Ministry of Agriculture,
Food and Fisheries

December 2004

An Overview of the

British Columbia Grape Industry

Industry Profile: Grapes in British Columbia
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Industry Description

Grape production in BC occurs in the Okanagan Valley, the Similkameen Valley, the Fraser Valley, and on the coastal islands.[4] The majority of grape acreage is planted in the Okanagan/Similkameen region. The Okanagan/Similkameen Valleys are located in the rain shadow of the Coast and Cascade Mountain Ranges; the region is an ideal site for grape production. Long, hot summers are followed by cool nights and warm days in the fall which provide perfect conditions for ripening wine grapes. Winter temperatures are usually mild with little snow cover. However, some winters can be cold and winter injury of the vines is probable from time to time.

Most of the BC grape acreage is planted to wine grapes (approximately 5,462 acres), but approximately 144 acres are planted for the fresh market. Future expansion of the BC fresh market grape industry is not anticipated. Globally, there is intense competition in the wine market because of the economies of scale achieved by large supplies in major wine producing countries.[25] These global wine companies with their corporate focus on increased profits and market share, are placing mounting pressure on small, often specialized production wineries like those in British Columbia.[25]

Major growth in the Okanagan wine industry has occurred since the US/Canada Free Trade agreement facilitated a significant vine pull-out program in 1988, after which growers replanted vineyards with premium varieties.[1] More recent expansion of the industry has occurred, in part, because of the excellent prices paid for many vinifera varieties.[4] The premium varieties combined with the excellent growing conditions are resulting in the quality of Okanagan wines dramatically improving as the industry becomes more established.[1]

Most grapes are harvested by hand, but machine harvesting accounts for almost 25% of the acreage, especially on large blocks. Hand harvesting is still an important component on most of the acreage. Harvest season begins in September and continues through to the end of October.

Ice wine is the product that distinguishes BC from most other wine growing areas of the world. BC is famous for its ice wine and while not a major portion of the crop is harvested as ice wine, it brings excellent publicity to the industry. Approximately 1.5% of the crop is harvested as ice wine. Temperatures must be at least -8°C for a period of several hours before harvest can begin. The berries must be frozen solidly and often the crop is picked during the night under lights and with frozen fingers. Some years, the crop is not harvested as ice wine as the winter is too mild.

Significance

Production Volume

- Canadian wine grape production is concentrated in Ontario, BC and Quebec with minimal industry activity elseware.[26]
- Specifically, the two leading wine grape regions in Canada are the Niagara Peninsula in Ontario and the Okanagan Valley in BC.[26]
- BC produces approximately 33% of Canada's grapes and is ranked 2nd behind Ontario in production volume.[6]
- BC grape production is dominated by wine grapes; they account for 97% of the volume and value of the industry. (See Table 1.)
- There are approximately 5,462 acres of wine grapes growing in BC[27], with approximately 49 cultivars currently produced.[18] (See Appendix A, Table A1for a listing of the different cultivars, tonnage, and total value.)
- The acreage is almost evenly split between red and white grapes. (See Table 2.)
- There are about 144 acres of fresh market grapes are planted in BC.[27]

Table 1: BC Grape Production and Farm Gate Value, 2002

Market	Volume ('000 lbs)	% of Total Volume	Value ($'000)	% of Total Value
Fresh Market Grapes - Wholesale	753	3%	646	3%
Fresh Sales – Farm and Roadside	75	0%	93	0%
Processed Sales (Wine)	30,506	97%	22,474	97%
Total	31,334	100%	23,213	100%

Source: BC Ministry of Agriculture, Food and Fisheries. Agriculture Statistics

Table 2: Okanagan/Similkameen Acres in Grapes, 2004

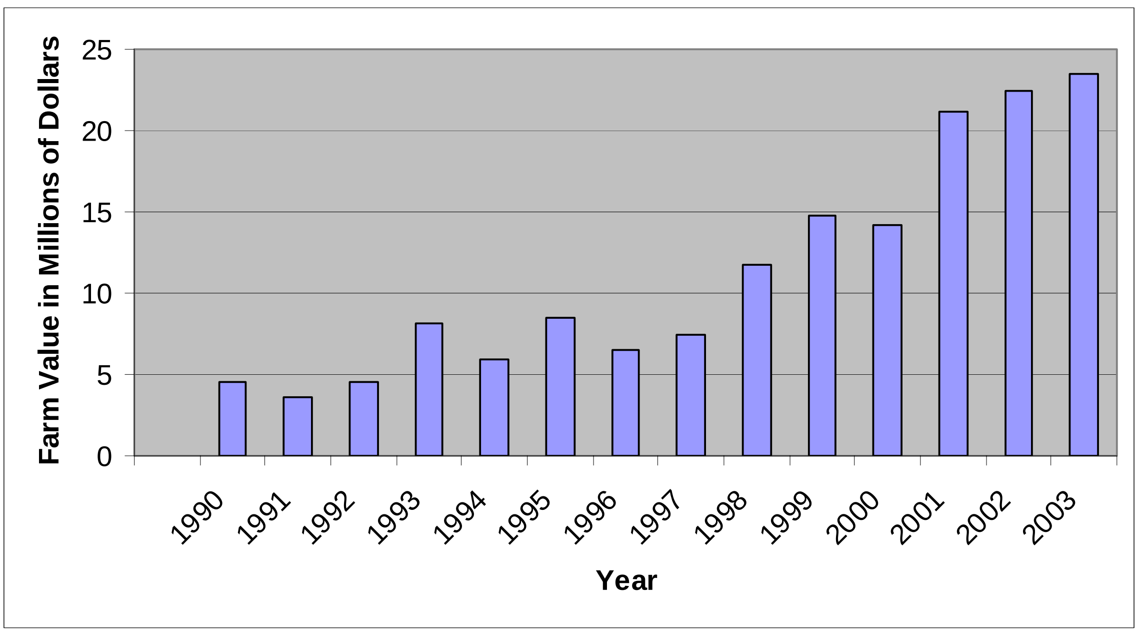
	Acres	Percentage of Total
White Grapes	2,762	50.56%
Red Grapes	2,700	49.44%
Total	5,462	100%

Source: BC Grape Acreage Report.[27]

Gross Revenue

- In 2003, there were 16,897 tons of wine grapes harvested with a farm gate value of $23.5 million. (See Figure 1.) (Also see Appendix D, table D1 for annual production and farm gate values for the last 13 years.)
- Production and crop value is increasing rapidly as the recently planted acreages mature. (See Appendix C, Table C1 for how much the acreage of the main varieties has grown since 1995.)
- Production is expected to peak within a few years.

Figure 1: Value of Wine Grape Production



Source: BC Wine Institute

- In 2001, white grape growers received an average price of $0.66 per pound, while red grape growers received $0.77 per pound. (See Table 3.) On average, growers saw a decrease in their price between 2000 and 2001.

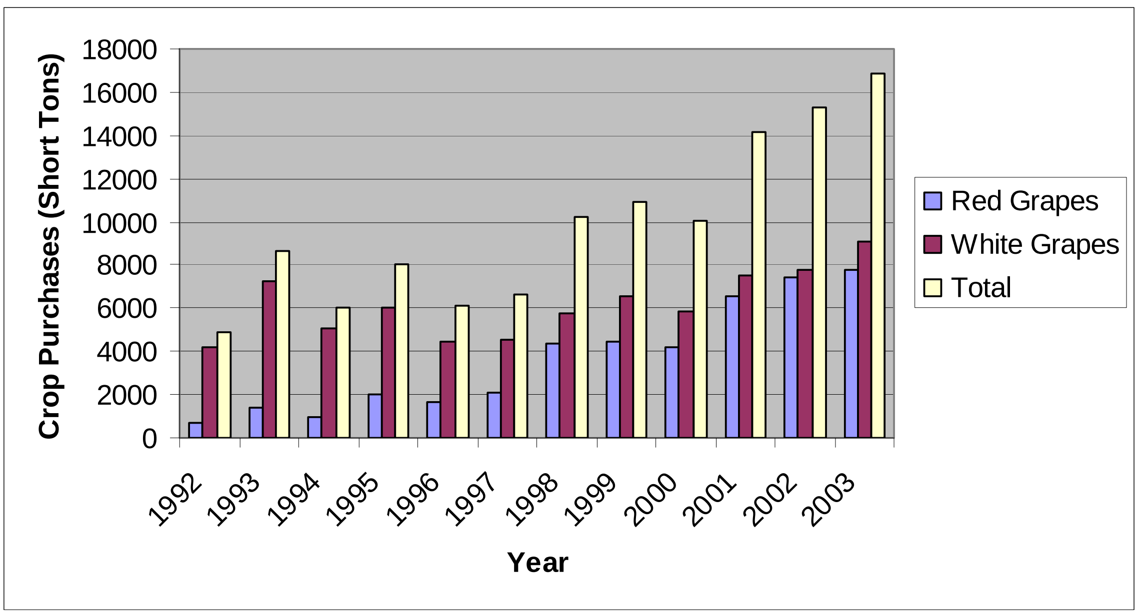
- "Merlot", a vinifera cultivar is the main red grape with tonnage in 2003 of 2,794.36 and a value of $4,749,498. "Chardonnay", a hybrid French cultivar is the main white grape with a tonnage of 2,344.13 and a value of $3,084,273. (See Appendix A, Table A1 for more information on the 2003 grape variety crush data. See Appendix C, Table C2 for a breakdown on the acreages of each variety and its percentage of the total.)
- Figure 2 shows how the market share of red and white wine grapes has changed over the years. In 1992, the market was dominated by white grapes; now the volume of red and white wine grapes is nearly balanced.

Table 3: BC Average Price $/lb

	1999	2000	2001
White Grapes	0.62	0.64 ↑	0.66 ↑
Red Grapes	0.71	0.79 ↑	0.77 ↓
Total	0.66	0.79 ↑	0.75 ↓

Source BC Ministry of Agriculture, Food and Fisheries - Horticultural Statistics

Figure 2: Volume of BC Wine Grape Production (short tons)



Source: BC Wine Institute

Employment

- There are approximately 1,534 full time direct jobs as a result of the BC grape industry.[18]
- In addition, approximately 1,441 jobs are indirectly created by BC grape production, marketing and sales.[18]
- More than $23 million is paid out annually in salaries and wages.[1]

Structure

Number of Producers

- There are 229 vineyards operated by independent grape growers and 139 owned by vineyards as of March 2004.[18] (See Table 4.)

Table 4: BC Winery Owned Acreage vs. Independent Grape Growers

	Number	**Acres**	**% of Total**
BC Winery Owned Vineyards	139	3,671.60	67.2%
BC Independent Grower Vineyards	229	1,790.87	32.8%

Source: BC Grape Acreage Report.[27]

- There are 31 growers of fresh market grapes, 14 exclusive to the fresh market, 17 also producing wine grapes according to the 1999 BC Wine Institute Statistics.
- There are around 90 wineries of various sizes located throughout BC. Table 5 provides an overview of the grapes processed by large, medium, and small wineries. (See Appendix B for a full list including locations.)
- Large wineries are defined as those processors who process more than 5% of the total aggregated crush used by all processors, medium-sized wineries are those who are not registered as either small or large processors, small wineries (processors) are those processors who process less than 1.5% of the total aggregate reported crush of all processors.

Table 5: Crop Processed by Type of Winery (Short Tons)

Year	Large Winery	Medium-sized Winery	Small Winery	Total
2003	9,514	5,670	1,713	16,897
2002	8,904	4,325	2,024	15,253
2001	9,386	3,305	1,446	14,137
2000	6,080	2,813	1,129	10,022
1999	6,221	3,553	1,183	10,957
1998	5,040	4,816	332	10,188
1997	2,510	3,456	637	6,603
1996	2,480	3,181	441	6,102
1995	3,227	4,294	497	8,018
1994	2,865	2,825	345	6,035
1993	4,849	3,590	213	8,652
1992	2,611	2,079	160	4,850

Source: BC Wine Institute

Size of Operations

- Close to 50% of the vineyards owned by wineries are less than 10 acres in size. (See Table 6.)
- Over 80 percent of the independent vineyards are less than 10 acres in size. (See Table 7.)
- The average winery owned vineyard size is 26.4 acres while the average independent grower vineyard size is 7.7 acres.[27]

Table 6: BC Winery-owned Vineyards by Size

Acres	Number	Percentage
0.00-3.00	13	9.4%
3.01-5.00	18	13.0%
5.01-10.00	33	23.7%
10.01-20.00	25	18.0%
20.01-40.00	22	15.8%
40.01+	28	20.1%
Total	**139**	**100%**

Source: BC Grape Acreage Report.[27]

Table 7: BC Independent Grower Vineyards by Size

Acres	Number	Percentage
0.50-3.00	62	26.7%
3.01-5.00	60	25.9%
5.01-10.00	67	28.9%
10.01-20.00	34	14.7%
20.01-40.00	8	3.4%
40.01+	1	0.4%
Total	**232**	**100%**

Source: BC Grape Acreage Report.[27]

Industry Concentration

- In BC, grapes are grown in the Okanagan Valley, the Similkameen Valley, the Fraser Valley, on Vancouver Island and on other coastal islands.[8]
- The Okanagan Valley, in southern British Columbia, is the largest and oldest grape growing region in BC dating back to the mid 1800s.[14]
- 4 distinct viticulture areas (VA) are located in 2 distinct wine-growing regions.[14]
  - The Interior Region: Okanagan and Similkameen valleys
  - The Coastal Region: the Fraser Valley, Vancouver Island and Gulf Islands.
- The Interior valley wineries are estimated to produce 95 percent of the province's wine.[14]
- The largest wine grape producing areas are in the South Okanagan near Oliver and Osoyoos (approximately 56% by area) but there are also a large number of vineyards from Okanagan Falls to Summerland (approximately 20%) and the balance are in Kelowna, Vernon and coastal regions.[4] Table 8 shows the wine grape acreage of each region.
- The largest fresh market grape producing area is Kelowna/Westbank with 65% of the acreage in BC.[27] Table 9 shows the fresh grape acreage by region.
- There are about 80 acres in organic production with another 86 acres in transition. (See Table 10.) It represents 3% of the total acreage.

Table 8: BC Grape Acreage/Vineyards by Region

Region	**No. of Vineyards**	**Acres**	**% of total**
Oliver/Osoyoos	102	3,061	56%
Kelowna/Westbank	52	607	11%
Penticton/Naramata/Kaleden	81	525	10%
Okanagan Falls	27	380	7%
Similkameen Valley	13	207	4%
Vancouver Island	25	190	4%
Peachland/Summerland	26	168	3%
Lake Country/Vernon	13	101	2%
Gulf Islands	8	95	2%
Lower Mainland/Fraser Valley	9	69	1%
Spallumcheen/Shuswap	9	34	Less than 1%
Other BC Regions	6	25	Less than 1%
Total	371	5,462	

Source: BC Grape Acreage Report.[27]

Table 9: BC Fresh Market Grape Acreage by Region

Area	Acres	Percentage of total
Kelowna/Westbank	93	65%
Oliver/Osoyoos	31	22%
Lower Mainland/Fraser Valley	10	7%
Similkameen Valley	6	4%
Vancouver Island	2	1%
Lake Country/Vernon	1	Less than 1%
Okanagan Falls/Penticton/Summerland	1	Less than 1%
Total	144	100%

Source: BC Grape Acreage Report.[27]

Table 10: BC Organically Grown Wine Grapes

Organically grown grapes at present	80 acres
In transition for Organically grown within 2 years	86 acres
Percentage of Total Wine Grapes to be Organically Grown	3%

Source: BC Grape Acreage Report.[27]

The BC and World Wine Market

- Among wine producing countries, Canada has one of the smallest domestic market shares.[26] Many wine producing countries such as the US, France and Australia among others have domestic market shares well over 85%.[26]
- The country of origin for wine sales in BC in order of importance are:
    1. Canada,
    2. Australia,
    3. Italy,
    4. The US,
    5. France,
    6. Chile.[21]
- Table 11 shows that in 2003, 51% of the wine consumed in BC originated from Canada.
- Table 11 shows that the greatest growth in the BC wine market was wine from Australia and Italy.[21] Sales of Australian produced wine increased by 27% and 19% for Italian wine sales.
- The main market for BC produced wine is BC.
- Between 1999 and 2002 there was an average annual growth rate of 6% in sales of wine (wine from any origin). [21]
- Between 1999 and 2002, red wine consumption overtook that of white wine.[21]

Table 11: BC Wine Market – VQA Category vs. the World (red and white wine only)

Ranking	Category	Market Share	2003 Cases	2002 Cases	% Change
1	Canada Non VQA	38%	1,517,863	1,431,884	6%
2	Canada VQA	13%	522,101	447,457	17%
3	Australia	12%	466,253	368,360	27%
4	Italy	9%	382,671	320,303	19%
5	USA	9%	381,595	342,028	12%
6	Chile	7%	290,685	302,649	-4%
7	France	6%	246,134	266,377	-8%
8	South Africa	2%	62,307	57,954	16%
9	Germany	1%	49,392	47,001	5%
10	Argentina	1%	39,524	38,597	2%
11	New Zealand	.4%	17,296	16,150	7%

Source: BC Wine Institute.[25]

- Table 12 looks at the wine imports by wine type from the US and the EU. The two areas account for a significant portion of the wine imports into BC. Red wine is the main import; it accounts for more than half of the imported wine.
- Improvements in quality for BC wines will help displace these imported products.

Table 12: Wine Imported into BC, 2003

Sparkling Wine	**Value (CDN$)**	**Quantity (LTR)**
From US	$532,949	114,551
From EU	$4,610,423	537,669
Total into BC	$5,526,190	726,770
White Wine		
From US	$7,317,335	5,584,413
From EU	$8,463,552	2,527,366
Total into BC	$28,617,720	13,872,383
Red Wine		
From US	$10,839,812	4,942,990
From EU	$21,895,743	5,491,932
Total into BC	$60,227,245	18,782,608

Source: BC Stats – Ministry of Management Services

- Table 13 looks at the export of BC produced wine. The biggest export market is to the US. A portion of BC wine is exported to the European Union (EU).

Table 13: BC Wine Exports, 2003

	Value (CAN$)	**Quantity (LTR)**
BC wine exported to the US	$1,021,715	74,614
BC wine exported to Japan	$653,561	148,696
BC exported to the EU	$108,929	10,687
BC wine exported to anywhere in world	$3,158,137	1,089,344

Source: BC Stats – Ministry of Management Services

Some World Wine Trends

- Australian vineyard planting peaked in 1999 with a 50% expansion from 1999-2002.[20]
- The number of wineries in New Zealand has doubled since 1995.[22]
- There continues to be an increasing trend for red wine consumption.[25]

Industry Organizations

British Columbia Wine Institute (BCWI)
It was created by an act of the provincial legislature in 1990. It serves as an industry/government initiative to ensure the industry can be competitive in world markets.[2]
Website: http://www.winebc.com/

Vancouver Island Vintners Association (VIVA)
Contact: Janet Docherty (Secretary-Treasurer)
c/o Merridale Ciderworks
Telephone: (250) 920-9453
Fax: (250) 744-1697
Website: www.islandwineries.ca

Vancouver Island Grape Growers Association (VIGGA)
Contact: Fraser Smith (President)
Telephone: (250) 652-0852
Fax: (250) 652-0835

Independent Grape Growers Association of BC
Ph: 250-498-2786, Fax 250-498-2786
E-mail: hbuchler@vip.net
R.R.#2, Site 53, Comp. 6, Oliver, BC,
V0H 1T0

BC Independent Grapegrowers Association
PO Box 2462, Stn R Kelowna, BC, V1X 6A5
Courier: 5671 Anderson Rd, V1X 7V4
Ph: 250-762-4652 Fax 250-765-7820
E-mail: info@grapegrowers.bc.ca
Website: www.grapegrowers.bc.ca

Canadian Vinters Association

Suite 200 - 440 Laurier Avenue West
Ottawa, Ontario K1R 7X6 Canada
Telephone: 613-782-2283
Fax: 613-782-2239
E-mail: info@canadianvintners.com

Performance/Direction

- 2003 yielded another large crop of 32 million lbs.[7]
- Overall the cash receipts declined in 2003 by 5.7% because of a combination of Canada's low exchange rate, the huge crop that came out of the US, and lower market prices.[7]

Some Industry Trends

- Grape acreage has increased from approximately 1,100 acres in 1989 to approximately 5,462 acres in 2004.
- Grape volumes are projected to continue to increase over the next several years.[17]
- This period of rapid growth is expected to level off over the next period of time until markets and production become sustainable. Table 14 looks at the projected grape and wine production between 2004 and 2008. Growth is expected for the next five years.

Table 14: Potential BC Grape and Wine Production

Year	Acreage in Full Production + Two Year Old Plantings	**Potential Tonnage** (@ 4.0 tons/acre full and 2.0 tons/acre two year old plantings)	**Potential Liters of Wine** (@ 600 liters/short ton)
2004	4831 + 177	19,679	11,807,400
2005	5008 + 205	20,443	12,265,800
2006	5214 + 249	21,352	12,811,200
2007	5462 + 423	22,697	13,618,200
2008	5886 + 178	23,900	14,340,000

Source: BC Grape Acreage Report.[27]

- Between the years of 1999 and 2004 there was an increase in the percentage of grape acreage planted in: Oliver, Osoyoos, Peachland, Summerland, Lake Country, Vernon, Spallumcheen, Shuswap, Vancouver Island and the Gulf Islands.[27]
- On the other hand, the percentage of grape acreage plantings decreased in the following areas: Kelowna, Westbank, Penticton, Naramata, Kaleden, Okanagan Falls, the Similkameen Valley, the Lower Mainland and the Fraser Valley.[27]
- From 1990 to 2004 the number of BC Wine Institute member wineries grew from 20 to 83.[18]
- Between 1999 and 2004 Independent vineyards increased from 105 to 229.[18] Table 15 shows the growth over the five year period.

Table 15: Independent Vineyard Growth

Year	1999	2001	2002	2003	2004
# of Vineyards	105	212	217	226	229

Source: BC Wine Institute

- There are currently 59 wineries in the Okanagan/Similkameen in operation, 27 coastal wineries and 4 in other areas of BC to make up a total of 90.[27]
- Currently there are 20 potential wineries with licenses pending.[27]
- The average size for a winery is decreasing due to land value and availability for large grape acreages as well as an increase is smaller operating wineries.[27]

Grape Value Chain

- Figure 3 provides a schematic overview of BC's wine grape industry structure. It shows how grapes move through the different wineries, through the different outlets, and to the final consumer.
- Large wineries are those that process more than 5% of the total aggregated crush used by all processors. Medium sized wineries are those that are not registered as either small or large processors. Small wineries are those that process less than 1.5% of the total reported aggregate crush.
- In 2003, the large wineries processed 56% of the crop, medium wineries 34% and small wineries 10%.
- Figure 4 provides a schematic overview of the fresh grape industry. Grapes are sold to either BCTF or ProFresh, who in turn sell them to produce wholesalers. From there they enter the various grocery store chains. There are 31 fresh grape growers. About 3% of grapes go into the fresh market.

Figure 3: The Wine Grape Industry Value Chain

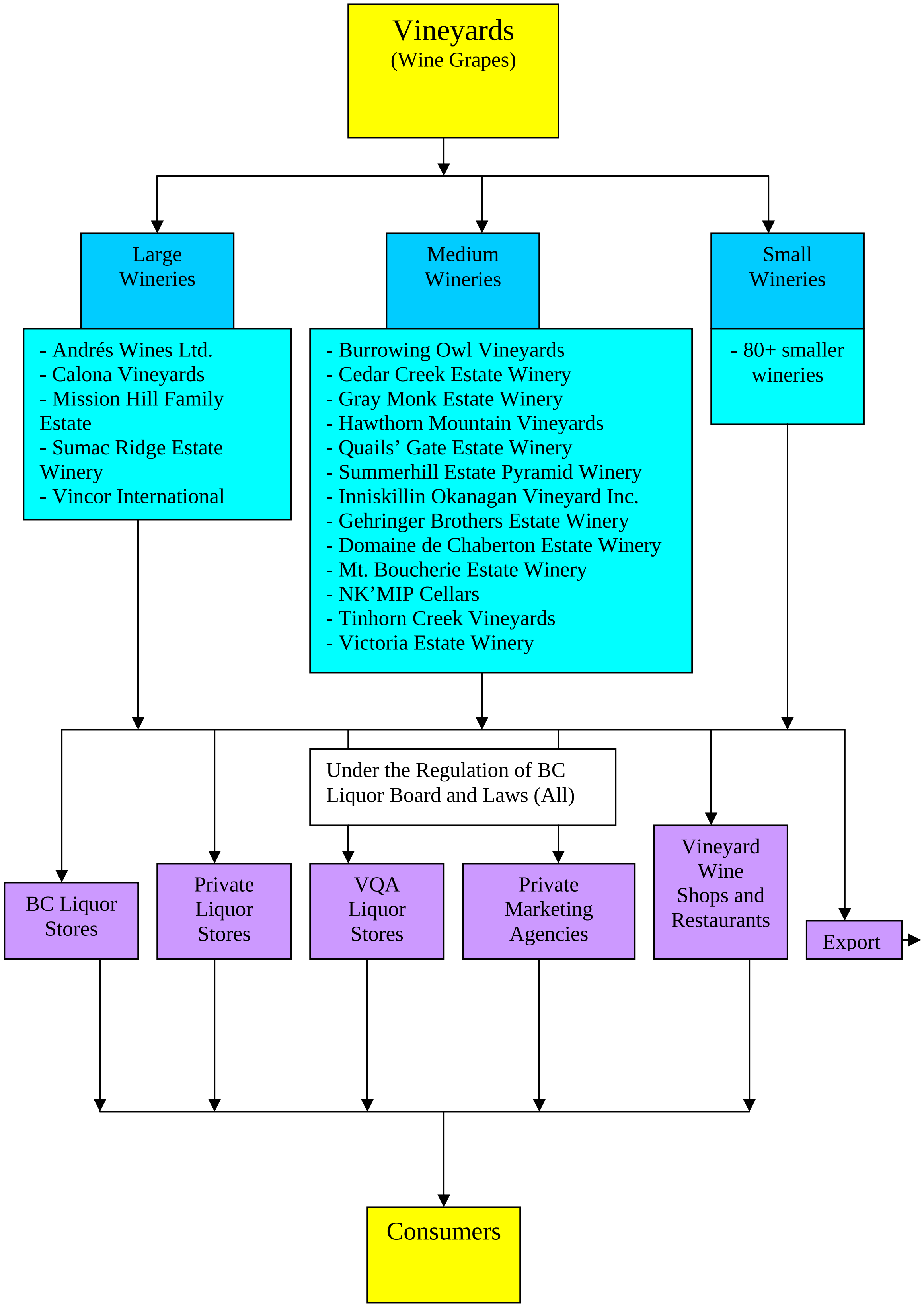
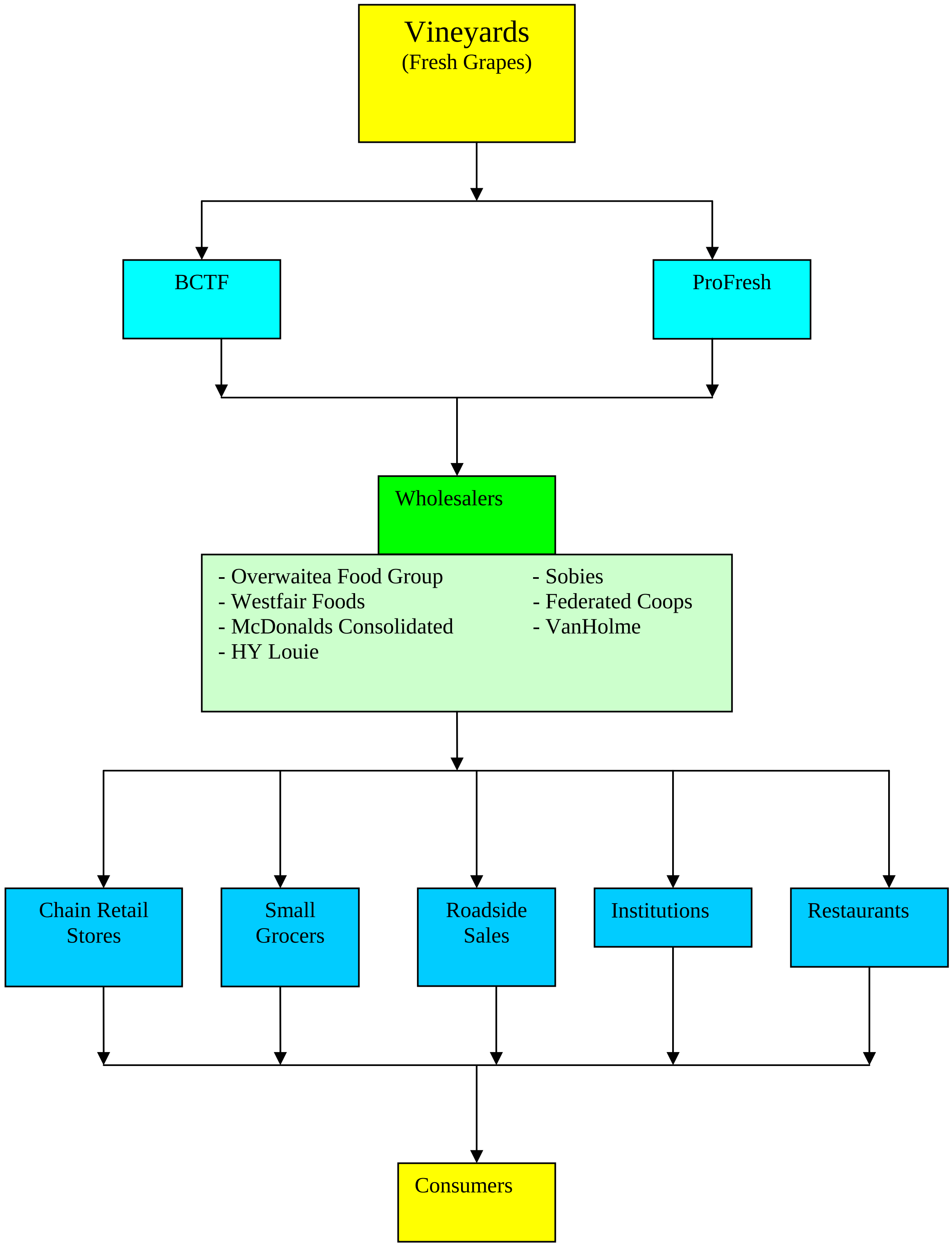


