistent regardless of where the hospitality customer purchases the product (BCLS / WCC or manufacturers).

- The financial reporting system with the BCLDB should be consistent for all BC manufacturers (wineries) of 100% BC Product

I understand this to be a question about mark-up benefits which is outside the scope of the wholesale pricing program. At this time there are no plans to expand mark-up benefits to BC wines that are not BC VQA or produced by a Land-Based Winery.

**Rebates, Commissions & Fees**

- The proposed markup schedule will have the negative impacts on BCLDB-listed wine priced over \$21.00 (i.e. increased cost).
- Second tier markup on higher end products over approximately \$21.00 to be adjusted with VQA Program (QEP) on percentage FOB adjusted to reflect previous contribution.
- Similarly, commission on retail of 7% to be adjusted to 8.2% to remain consistent with the current situation.

With the amendments to the wine tier pricing, I trust that this issue has been addressed and there is no longer an issue that prompts your request to increase the commission to 8.2%. A 7% commission will continue to be paid for wholesale and hospitality sales.

**January 21, 2015**

## Catungal, Renin LDB:EX

---

**From:** Lalonde, Jarett JAG:EX  
**Sent:** Monday, February 16, 2015 9:25 AM  
**To:** Tennant, Laura JAG:EX  
**Subject:** Fw: Cost of Service Memo  
**Attachments:** BCWI COS Memo- Jan 29'15.pdf  
  
**Importance:** High

Sent from my BlackBerry 10 smartphone on the TELUS network.

---

**From:** Miles Prodan  
**Sent:** Wednesday, February 11, 2015 1:23 PM  
**To:** Anton, Suzanne JAG:EX  
**Cc:** Lalonde, Jarett JAG:EX; Vance Campbell  
**Subject:** Cost of Service Memo

Minister Anton:

In a recent follow up to a prior conversation the BCLDB relating to the elimination of Cost of Service due to trade compliance concerns, we had prepared and circulated the attached opinion letter and wanted to ensure you were in receipt.

We remain concerned that as a legitimate cost, the removal of COS will unduly favour imports and leave BC wines less competitive.

---

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

Page 120 to/à Page 123

Withheld pursuant to/removed as

s.14



## Catungal, Renin LDB:EX

---

**From:** Minister, JAG JAG:EX  
**Sent:** Thursday, February 05, 2015 3:59 PM  
**To:** Thompson, Angella N JAG:EX  
**Subject:** Information: FW: 100% BC Wine Second-Tier Wholesale Markup  
**Attachments:** 2015 02 05 Minister Anton re second-tier wholesale pricing markup.pdf

---

**From:** Tennant, Laura JAG:EX  
**Sent:** Thursday, February 5, 2015 3:41 PM  
**To:** Minister, JAG JAG:EX  
**Subject:** FW: 100% BC Wine Second-Tier Wholesale Markup

Hi Candice, please file for information.

---

**From:** Minister, JAG JAG:EX  
**Sent:** Thursday, February 5, 2015 10:38 AM  
**To:** Tennant, Laura JAG:EX  
**Subject:** FW: 100% BC Wine Second-Tier Wholesale Markup

Hi Laura,

Action please – many thanks,

Candice

---

**From:** Traci Deman [<mailto:tdeman@winebc.com>]  
**Sent:** Thursday, February 5, 2015 10:01 AM  
**To:** Anton, Suzanne JAG:EX  
**Cc:** Minister, JAG JAG:EX; Letnick, Norm AGRI:EX; [J.Yap@leg.bc.ca](mailto:J.Yap@leg.bc.ca); Lalonde, Jarett JAG:EX; Mayencourt, Lorne LASS:EX; Josie Tyabji; Miles Prodan  
**Subject:** 100% BC Wine Second-Tier Wholesale Markup

Dear Minister Anton

Attached please find our correspondence with regard to the 100% BC Wine Second-Tier Wholesale Markup.

Regards,  
Traci Deman  
Administration Coordinator  
[TDeman@WineBC.com](mailto:TDeman@WineBC.com)  
phone. 250-762-9744 ext. 105

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fax. 250-762-9788



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February 05, 2015

Via Email Only to: [Suzanne.Anton@gov.bc.ca](mailto:Suzanne.Anton@gov.bc.ca)  
Attention: The Honourable Susanne Anton  
Minister of Justice and Attorney General  
PO Box 9044, Stn Prov Govt  
Victoria, B.C. V8W 9E2

Dear Minister Anton:

**Re: 100% BC Wine Second-Tier Wholesale Markup**

On behalf of the British Columbia Wine Industry, and in particular The British Columbia Wine Institute, please allow me to extend our heartfelt gratitude for listening so sympathetically to our concerns, and for instructing your office to carefully re-examine the proposed second-tier wholesale pricing markup on 100% British Columbia Wines.

Your January 20, 2015 announcement, reducing the proposed second-tier markup from 67% to 27%, communicates very powerfully to our growers, vintners, employees, and retailers and most importantly to the customers who buy our “made in British Columbia” agri-product that this Government supports hard working British Columbians.

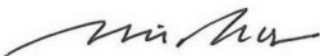
We understand that the diversity of the multiple stakeholder interests and Government’s need to protect public safety in the beverage alcohol file often results in unintended consequences, making the liquor file a complicated portfolio to manage.

Minister Anton, we applaud your courage and vision, and that of your team, in the ongoing translation of those varied interests, during the implementation of Parliamentary Secretary Yap’s Report on Liquor Policy Reform, for the greater good of British Columbia and those who visit this Province.

Premier Clark has always assured us that this Government is deeply committed to the welfare of our Industry, and, as the Minister in charge of making those changes, you have shown us once again, that the Premier’s team and this Government lives up to the promises it makes.

