



Voluntary Report – Voluntary - Public Distribution **Date:** August 02, 2024

Report Number: CA2024-0031

Report Name: British Columbia Allows All Wineries to Use Imported Grapes and Juice for 2024 Vintage

Country: Canada

Post: Ottawa

Report Category: Agricultural Situation, Export Accomplishments - Market Access, Wine

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Report Highlights:

The Province of British Columbia announced additional temporary supports for B.C. wineries on July 25, 2024. B.C. wineries will now be able to produce B.C. wines with imported wine grapes and grape juice for vintage year 2024. The province will release additional details on the temporary supports in Fall 2024. The temporary supports will be in effect from April 1, 2025 to March 31, 2026, allowing for a 12-month sales period.

The July 25, 2024 <u>announcement</u> follows pervious announcements from the province to support B.C. wineries following a devastating January 2024 extreme cold event that decimated the 2024 Okanagan Valley wine grape crop. Industry estimates that the January event caused a 90 percent crop loss for the 2024 wine grape crop and 15 percent of grapevines were destroyed. The province previously announced a CAD 26 million vine replant program and CAD 92.6 million through the Production Insurance and AgriStability program. The first mitigation measures for the 2024 vintage announced by the province provided:

- An exemption for land-based wineries to the requirement that 25 percent of their agricultural inputs (i.e. grapes) be from their owned or leased land;
- Permit wineries to apply for a temporary waiver to the 4,500-liter minimum production requirement.

However, these measures would still have led to a very limited production of the 2024 vintage given the small 2024 B.C. wine grape crop. Wineries were concerned about their economic viability and keeping staff employed without a pathway to import grapes and juice to enable continued wine production. The temporary support will now allow all interested wineries to import wine grapes and juice to produce a 2024 vintage. While this will enable a 2024 B.C.-produced vintage, any wine produced using imported grapes or juice will not be eligible to carry the B.C. Vintners Quality Alliance (VQA) label which has strict requirements for 100 percent B.C.-grown. Industry will rework labels to ensure transparency and compliance with federal labeling regulations to reflect which wines are produced from imported grapes and juice.

Wineries will be able to secure contracts for non-B.C. grapes for the 2024 harvest and wine production. The temporary supports to address costs associated with importing grapes and juice will be in effect from April 1, 2025 to March 31, 2026; the province has provided a 12-month period for these supports for wine sales. Final eligibility requirements and details on the program will be released by the province in Fall 2024.

B.C. notes that the wine industry generates CAD 3.75 billion annually for the province and employs over 14,000 full-time workers with 350 licensed grape wine wineries. The B.C. wine industry is also integral to B.C. tourism, with over one million visitors annually to B.C. wineries. In 2023, B.C. wines accounted for a 45 percent market share of wine sales in the province.

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No Attachments.