

BC Wine Appellation Task Group

Meeting Minutes

March 31, 2015

11am – 3:30pm Kelowna Delta Grand Okanagan

Attendance

<i>Present</i>		<i>Regrets</i>	
Ezra Cipes	Christine Coletta	Bill Eggert	Christie Mavety
Andy Johnston	Derek Kontkanen	Rhys Pender	
Harry McWatters	JAK Meyer		
Bob Tennant	Don Triggs		
Ian MacDonald	Mike Klassen (E.D.)		
James Mack			
Roger Sugden, UBCO (guest)	Anthony Gismondi(speaker)		

SUMMARY OF ACTION ITEMS

DATE	ACTION	RESPONSIBLE	TIMELINE	STATUS
March 31, 2015	Reach out to representatives of Terroir BC and Fraser Valley Wineries Assn.	Ezra Cipes, Chair	Immediate	Completed

1. Call to Order

Meeting called to order at 11:05am.

2. Greeting from Hon. Norm Letnick, Minister of Agriculture

Minister asks group to “walk in the shoes” of other industry colleagues and remain open-minded during the process.

3. Group introductions

Each person at the table gives short introduction about their background in the wine industry.

4. Approval of agenda; call for additional items

- Chair Ezra Cipes tabled discussion on origins and composition of Task Group.
- Christine Coletta asked that we add discussion on proposed group meeting dates (during work plan review).

Motion: To approve the agenda with changes.

M/S Johnston, McWatters

CARRIED

Discussion led by Ezra Cipes on Task Group makeup and appointments. Cipes explained that he had been contacted by industry stakeholders who raised concerns about how the Task Group was created, who was selected for the Group, and whether others should be added to it. He admitted that the process was opaque and that it is something that should be addressed in order to give industry confidence in the Group's independence and ability to represent the whole BC wine sector. Some have asked is the Task Group serving as a "Trojan Horse" for other interests – namely those of the BC Wine Institute (BCWI)? Cipes asked the Group for their feedback on how to address this matter.

NOTES

- Andy Johnston – BCWI (which he is not a member of) is not representative of the whole industry – the Task Group must be however.
- Christine Coletta – Group should be prepared to stand down if industry not confident in how it was formed.
- JAK Meyer – Would be good if there are openings on the Task Group to add more representation from industry.
- Harry McWatters – Changes made to address industry concerns a decade ago (BC Wine Authority) have not resolved all of these challenges.
- Jeffrey Thomas – Compromises made a decade ago have "papered over" many industry concerns.
- Bob Tennant – Confirmed that he intended to represent all of industry, not just his peers from the Naramata Bench.
- James Mack – If credibility is an issue then it is good that the group has tabled this for discussion.
- Don Triggs – Note Australian wine industry. Same challenges yet remain united when promoting themselves abroad.

Task Group agrees that the Chair should reach out to John Skinner (Terroir BC) and Eugene Kwan (Fraser Valley Wineries), but per the advice of Minister Letnick the Task Group stays the course.

5. Remarks by James Mack, Assistant Deputy Minister (Agriculture)

James Mack briefed the group on the British Columbia government expectations for the BC wine industry, and for the Task Group. Mack stated that the BC government would like to help where possible, but expects industry to set its own goals.

The BC government is focused on job creation – sees great potential in our agriculture sector. Also recognizes that wine pairs with food and tourism industries.

The BC government wants the wine industry to speak with one voice. Government needs solutions from industry, not complaints. Government literacy on the issues facing the wine industry is an issue. By bringing all voices to the table (through industry-wide consultation) it is hoped a clear sense of direction will result.

6. Remarks by Jeffrey Thomas, Chair, BC Wine Authority

Jeffrey Thomas says BC Wine Authority is about independence. They report to the Minister of Agriculture through their operating agreement. BCWA has 2 functions: 1) Operate BC VQA and 2) confirm origin of grapes. They also do label enforcement on rare occasions.

Thomas reports:

- BCWA has new management hire pending.
- BCWA about to launch a new web-based tool.
- Pleased at public approval of new Golden Mile Bench sub-G.I. (geographic indicator)
 - o Explains to group that creation of this sub-G.I. consumed about 100 hours of Thomas' time, plus over 50 hours of board time
- BCWA to publish report on how to apply for sub-G.I.'s

7. Review of anonymous survey responses

Members of the Task Group were sent an online survey that they were able to respond to anonymously. The questions focused on what about BC's current system of appellations and quality assurance that Group members liked and disliked. In addition the survey asked what other regional or international systems should the Group study, and what a new system in BC would look like if we were to start from scratch.

