

MINISTRY OF SMALL BUSINESS AND RED TAPE REDUCTION
AND MINISTER RESPONSIBLE FOR THE LIQUOR DISTRIBUTION BRANCH
MEETING NOTE

Cliff #: 37352

Date: January 25, 2016

PREPARED FOR: Honourable Coralee Oakes, Minister of Small Business and Red Tape Reduction and Minister Responsible for the Liquor Distribution Branch

DATE AND TIME OF MEETING: January 27, 2016, Main Street Brewery
4:00 pm to 6:00 pm

ATTENDEES: Poma Dhaliwal, President, ABLE BC
Jeff Guignard, Executive Director, ABLE BC
Shauna Burry, Director of Business Development, FreshTAP

ISSUE: ABLE BC Industry Reception and Buy ABLE BC Online Purchasing Portal Launch.

BACKGROUND:

ABLE (Association of Beverage Licensees of British Columbia) is an association representing many licensee retail stores and liquor primary establishments – particularly pubs and hotels.

Also attending will be representatives from FreshTAP Systems Inc, which owns Postmark Brewing, a Vancouver microbrewery (produces less than 15,000 hectolitres annually) that opened in June 2014. Postmark Brewing also operates Vancouver Urban Winery.

DISCUSSION:

ABLE BC

ABLE's position on the following current issues is summarized below:

Restrictions on LRS's selling kegs of beer

ABLE is concerned that LRS's may sell only "pony" kegs which are no larger than 30 litres or approximately half the size of a standard keg.

s.13

LRS Sales to Licensees

ABLE and others have for many years requested that LRS's be permitted to make sales to the hospitality industry

s.13,s.17

s.13,s.17

BC Wine on Grocery Shelves

The B.C. Alliance for Smart Liquor Retail Choices is a newly formed lobby group comprised of ABLE, the Private Liquor Store Association, and Terroir BC (which represents around 60+ small to medium sized wineries).

The group has requested that government impose a 6-month moratorium on approvals for wine-in-grocery.

They argue that wine sales in grocery will be bad for small and medium sized because:

- Grocery stores prefer to stock wines from manufacturers that can provide bigger volumes and lower unit costs
- Experience in other jurisdictions (such as Washington state) is that small to medium sized wineries can't compete
- Restricting sales to BC-only product contravenes trade agreements. Trade challenges will result in grocery stores having to offer lower-cost international wines in addition to BC wines

Government representatives met with the Alliance in October 2015 to discuss options to address some of their concerns.

Notwithstanding their request, at this time Government still intends to proceed in the coming months with the auctioning of BC wine-in-grocery licences.

Extension of the 1 Km Rule

ABLE supports extending the 1 km rule to all wine stores and has lobbied local governments for bylaw and zoning changes to achieve this.

s.13

FreshTAPKeg wine excluded from qualifying as a VQA

FreshTAP is concerned that the BC Wines of Marked Quality Regulation excludes all wines packaged in kegs from eligibility for VQA status. The benefits of VQA status include a mark-up exemption on direct delivered 100% BC grape wine made by land based wineries.

FreshTAP is working with over 50 BC wineries and the 3 large commercial wineries to provide wine-on-tap services to hospitality licensees. They consider the markup discrepancy to put them at a competitive disadvantage.

The Deputy Minister and General Managers responsible for both liquor branches are meeting with the commercial wineries on February 12 to discuss this issue. The regulation governing VQA wines is the responsibility of the Minister of Agriculture. s.13,s.

s.13,s.17

Contact: Janice Carlson, Senior Policy Analyst, LCLB
Telephone: 250 952-5756

Reviewed by				
Dir:	ED:	ADM:	DM:	MIN: