



Directives regarding the production and sale of 2024 vintage replacement wines by commercial wineries

Approved By: Director, Finance (Regulatory and Compliance)

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1.0 Purpose

This memorandum sets out the BC Liquor Distribution Branch (LDB)'s directives for commercial wineries regarding the production and sale of 2024 vintage replacement wines ("2024 Replacement Wines") under the LDB's *Agreement Relating to the Direct Sale and Delivery of British Columbia Manufactured Product – Commercial Winery* ("Commercial Winery Agreement") subject to the same terms and conditions applicable to BC Vintners Quality Alliance (BC VQA) Product. This will support B.C. grape wineries to produce a 2024 vintage, maintain a viable industry, and protect jobs and retain skilled workers in the wine industry and ancillary sectors.

Note that, unless otherwise defined in this policy, capitalized terms used herein have the meaning set out in *Appendix B – Definitions* of the Commercial Winery Agreement.

2.0 Scope

This memorandum applies to all commercial wineries in B.C. producing 2024 Replacement Wines.

3.0 Directives

3.1 2024 Replacement Wines and authorized inputs

2024 Replacement Wines are a Product of a commercial winery produced with authorized inputs. Authorized inputs are:

- fully derived from the 2024 harvest, with no origin restrictions on inputs;
- purchased on or before March 31, 2025; and
- in one of the following states when coming into the possession or control of the commercial winery:
 - grapes;
 - grape juice (which, for red wines, includes must);
 - unfinished white wine after first fermentation; or
 - unfinished red wine after second (i.e. malolactic) fermentation.



In accordance with this directive, commercial wineries may conduct sales and deliveries of 2024 Replacement Wines under their Commercial Winery Agreement subject to the same terms and conditions applicable to BC VQA Product.

3.2 Eligibility requirements

To be eligible to produce and sell 2024 Replacement Wines, commercial wineries must have sold BC VQA Product between April 1, 2019 and August 31, 2024.

3.3 Packaging, registration, and labelling requirements

Consistent with existing BC VQA packaging requirements, 2024 Replacement Wines developed by commercial wineries to replace BC VQA Product must be packaged in bottles, sized only as authorized under the federal *Consumer Packaging and Labelling Act*, and are not permitted to be packaged in alternative formats such as kegs and bag-in-box. Compliance with packaging requirements will be verified by LDB Wholesale Operations during product registration.

Registration and labelling of 2024 Replacement Wines must comply with the requirements set out in the Commercial Winery Agreement and the LDB Wholesale Product Registration Policy for Liquor. Each Replacement Wine must be registered with the LDB as a net new product (i.e. is required to have a new SKU number). Any appellation of origin claims made on labels must meet the requirements of the jurisdiction from which the inputs were imported.

3.4 Reporting, remittance, record-keeping, and auditing requirements

Eligible commercial wineries must continue to provide Sales Reports to the LDB for all Product of their Licensed Establishment in the usual course (i.e. weekly), and to promptly pay the LDB applicable mark-up owing, container deposits, recycling fees, and applicable taxes based on those reported sales.

Commercial wineries producing 2024 Replacement Wines must maintain Records sufficient to confirm that they meet the Eligibility Requirements set out in this memorandum and be able to fully account for all inputs used in their production of 2024 Replacement Wines. Such Records may be subject to audit by the LDB, in accordance with the terms and conditions of the Commercial Winery Agreement.

Records relating to 2024 Replacement Wines must clearly indicate:

- the state of the input (i.e. grapes, grape juice, must, or unfinished white wine after first fermentation or unfinished red wine after malolactic fermentation) upon purchase and, for unfinished wine, the state of fermentation at the time of purchase;
- that inputs are derived from the 2024 harvest; and
- the purchase date, which must be on or before March 31, 2025.



LDB Regulatory will conduct regular monitoring to identify when wineries producing and selling 2024 Replacement Wine have reached their annual support cap for that fiscal year. When a commercial winery's combined total of mark-up concessions and rebates for 2024 Replacement Wine, BC VQA Product, and if applicable, 2025 Replacement Wines reaches 60 per cent of the winery's support cap, LDB Regulatory will notify the winery in writing. When that combined total reaches 100 per cent of the winery's annual support cap, the winery will no longer receive any mark-up concessions or rebates on sales of 2024 Replacement Wine, BC VQA Product, or 2025 Replacement Wines if applicable, for the remainder of that fiscal year. The support cap resets each year on April 1 until the 2024 Replacement Wine support period concludes on March 31, 2028 (see section 3.7).

3.5 Non-compliance

If the LDB determines that a commercial winery is purporting to produce and sell 2024 Replacement Wines and is non-compliant with the requirements of this memorandum, the commercial winery's eligibility to produce and sell 2024 Replacement Wines may be terminated effective as of the date of the non-compliance. The commercial winery will be responsible for paying to the LDB mark-up owing for sales of 2024 Replacement Wines made after the date of non-compliance. The commercial winery may also be subject to other consequences of non-compliance as detailed in the Commercial Winery Agreement.

3.6 Opting in and out of 2024 Replacement Wine supports

All wineries that received an annual support cap letter ("the letter") from the LDB are opted in to the 2024 Replacement Wine support automatically. Support caps are based on an average of mark-up concessions and rebates received by each winery between fiscal years 2019/20 and 2023/24. For commercial wineries, the annual support cap includes mark-up concessions and rebates received on all sales of BC VQA and 2024 Replacement Wines¹. Sales of 2024 Replacement Wines are eligible for inclusion in annual support caps starting April 1, 2025.

2024 Replacement Wines must be sold between April 1, 2025 and March 31, 2028 to be eligible for mark-up concessions and rebates. Any 2024 Replacement Wine sold before this date will be subject to mark-up but will not count towards the annual support cap.

Wineries that do not intend to produce and sell any 2024 Replacement Wine must contact LDB Regulatory at regemail@bcldb.com to request that they be opted out so that they are not subject to the annual support cap communicated in the letter. These requests should be made on or before March 31, 2025 and will take effect immediately upon receipt of notification.

Wineries that no longer wish to be subject to the annual support cap must contact LDB Regulatory at regemail@bcldb.com to request that they be opted out. Opt-outs will take effect at the end of the fiscal year (March 31) in which the request is made. Wineries cannot opt back into 2024 Replacement Wine supports once opted out.

¹ And for those commercial wineries also producing 2025 Replacement Wines, your annual support cap beginning April 1, 2026 will include mark-up concessions and rebates received on all sales of BC VQA, 2024 and 2025 Replacement Wines.



3.7 Conclusion of 2024 Replacement Wine supports

The temporary requirements permitting commercial wineries to produce and sell 2024 Replacement Wines as Products of their Licensed Establishment will terminate on March 31, 2028. As of April 1, 2028, commercial wineries must return to full compliance with the terms and conditions of their original Commercial Winery Agreement².

4.0 References

- [Agreement relating to the direct sale and delivery of British Columbia manufactured product – Commercial Winery](#)
- [Agreement relating to the direct sale and delivery of British Columbia manufactured product – Land Based Winery](#)
- [Consumer Packaging and Labelling Act](#)
- [LDB Wholesale Product Registration Policy for Liquor](#)

² Wineries may sell 2025 Replacement Wines until March 31, 2029 and must be in compliance with the terms and conditions of their original Commercial Winery Agreement by April 1, 2029.