

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



Recommendation to the Minister of Agriculture Regarding the Potential Designation of a New Sub-Geographical Indication for “Skaha Bench”

January 28, 2019

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



Executive Summary

Under section 56(1) of the *Wines of Marked Quality Regulation* (the “**Regulation**”) certain geographical indications (“**GIs**”) and sub-geographical indications (“**Sub-GIs**”) have been prescribed for use as appellations of origin on BC Wines of Distinction (including all BC VQA wines). These GIs and Sub-GIs include “British Columbia”, “Similkameen Valley” and “Okanagan Valley”. Sections 54, 55, 57 and 59 of the Regulation provide certain rules regarding the permitted and required uses of all prescribed GIs and Sub-GIs. In particular, only qualifying BC wines of distinction are permitted to utilize any of the prescribed GIs and Sub-GIs as appellations of origin, and all BC VQA wines must display at least one of the prescribed GIs or Sub-GIs.

It was not intended that the list of prescribed GIs and Sub-GIs be restricted for all times. Rather, under subsection 9(3), the Regulation provides that the Authority is to develop a process for recognizing and prescribing new Sub-GIs in the Regulation and to make recommendations to the Minister of Agriculture (the “**Minister**”) for related amendments to the Regulation.

On September 14, 2018, the Authority received an application from a group of proponents requesting that a new Sub-GI under the name of the “Skaha Bench” be prescribed in the Regulation (the “**Application**”).

As is further detailed below, following a review of the Application, the Authority has concluded that the Application meets the requirements of subsection 9(3) and the Authority is recommending to the Minister that the Application, as submitted, be approved and that a new Sub-GI of “Skaha Bench”, with boundaries as they have been proposed in the Application, be prescribed through an amendment to the table of prescribed GIs and Sub-GIs found in paragraph 56(1)(b) of the Regulation.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



1. Requirements for Approval and the Authority's Review and Assessment of those Requirements

While subsection 9(3) of the Regulation requires the Authority to establish a process to review applications for new Sub-GIs, the subsection also sets out a non-exhaustive list of the criteria that the Authority must specifically consider when reviewing any such application. These prescribed criteria are:

1. The proposed Sub-GI must represent an area that is geographically distinct and has clearly defined boundaries;
2. Appropriate consultations must have taken place within the region of the proposed Sub-GI and there must not have been any credible objections that claim that the proposed Sub-GI is not distinctive;
3. Grape production within the proposed Sub-GI must have reached commercially viable levels;
4. At least two-thirds of the Members within the proposed Sub-GI, who produce at least two-thirds of the total production of wine made from grapes grown in that Sub-GI must have voted, by ballot, in favour of the proposed Sub-GI; and
5. At least two-thirds of grape growers in a proposed Sub-GI, who produce at least two-thirds of the total grape production in the Sub-GI, must have voted, by ballot, in favour of the proposed Sub-GI.

The Authority interprets the requirements of subsection 9(3) as not being exhaustive. The application process is application-specific and, consistent with its overall duties and functions, the Authority takes other relevant factors into account in its review of any application. These other factors include a consideration of the name being proposed for the Sub-GI. The Authority will review the proposed name to ensure that it is reasonable and appropriately descriptive of the actual geographical location of the area under consideration, and will not be confusing to consumers because of a lack of any connection to the Sub-GI's actual location, or it has an unnecessary or inappropriate similarity to other geographic areas or place names with no connection to the actual location.

