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FINAL REPORT AND  
RECOMMENDATIONS  
OF THE  
TASK FORCE ON LABELLING AND  
PRESENTATION

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May 2016



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## FOREWORD

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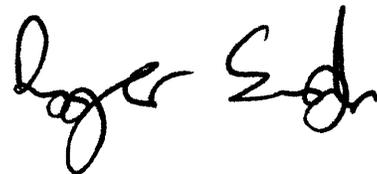
The international partnership between the University of British Columbia (UBC) in the Okanagan, Canada, and KEDGE Business School in Bordeaux, France, is intended to critically appreciate and support development of the British Columbia wine industry by bringing to bear the capabilities of universities.

This report is an output of the Task Force on Labelling and Presentation struck as part of the UBC-KEDGE project, *Position the British Columbia Wine Industry for International Growth*, which is supported by Western Economic Diversification. The aim of the project is to organize knowledge so as to help the industry to position itself internationally; in particular, so as to understand what would be required for British Columbia to emerge as a globally recognized wine region and, if industry actors so choose, so as to help them achieve that standing.

The task force comprised volunteers from wineries across British Columbia, who determined the principal areas it should concentrate upon. The report includes a summary of the task force development and its work, and presents recommendations from the industry participants.



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## ACKNOWLEDGEMENTS

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We would like to especially acknowledge the contribution of the members of the British Columbia wine industry who participated in the task force.

Thanks to those from the industry and wider community who took the time to take part and share their observations in the UBC-KEDGE town hall meetings and the 2016 Wine Leaders Forum.

This report would not have been possible without the contribution of Kim Buschert. We would also like to thank Kim Partanen, who provided research support, and Malida Mookan and Marcela Valania for their valuable comments and suggestions.

## EXECUTIVE SUMMARY

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In November 2015 the Task Force on Labelling and Presentation was struck, as part of the UBC-KEDGE Wine Industry Collaboration project, *Position the British Columbia Wine Industry for International Growth*, supported by Western Economic Diversification. The task force carried out its main work from December 2015 to March 2016.

The task force committed to engage with industry stakeholders to provide recommendations about labelling and label architecture, including the specification of origin on labelling, for all wines that are produced by wineries in BC, both those containing 100% BC grown grapes and others, for the purposes of growing international and domestic markets.

Two fundamental, inter-related points stood out in task force discussions, at town halls and at the 2016 Wine Leaders Forum:

1. Participants agreed that accuracy about origin in labelling is crucial for a wine region to be taken seriously on an international level, and that British Columbia needs to meet international standards for stating country of origin.
2. They also expressed a desire to ensure clarity in labelling and to avoid misleading consumers in both international and domestic markets.

Participants emphasized that the interim measure in the CFIA guidance allowing use of the term, “Cellared in Canada” is problematic and could stand in the way of the industry adhering to standards such as that of the International Organisation of Vine and Wine (OIV), of providing clarity in labelling and of achieving global recognition.

As a result of these concerns, the task force recommendations focus on exploring actions regarding the interim measure and joining OIV.

The industry members of the task force recommend:

1. That the following options be put to all members of the industry for it to choose amongst regarding the statement “As an interim measure, the statement ‘Cellared in Canada’ by (naming the company), (address) from imported and/or domestic wines’

may also be used as a country of origin statement for wines blended in Canada” in the CFIA guidance on Labelling Requirements for Alcoholic Beverages:

- a. Maintenance of the status quo
  - b. Removal with immediate effect
  - c. Transition to removal
2. That the industry support the removal of the statement “As an interim measure, the statement ‘Cellared in Canada’ by (naming the company), (address) from imported and/or domestic wines’ may also be used as a country of origin statement for wines blended in Canada” from the CFIA guidance on Labelling Requirements for Alcoholic Beverages
  3. In the event that the industry opts for (1)(c), above, that the transition be determined through an inclusive process across all types of wineries in British Columbia
  4. That the options be chosen amongst in a recorded vote covering all types of wineries in British Columbia
  5. That the industry pursue the possibility of participation in OIV

## INTRODUCTION

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The wine industry globally has seen the arrival of new producers and the opening of new markets for consumption. Such changes mean that wineries in British Columbia are facing tougher competition. These challenging times require adaptation to new practices, and understanding of new trends and markets.

One of the critical factors in building the foundations of a successful wine industry in any region internationally is the labelling of the region's wines, and in particular the specification of origin on labelling.

In this context, in November 2015 the Task Force on Labelling and Presentation was struck, as part of the UBC-KEDGE Wine Industry Collaboration project *Position the British Columbia Wine Industry for International Growth*, supported by Western Economic Diversification (WD), and following the UBC-KEDGE Industry Collaborative earlier that month.<sup>1</sup>

The task force committed to engage with industry stakeholders to provide recommendations about labelling and label architecture, including the specification of origin on labelling, for all wines that are produced by wineries in BC, both those containing 100% BC grown grapes and others, for the purposes of growing international and domestic markets.

The task force carried out its main work from December 2015 to March 2016. Participants determined the principal areas it should concentrate upon, and developed sub-groups to focus on chosen aspects of labelling, and on strategies for communicating with industry and other stakeholders.

This report includes a summary of the task force development and its work, and presents recommendations from the industry participants. The report will be provided to individual wineries across British Columbia, wine industry associations and other interested parties, and

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<sup>1</sup>The UBC-KEDGE Wine Industry Collaborative is held over 2 days in November of each year. It provides an opportunity for debriefing and questioning by not only wine producers but also all others with an interest in the industry.

federal and provincial ministries and departments responsible for wine labelling and wine industry policy.

## TASK FORCE OBJECTIVE AND COMPOSITION

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Setting up the task force was first proposed and agreed to at the April 2015 UBC-KEDGE Wine Leaders Forum<sup>2</sup> by the participant winery owners and principals from diverse segments of the industry. It was then incorporated into the UBC-KEDGE Wine Industry Collaboration project *Position the British Columbia Wine industry for International Growth*, supported by Western Economic Diversification.

The terms and composition of the task force were discussed and agreed to by participants at the November 2015 UBC-KEDGE Wine Industry Collaborative. The complete Terms, including the objective, composition and principles are included in Appendix A: Terms of Reference and Composition. The Terms were circulated to the BC wine industry along with the call for participants; they were also circulated to those industry members who attended the town halls that were held as part of the task force activities (as outlined below).

### OBJECTIVE

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As described in the Terms of Reference and Composition, the purpose of the task force is “to provide recommendations about labelling and label architecture, including the specification of origin on labelling, for all wines that are produced by wineries in BC, both those containing 100% BC grown grapes and others, for the purposes of growing international and domestic markets.”

(The labelling task force established as part of the UBC-KEDGE project was acknowledged to be separate from, and complementary to, the BC Wine Appellation Task Group. The latter has

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<sup>2</sup> The annual UBC-KEDGE Wine Leaders Forum was established in 2014. Held over 4 days in April each year, the Forum is designed to offer a safe, yet challenging retreat-style arena for discussion of the wine industry’s strategic concerns. It brings together winery owners and principals, international wine management expertise, government representatives, and other concerned parties.

published a statement that while of interest to the industry, International-Canadian blend (ICB) wines were not in the scope of the Appellation Task Group, and ICB wines, among other issues, may be discussed by a group facilitated by UBC-KEDGE.<sup>3</sup>)

## COMPOSITION

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The task force comprised volunteers from wineries across BC. Owners or principals able to reflect a winery's perspective and approach were encouraged to volunteer, via email invitation sent out to the UBC-KEDGE distribution list. The target was to select up to 15 industry participants, with representation from large (3), medium (4) and small (6) wineries; an additional 2 seats were allocated to ensure geographic representation if needed.

12 participants were selected: 6 small winery participants volunteered, so all were selected; 4 participants from medium wineries were randomly selected from the volunteers; and the 2 volunteer participants from outside the Okanagan were selected to ensure geographical representation. No participants were put forward from large wineries; however, ongoing discussions with them resulted in the task force being offered access to information and research. The 3 seats allocated to large wineries were kept open for them, should they choose to join at a later date. See Appendix B for the list of task force participants.

As described in the Terms, in addition to winery participants, Roger Sugden - Dean of UBC's Faculty of Management - was chair, and Jacques-Olivier Pesme - Director of the Wine & Spirits Academy, KEDGE Business School, Bordeaux - was advisor. The UBC-KEDGE project team provided additional support for information collection, dissemination and logistics.

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<sup>3</sup>BC Wine Appellation Task Group, "ICB Statement," accessed May 18, 2016 from <http://bcwinetaskgroup.ca/icb-statement/>. This statement is referred to in Appendix 2, page 42 of the BC Wine Appellation Task Group report, *Wine Industry Turning Point: Recommended Changes to the British Columbia Wines of Marked Quality Regulations*, April 2016, accessed May 18, 2016 from <http://bcwinetaskgroup.ca/wp-content/uploads/2016/04/BC-Wine-Appellation-Task-Group-Report-Amended-April-2016.compressed.pdf>.

## TASK FORCE ACTIVITIES

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The task force held meetings in November, December, January and March. Participants attended by telephone or in person. At these meetings the group agreed to the terms of reference put forward by industry participants at the November 2016 UBC-KEDGE Wine Industry Collaborative. They also organized themselves into sub-groups to consider chosen aspects of labelling, and communications to winery and other industry stakeholders. Further, they determined a process for engagement across the industry for sharing information and gathering feedback.

## LABELLING FOCUS

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Through discussion, the task force confirmed that statements of origin on labels were of particular interest to them. Furthermore, industry participants wanted to understand the regulations governing origin statements, both provincially and federally, to learn about existing international standards, and to review other work completed in Canada on this subject.

To this end, the UBC-KEDGE project team prepared and circulated a backgrounder for the task force which includes a review of the scope of the British Columbia Wines of Marked Quality regulation, a summary of key Canadian Food Inspection Agency (CFIA) guidance on origin terms for wine and products other than wine, and an overview of the Organisation of Vine and Wine International Standards. The backgrounder is provided in Appendix C: Backgrounder on Labelling Requirements for Origin Statements.

## COMMUNICATION OF TASK FORCE WORK

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At the January meeting the task force reviewed the key information. Participants wanted to disseminate findings as they pertained to regulations across the industry, so as to share the knowledge and gauge response to the material, and to collect input to be considered for the development of recommendations. It was determined that holding town hall meetings would

be the best way to reach industry representatives, and that findings should also be presented at the 2016 UBC-KEDGE Wine Leaders Forum.

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### TOWN HALLS

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6 town halls were scheduled for the week of February 29<sup>th</sup> to March 4<sup>th</sup> as follows:

Date/Time	Location
Monday, February 29 2:30pm - 4:00pm	Kelowna Okanagan Regional Library
Tuesday, March 1 10:30am - 12:00pm  2:30 pm - 4:00pm	Osoyoos Walnut Beach Resort  Penticton Penticton and Wine Country Chamber of Commerce
Wednesday, March 2 2:30pm - 4:00pm	Webinar
Thursday, March 3 10:30am - 12:00pm	Duncan Cowichan Green Community
Friday, March 4 2:30pm - 4:00pm	Keremeos The Grist Mill

Invitations were sent to the UBC-KEDGE distribution lists for wineries and others with an interest in the wine industry. The task force requested that industry associations promote the town halls to their members.

For the purposes of the town halls, the pertinent information on origin statements for labels that had been collated into the above described and appended backgrounder document was distributed to all town hall attendees. The backgrounder was also distributed widely to the

industry following the town halls, with an invitation to provide written feedback via email. In addition, for the town halls the UBC-KEDGE project team created and delivered a presentation summarizing the information in the backgrounder and providing an overview of the WD supported project.

In total, 40 individuals attended the town halls, including representatives from 27 wineries (not including task force participant wineries). Other attendees included consultants, and representatives from BC winery associations and the provincial government.

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### 2016 UBC-KEDGE WINE LEADERS FORUM

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The town hall presentation was adapted (the overview of the WD supported project was removed, and themes from the town halls added) and presented on April 5 at the 2016 Wine Leaders Forum. Additional feedback was gathered from Forum participants, to inform task force recommendations.

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## SUMMARY OF FINDINGS

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The following is a summary of the findings collated in the backgrounder document that was provided to the industry at the town halls and via email. The full document is included in Appendix C.

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### BC REGULATIONS

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The Wines of Marked Quality regulation (currently part of the Agri-Food Choice and Quality Act, which will be replaced in 2018 by the Food and Agricultural Products Classification Act<sup>4</sup>) outlines criteria for the use of geographical indications for BC wine. BC wine regulations do not cover internationally blended wine that is produced in BC, nor do they regulate the use of

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<sup>4</sup>Canada. British Columbia. Ministry of Agriculture. *Providing consumers certainty when buying B.C. organic products*, 2016. <https://news.gov.bc.ca/releases/2016AGRI0004-000212>. Bill 11 - 2016 received Royal Assent on March 10, 2016 (<https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/40th-parliament/5th-session/bills/progress-of-bills>).

the “Cellared in Canada” statement on labels. The Canadian Food Inspection Agency (CFIA) provides federal guidelines in these areas.

## FEDERAL REGULATIONS AND GUIDANCE

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CFIA defines the terms Product of Canada and Made in Canada, and provides guidance specifically for wine. Country of origin statements are required for wine. The name of the country should be used if the wine comprises at least 75% juice from grapes grown in that country. If it does not, the label must include the names of countries from which the grapes or juice or wine originate.

An additional term is permissible: “as an interim measure, the statement ‘Cellared in Canada by (naming the company), (address) from imported and/or domestic wines’ may also be used as a country of origin statement for wines blended in Canada.”<sup>5</sup> According to a CFIA communiqué to the Canadian Vintner’s Association in 2001, the “interim measure” was agreed to in 1994 by industry associations, grape growers and the CFIA, pending development of a national standard for wine.<sup>6</sup>

## WINE COUNCIL OF ONTARIO

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In 2009, the Wine Council of Ontario Industry Working Group on Label Clarity recommended that CFIA permit the use of “Blended from International and Canadian Wines” in place of Cellared in Canada.<sup>7</sup>

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<sup>5</sup>Canada. Canadian Food Inspection Agency, “Country of Origin for Wine,” *Labelling Requirements for Alcoholic Beverages*, accessed May 17, 2016, <http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/alcohol/eng/1392909001375/1392909133296>.

<sup>6</sup>Email response to UBC-KEDGE by an officer of CFIA, January 29, 2016.

<sup>7</sup>Wine Council of Ontario, *Improving Clarity for the Consumer*, 2009.

## INTERNATIONAL STANDARD

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The Organization of Vine and Wine (OIV) produces an International Standard for the Labelling of Wine, which is a “recommendation” to its 46 member states. The standard specifies that country of origin is compulsory information for wine made from grapes grown and vinified in that country, wine vinified in a different country from where the grapes originated, or wine blended from wines of different countries. Further, for blended wines, “in all cases, the countries must be displayed in decreasing order of the proportions of the assemblage.”<sup>8</sup>

## FOCUS OF DISCUSSIONS IN THE TASK FORCE, AT TOWN HALLS AND AT THE UBC-KEDGE WINE LEADERS FORUM

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Two fundamental, inter-related points stood out in the task force discussions, at the town halls and at the 2016 Wine Leaders Forum:

1. Participants agreed that accuracy about origin in labelling is crucial for a wine region to be taken seriously on an international level, and that British Columbia needs to meet international standards for stating country of origin.
2. They also expressed a desire to ensure clarity in labelling and to avoid misleading consumers in both international and domestic markets.

Participants emphasized that the interim measure in the CFIA guidance is problematic and could stand in the way of the industry adhering to standards such as that of OIV, of providing clarity in labelling and of achieving global recognition.

As a result of these concerns, the task force recommendations focus on exploring actions regarding the interim measure and joining OIV.