We look forward to being of further assistance to you whenever we can, and again, thank you for listening to us.

Sincerely,



Miles Prodan  
President/CEO

cc: The Honourable Norm Letnick, Minister of Agriculture ([Norm.Letnick@gov.bc.ca](mailto:Norm.Letnick@gov.bc.ca))  
John Yap, Parliamentary Secretary ([J.Yap@leg.bc.ca](mailto:J.Yap@leg.bc.ca))  
Jarett Lalonde, Chief of Staff to the Minister of Justice and Attorney General ([Jarett.Lalonde@gov.bc.ca](mailto:Jarett.Lalonde@gov.bc.ca))  
Lorne Mayencourt, Director of Outreach, Government Caucus Communications ([Lorne.Mayencourt@leg.bc.ca](mailto:Lorne.Mayencourt@leg.bc.ca))  
Josie Tyabji, Chair, BC Wine Institute ([Josie.Tyabji@CBrands.com](mailto:Josie.Tyabji@CBrands.com))

## Catungal, Renin LDB:EX

---

**From:** Calvo, Manami LDB:EX  
**Sent:** Monday, April 27, 2015 12:52 PM  
**To:** Calvo, Manami LDB:EX  
**Subject:** FW: Meeting

### Manami Calvo

Manager of Information, Privacy and Access, Legal Services  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-3011 E: [manami.calvo@bclddb.com](mailto:manami.calvo@bclddb.com)

*The LDB is proud to contribute over \$1 billion annually to the Province of British Columbia. Our contribution helps provide financial support for vital public services including health care and education.*



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---

**From:** Lee, Richard LC LDB:EX  
**Sent:** Thursday, November 06, 2014 8:13 AM  
**To:** 'Miles Prodan'  
**Subject:** RE: Meeting

No problem.

### Richard LC Lee

Director, Regulatory, Finance - Regulatory  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-3226 E: [richard.lc.lee@bclddb.com](mailto:richard.lc.lee@bclddb.com)

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---

**From:** Miles Prodan [<mailto:mprodan@winebc.com>]  
**Sent:** Thursday, November 06, 2014 8:06 AM  
**To:** Lee, Richard LC LDB:EX  
**Subject:** Re: Meeting

Richard:

Sorry for the delay but currently travelling & out of the office, will connect Friday.

Miles Prodan, BCWI  
O: 250.762.9744 x 101  
C: 250.863.9379

On Nov 3, 2014, at 3:22 PM, Lee, Richard LC LDB:EX <[richard.lc.lee@bcldb.com](mailto:richard.lc.lee@bcldb.com)> wrote:

Hi Miles,

We haven't spoken before but I thought I'd reach out and try to setup a meeting to meet and greet.

I run the external compliance department at the LDB. When would you be in Vancouver next and available to meet? I'm flexible and can do lunch, an office meeting or a coffee/tea somewhere.

Just let me know.

Thanks,

**Richard LC Lee**

Director, Regulatory, Finance - Regulatory  
BC Liquor Distribution Branch  
2625 Rupert Street, Vancouver BC V5M 3T5  
T: 604 252-3226 E: [richard.lc.lee@bcldb.com](mailto:richard.lc.lee@bcldb.com)

***The LDB is proud to contribute over \$1 billion annually to the Province of British Columbia. Our contribution helps provide financial support for vital public services including health care and education.***

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## Little, Danielle JAG:EX

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**From:** Jones, Kathleen JAG:EX  
**Sent:** Monday, May 11, 2015 3:31 PM  
**To:** Little, Danielle JAG:EX  
**Subject:** FW: 30% discount has changed at the Constellation store

---

**From:** Scott, Douglas S JAG:EX  
**Sent:** Wednesday, April 15, 2015 9:05 AM  
**To:** Jones, Kathleen JAG:EX  
**Subject:** FW: 30% discount has changed at the Constellation store

For our records (can replace earlier one I sent)

---

**From:** Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]  
**Sent:** Wednesday, April 15, 2015 7:44 AM  
**To:** Scott, Douglas S JAG:EX  
**Cc:** Lawson, R. Blain LDB:EX; Miles Prodan  
**Subject:** Re: 30% discount has changed at the Constellation store

Great - thank you for clarifying.  
I understand. Thanks!

Sent from my iPhone

On Apr 15, 2015, at 7:30 AM, "Scott, Douglas S JAG:EX" <[Douglas.S.Scott@gov.bc.ca](mailto:Douglas.S.Scott@gov.bc.ca)> wrote:

Good morning Josie,

The quotes below are taken from emails containing more text. In other portions of the emails referenced below, the store owners were advised that they should refer to the contracting agreement with the Institute for guidance, and noted that LDB is not a party in that agreement.

It is important to note, that the store owners requested information from LCLB (and were referred to LDB) based on the owners understanding of statements attributed to BCWI. Specifically, that proposed changes to financial arrangements between BCWI and VQA Stores were the result of government direction. We are not sure if such statements were made by BCWI, or a matter of miscommunication, however, it is our responsibility to respond to questions presented to us.

Best regards,

*Doug*

Douglas S. Scott  
Assistant Deputy Minister  
Liquor Control and Licensing Branch  
Ministry of Justice

Government of British Columbia

To protect your privacy, Liquor Control and Licensing Branch will not accept electronically transmitted applications containing credit card information.

---

**From:** Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]  
**Sent:** Wednesday, April 15, 2015 7:00 AM  
**To:** Lawson, R. Blain LDB:EX; Scott, Douglas S JAG:EX  
**Cc:** Miles Prodan  
**Subject:** Fwd: 30% discount has changed at the Constellation store

Hi there - we are working with our store operators to figure out how we want to move forward together.