Figure 4: Fresh Market Grapes Industry Value Chain



Marketing

- 90% of the retail liquor market is controlled by the BC Liquor Distribution Branch.[21]
- The BC Wine Institute is a major force for promotion and marketing programs for the industry.
- A major thrust of the BC Wine Institute and the wineries are the various wine festivals throughout the province, particularly during the fall harvest period in the Okanagan.
- Both large and small wineries also often have major promotion and selling programs of their own.
- Many small wineries work with restaurants in the province to feature BC wines on their wine lists.

Regulatory Framework

- The BC Grape Industry operates under a number of different legislative acts. (An overview can be seen in the Challenges: Regulatory Issues Section.)
- There is no central marketing board or quota system for the BC grape industry.

Research, Technology and Innovation

UBC's Wine Research Centre

- It was created in 1999.
- On February 13th, 2004 it was announced that a $3.1 million grape gene sequencing project funded by Genome Canada and Genome Spain would soon be underway at UBC.[11]

Pacific Agri-Food Research Centre (PARC) Summerland

- The Agriculture and Agri-Food Canada research centre has current research projects on crop diversification, viticulture, post harvest pathology, soil fertility and plant chemistry, integrated control, insect behavior ecology, IPM, and pesticide resistance as well as numerous projects on biotechnology that may be of benefit to grape growers in BC.

Canadian Agri-Food Research Council

- IPM research on grapes

Challenges

Marketing Issues

- Highly competitive market here in BC (like elsewhere around the world).[25]
- Lack of national, enforceable wine standards.[17]
- Growers need to make informed decisions regarding planting for future market demand.
- Growers need to find ways to bridge the financial gap between planting and productive harvest.[17]
- There are a diverse number of marketing channels.
- Organizing and co-ordinating wine tourism.[25]
- Lower levels of government support as compared to other countries.
- Distribution challenges in getting wine from winery to retail market.[25]
- Increased discounts to liquor retail stores.[25]
- Its difficult for BC wineries to compete with imported wines being sold in large quantities and often lower prices.[25]

Trade Issues

- Many other countries can ship wine of equal quality, quantity and price. It makes it especially important for BC to focus on producing premium quality wines for defined markets.[25]

Regulatory Issues

The Grape Industry is under a variety of government regulations as follows:

Provincial Government

Ministry of Agriculture, Food and Fisheries -

- *Plant Protection Act* – "The Act provides for the prevention of the spread of pests destructive to plants in British Columbia including the powers of inspectors and the authority to establish quarantine areas"
- *Farm Practices Protection Act* (Right to Farm) – "The Act ensures that farmers can farm in the agricultural land reserve by protecting them from nuisance lawsuits, nuisance bylaws and prohibitive injunctions when they are using normal farm practices."
- *Soil Conservation Act* – "The Act is intended to protect soil on land in an agricultural land reserve by regulating its removal & the placement of fill."
- *Weed Control Act* – "The Act places responsibility for control of noxious weeds upon occupiers of land."
- *Food Products Standards Act* – "This Act allows the Province to establish compositional and quality standards for processed foods"
- The Invasive Plant Strategy – "This strategy builds co-operation and co-ordination to protect BC's environment and minimize negative social and economic impacts caused by the introduction, establishment and spread o invasive alien plants."

- *BC Wine Act* – created the BC Wine Institute

Ministry of Skills, Development and Labour

- *Employment Standards Act* – "The Act is sets out the minimum standards for workers in British Columbia."
- *Workers Compensation Act* – "The Act sets out safety related criteria and conditions for all workers in BC."

Ministry of Sustainable Resource Management

- *Environmental Management Act* – "This Act provides the ministry with the authority to manage protect and enhance the environment. The Act also requires the preparation of plans for flood control, drainage, soil conservation, water resource management, fisheries and aquatic life management, wildlife management, waste management, and air management. The Act provides for the regulation of some environmental assessments, the issuance of environmental protection orders; the declaration of environmental emergencies and the allocation of required resources to control emergencies and the recovery of moneys spent during an emergency from the responsible party."
- *Land Commission Act* – "The Act regulates land in the Agricultural Land Reserve (ALR)."

Ministry of Water, Land and Air Protection

- *Fish Protection Act* – "The protection of all fish inhabited waterways."

Federal Government

Agriculture and Agri-Food Canada –

- *Canada Agriculture Products Standards Act* – Fresh Fruit and Vegetable Regulations: Regulations respecting the grading, packing and marking of fresh fruit and vegetables

Health Canada –

- *Pest Control Products Act* – "Requires that all products imported, manufactured, sold or used in Canada to control pests must be registered."

Opportunities

- Expansion of the U-vine/home winery market.
- National and provincial wine standards are being developed. These will help increase the competitiveness of BC wines by establishing clear and consistent standards for quality and labeling. It should increase the access to export markets.
- Great opportunity to increase market share in BC, Alberta and Manitoba.[25]
- Increasing direct sales has possibilities for the future of the wine industry.[25]
- BC is beautiful wine country, appealing to tourists – wine tourism.[25]
- Potential to increase sales in VQA stores – unique to VQA category.[25]
- Opportunities for increasing direct sales to consumers.[25]
- Marketing opportunities through the BC Liquor Distribution Board, who is willing to provide space and support for such endevours.[25]
- Expansion of successful on premise programs with chefs.[25]

Government Actions or Initiatives

BC Wine Act **–** "The purpose of this Act is to establish the British Columbia Wine Institute, which may establish standards for wines, manufactured from grapes grown in British Columbia."[28]

Agri-Food Futures Fund – a joint federal/provincial initiative within the Canada-British Columbia Framework Agreement on Agriculture Risk Management.

Agricultural Land Reserve (ALR) – 1973-1976, the ALR was created to protect the declining agricultural land in BC. The primary objective is to "preserve agriculture land and encourage the establishment and maintenance of farms" and the secondary objective to: "create parks, acquire greenbelts and assemble land for urban and industrial uses". Currently the ALR is approximately 4.8 million hectares and have not fluctuated significantly from this number since its establishment.[23]

Industry Actions or Initiatives

BC Wine Institute – Government/industry organization in charge of the establishment of standards for 100% of BC wine, the certification for compliance with these standards and support programs for the industry.

Vinters Quality Alliance (VQA) – in order to be certified VQA member wineries must follow specific standards and certification criteria.

Useful Publications for Growers

<u>Resource Manual for Grapegrowers and Winemakers</u> – Produced by the BC Wine Institute, December 2001
<u>Management Guide for Grapes for Commercial Growers</u> – Produced by the BC Ministry of Agriculture, Food and Fisheries and the BC Wine Institute, 2000/2001 (newer updates)
<u>Financial Planning Information for Establishing a Vinifera Wine Grape Planting: Okanagan Region</u> – Produced by the BC Ministry of Agriculture, Food and Fisheries, revised November 2000

Conclusions

- BC is the second largest grape producing province in Canada, behind Ontario.[6]
- As the wine industry continues to grow and develop there remain new opportunities for marketing and trade.
- Due to global market pressures, expanding the BC market share for BC wines and increasing market share of BC wines in other provinces may be the some of the best options for industry growth.
- There is a huge global supply of wine right now and many new global wine companies pushing for increased profits and market share, this makes it important

for the comparably small BC market to focus on defined markets and the making of premium wines.

- Consolidation of the retail market and more promotional activities for BC wines could aid in increasing market share.
- There may be opportunities for expansion of the small (144 acre) fresh grape market, with more promotion and new varieties.
- Agri-tourism and direct sales offer more opportunities for growers to capture more of the consumer dollar and keep in touch with consumer demands.

Industry Specialist Responsible

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Appendices

Appendix A: Grape Crush

Table A1: 2003 Grape Crush Data

Variety	Color	Type	Tonnage	Total value
Agria	Red	Vinifera	7.00	-
Auxerrois	White	Vinifera	146.16	$172,077
Bacchus	White	Vinifera	126.41	$158,244
Baco Noir	Red	Hybrid (French)	40.18	$27,730
Barbera	Red	Vinifera	8.78	$17,382
Bath	Red	Hybrid (American)	0.00	-
Cabernet Franc	Red	Vinifera	671.4	$1,087,027
Cabernet Sauvignon	Red	Vinifera	1,077.14	$1,875,409
Chancellor	Red	Hybrid (French)	141.00	$126,902
Chardonnay	White	Vinifera	2,344.13	$3,084,273
Chasselas	White	Vinifera	25.85	$29,004
Chelois	Red	Hybrid (French)	0.00	-
Chenin Blanc	White	Vinifera	31.79	$39,874
Dornfelder	Red	Vinifera	0.00	-
Dunklefelder	Red	Vinifera	4.71	$7,509.00
Ehrenfelser	White	Vinifera	211.79	$247,332
Gamey Noir	Red	Vinifera	469.73	$624,948
Gewurztraminer	White	Vinifera	911.58	$1,246,253
Kerner	white	Vinifera	67.94	$90,391
Lemberger	Red	Vinifera	16.66	$21,453
Madeleine Angenvine	White	Vinifera	62.35	$57,750
Madeleine Sylvaner	White	Vinifera	45.38	$49,204
Marechal Foch	Red	Hybrid (French)	48.07	$32,576
Merlot	Red	Vinifera	2,794.36	$4,749,498
Michurinetz	Red	Hybrid (Polish)	3.50	$4,200
Misc. Red Hybrids	Red	Hybrid	1.94	$4,272
Misc. Red Vinifera	Red	Vinifera	85.72	$172,649
Misc. White Hybrid	White	Hybrid	0.00	-

Table A1: 2003 Grape Crush Data Continued

Variety	Color	Type	Tonnage	Total value
Misc. White Vinifera	White	Vinifera	4.38	$6,243
Muller Thurgau	White	Vinifera	97.57	$114,929
Muscat	White	Vinifera	13.47	$15,869
Nebbiola	Red	Vinifera	0.00	-
Optima	White	Vinifera	36.67	$48,889
Ortega	White	Vinifera	42.15	$36,158
Pearl of C'saba	White	Vinifera	7.10	$7,349
Pearl of Zala	White	Vinifera	0.00	-
Pinot Blanc	White	Vinifera	1,139.67	$1,322,895
Pinot Gris	White	Vinifera	1,057.62	$1,397,584
Pinot Meunier	Red	Vinifera	48.96	$57,185
Pinot Noir	Red	Vinifera	1,185.84	$1,677,039
Pinotage	Red	Vinifera	1.70	-
Reichenstein	White	Vinifera	13.20	$13,200
Riesling	White	Vinifera	575.67	$678,341
Rotberger	Red	Vinifera	11.81	$17,708
Rougeon	Red	Vinifera	31.49	$34,642
Samtrot	Red	Vinifera	0.00	-
Sangiovese	Red	Vinifera	13.99	$26,730
Sauvignon Blanc	White	Vinifera	616.60	$762,473
Scheurebe	White	Vinifera	44.87	$44,872
Schonberger	White	Vinifera	47.38	$56,653
Semillion	White	Vinifera	132.77	$145,885
Seyval Blanc	White	Hybrid (French)	60..	$6,000
Siegerrebe	White	Vinifera	26.57	$31,941
Siegfriedrebe	White	Hybrid (German)	0.00	-
Sovereign Coronation	Red	Hybrid (Canadian)	0.00	-
Sovereign Opal	White	Hybrid (Canadian)	49.54	$48,305
Sylvaner (Silvaner)	White	Vinifera	0.00	-
Syrah/Shiraz	Red	Vinifera	294.47	$532,824
Trebbiano	White	Vinifera	0.00	-
Verdelet	White	Hybrid (French)	3.36	$3,990
Vidal	White	Hybrid (French)	15.90	$16,013