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<sup>8</sup>The International Organisation of Vine and Wine, *International standard for the labelling of wine*, 2015, accessed May 18, 2016 <http://www.oiv.int/public/medias/2618/oiv-wine-labelling-standard-en-2015.pdf>.

## CONCLUSIONS

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The principal conclusion from the task force deliberations is that, if British Columbia wishes to be recognized globally as an international wine region, then it needs to meet international expectations on labelling and geographical origin, and whilst the current CFIA regulations are largely in line with those expectations, the interim measure in the CFIA guidance is not.

Participants in the task force clearly recognize that the task force is made up of very few members of the industry. Accordingly, the aim of the report is to put into the public realm considerations for wider discussion and possible action across the entire industry, if the industry so chooses. Indeed, further action might include industry wide discussions at suitable venues organized by appropriate industry bodies.

## RECOMMENDATIONS

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The industry members of the task force recommend:

1. That the following options be put to all members of the industry for it to choose amongst regarding the statement “As an interim measure, the statement ‘Cellared in Canada’ by (naming the company), (address) from imported and/or domestic wines’ may also be used as a country of origin statement for wines blended in Canada” in the CFIA guidance on Labelling Requirements for Alcoholic Beverages:
  - a. Maintenance of the status quo
  - b. Removal with immediate effect
  - c. Transition to removal
  
2. That the industry support the removal of the statement “As an interim measure, the statement ‘Cellared in Canada’ by (naming the company), (address) from imported and/or domestic wines’ may also be used as a country of origin statement for wines blended in Canada” from the CFIA guidance on Labelling Requirements for Alcoholic Beverages

3. In the event that the industry opts for (1)(c), above, that the transition be determined through an inclusive process across all types of wineries in British Columbia
4. That the options be chosen amongst in a recorded vote covering all types of wineries in British Columbia
5. That the industry pursue the possibility of participation in OIV

### POST SCRIPT: INDUSTRY INITIATIVES INDEPENDENT OF THE TASK FORCE

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At the time of writing this report, representatives of the industry and others, independently of the Task Force on Labelling and Presentation organized as part of the UBC-KEDGE project, prior to the release of the task force recommendations, have made calls for the removal of the interim measure, albeit at the initiative of and with support from some task force participants. These calls include:

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#### OPEN LETTER TO THE BCWI BOARD OF DIRECTORS

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In March 2016, and without the involvement of UBC-KEDGE, a letter requesting that the BCWI support an active campaign for the removal of the interim measure was circulated for wineries to sign at a BCWI town hall.

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#### UBC-KEDGE WINE LEADERS FORUM OUTCOMES

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As an outcome of the 2016 Wine Leaders Forum, representatives of the 11 participating wineries decided to:

- Request that the BCWI board ask the minister for CFIA to put in place an 18 month sunset period on removal of the interim measure in the CFIA guidance on Labelling Requirements for Alcoholic Beverages - *“As an interim measure, the statement ‘Cellared in Canada’ by (naming the company), (address) from imported and/or domestic wines’ may also be used as a country of origin statement for wines blended in Canada”* - and in which there will be federal stakeholder industry consultations on application of the existing regulations.

- To our knowledge, this request was brought as a motion to the BCWI board meeting on Monday, April 11<sup>th</sup>, which was carried.
- Draft a letter to MPs Dan Albas and Stephen Fuhr to request that the Library of Parliament create a report on the OIV, to be shared with other like-minded MPs and from which information will be shared with Wine Leaders Forum participants, potentially leading to a request for a full parliamentary committee study.

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### ENGAGING THE FEDERAL GOVERNMENT

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On April 12, 2016, and also without the involvement of UBC-KEDGE, MP Michelle Rempel read a statement in the House of Commons, urging the standing committee on agriculture to study the effectiveness and impact of the interim measure. She had submitted a letter to this effect to the Chair of the Standing Committee on Agriculture and Agri-Food on April 11. The letter refers to the likelihood of recommendations to change the interim measure as a result of the collaborative project between UBC and the BC wine industry.

These actions were followed by a Twitter discussion on ‘truth in labelling’ under the #BCWineChat and #ONWineChat threads on April 20.