We as wineries ARE required to do all of our transfers to ourselves at the wholesale price under the one wholesale price for all retailers model.

It would be very helpful if you could advise the store operators, as contracted operators to discuss their licensing and contracting agreements with us as they are quoting your info in their correspondence to us and causing lots of confusion.

Thanks very much for your help.

Josie

Sent from my iPhone

Begin forwarded message:

**From:** Jeff Wong <[jeff.l.wong@gmail.com](mailto:jeff.l.wong@gmail.com)>  
**Date:** April 14, 2015 at 11:02:11 PM PDT  
**To:** Josie Tyabji <[Josie.Tyabji@cbrands.com](mailto:Josie.Tyabji@cbrands.com)>  
**Subject:** Re: 30% discount has changed at the Constellation store

Josie,

I am confused as many in the are industry right now. With all the changes by government, this is the response I received when asked the question regarding VQA store. See response below.

**From Audrey Wong, A/Director, Corporate Policy & Communications, LDB,** *"LDB does not view BC VQA stores' current consignment model as offside and has not requested for BCWI to move BC VQA stores from this model to the wholesale pricing model."*

**From Doug Scott, Assistant Deputy Minister, LCLB,** *"It is my understanding the wholesale pricing model being implemented by LDB is independent of your arrangement with BCWI which is a direct delivery arrangement. Therefore, the pricing arrangement that your store has in relation to discounts etc. with BCWI is not related to the LDB wholesale pricing."*

Not sure what to believe nowadays.  
Where have you received your information from?

Just wanting to get to the bottom of this. Thanks again for looking into this.

Jeff

On Tue, Apr 14, 2015 at 9:37 AM, Josie Tyabji <Josie.Tyabji@cbrands.com> wrote:

Hi Jeff - actually you are incorrect in that all transfers to retail including winery stores and off sites have moved to wholesale price, no exceptions.

Having said that let me look into what we can do.

Josie

Sent from my iPhone

> On Apr 14, 2015, at 8:58 AM, "Jeff Wong" <jeff.l.wong@gmail.com> wrote:

>

> Josie,

> As you are aware that the LCLB changed to wholesale pricing.

> This new change does not effect off site winery license in BC. I have noticed that my pricing has increased for the Constellation store 870.

> Can you please make sure they correct it back to either the 30% discount or new wholesale pricing for my store.

> If not, the store prices will be 2-3 dollars more than government and those prices will be too expensive.

> Can we sort this out asap. I have tried to work with people in the Vancouver office but no one is getting back to me.

>

>

>

> --

> Best Regards,

> Jeff Wong

> 778-988-3563

>

> This email is confidential and may be privileged. If you have

> received this email in error please delete it and inform the

> sender immediately. Unauthorized distribution or use is strictly

> prohibited and may result in penalties and/or damages.

---

Best Regards,

Jeff

This email is confidential and may be privileged. If you have received this email in error please delete it and inform the sender immediately. Unauthorized distribution or use is strictly prohibited and may result in penalties and/or damages.



## **Jones, Kathleen JAG:EX**

---

**From:** Scott, Douglas S JAG:EX  
**Sent:** Monday, March 16, 2015 9:20 PM  
**To:** Jones, Kathleen JAG:EX  
**Subject:** FW: California

For our records

-----Original Message-----

From: Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]  
Sent: Thursday, March 12, 2015 8:11 AM  
To: Scott, Douglas S JAG:EX  
Subject: RE: California

Either Rick Slomka or Tom La Faille from the California wine institute..

They are looking for clarity around what I mentioned to you on Monday.

-----Original Message-----

From: Scott, Douglas S JAG:EX [<mailto:Douglas.S.Scott@gov.bc.ca>]  
Sent: Thursday, March 12, 2015 6:59 AM  
To: Josie Tyabji  
Subject: Re: California

Hi Josie,

Who specifically were you expecting to call?

Doug

> On Mar 11, 2015, at 2:37 PM, Josie Tyabji <[Josie.Tyabji@cbrands.com](mailto:Josie.Tyabji@cbrands.com)> wrote:

>

> Did they call you?

>

> Sent from my iPhone

## Little, Danielle JAG:EX

---

**From:** Scott, Douglas S JAG:EX  
**Sent:** Monday, May 11, 2015 4:25 PM  
**To:** Little, Danielle JAG:EX  
**Subject:** FW: Licensing - Tyabji letter RB: 03/18

Hi Danielle,

s.13

If you would not mind asking Kathy about those other ones... Thanks,

Doug

---

**From:** Scott, Douglas S JAG:EX  
**Sent:** Monday, March 16, 2015 9:26 PM  
**To:** Jones, Kathleen JAG:EX  
**Subject:** FW: Licensing - Tyabji letter RB: 03/18

For 8:30 and response.

---

**From:** Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]  
**Sent:** Tuesday, March 10, 2015 9:43 AM  
**To:** XT:Slomka, Rick LCLB:IN; Tom LaFaille; Rick Slomka  
**Cc:** Ron Fondiller; Scott, Douglas S JAG:EX  
**Subject:** Licensing

Hi guys – it was good to catch up yesterday afternoon on the phone to try to understand where the confusion was in terms of the transition to grocery. As stated on the phone over the last while,

My understanding is:

All licenses will be given access to transfer to grocery, the objective is to remove access barriers that existed in past for consumers.

For full liquor stores there will be some guardrails in place from a social responsibility perspective but it will still be same cart shopping within a grocery store. All products will be together in the same area of the store, (VQA will not be in a separate shelf within the store).

Stores can choose to relocate or not and it will transition over time.