Table A1: 2003 Grape Crush Data Continued

Variety	Color	Type	Tonnage	Total value
Viognier	White	Vinifera	35.85	$46,760
Zinfandel	Red	Vinifera	14.64	$21,954
Icewine Chardonnay	White	Vinifera	5.50	$8,297
Icewine Cabernet Franc	Red	Vinifera	13.10	$13,100
Icewine Ehrenfelser	White	Vinifera	24.74	$27,503
Icewine Gamay	Red	Vinifera	0.00	-
Icewine Gewurztraminer	White	Vinifera	7.25	$10,598
Icewine Kerner	White	Vinifera	5.81	$9,849
Icewine Merlot	Red	Vinifera	6.00	$5,700
Icewine Pinot Blanc	White	Vinifera	8.13	$10,859
Icewine Pinot Noir	Red	Vinifera	2.50	$3,750
Icewine Riesling	White	Vinifera	116.24	$149,702
Icewine Seyval Blanc	White	Hybrid (French)	0.00	-
Icewine Verdelet	White	Hybrid (French)	0.00	-
Icewine Vidal	White	Hybrid (French)	52.00	$62,390
Late Harvest Pinot Noir	Red	Vinifera	1.00	-
Late Harvest Riesling	White	Vinifera	0.00	-
Late Harvest Kerner	White	Vinifera	0.00	-
Late Harvest Other	White	Vinifera	0.00	-
Late Harvest Merlot	Red	Vinifera	29.10	$51,488
Total			**15,175.17**	**$21,451,624**

Source: BC Wine Institute, 2003

Appendix B: BC Wineries

Table B1: List of Wineries (as of 2004)

Winery Name	Location
Adora Estate	Summerland, BC
Alderlea Vineyards	Duncan, BC
Andrés Wines Ltd	Port Moody, BC
Arrowleaf Cellars	Lake Country, BC
A'very Fine Wine Boutique Buried Treasure Vineyard	Abbotsford, BC
Bella Vista Vineyards	Vernon, BC
Benchland Vineyards	Penticton, BC
Black Hills Estate Winery	Oliver, BC
Blasted Church	Okanagan Falls, BC
Blossom Winery	Richmond, BC
Blue Grouse Vineyards and Winery	Duncan, BC
Blue Mountain Vineyards and Cellars	Okanagan Falls, BC
Bonaparte Bend Winery Ltd.	Cache Creek, BC
Burrowing Owl Winery	Oliver, BC
Calona Vineyards	Kelowna, BC
Calliope Vinters	Summerland, BC
Carriage House Wines	Oliver, BC
Cascadia Brands Inc.	Vancouver, BC
Cedar Creek Estate Winery	Kelowna, BC
Chalet Estate Vineyards	North Saanich, BC
Chateau Wolff	Nanaimo, BC
Chateau Ste. Claire Estate Winery	Peachland, BC
Cherry Point Vineyards	Cobble Hill, BC
Columbia Gardens Vineyards and Winery	Trail, BC
Columbia Valley Classics Winery	Lindell Beach, BC
Crooked Vines Winery	Okanagan, BC
Crowsnest Vineyards	Cawston, BC
Divino Estate Winery	Cobble Hill, BC
Domaine Combret Estate Winery	Oliver, BC
Domaine de Chaberton Estate Winery	Langley, BC
Domaine Renegade	Nanaimo, BC
East Kelowna Cider Company	Kelowna, BC
Echoing Green Vineyard & Winery	Sicamous, BC
Echo Valley Vineyards	Duncan, BC
Elephant Island Orchard Wines	Naramata, BC
Fairview Cellars	Oliver, BC
First Estate Cellars	Peachland, BC
Garry Oakes Vineyard	Salt Spring Island, BC
Gehringer Brothers Estate Winery	Oliver, BC
Gersighel Wineberg	Oliver, BC
Glenterra Vineyards	Cobble Hill, BC
Glenungie Vineyard	Langley, BC
Godfrey Brownell Vineyards	Duncan, BC
Golden Mile Cellars	Oliver, BC

Table B1: List of Wineries (as of 2004) Continued

Winery Name	Location
Granite Creek Estate Wines	Tappen, BC
Gray Monk Estate Winery	Okanagan Centre, BC
Greata Ranch Vineyards	Kelowna, BC
Hainle Vineyards Estate Winery	Peachland, BC
Hawthorne Mountain Vineyards	Okanagan Falls, BC
Hester Creek Estate Winery	Oliver, BC
Hillside Estate Winery	Penticton, BC
House of Rose	Kelowna, BC
Hunting Hawk Winery	Armstrong, BC
Inniskillin Okanagan Vineyard Inc.	Oliver, BC
Jackson Triggs (Vincor International)	Oliver, BC
Kettle Valley Winery	Naramata, BC
La Frenz Estate Winery	Penticton, BC
Lake Breeze Vineyards	Naramata, BC
Lang Vineyards	Naramata, BC
Larch Hills Winery	Salmon Arm, BC
Laughing Stock Vineyard	Naramata, BC
Mark Anthony Cellars Ltd	Vancouver, BC
Marshwood Estate Winery	Quadra Island, BC
Merridale Cider Works	Victoria, BC
Merridale Estate Cidery	Cobble Hill, BC
Mission Hill Family Estate	Westbank, BC
Mt. Boucherie Estate Winery	Kelowna, BC
Newton Ridge Vineyards	Saanichton, BC
Nichol Vineyard	Naramata, BC
NK'MIP Cellars	Osoyoos, BC
Orofina Vineyard	Okanagan, BC
Osoyoos Cellars	South Okanagan, BC
Paradise Ranch Wines Corp.	Vancouver, BC
Peller Estates/Andre Wines	Port Moody, BC
Peberton Valley Vineyard Inc.	Pemberton, BC
Pêntage Winery	Penticton, BC
Pinot Reach Cellars	Kelowna, BC
Poplar Grove	Penticton, BC
Port Winery Company Inc.	Langley, BC
Quails' Gate Estate Winery	Westbank, BC
Recline Ridge Vineyards & Winery	Tappen, BC
Red Rooster Winery	Naramata, BC
Saint Hubertus Estate Winery	Kelowna, BC
Saint Laszlo Vineyards	Keremos, BC
Salt Spring Island Vineyards	Salt Spring Island, BC
Sandhill	Kelowna, BC
Saturna Island Vineyards	Saturna Island, BC
Scherzinger Vineyards	Summerland, BC
Silver Sage Winery	Oliver, BC
Slamka Cellars	Kelowna, BC

Table B1: List of Wineries (as of 2004)