In addition, three British Columbia winery representatives traveled to Ottawa on April 18, to meet with interested Members of Parliament to request support of the Standing Committee review.

A website, <http://truthinlabelling.ca> was launched for people to petition the government to end the interim measure.<sup>9</sup> At time of writing, it was not clear how many individuals had signed the petition.

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<sup>9</sup> “truthinlabelling.ca,” accessed May 25, 2016, <http://truthinlabelling.ca/>.

## APPENDICES

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### APPENDIX A: TASK FORCE TERMS OF REFERENCE AND COMPOSITION

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#### Task Force on Labelling and Presentation: Terms of Reference and Composition

##### Objective

To provide recommendations about labelling and label architecture, including the specification of origin on labelling, for all wines that are produced by wineries in BC, both those containing 100% BC grown grapes and others, for the purposes of growing international and domestic markets

##### Indicative questions for the task force to consider\*

- What, if anything, must be mentioned about origin on labels?
- What, if anything, must be avoided on labels?
- Is it necessary to introduce or reinforce regulations?
- Does compulsory information need to be created?

\* The task force through its operation will determine the actual set of questions that it will address

##### Principles of operation

The task force needs to:

- Engage flexibly with the industry across BC
- Be proactive in engaging with and going to interested parties, e.g. regional associations
- Focus on using reason and evidence:
  - Listen
  - Challenge
- Be committed to reaching consensus, subject to reason and evidence

##### Process to determine industry participants

- Request volunteers from the wineries across BC to participate in the task force, given the principles
- Volunteers need to be winery owners or principals or those in a position to reflect a winery's perspective and approach
- Select up to 13 participants from industry volunteers:
  - Up to 3 from large wineries

- Up to 6 from small wineries, randomly selected from volunteers
- Up to 4 from medium wineries, randomly selected from volunteers

If the number of volunteers in a size category is less than the number of participants allowed for in that category, select everyone that volunteers.

Volunteers may designate one alternate, who must be specified at the first meeting.

- In addition, Jacques-Olivier Pesme and Roger Sugden may select up to 2 additional participants from the volunteers, at their discretion, if there were otherwise to be an absence of geographical representation

### Composition and roles

- The task force will comprise:
  - Up to 15 industry participants as determined by the above selection process
  - Jacques-Olivier Pesme (advisor) and Roger Sugden (chair)
- Ultimate responsibility for report drafting lies with Jacques-Olivier Pesme and Roger Sugden, in accord with the principles

### Task force support

- Task force meeting logistics, including providing remote access options, documentation, and information support (collating data, literature reviews, etc. as needed) provided by Kim Buschert (project coordinator)
- Travel funding support for task force participants
- Privileged access to the April Wine Leaders Forum for task force participants

### Task force timeline and estimated time commitment

- *September 2015 - October 2015* Data collection by UBC-KEDGE project team, including through online surveys and telephone interviews; analysis of data
- *2 and 3 November 2015* Wine Industry Collaborative on labelling and presentation task force
- *Week of 23 November* First task force meeting (remote or in-person, 90 minutes), to review and confirm terms of reference, and to discuss indicative questions and information collection process
- *Week of 14 December* Task force meeting (remote or in-person, 60 minutes), to refine indicative questions, set work plan and schedule

- *January 2016 - February 2016* Engagement by the task force across the entire industry, as determined by the task force; for example, small delegations meeting with regional associations, etc.
- *Week of 26 January 2016* Face-to-face meeting of the task force (1/2 day), for task force participants to exchange and deliberate initial findings
- *Week of 29 February 2016* Meeting of the task force (remote or in-person), to exchange findings and consider initial draft recommendations for inclusion in report
- *March 2016* Initial draft of task force report produced
- *April 2016* Initial draft of report discussed at Wine Leaders Forum
- *May 2016* Final report disseminated for action across the industry