I am not a regulation expert, and we aren't actually involved in how this was all developed, but this was my understanding...

The best next step would be to clarify this information with licensing as the regulations are very detailed and reference specifics that may be interpreted in a number of different ways.

I am copying Doug Scott on this e-mail as he would be the person to clarify for us all.

I wouldn't mind being on any update call just because I also want to make sure I understand fully the regs moving forward.

We have our industry AGM today so if we could catch up Wed onward that would be excellent.

Thanks, Josie

## Bieller, Barry JAG:EX

---

**From:** Bieller, Barry JAG:EX  
**Sent:** Thursday, April 9, 2015 12:26 PM  
**To:** 'Vance Campbell'  
**Subject:** RE: BCVQA Wine Store License

Thanks Vance. I'll follow up in the coming days.

---

**From:** Vance Campbell [<mailto:vance@onehospitality.com>]  
**Sent:** Thursday, April 9, 2015 11:48 AM  
**To:** Bieller, Barry JAG:EX  
**Cc:** Miles Prodan  
**Subject:** FW: BCVQA Wine Store License

Hi Barry:

Good to talk to you. Please find below the email chain I referred to in our discussion. As you can see it's a little dated.

I understand it will be a week or so before you can get me an answer from the LDB. My client has been entertaining some questions with respect to the issue, so in the meantime I will check with my client with respect to their actual intent to either remain consignment or move away from it, and get back to you.

Vance Campbell  
One Hospitality Inc.  
604-788-6353

---

**From:** Miles Prodan <[mprodan@winebc.com](mailto:mprodan@winebc.com)>  
**Date:** Thu, 9 Apr 2015 11:30:15 -0700  
**To:** Vance Campbell <[vance@onehospitality.com](mailto:vance@onehospitality.com)>  
**Subject:** FW: BCVQA Wine Store License

Vance:  
Would you confirm the below email from Barry still stands, thanks.  
Miles

---

**From:** Bieller, Barry EMNG:EX [<mailto:Barry.Bieller@gov.bc.ca>]  
**Sent:** August-06-13 1:27 PM  
**To:** Miles Prodan  
**Cc:** Traci Deman  
**Subject:** RE: BCVQA Wine Store License

Hi Miles,

In follow-up to our recent telephone conversation please be advised there are no LCLB or LDB restrictions on pricing and the retention of your consignment sales system in your stores. In regard to consignment, if a decision was made to move away from this there likely will be a need to discuss with government how sales are made to the stores and how this is reported to the LDB.

Regards,

Barry

## Bieller, Barry JAG:EX

---

**From:** Bieller, Barry JAG:EX  
**Sent:** Thursday, February 26, 2015 11:50 AM  
**To:** 'Josie Tyabji'  
**Subject:** RE: Liquor in grocery and liquor store relocations

Hi Josie,

Yes, that's right at least at this time. As you're aware, there's a recommendation in the LPR report that called for additional off-site "tasting" sites for manufacturers. We've had some consultation with the manufacturing industry on this issue but need to do additional policy work on it before government can make a decision on the matter. The existing off-site winery stores are a grandparented model of one potential option for proceeding with Mr. Yap's recommendation. Given the uncertainty about the details of the new model at this time, government felt it inappropriate to allow these grandparented stores into grocery. This issue will be further considered as we move along the policy and decision making process regarding Mr. Yap's recommendation.

If you have any questions or concerns regarding this please don't hesitate to contact me again.

Regards,  
Barry  
250 952-5755

---

**From:** Josie Tyabji [mailto:Josie.Tyabji@cbrands.com]  
**Sent:** Thursday, February 26, 2015 10:11 AM  
**To:** Bieller, Barry JAG:EX  
**Subject:** Fwd: Liquor in grocery and liquor store relocations

Winery wine stores can't move to grocery? Is that what this says?

Sent from my iPhone

Begin forwarded message:

**From:** "LCLB LCLB:EX" <lclb.lclb@gov.bc.ca>  
**Date:** February 26, 2015 at 9:59:48 AM PST  
**To:** "LCLB LCLB:EX" <lclb.lclb@gov.bc.ca>  
**Subject:** Liquor in grocery and liquor store relocations

Government has announced changes that will allow liquor in grocery stores as well as changes to the 5 km rule for liquor retail relocations. You can find more information about these changes in Policy Directive 15-01, which can be found here: <http://www.pssg.gov.bc.ca/lclb/docs-forms/policy-directive-2015-01.pdf>.

Licensees and grocery store owners can find application packages and other material on our website here: <http://www.pssg.gov.bc.ca/lclb/policy/relocation.htm>.

Liquor Control and Licensing Branch  
Ministry of Justice  
<http://www.pssg.gov.bc.ca/lclb>

## Bieller, Barry JAG:EX

---

**From:** Bieller, Barry JAG:EX  
**Sent:** Friday, February 6, 2015 9:35 AM  
**To:** 'Josie Tyabji'  
**Subject:** RE: 1 km section of regs

Hi Josie,

Here you go. This is the relevant excerpt from section 14 of the regulations.

(5) Subject to subsection (6), an application to relocate a licensee retail store to a new location must not be approved unless

(a) the new location of the licensee retail store is at least 1.0 km from the site of another existing licensee retail store or a proposed licensee retail store, and

(b) the new location of the licensee retail store is

(i) within the jurisdiction of the same local government or first nation as the current location of the licensee retail store, or

(ii) within 5 km of the current location of the licensee retail store.