Winery Name	Location
Stag's Hollow Winery and Vineyard	Okanagan Falls, BC
Sumac Ridge Estate Winery	Summerland, BC
Summerhill Estate Puramid Winery	Kelowna, BC
Thornhaven Estate Winery and Callipe Vinters	Summerland, BC
Tinhorn Creek Vineyards	Oliver, BC
Township 7 Vineyards and Winery	Langley, BC
Venturi-Schulze Vineyards	Cobble Hill, BC
Vicori Winery	Saanichton, BC
Victoria Estate Winery	Brentwood Bay, BC
Vigneti Zanatta Winery	Duncan, BC
The Vineyard at Bowen Island B&B	Bowen Island, BC
Wild Goose Vineyards & Winery	Okanagan Falls, BC
Winchester Cellers	Saanich Pennisula, BC
Yellowpoint Vineyard	Ladysmith, BC

Source: Wines Northwest. British Columbia Wineries – A Complete and Up-to-date List. 2004

Appendix C: Variety Significance

Table C1: 2003 Grape Crops in Order of Size (Short Tons)

Variety	2003	2002	2001	2000	1999	1998	1997	1996	1995
Merlot	3,003	2,853	2,432	1,346	1,423	794	454	341	351
Chardonnay	2,562	2,062	2,085	1,547	1,720	1,483	946	794	948
Other	1,487	1,234	964	865	700	1,939	575	641	932
Pinot Noir	1,325	1,454	1,296	892	982	630	536	454	609
Pinot Blanc	1,237	1,131	1,309	826	963	804	630	594	780
Cabernet Sauvignon	1,153	1,024	938	568	511	257	152	76	93
Pinot Gris	1,139	1,167	929	604	554	289	203	161	135
Gewurztraminer	1,018	899	765	521	561	472	417	297	467
Cabernet Franc	720	686	620	511	622	500	326	147	129
Reisling	681	559	478	433	523	731	606	692	825
Sauvignon Blanc	627	384	349	190	197	89	-	-	-
Gamay Noir	528	454	472	254	235	204	87	-	-
Ehrenfelser	271	182	221	218	339	280	178	276	392
Auxerrois	158	193	190	196	316	320	267	293	403
Semillon	145	115	77	62	53	71	39	61	78
Chancellor	141	121	138	87	114	134	159	143	319
Bacchus	126	162	152	186	216	190	176	168	274
Marechal Foch	114	113	175	98	121	129	167	154	134
Chenin Blanc	99	92	71	65	73	93	60	71	77
Muller Thurgau	98	107	76	83	102	95	66	97	163
Kerner	73	72	74	90	95	96	70	74	116
Baco Noir	59	78	56	115	141	156	107	135	248
Optima	50	35	53	52	46	53	-	-	-
Pinot Meunier	48	53	49	37	46	12	-	-	-
Verdelet	18	6	17	48	48	112	109	215	198
Vidal Blanc	16	17	151	128	256	255	273	218	347
Total	**16,897**	**15,253**	**14,137**	**10,022**	**10,957**	**10,188**	**6,603**	**6,102**	**8,018**

Source: BC Wine Institute

Table C2: BC Grape Variety Acreages and Percentages

Variety - Reds	**Acreage**	**% of Reds**	**% of Total**
Merlot	918	34%	16.81%
Pinot noir	569	21%	10.41%
Cabernet Sauvignon	435	16%	7.97%
Cabernet Franc	202	8%	3.70%
Shiraz (Syrah)	198	7%	3.62%
Gamay noir	142	5%	2.61%
Other Red Varieties (20+)	239	9%	4.38%
Total Red	2,700	100%	49.5%
Variety - White	**Acreage**	**% of Whites**	**% of Total**
Chardonnay	676	24%	12.37%
Pinot Gris	454	16%	8.30%
Gewurztraminer	389	14%	7.12%
Pinot Blanc	310	11%	5.67%
Riesling	236	9%	4.32%
Sauvignon blanc	218	8%	4.00%
Ehrenfelser	63	2%	1.15%
Other White Varieties (22+)	416	15%	7.61%
Total White	2762	100%	50.5%
Total Grapes	5,462	100%	100%

Source: BC Grape Acreage Report.[27]

Table C3: BC VQA Varietal Breakdown – BC Market

Wine Blend	$ per Litre	2003 Litre Sales	2002 Litre Sales	% Change	% Share
Chardonnay	$18.54	604,272	546,460	11%	13.26%
Merlot	$21.43	494,704	361,875	29%	10.85%
Blended White	$13.51	471,652	491,046	-4%	10.35%
Blended Red	$16.00	466,371	386,097	21%	10.23%
Pinot Gris	$19.40	408,974	256,919	59%	8.97%
Gewürztraminer	$18.14	310,794	250,271	24%	6.82%
Pinot Noir	$20.80	309,296	256,738	20%	6.79%
Pinot Blanc	$16.30	301,838	274,922	10%	6.62%
Riesling	$16.74	152,728	151,484	1%	3.35%
Sauvignon Blanc	$17.82	119,451	98,773	21%	2.62%
Cabernet Franc	$20.28	115,321	92,248	25%	2.53%
Cabernet Sauvignon	$22.01	106,155	82,963	28%	2.33%
Germanic White	$16.10	91,885	95,663	-4%	2.02%
Red Premium Blend	$24.94	86,437	77,006	12%	1.90%
Hybrid Red	$22.78	74,294	70,160	6%	1.63%
Auxerrois	$15.09	64,058	73,494	-13%	1.41%
Ehrenfelser	$17.73	58,346	71,840	-19%	1.28%
Gamay Noir	$16.83	50,496	43,467	16%	1.11%
Red Vinifera	$28.80	48,005	20,280	137%	1.05%
Blush	$14.64	42,798	45,227	-5%	0.94%
Sparkling	$30.87	42,321	41,327	2%	0.93%
Late Harvest	$40.31	33,095	27,659	20%	0.73%
Ice Wine	$156.14	31,529	37,702	-16%	0.69%
White Premium Blend	$15.50	29,486	21,106	40%	0.65%
Chenin Blanc	$19.15	25,242	24,182	4%	0.55%
White Vinifera	$21.69	4,566	5,982	-24%	0.10%
Port	$39.79	3,353	3,081	9%	0.07%
Pinot Meunier	$20.24	3,317	4,612	-28%	0.07%
Semillon	$20.17	3,021	2,559	18%	0.07%
Chancellor	$16.05	1,946	4,709	-59%	0.04%
Hybrid White	$16.58	1,706	395	332%	0.04%
	Ave: $19.54	**4,557,457**	**3,920,247**	**Up 16%**	**100.00%**

Source: BC Wine Institute.[25]

Appendix D: Production Value

Table D1: Value of Wine Grape Production

Year	Tons	Farm Gate Value (Millions of $)
1990	4,827	4.5
1991	3,843	3.6
1992	4,850	4.5
1993	8,652	8.1
1994	6,035	5.9
1995	8,018	8.5
1996	6,102	6.5
1997	6,603	7.4
1998	10,188	11.8
1999	10,957	14.8
2000	10,022	14.2
2001	14,137	21.2
2002	15,253	22.5
2003	16,897	23.5

Source: British Columbia Wine Institute, 2004

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