



# SYSTEMIC SHIFTS FROM *COMEAU* AND WTO/NAFTA:

FRAMING A BC RESPONSE

Wine Talks 2 – Okanagan College  
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# Themes

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Resilience

Opportunity

Leadership

Governance

Competitiveness

# Resilience

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Systemic changes likely coming from WTO/NAFTA, or *Comeau*, or both. Can the BC industry thrive if favourable BC government programs eliminated?

- direct delivery
- markup exemption
- VQA GLS rebate
- exclusive in grocery

What does resilience mean?

- stronger balance sheets in the face of higher costs
- lean operations
- market diversification



# Opportunity

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Favourable *Comeau* decision could be life-saver for small-medium wineries (DTC), and let's not forget long-suffering CONSUMERS.

Two things to watch for:

1. If “judicial deconstruction” of liquor boards (where they act to favour domestic producers), will parts of liquor supply chain merely shift to private sector concentration instead?
2. Liquor Boards pre-emptively adjusting pricing – as NB and NS have now done on 24-can cases of beer (excluding craft). What does this mean for wine? What will BC do?

# Leadership

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BC has opportunity to be a standard-setter again for Canada (as it did post Bill C-311)

BC gov't leadership (in these uncertain times)

position BC Liquor Board for a post-Comeau Canada  
(SCC or new Canadian Free Trade Agreement)

BC wine industry leadership

Hard to find BC industry advocacy or articulation of  
value statements in the face of WTO/NAFTA and/or  
*Comeau*

What is the industry's position? What do you want/need?

What body is endorsed/empowered to speak  
for industry?

Urgency

NAFTA consultations begin **August 2017**

SCC scheduled to hear *Comeau* **December 2017**



# Governance

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In the face of external shocks like WTO/NAFTA and *Comeau*, importance of strong governance thrown into greater relief

BCWI – marketing, communications and advocacy of products and experiences

BCWA – standards-setting body

**???** - for policy and advocacy of interests of the *industry*

Alternative models out there, need to be agreed and formalised in BC

# Competitiveness

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... as a jurisdiction

BC wine market is distortionary and consumers suffer  
Regulatory, markup/tax, and supply chain adjustments  
can be made... or may be forced on the industry

... as an industry

Serving a market behind protectionist walls is not a strategy...  
and 275 wineries (in aggregate) expecting to sell through  
domestically is not a business plan

Diversify: export-led growth is the best path forward for  
the industry at large



# Questions / Contact:

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