(6) If an application to relocate a licensee retail store does not comply with subsection (5) (a), the general manager may approve that application in one of the following circumstances only:

(a) if a licensee proposes to relocate its licensee retail store to a new location that has the same parcel identifier number as the current location, even if the new location is within 1.0 km of another existing licensee retail store or a proposed licensee retail store;

(b) if a licensee proposes to relocate its licensee retail store that is currently within 1.0 km of another existing licensee retail store or a proposed licensee retail store, and the new location is not closer to the existing licensee retail store or proposed licensee retail store than the licensee retail store's current location;

(c) if a licensee proposes to relocate its licensee retail store and the shortest travelling distance by road between the new location and another existing licensee retail store or a proposed licensee retail store is 1.0 km or more because of a natural barrier between the new location and the existing licensee retail store or proposed licensee retail store;

(d) if a licensee proposes to relocate its licensee retail store because the licensee retail store was substantially damaged by fire or natural disaster, even if the new location is within 1.0 km of another existing licensee retail store or a proposed licensee retail store.

-----Original Message-----

From: Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]

Sent: Friday, February 6, 2015 9:32 AM

To: Bieller, Barry JAG:EX

Subject: 1 km section of regs

Could you please e mail this to me?

Thank you!!

Sent from my iPhone



**Bieller, Barry JAG:EX**

---

**From:** Bieller, Barry JAG:EX  
**Sent:** Friday, December 5, 2014 3:20 PM  
**To:** Scott, Douglas S JAG:EX  
**Subject:** RE: 25% rule

Hi Doug,

Here's the LDB Land Based winery criteria. Any winery not meeting any of these criteria are considered commercial wineries. This is a longstanding policy and it's part of the Manufacturer's Agreement every Land Based winery signs with the LDB. s.13  
s.13

In terms of mark-up differences, LDB allows Land Based wineries to sell their wine direct to licensees and private liquor stores without any LDB markup. To be eligible for this the wine does not have to be VQA. For commercial wineries, they too can sell direct to licensees and private liquor stores but the wines are subject to the full LDB markup unless the wine is VQA.

## APPENDIX A

### LAND BASED WINERY CRITERIA

To be a Land Based Winery, as a Licensed Winery;

- All of your Product is made from grapes, fruit, or honey - 100 % of which is grown/produced in British Columbia;
- At your Licensed Winery Site you have two acres of grapevines if you produce grape wine; and/or two acres of fruit orchards if you produce fruit wine and/or 50 beehives if you produce honey wine. You farm and use this acreage or beehives for the manufacture of your Product.
- A minimum of 25% of the grapes, fruit or honey used in your Licensed Winery's production is from acreage and beehives owned or leased by you.
- Your wine must be produced utilizing traditional wine making techniques.
- You may use wine, juice or honey acquired from other Land Based Wineries in the manufacturing of your product but may not use wine, juice or honey acquired from a Licensed Winery classified by the LDB as a Commercial Winery.
- You do not share common ownership or management with a Licensed Winery classified by the LDB as a Commercial Winery;
- Licensed Wineries that do not meet the above criteria for a Land Based Winery will be classified as a Commercial Winery and subject to the terms and conditions of the LDB's agreement with Commercial Wineries.

The LDB retains the right, in its sole discretion, to determine if a Licensed Winery meets the Land Based Winery Criteria.

**From:** Scott, Douglas S JAG:EX  
**Sent:** Friday, December 5, 2014 3:07 PM  
**To:** Bieller, Barry JAG:EX  
**Subject:** FW: 25% rule

Hi Barry – do we have any summarizing type documents on land based vs commercial wineries?

**From:** Lalonde, Jarett JAG:EX  
**Sent:** Friday, December 5, 2014 2:40 PM  
**To:** Scott, Douglas S JAG:EX  
**Cc:** Wanamaker, Lori JAG:EX  
**Subject:** FW: 25% rule

Doug,

Even I know enough to know that this isn't as simple as it is presented here...

Am I right to say that land-based wineries get a break on the mark-up that commercial wineries don't and therefore that's why we do audits?

Do you have the land-based winery policy or something that I could read to better understand the differences?

Thank you,

Jarett

**From:** Josie Tyabji [<mailto:Josie.Tyabji@cbrands.com>]  
**Sent:** Thursday, December 4, 2014 7:03 PM  
**To:** Lalonde, Jarett JAG:EX  
**Subject:** Fwd: 25% rule

Hi Jarett - just wanted to clarify, see below.

I'm not sure if it has been brought to your attention at all, but the BCLDB treats 100% BC products differently depending on whether they classify you as land based or Commercial. Same grapes, same everything.

This is something that would be great to get fixed as well. If your products are certified by the authority that should be the end of it, BCLDB should treat your products the same.

Thanks. Josie

Sent from my iPhone

Bgin forwarded message:

**From:** Christine Coletta <[christine@ccltd.ca](mailto:christine@ccltd.ca)>  
**Date:** December 4, 2014 at 6:56:17 PM PST  
**To:** Josie Tyabji <[Josie.Tyabji@cbrands.com](mailto:Josie.Tyabji@cbrands.com)>  
**Subject:** Re: 25% rule

no - it was the ldb audit team. They spent hours and hours on this part of the audit - even reviewing the land titles and exact acres and measuring that against our total production. At one point they told us we only had 22% so we would not be considered a land-based winery as a

result. They had the wrong acres on one property, so when we corrected that we were OK. So LDB land based regulations need to be changes as their audit team are on the hunt for this. CC

Sent from my iPad

On Dec 4, 2014, at 6:52 PM, Josie Tyabji <[Josie.Tyabji@cbrands.com](mailto:Josie.Tyabji@cbrands.com)> wrote:

So it wasn't the liquor inspector who asked for this?

