

GUIDELINES*

LAND BASED WINERY CRITERIA – 25% CRITERIA**

This Guideline specifically relates to the 25% criteria: in order to be a Land Based Winery, “[a] minimum of 25% of the grapes or fruit... or rice used in [the] Licensed Winery’s production is from acreage... owned or leased by the Licensed Winery”.

<p>The winery grows their own crop (i.e., grapes or fruit or rice)</p>	<p>The winery acquires/purchases the crop and they did not grow it themselves</p>
<ul style="list-style-type: none"> Any crops grown and harvested from land owned or leased by the winery and used in the production of their wine, will go towards satisfying the 25% criteria. <p><u>Under the LDB’s policy, the winery owns the land if evidence can be provided to confirm ownership such as a:</u></p> <ul style="list-style-type: none"> Land title search showing the winery on title. Statutory Declaration confirming vested ownership. Land title search showing the principals’ of the corporate winery on title. <p><u>Under the LDB’s policy, the winery has leased land if evidence can be provided to confirm:</u></p> <ul style="list-style-type: none"> The winery has an interest in the leased land. The winery holds control of the land and all the activities on it. If the winery and the lessor are at arm’s length, there is fair compensation. If the winery and the lessor are not at arm’s length, a satisfactory explanation in the lease agreement regarding the relationship between the winery and the lessor which confirms there is fair compensation between the winery and the lessor. For agricultural leases over three years, a land title search showing the lease registered, as required under the <i>Land Title Act</i>. The lease agreement and any supplemental agreements showing the winery’s address as the address for the leased land, and if the full parcel is not leased, then the address and specific piece of land must be clearly identified on a map of the land and included in the lease agreement and any supplemental agreements. There being no conditions within the lease agreement and any supplemental agreements that apply to the quality/quantity, price, or purchase of the crop; rather, risk of the crops is on the winery. 	<ul style="list-style-type: none"> Any crops the winery did not grow on land owned or leased by the winery (even if the land appears to be technically leased by the winery) will not go towards satisfying the 25% criteria. <p><u>Under the LDB’s policy, the winery cannot use crops towards satisfying the 25% criteria if:</u></p> <ul style="list-style-type: none"> The winery acquires the crops by having a service contract/purchase agreement where the winery has no claim or control of the land or other activities on the land. The winery has a service contract that has a purchase agreement component with conditions based on the quality/quantity, or price of the crops to be harvested from the land. The winery has a lease agreement with conditions that apply to the purchase of crops from the parcel of land being leased. The crops were donated, fruit sourced from the side of the road, or sourced through someone else’s production that did not come from the winery’s own land. The juice or wine were purchased. The crops, in any other way, were purchased.

* Please note: Meaderies (producing honey wine) are not required to have 25% of their production coming from land requirements, so this Guideline does not apply to Meaderies.

**See Appendix C, Land Based Winery Criteria, of the *Agreement Relating to the Direct Sale and Delivery of British Columbia Manufactured Product – Land Based Winery* for the other criteria a Licensed Winery must meet in order to be a Land Based Winery. Furthermore, manufacturers must comply with all applicable laws, statutes, regulations, bylaws, orders, directives, policies and procedures of general application imposed by the LDB or its General Manager, or by any other governmental authority which affects the importation, transport, manufacture, storage, sale, delivery or consumption of liquor or in any way related to the performance of the services the manufacturer provides. Additionally, without prior notice to a manufacturer and at the sole discretion of the LDB, government policies may be changed, and all or part of the terms and conditions of an agreement that relate to the direct sale and delivery of product between a manufacturer and the LDB may be revoked or unilaterally changed by the LDB.