

LIQUOR SALES AT FARMERS MARKETS

Presentation to the BC Farmer's Market Association Annual Conference
March 1, 2014

Liquor Policy Review (LPR)

- The LPR conducted last fall resulted in 73 recommendations to modernize BC liquor policy
- During the review many people advocated for craft liquor to be available at farmer's markets (like WA, OR and CA)
- The LPR recommendations also supported increased promotion and sales channels for BC manufacturers' products
- Government supported the LPR recommendations and development of enabling law, policy and systems has begun

Background: Current Manufacturing Retail Sales Channels

- A licence is required to manufacture and sell liquor in BC – licences are issued and monitored by the Liquor Control and Licensing Branch (LCLB) under the authority of the *Liquor Control and Licensing Act*
- LCLB licenses 3 types of manufacturers: breweries, wineries and distilleries (cider and sake are both considered wine for this purpose)
- Manufacturers may apply for an onsite retail store (they may also apply to serve on site by-the-glass).
- Manufacturers may also distribute their products via LDB, private retail stores, or sell to bars and restaurants.

Farmer's Market Authorization

LCLB is developing a mechanism so licensed manufacturers may sell liquor at participating farmers markets.

Basic **proposed** eligibility requirements:

- Must be a licensed manufacturer with an on-site store (no home brewers, Uvin or Ubrews)
- Manufacturers must notify the Branch to receive an authorization to sell at the market. The notification system will request information such as:
 - name and location of market;
 - market start and end times/date(s);
 - market society number;
 - Confirmation that the market land use agreement permits the sale of liquor.

Liquor at the Market

Basic **proposed** operational requirements include:

- Hours of liquor sale must fall between 9am and 11pm
- Product limitations are the same as those at the on-site store (only the manufacturers product)
- Sample sizes are the same as for the onsite store (but no sale of samples)
- Sampling must be done at the booth – walking around with samples is not permitted
- Sales person at market stand must be 19+ and have Serving it Right
- Manufacturers must post their market authorization during the market

Hosting liquor vendors (proposed)

Markets who host liquor vendors:

- Must align with the Branch definition of farmer's market
- Ensure their market land use agreement permits the retail sale and sampling of liquor
- Invite liquor vendors (or not) according to their own market principles

Draft Definition

- Definition below is derived from existing BCAFM definition. Changes (as marked) intend to define markets as temporary but regular (more permanent stores are excluded).

- A **farmer's market** is “a market comprised exclusively (100%) of vendors who make, bake, grow or raise the products they sell, of which a majority of vendors are selling farm products of British Columbia origin. Each market must:
 - be a non profit society registered under the British Columbia Societies Act,
 - have at least 6 vendors,
 - operate for at least 2 hours but no more than 7 hours per market day
 - operate for a minimum of 4 markets per year, but no more than twice per week.”

Manufacturing: Wine and Cider

- LCLB has some basic equipment and production requirements for wineries but there are several ways to determine local content/production of wine
- LDB has 2 categories of wineries : Land Based and Commercial
 - ▣ All wine from a land based winery must be made from fruit grown in BC
 - ▣ Commercial wineries typically produce blends of BC wine with imports. They *may* also produce wines that are all BC grapes- these wines may then apply to be designated BCVQA wines.
- “Cellared in Canada” wine is imported or blended wine that has been bottled in Canada or BC.
- BCVQA (Vintners Quality Alliance)
 - ▣ 100% BC grape content (BCVQA only certifies grape wines)
 - ▣ Wines have met requirements under the Wines of Marked Quality Regulations (a regulation made under the *Agri-Food Choice and Quality Act*)

Manufacturing: Beer

- LCLB and LDB do not have definitions for breweries based on size or brewing technique (there is no legal definition of “craft beer”).
- Markets who would like to invite brewers who produce “craft beer” may wish to create application questions around production level and proportion of local ingredients.
- Production:
 - Small scale production (i.e. Washington state officially defines ‘microbrewery’ as “Production of less than 60,000 barrels per year”).
 - Breweries must report production to several entities – markets may wish to establish their own definitions of small production and request production information from applicants as part of the jurying process
- Ingredients:
 - Difficult if not impossible to source 100% from BC (lack of grain production)
 - Hops is widely planted in BC so questions around types or proportions of BC ingredients may be appropriate.

Manufacturing: Spirits

- BC LDB does have an official classification for “craft distilleries”
 - ▣ must demonstrate use of traditional methodologies
 - ▣ must use 100% BC agricultural inputs in production
 - ▣ may only produce 50,000 litres of finished product annually.

- Other small batch distilleries may use the general term “craft distilling” to describe their methods. If they are not designated by LDB it may be because:
 - ▣ their product requires a specialized ingredient not available in BC
 - ▣ their process involves the use of bulk Neutral Grain Spirits which are imported then diluted and flavored using a second distilling process, flavor addition or infusion

Questions for Discussion

LCLB's intention is to create a permission system that enables the sale of liquor at farmers markets but does not change the nature of the market (e.g. to that of a wine festival).

- ▣ How do markets see this new vendor stream fitting in with the existing market?
- ▣ Would markets place limitations on liquor vendors? What would they be?

Next Steps



- Determine final elements of model and develop regulations for government approval
- Communications to markets, manufacturers and local governments