Sent from my iPhone

On Dec 4, 2014, at 6:51 PM, "Christine Coletta" <[christine@ccltd.ca](mailto:christine@ccltd.ca)> wrote:

oooh - and we just went through an LDB audit where the entire purpose was to make sure that we had the correct acres. So LDB needs to be told this. Cheers, CC

Sent from my iPad

On Dec 4, 2014, at 6:03 PM, Josie Tyabji <[Josie.Tyabji@cbrands.com](mailto:Josie.Tyabji@cbrands.com)> wrote:

Brought this up today with Licensing and govt and they agree it isn't an issue.

Sent from my iPhone

## Bieller, Barry JAG:EX

---

**From:** Miles Prodan <mprodan@winebc.com>  
**Sent:** Wednesday, April 22, 2015 1:07 PM  
**To:** Bieller, Barry JAG:EX  
**Cc:** Traci Deman; Vance Campbell  
**Subject:** RE: BC VQA Wine Stores: Consumer Tastings

Thanks Barry, confusion arising from Save-On-Foods charging and long-standing practice of the stores not.  
Appreciate clarification ASAP as we're being inundated!  
Miles

---

**From:** Traci Deman  
**Sent:** April-22-15 1:04 PM  
**To:** Bieller, Barry JAG:EX  
**Cc:** Miles Prodan  
**Subject:** BC VQA Wine Stores: Consumer Tastings

Hi Barry

Looking for confirmation from you whether BC VQA wine stores, which, as you know, operate on a CONSIGNMENT model, must abide by or are exempt from the "Consumer Tastings" requirement for the winery/agent to PURCHASE the sampled product.

(ie. per page 29 of the Guide) "The winery or agent must purchase all products to be tasted from you. The price you charge must be no less than what you paid for the product and no more than the price you normally charge your customers."

Thank you very much for your time.

Regards,  
Traci Deman  
Administration Coordinator  
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  
twitter.com/winebcdotcom  
winebc.org  
winebc.com  
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.

## Bieller, Barry JAG:EX

---

**From:** Traci Deman <tdeman@winebc.com>  
**Sent:** Wednesday, April 22, 2015 1:04 PM  
**To:** Bieller, Barry JAG:EX  
**Cc:** Miles Prodan  
**Subject:** BC VQA Wine Stores: Consumer Tastings

Hi Barry

Looking for confirmation from you whether BC VQA wine stores, which, as you know, operate on a CONSIGNMENT model, must abide by or are exempt from the "Consumer Tastings" requirement for the winery/agent to PURCHASE the sampled product.

(ie. per page 29 of the Guide) "The winery or agent must purchase all products to be tasted from you. The price you charge must be no less than what you paid for the product and no more than the price you normally charge your customers."

Thank you very much for your time.

Regards,  
**Traci Deman**  
Administration Coordinator  
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  
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[twitter.com/winebcdotcom](https://twitter.com/winebcdotcom)  
[winebc.org](http://winebc.org)  
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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.

## Bieller, Barry JAG:EX

---

**From:** Miles Prodan <mprodan@winebc.com>  
**Sent:** Thursday, April 9, 2015 12:35 PM  
**To:** Vance Campbell; Bieller, Barry JAG:EX  
**Subject:** RE: BCVQA Wine Store License

Thanks Vance. To be clear, we're looking at all our options, particularly our existing store model in light of the wholesale pricing model & additional grocery shelf licences to be auctioned off & outside industry/BCWI oversight, etc.  
Miles

---

**From:** Vance Campbell [<mailto:vance@onehospitality.com>]  
**Sent:** April-09-15 11:48 AM  
**To:** [Barry.Bieller@gov.bc.ca](mailto:Barry.Bieller@gov.bc.ca)  
**Cc:** Miles Prodan  
**Subject:** FW: BCVQA Wine Store License

Hi Barry:  
Good to talk to you. Please find below the email chain I referred to in our discussion. As you can see it's a little dated.  
I understand it will be a week or so before you can get me an answer from the LDB. My client has been entertaining some questions with respect to the issue, so in the meantime I will check with my client with respect to their actual Intent to either remain consignment or move away from it, and get back to you.

Vance Campbell  
One Hospitality Inc.  
604-788-6353

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**From:** Miles Prodan <mprodan@winebc.com>  
**Date:** Thu, 9 Apr 2015 11:30:15 -0700  
**To:** Vance Campbell <[vance@onehospitality.com](mailto:vance@onehospitality.com)>  
**Subject:** FW: BCVQA Wine Store License

Vance:  
Would you confirm the below email from Barry still stands, thanks.  
Miles

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**From:** Bieller, Barry EMNG:EX [<mailto:Barry.Bieller@gov.bc.ca>]  
**Sent:** August-06-13 1:27 PM  
**To:** Miles Prodan  
**Cc:** Traci Deman  
**Subject:** RE: BCVQA Wine Store License

Hi Miles,  
In follow-up to our recent telephone conversation please be advised there are no LCLB or LDB restrictions on pricing and the retention of your consignment sales system in your stores. In regard to consignment, if a decision was made to move away from this there likely will be a need to discuss with government how sales are made to the stores and how this is reported to the LDB.

Regards,

Barry

Barry



## Bieller, Barry JAG:EX

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**From:** Miles Prodan <mprodan@winebc.com>  
**Sent:** Sunday, March 8, 2015 2:39 PM  
**To:** Bieller, Barry JAG:EX  
**Subject:** RE: Wine exports?  
**Attachments:** 2013 BC sales domestic intl (2014 12 03).xlsx

Barry:  
See attached, let me know if this will suffice or if you need anything further.  
Miles

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**From:** Bieller, Barry JAG:EX [<mailto:Barry.Bieller@gov.bc.ca>]  
**Sent:** March-06-15 4:07 PM  
**To:** Miles Prodan  
**Subject:** Wine exports?