#### APPENDIX B: LIST OF WINERY TASK FORCE PARTICIPANTS

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Evelyn Campbell, Blasted Church Vineyards	Spencer Massie, Clos Du Soleil
Ezra Cipes, Summerhill Pyramid Winery	Sandra Oldfield, Tinhorn Creek Vineyards
Penelope Furt-Roche, Roche Wines	Severine Pinte, Le Vieux Pin Winery/Lastella Winery
Andy Gebert, St. Hubertus & Oak Bay Estate Winery	Joanna Schlosser, Niche Wine Company
Andy Johnston, Averill Creek Vineyard	Bruce Schmidt, Intersection Estate Winery
Curtis Krouzel, 50th Parallel Estate	John Skinner, Painted Rock Estate Winery

APPENDIX C: BACKGROUNDER ON LABELLING REQUIREMENTS FOR ORIGIN  
STATEMENTS

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**LABELLING REQUIREMENTS - ORIGIN**  
Backgrounder

Prepared by the Task Force on Labelling and Presentation  
For the purposes of industry consultation  
February 2016

## Labelling Requirements for Origin Statements: Background

### 1. Introduction and Purpose

This backgrounder is intended to summarize British Columbia legislation, federal regulations and international standards relating to labelling of wine, specific to statements of origin. This document will be used for discussion purposes by wineries, grape growers and other interested industry participants. The Task Force on Labelling and Presentation, set up as part of the UBC-KEDGE led project, *Position the British Columbia Wine Industry for International Growth*, supported by Western Economic Diversification, will gather comments and suggestions from industry participants. These will be used to inform recommendations which will be provided by the task force to federal and provincial ministries and departments responsible for wine labelling and wine industry policy, as well as to wine industry associations.

### 2. British Columbia Legislation

#### a. BC Wine Act

The BC Wine Act was repealed on April 29th 2011, and has been replaced by the Agri-Food Choice and Quality Act under which the Wines of Marked Quality Regulation falls. Wine labelling requirements for BC VQA and BC wines of distinction are covered within this regulation.

#### b. Agri-Food Choice and Quality Act

Part 1 (section 3) of the Agri-Food Choice and Quality Act outlines its “Quality Programs” and the guidelines around prescribed words on labels. The section states a certificate holder “may use a prescribed word, name, phrase, symbol, label, mark or form of packaging, in accordance with the regulations and any conditions attached to the certificate, to describe, identify, label, advertise or market the person's agri-food product.”

The regulation referred to is the Wines of Marked Quality Regulation, which is an agri-food quality program, and the certificate mentioned is either a practice standards certificate for

wineries, and/or a wine quality certificate for wines. The Act itself doesn't comment any further on wine labeling as this information is contained within the regulation.

c. Wines of Marked Quality Regulation

Section 27 of the Wines of Marked Quality Regulation outlines the criteria for use of geographical indications for BC Wine, and Section 28 covers specific geographical indications and their use.

To use 'British Columbia or other BC geographical indications, wine must consist of 100% BC grapes. To use indications other than British Columbia, i.e., Golden Mile Bench, 95% of the grapes must be from the Golden Mile Bench.

In November 2015, the BC Appellation Task Group released its report, which includes recommendations regarding changes to the Wines of Marked Quality regulation. New sub-appellations and requirements for recognition as BC wine are part of the recommendations.

The Wines of Marked Quality regulation does not cover the use of 'Cellared in Canada', nor does it offer indications for internationally blended wine that is produced and sold in BC. Label indications for these wines fall under federal guidelines regulated by the Canadian Food Inspection Agency (CFIA).

Sources:

BC Wine Act, R.S.B.C c. 39 (1996). Retrieved from  
[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_96039\\_01](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96039_01)

Agri-Food Choice and Quality Act, S.B.C. c. 20 (2000). Retrieved from  
[http://www.bclaws.ca/civix/document/id/complete/statreg/00020\\_01#section3](http://www.bclaws.ca/civix/document/id/complete/statreg/00020_01#section3)

BC Wines of Marked Quality Regulation (2005). Retrieved from  
[http://www.bclaws.ca/civix/document/id/complete/statreg/79\\_2005](http://www.bclaws.ca/civix/document/id/complete/statreg/79_2005)

### 3. CFIA Labelling Requirements

#### a. “Made in Canada” and “Product of Canada”

According to the Canadian Food Inspection Agency (CFIA), there is a definite distinction between the terms “Product of Canada” and “Made in Canada.”