In general the survey respondents liked BC VQA certification as a "simple" system that provides an audit trail and accountability, as well as a "minimum standard" that does not dictate the winemaking process. However, respondents dislike the fact BC wine certification is not mandatory, therefore not all wines must meet the standard. There is no industry requirement for truth in labeling, and enforcement is not consistent say respondents.

When it comes to global examples that BC should consider, respondents suggested New Zealand, Chile and VQA Ontario as their top choice, with systems in South Africa and Germany also worth exploring.

If the BC industry were to “start from scratch” survey respondents offered the following priorities. A Canada-wide set of standards that confirm a sense of place, and of authenticity and accountability. The system would be compulsory. Measures of wine quality, however, were deemed “a dangerous road” for industry, “especially if sanctioned by government.”

Discussion

The Task Group began by providing some history as to the origin of the current system. BC VQA was set up after industry appealed to government to apply standards to require the use of 100% BC fruit, and a system to certify the origin of the grapes. Prior to GATT and Canada-USA free trade (1988) the BC wine industry had a price advantage that went away after those policies were implemented.

One member of the Task Group asked if the industry was already “self-regulating” through existing checks, including tasting by sommeliers. Why do we need an appellation system at all? In response someone explained “what is BC wine?” is an important question. Having a sense of place is critical to how we understand wine. BC must address this and also have an answer for emerging regions such as Lillooet and Creston too. In all of this we must consider the consumer.

The first priority is place. After that you can have a discussion about quality, suggests a Group member. Appellation systems are about the origin of the wine. Then you can overlay details such as tonnage per acre, brix, etc. One person commented, “we’ve allowed people to market themselves as being better than BC VQA.”

Standards must be met, certification of appellation of origin must be mandatory, say Group members. Simply by opting out of BC VQA a winery can call their wines from where they like – i.e. Naramata Bench. Adds another Group member, “You must be a member of the Wine Authority. Until BCWA takes control of the appellations there’s no way to place a certified place name – Cowichan Valley, for example – on your label.”

Another Group member adds: “The consumer must know what’s in the bottle and the appellation system should define that. Quality measures can be done by a voluntary system later.”

The importance of villages was noted. “When consumer goes to Okanagan they go to Oliver and Osoyoos, not some bench.”

Question is asked: should the Task Group be discussing Cellared in Canada (CIC, or wine blended from imported non-Canadian grape juice)? A Group member responds, "Truth in labeling – some feel it has not been dealt with properly. CICs are still the elephant in the room. We have to put this issue to rest once in order to move on."

CIC not currently a part of the mandate of the BC Wine Authority as it does not use BC as appellation of origin. Unless it has a registered geographical indication (G.I.) BCWA has no control. It may be subject to federal regulation. Group suggested that we petition provincial government to raise truth in labeling with federal government.

"In the long term the consumer benefits from clarity," says a Group member. "80% of consumers think CIC is Canadian wine," adds another. Many stores place CIC wines in their "Canada" section. More work must be done with store operators to make sure BC wines are properly identified on store shelves.

"We have not told our story very well," says a Group member. "It has left room for confusion [about BC wine]." Marketing wine because it is from BC "is becoming a thing," suggests a Group member.

Group is reminded that discussion should refocus on appellations.

International wine producers put resources into testing wine for export. New Zealand is cited as a good example as it has a tribunal to certify wines for export. In Australia an industry-supported research centre tests wine – no bottle will leave the country unless approved by the centre first.

So where does BC want to go? Task Group members discuss reaching out to their respective industry associations to engage wine producers across BC.

Must industry and government capture all of the appellation names first? Ontario cited as an example to BC: "Ontario drew lines from the start; used a 'heavier hand' to enforce appellations." Group members discussed involving PARC's research on appellations.

Someone responds that industry must talk about place instead of appellation or sub-G.I.'s. "Whatever we come up with must have flexibility built in to allow for new appellations."