Hi Miles,  
I was wondering if you had any figures on VQA wine exports (including intra-Canada) in recent years? Anything you have would be most appreciated.

Cheers,  
Barry

## BC Export Sales by Market for 2013

Market	Value (\$ Can)	Volume (L)
China	6,576,849	541,170
United States	280,490	8,525
Hong Kong	243,800	12,472
Japan	72,262	5,556
Taiwan	91,944	6,398
Viet Nam	0	0
Switzerland	68,088	2,441
Germany	19,480	1,245
United Kingdom	22,789	7,212
Philippines	0	0
Netherlands	4,471	252
Portugal	0	0
South Korea	0	0
India	27,129	923
Bermuda	33,971	1,826
Cayman Islands	0	0
France	0	0
Ghana	26,918	161
Malaysia	1,680	24
New Zealand	0	0
Nigeria	0	0
Panama	0	0
Republic of Ireland (Eire)	4,434	1,182
Singapore	0	0
Spain	0	0
<b>Total BC Sales</b>	<b>7,474,305</b>	<b>589,387</b>
<b>TOTAL EXPORTS</b>	<b>54,080,648</b>	<b>41,802,724</b>

	Value	Volume
% of total exports	13.82%	1.41%

## Bieller, Barry JAG:EX

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**From:** Jones, Kathleen JAG:EX  
**Sent:** Tuesday, February 17, 2015 7:32 AM  
**To:** Bieller, Barry JAG:EX; Scott, Douglas S JAG:EX  
**Subject:** FW: BCWI / LCLB (D. Scott) Meeting: Briefing Document  
**Attachments:** 2015 02 18 BCWI BCLCLB Meeting.pdf; 2015 01 21 BCWI BCLDB Meeting (2).pdf

Good morning,

Please see the attached in prep for the meeting with BCWI Wednesday afternoon.

Kathy

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**From:** Traci Deman [<mailto:tdeman@winebc.com>]  
**Sent:** Monday, February 16, 2015 4:03 PM  
**To:** Jones, Kathleen JAG:EX  
**Cc:** Josie Tyabji; Shaun Everest; Spencer Massie; Miles Prodan; Vance Campbell  
**Subject:** BCWI / LCLB (D. Scott) Meeting: Briefing Document

Hi Kathleen

As promised for our meeting with Doug Scott, attached is our briefing document. Also attached, for his information, is a copy of our January 21, 2015 briefing document for our meeting with the Liquor Distribution Branch regarding wholesale pricing implementation.

**BCWI / LCLB (D. Scott) Meeting**  
1:15 PM, Wednesday, February 18, 2015  
LCLB Office, Victoria

BCWI:

- Josie Tyabji, Chair
- Shaun Everest, Vice Chair
- Spencer Massie, Director
- Miles Prodan, President/CEO
- Vance Campbell, Government Consultant

LCLB:

- Doug Scott, Assistant Deputy Minister, Liquor Control and Licensing Branch

Thanks for your assistance.

Regards,  
**Traci Deman**  
Administration Coordinator  
[TDeman@WineBC.com](mailto: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  
[twitter.com/winebcdotcom](http://twitter.com/winebcdotcom)

winebc.org  
winebc.com  
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 Liquor Control and Licensing Branch  
1:15 PM, Wednesday, February 18, 2015  
LCLB Office, Victoria**

**Attending:**

BC LCLB	Doug Scott, Assistant Deputy Minister, Liquor Control and Licensing Branch
BC Wine Institute	Josie Tyabji, BCWI Chair (Constellation Brands) Shaun Everest BCWI Vice Chair (Tinhorn Creek Vineyards) Spencer Massie, BCWI Director (Clos du Soleil Winery) Miles Prodan, BCWI President/CEO Vance Campbell, BCWI Government Consultant (One Hospitality Inc.)

- **Ensure consistency between all existing BCVQA and future deployed 100% BC Wine or other agri-food product licences.**

**BC VQA Wine Store Sale of 100% BC Wine**

We note with interest the reference to "100% BC wine" in Minister Anton's December 19, 2014 announcement regarding grocery shelf wine sales and are unclear as to whether sales will be limited to just BC VQA wines, or to 100% BC wines more generally. In either case, we have asked BC Agriculture Minister for confirmation that all wines must be certified and their origin guaranteed, under the current Wines of Marked Quality Regulation, by the BC Wine Authority.

As you know, wines that are 100% BC attract a different markup due to economic benefits they provide to the Province. This is the key reason why it would be imperative to ensure that these wines are certified and auditable in terms of their origin, especially as they move out into channels of retail distribution.

Accordingly, with grocery store shelf sales to be open to all BCWA-certified 100% BC products, we request that the existing BC VQA wine store licences' BC VQA wine-only restriction be expanded to allow for the sale of all BCWA-certified 100% BC products for both existing locations and grocery store shelves.

- **BC Wine Institute recommends BC Wineries to operate up to two additional satellite (away from a manufacturing facility) tasting rooms.**
- **Winery satellite tasting rooms would be regulated as "endorsements" to existing Manufacturers' Licences.**
- **If deemed trade legal, wineries may also join together and operate shared satellite tasting rooms, where consumers may taste wines from more than one winery.**

**BC Winery Satellite Tasting Rooms**

BCWI proposes the following operating criteria for the implementation of the BC Liquor Policy Review recommendation to allow manufacturers to have off-site locations where they can sample and sell their products to the public (e.g. permanent tasting rooms in a downtown store):

February 18, 2015

- Wineries may offer tasting of wine free of charge in their satellite tasting rooms, or they may charge consumers to taste wine or they may sell wine by the glass, and they may also sell wine by the bottle to be consumed on or off premise (no production or distribution would be allowed).
- Winery satellite tasting room sales would be recorded under the winery's Manufacturer's Licence including the responsibility for appropriate sales tax, bottle deposit, LDB reporting, etc.
- Wineries may also join together and operate shared tasting rooms, where consumers may taste wines from more than one winery.