In order for a food item to be labelled “Product of Canada,” virtually all of its ingredients have to be Canadian. For wine to be labelled a “Product of Canada” it has to consist of at least 75% Canadian grapes and/or juice.

**Made in Canada** is essentially something that has been changed into a new product in Canada with contents obtained elsewhere, or a combination of Canadian and foreign products with a manufacturing connotation.

**Product of Canada** is something that contains ingredients from Canada. For something to be labelled a product of Canada, the percentage of foreign ingredients has to be insignificant (less than 2%).

The guidelines defining these two terms were established in 2008, to “help Canadians make informed choices about the products they are purchasing,” whether they are looking for products with significant amounts of Canadian ingredients, or if they want to know their purchase has been produced to Canadian standards.

Furthermore, to promote consistency, using these two terms is preferred over other terms. However, other terms such as “Roasted in Canada,” “Packaged in Canada,” “Distilled in Canada” or “Processed in Canada” are permitted, “provided that they are not false or misleading.”

Use of these terms is optional - but once used, the product must meet the conditions of the guidelines.

Country of origin for wine is covered under mandatory labelling requirements for specific products.

## b. Country of Origin for Wine

A “clear indication of the country of origin” is mandatory for wine labels.

To claim to be “of a country,” the wine must meet one of two conditions. From the labelling requirements:

- a) the wine is made from at least 75% of the juice of grapes grown in that country and it is fermented, processed, blended and finished in that country, or
- b) in the case of wines blended in that country, at least 75% of the finished wine is fermented and processed in that country from the juice of grapes grown in that country.

If the above conditions for country of origin are NOT met, the label must “describe the various origins,” for example:

- “Made in Canada from (naming the country or countries) grapes (or juices)” or
- “Blended in Canada from (naming the country or countries) wines”

An additional declaration is allowable, “as an interim measure”:

the statement “Cellared in Canada by (naming the company), (address) from imported and/or domestic wines” may also be used as a country of origin statement for wines blended in Canada.

The interim measure allowing the Cellared in Canada declaration was added in 1994, and was approved by industry associations, grape growers and the CFIA. The purpose of this statement was to meet the mandatory labelling requirements, until a National Standard of Canada was developed.

As of a 2001 CFIA communication to the Canadian Vintners’ Association, the standard had not yet been completed; therefore, the interim statement remained in effect (email response to UBC-KEDGE by an officer of CFIA, Jan. 29, 2016). At time of writing for this backgrounder, no Canadian standard covers wine labels. The standard, CAN/CGSB-177.1-96 included label requirements, but has been withdrawn.

In 2009, the Wine Council of Ontario Industry Working Group on Label Clarity recommended that CFIA permit the use of “Blended from International and Canadian Wines” in place of Cellared in Canada (Wine Council of Ontario, 2009).

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#### 4. International Organisation of Vine and Wine (OIV) - International Standard for Labelling Wines

The OIV consists of 46 member states from around the world. It produces resolutions, technical standards, best practice guidelines, statistics and analyses, which are available through its website, [www.oiv.int](http://www.oiv.int).

The International Standard for the Labelling of Wines, 2015 edition is “a recommendation from the OIV to the Member States. Its aim is to ease international exchange and to ensure fair information to consumers” (OIV, 2015).

The standard's General Measures section states, "Labelling must include compulsory information to which optional information can be added." Furthermore, it forbids any content relating to origin that is misleading. (OIV, 2015).

Section 2.5 specifies that country of origin is compulsory information for wine made from grapes grown and vinified in that country, wine vinified in a different country from where the grapes originated, or wine blended from wines of different countries.

Section 4.7 covers how the country of origin may be presented.

- For blended wines: "blend of wines from..."
- For wine vinified from grapes of another country: "wine produced in ... from grapes harvested in..."
- Comparable phrases may be used for the above.
- However "in all cases, the countries must be displayed in decreasing order of the proportions of the assemblage."

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