Sandra Oldfield letter

Comments were submitted in a letter from Sandra Oldfield (Tinhorn Creek Vineyards). Oldfield makes several points based upon her experience in applying for sub-G.I. (sub-geographical indication) status in the Golden Mile Bench, and over twenty years in the BC wine industry.

She argues that industry use one term – “sub-appellations” – to describe these viticulture areas instead of sub-G.I.’s. Oldfield thinks sub-appellations needn’t aspire to creating “distinctive” wines. The application process needs to move more swiftly within government.

Third parties, says Oldfield, not wineries themselves should be responsible for applying for sub-appellation status – this would help prevent conflict between winery owners. She is critical of the rules that allow or prevent use of the sub-appellation name on the label. Oldfield says that BCWA weaknesses include its lack of funding and the fact it is voluntary for winery license holders. She says that BCWA can improve on customer service, and goes further to say that the BCWA should be scrapped. The responsibility for enforcement of certification of origin could be managed “with a big stick” by the B.C. Liquor Control and Licensing Branch (LCLB) instead. “Truth in labeling is critical and only with a big stick can we achieve it.”

Oldfield also argues that there is value in the BC VQA brand and it should not be scrapped.

8. The Global View: remarks by Anthony Gismondi

Wine journalist Anthony Gismondi provided the Group an outsider’s perspective on the BC wine industry. Gismondi claims BC is “not in the global game yet because we haven’t finished setting up the ground rules”. His advice is to consider the interest of wine consumers first. He said that industry should use a combination of Region, Village and Vineyard to identify a wine’s origins. Wine consumers can connect to an appellation easier when a nearby village (i.e. Naramata, OK Falls) helps to place it. Every effort should be made to help consumers know who is the producer and where was the wine made, says Gismondi. “It’s about the place and the people. Good wineries get this.”

Other points by Gismondi:

- We should make better use of the term “benches” to describe BC appellations, many of which exist on geographical benches.
- “Ontario is beating BC in marketing their wines, but they have half of what we have”
- We need great viticulture maps that show the stones, rock, dirt – such as ones produced by PARC
- “If we’re about place then good maps is consistent with that pride”

9. Discussion of group work plan deliverables & mission statement

Task Group discussed then revised a proposed mission statement.

Motion: Task Group to approve the following mission statement:

“To engage the BC wine industry and use their input to recommend improvements on our system of appellations, and the certification of wine produced from 100% BC grapes.”

M/S Meyer, Triggs

CARRIED

Work Plan Discussion

Task Group discussed work plan deliverables and timelines, and requested that a communiqué on our first meeting be issued to industry no later than Thursday, April 2nd.

A website and social media channel to keep industry stakeholders informed and engaged. This will be active no later than April 17, 2015.

The Task Group agreed to meet a second time at a mutually convenient time and place during late May after initial industry outreach has taken place. A third Task Group meeting should take place no later than the first week of July, after an industry-wide survey is complete.

Key areas of discussion with industry will be BC’s appellation system, improvements to assessment panels, whether a tiered BCVQA classification is desired by industry, and the idea of mandatory participation of auditing of wine origin.

Task Group discussed industry outreach first steps that will involve direct engagement of wine producers by Task Group members and Executive Director in each of the designated viticulture areas. The goal is to seek stakeholder input as well as create awareness of – and build confidence in – the consultation process.

Additionally, the Task Group discussed the need to engage representatives of BC’s grape growing industry, the Pacific Agri-Food Research Centre (PARC), and select representatives of the restaurant and hospitality sector. The Task Group tasked the E.D. to find a mechanism for conducting industry town hall meetings for the engagement process.

The Task Group discussed the need to recruit a professional polling company to help craft and conduct an industry-wide survey. Task Group recommendations will be submitted to government in a final report based upon BC wine industry input in October 2015.

The final edited work plan will be circulated to the Task Group, with a version posted on the website.

10. Election of Vice-Chair; confirm Secretary/Treasurer

Andy Johnston chosen as vice-chair; Mike Klassen will serve as Task Group secretary and treasurer.

Motion: To elect Andy Johnston as Vice-Chair.

M/S Triggs, Coletta

CARRIED

Motion: Appoint Mike Klassen as Secretary and Treasurer.

M/S Meyer, McWatters

CARRIED

11. Motion to Adjourn

Meeting concludes at 3:35pm.