In a shared tasting room, sales of wine would be recorded separately, and sales taxes, etc. must be paid separately under each winery's Manufacturer's Licence. Each winery would use one of its additional satellite location "endorsements" in order to allow the joint tasting room at one location.

- Winery satellite tasting rooms, providing local zoning permits, etc. may be located in buildings that contain another business or within a business itself (i.e. spa, etc.) and NOT be required their own entrances, solid floor-to-ceiling walls between, etc.

- |  |
|--|
| <ul style="list-style-type: none"> <li>• <b>BC LCLB support the use of the British Columbia Wine &amp; Culinary Centre (BCWCC) appointment with a grocery store partner in Metro Vancouver.</b></li> </ul> |
|--|

#### **British Columbia Wine & Culinary Centre (BCWCC)**

The British Columbia Wine & Culinary Centre Society (BCWCCS) is a not-for-profit organization incorporated for the purpose of developing and operating a facility - British Columbia Wine & Culinary Centre – specifically to promote, educate and showcase the local wines, food products and agri-tourism regions that our province has to offer.

The proposed BCWCC is an innovative and sustainable business initiative to provide the local wine, food and agri-tourism producers and suppliers with a year round facility designed to promote, showcase, celebrate and encourage visitors to explore what the Province has to offer from a wine and agri-tourism perspective including retail sales, commercial kitchen for wine and food service, programmed events including BC wine and food pairing, BC celebrity chef demonstration courses, etc.

The originally-proposed concept involved leasing in or around downtown Vancouver and applying lease-hold improvements to that space to create multi-dimensional authentic British Columbia wine and culinary experiences. A location in or near downtown Vancouver was considered critical to the success of the BCWCC. Such a location would be central to the Greater Vancouver market – a primary market both for the BCWCC and for wine tourism in the province – and would be accessible to visitors to Vancouver. Unfortunately, market conditions at the time precluded finding a suitable space and operating partner so the project was placed on hold.

With the recent government announcement to allow BC wines to be sold off qualified grocery shelves, we have been approached by a grocery chain to utilize the BCWCC appointment to retrofit a portion of an existing store in downtown Vancouver to serve as the BCWCC (providing local zoning can be expanded to permit).



**BC Liquor Distribution Branch**  
**4:00 PM to 5:00 PM, Wednesday, January 21, 2015**  
**BCLDB Office, 2526 Rupert Street, Vancouver**

**Attending:**

BCLDB	Roger Bissoondatt, Chief Financial Officer Mike Procopio, Acting Director, Wholesale and Retail Services
BC Wine Institute	Josie Tyabji, BCWI Chair (Constellation Brands) Ezra Cipes, BCWI Director (Summerhill Pyramid Winery) Miles Prodan, BCWI President/CEO Vance Campbell, BCWI Government Consultant (One Hospitality Inc.)

Following on the January 14, 2015, BCLDB "Wholesale Pricing Changes" Industry Association Information Session, the below is an overview of BCWI's understanding of the current status and requested clarifications:

**Wholesale Pricing**

- Existing programs for BC wineries will continue (NO change to 100% BC direct delivery & VQA Program [QEP]), as well as current commitment to listings, marketing support, etc.
- Under the proposed implementation of a new pricing model (wholesale pricing), there will be one common wholesale price for all retailers with the retailers setting the selling (retail) prices for their customers.
- BCLDB has indicated additional customer types for grocery, BC VQA Wine stores & manufacturer onsite stores.
- There will be three main retailers: BCLDB, independent LRS stores and BC manufacturers (wineries).
- Government is proposing that the BCLDB will establish the retail price for all products sold to restaurants (hospitality price) that will include onsite winery lounges, etc.
  - As retailers, BC manufacturers should be able to set these prices on their own.
  - There is no need for the BCLDB to intervene in setting the selling prices for products sold directly from wineries.
- The financial reporting system within the BCLDB should be consistent for all BC manufacturers (wineries) of 100% BC product.

**Rebates, Commissions & Fees**

- The proposed markup schedule will have the negative impacts on BCLDB-listed wine priced over \$21.00 (i.e. increased cost).
- ~~Second tier markup on higher end products over approximately \$21.00 to be adjusted with VQA Program (QEP) on percentage FOB adjusted to reflect previous contribution.~~ **Achieved 20Jan2015**
  - ~~Alternatively, suggest maintaining previous markup model for BC VQA.~~
- Similarly, commission on retail of 7% to be adjusted to 8.2% to remain consistent with the current situation.
- Maintain level playing field by ensuring continuing recovery of cost of service for imports.

**January 21, 2015**

## Bieller, Barry JAG:EX

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**From:** Bieller, Barry JAG:EX  
**Sent:** Thursday, April 2, 2015 12:43 PM  
**To:** 'Miles Prodan'  
**Subject:** RE: BC wine on grocery shelf!

You're very welcome Miles and congratulations on your new store. We wish you every success.

Regards,  
Barry

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**From:** Miles Prodan [<mailto:mprodan@winebc.com>]  
**Sent:** Thursday, April 2, 2015 11:02 AM  
**To:** Scott, Douglas S JAG:EX; Bieller, Barry JAG:EX  
**Subject:** BC wine on grocery shelf!

Thanks for your & BCLCLB staff efforts!  
<http://goo.gl/FjGaT7>

<https://youtu.be/U4XGYaTsY-I>