

Cornett, Kathy M JAG:EX

From: Cornett, Kathy M JAG:EX
Sent: Friday, June 19, 2015 11:45 AM
To: Lalonde, Jarett JAG:EX; Langlands, Kevin J EDUC:EX; Tennant, Laura JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Groot, Jeff GCPE:EX; Hughes, Candice JAG:EX; Hansen, Lucy JAG:EX; Walker, Nikki JAG:EX; Lawson, R. Blain LDB:EX; Cournoyer, Vince LDB:EX; Shrieves, Renee LDB:EX; Bissoondatt, Roger LDB:EX; Procopio, Michael LDB:EX; Wong, Audrey LDB:EX; Kemick, April LDB:EX; Dahlke, Cindy LDB:EX; Welt, Lilian LDB:EX
Subject: 510389 - Information BN re Craft Beer Questions
Attachments: 510389 - BN re Craft Beer Questions.pdf

The attached Briefing Note has been approved by Doug Scott, Acting Deputy Solicitor General in Lori's absence, and is for Minister Anton's briefing on **Wednesday, June 24, 2015 at 8:30 am**.

The Briefing Note has been added to the Minister's sharepoint site under the meeting materials tab.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Justice
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**MINISTRY OF JUSTICE
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PURPOSE: For INFORMATION for the Honourable Suzanne Anton.

ISSUE: Craft beer briefing on June 24

SUMMARY:

- The retail pricing of beer produced by BC's small production breweries since April 1 when wholesale pricing was introduced has garnered significant public attention.
- The BC Craft Brewers' Guild has been effective in raising their concerns with MLA's, who in turn, are asking questions of the Minister responsible for the liquor industry.
- Minister Anton has requested a briefing on some of the more operational aspects, including the areas addressed below.

BACKGROUND:

1. How do products get listed?

- Category Managers make decisions on the products that are listed to be sold in BC Liquor Stores.
- Category Managers employ the same considerations as any other buyer in a retail organization in making these decisions. These considerations include:
 - Does the product bring something unique to the current BC Liquor Stores' product mix?
 - Is the product in line with current trends in the category?
 - Does the product fit within the category strategy?
 - Is the product's packaging likely to be appealing to consumers?
 - Does the manufacturer have effective marketing plans?
 - What is the price point of the product?
 - Does the product fill a price-point gap in BC Liquor Stores?
 - Does the product have a positive sales record in other retail channels or other jurisdictions?
 - What is the manufacturer's ability to supply product?
 - Is the product exclusive to BCLS?
 - Is the item a margin enhancer? Does it fit within the category profit strategy?

2. Is it possible to do regional orders (e.g. can the GLS stores in Kamloops carry the beer made there?)

- Although Category Managers make decisions regarding which products are listed to be sold throughout all BC Liquor Stores, BC Liquor Stores recognize the growing desire of consumers to purchase products that are produced locally.
- Therefore, Store Managers have some discretion to offer a limited number of local products in their particular store that are not listed to be sold across the retail chain.
- Decisions are made on a product-by-product basis.
- Store Managers base their decision on factors that include:
 - the level of consumer demand for the product;
 - how many other local products they already have that are not listed products;
 - the likelihood of consumer uptake given the price point; and
 - the product's appeal.
- There is no guarantee that a BCLS will agree to carry a given product of a manufacturer simply because the manufacturer operates in close proximity to the store.

3. Can breweries ship directly to licensees?

Yes, in fact the vast majority of packaged beer, and all draught beer, is privately distributed to retailers, restaurants, bars and pubs (either by the breweries themselves or by a contracted delivery company).

Prepared by:
Vince Cournoyer
Senior Policy Analyst
Liquor Distribution Branch
604 252-2874

Approved by:
Renee Shrieves
Director, Corporate Policy &
Communications
Liquor Distribution Branch
604 252-3437

Cornett, Kathy M JAG:EX

From: Scott, Douglas S JAG:EX
Sent: Friday, June 19, 2015 11:33 AM
To: Cornett, Kathy M JAG:EX
Cc: Jones, Kathleen JAG:EX
Subject: RE: A/DSG APPROVAL PLEASE: Briefing Note re MSA Craft Beer Briefing on June 24th

Sensitivity: Confidential

Approved – thanks Kathy....

Doug

Douglas S. Scott
Assistant Deputy Minister and General Manager
Liquor Control and Licensing Branch
Ministry of Justice
Government of British Columbia

From: Cornett, Kathy M JAG:EX
Sent: Friday, June 19, 2015 11:23 AM
To: Scott, Douglas S JAG:EX
Cc: Jones, Kathleen JAG:EX
Subject: A/DSG APPROVAL PLEASE: Briefing Note re MSA Craft Beer Briefing on June 24th
Sensitivity: Confidential

Hi Doug, briefing note for A/DSG approval please. Lori and Blain are briefing MSA via phone on June 24 at 8:30 am.

Thank you, Kathy

From: Welt, Lilian LDB:EX
Sent: Friday, June 19, 2015 10:47 AM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Lawson, R. Blain LDB:EX; Procopio, Michael LDB:EX; Shrieves, Renee LDB:EX; Wong, Audrey LDB:EX; Cournoyer, Vince LDB:EX; Kemick, April LDB:EX
Subject: Briefing Note re MSA Craft Beer Briefing on June 24th
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a briefing note prepared for Minister Anton regarding the craft beer briefing on June 24th. Cliff # 510389. This was requested by the Minister's office.

Blain Lawson has approved this.

Lilian Welt

Executive Administrative Assistant, Office of the General Manager and CEO

BC Liquor Distribution Branch

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