Further, in interpreting and applying the requirements of subsection 9(3), the Authority is generally guided by the following considerations:

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



- Subsection 9(3) generally exists to facilitate the creation of new Sub-GIs, not to prevent their creation. Therefore the Authority considers that its requirements must be interpreted in a manner that is generally facilitative of that objective, and not should not be interpreted so as to create thresholds that are so high as to never be realistically attainable; and
- British Columbia’s wine regions are relatively new by world standards, with relatively few vines in excess of 30 years of age. Generally, vineyards tend to express greater *terroir*-related effects over time, as the vines age and producers identify distinctive characteristics and work to enhance *terroir* through adoption of specific *terroir*-enhancing production practices. In contrast, many Old World appellations have been producing wine for many decades, in some cases centuries, and consequently producers in these appellations have been able to identify, develop and demonstrate distinctive *terroir*-related characteristics through many dozens if not hundreds of vintages. That being the case, the Authority is of the view that it would not assist the overall development of the BC wine industry to apply overly rigorous “Old-World-style” appellation requirements to a relatively new and still developing industry.

These considerations are not only taken into account in the interpretation of the basic requirements of subsection 9(3), but they also affect the “level of proof” that proponents need to provide in any application. To the extent that proponents are required to demonstrate that certain requirements of subsection 9(3) are met, it is the Authority’s view that such requirements must only be demonstrated “on a balance of probabilities”. Absolute scientific certainty or proof beyond all reasonable doubt is not required.

Each of the elements specified in subsection 9(3) as they are applied to the Application are reviewed in turn below. As part of the discussion concerning each element, an overview of how the Authority generally interprets and applies each element is also provided.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



2. The proposed Sub-GI must represent an area that is geographically distinct and has clearly defined boundaries

2.1 Overview of the Authority's Procedures

Paragraph 9(3)(a) requires that a proposed Sub-GI must represent an area that is geographically distinct, with clearly defined boundaries. With regard to this requirement, the Authority will review the area of the proposed Sub-GI with regards to its geographic distinctiveness for viticulture purposes. This will include a consideration of all applicable geographic elements such as soils, topography and mesoclimate, along with the appropriateness and administrative feasibility of the boundaries being proposed. Underlying paragraph 9(3)(a) is the belief that geographic differences can result in subtle differences in growing conditions, which in turn affect flavour profiles in grapes and potentially produce organoleptically distinct wines.

The Authority interprets geographic distinctiveness to mean that at least some geographical aspects of the proposed area are distinct relative to the areas immediately adjacent to the proposed Sub-GI. It is those aspects of geographic distinctiveness that must then be used to define the proposed boundaries – that is, the proposed boundaries cannot be arbitrary, or even approximate, but instead must definitively outline the unique geography of the proposed area of the Sub-GI. Those boundaries must also be clearly delineated and practical for the Authority to administer from a regulatory compliance and audit perspective.

The specific factors that may be necessary to prove geographic distinctiveness are highly variable and will be unique to each area and each application. Consequently, they can only be assessed on a case-by-case basis. However, a proposed area need not be distinct from immediately adjacent areas in all geographic aspects. In fact, such a situation of absolute distinctiveness will rarely be present in nature. It is to be expected that in most if not all cases a proposed area will have at least some geographical aspects in common with its immediately adjacent areas. For example, many appellations within the Côte d'Or in Burgundy clearly share some important geographic features with their immediate neighbours (mesoclimate and growing degree days, for example) but are also geographically distinct from their immediate neighbours in other respects (such as slope, drainage, aspect or soil type) which results in subtle differences in growing conditions and which, over the course of hundreds of vintages, have been shown to produce organoleptically distinct wines.

Importantly, paragraph 9(3)(a) does not require that distinctiveness be demonstrated on a qualitative basis – that is, a proponent is specifically *not* required to demonstrate that the area of

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



a proposed Sub-GI is superior to its adjacent areas for grape growing in any respect. The Authority does not require nor undertake any such qualitative assessment of geographic factors, nor can approval of an application be taken to be, or be portrayed by a proponent to be, confirmation by the Authority that a proposed area is superior in some respects to other areas. “Distinct” in this context simply means “different”. It does not mean “better”.

A proponent is required to initially submit appropriate evidence that is sufficient to reasonably demonstrate the claimed geographic distinctiveness of the proposed area. Such evidence is expected to normally include expert opinion, produced and provided at the proponent’s expense. In conducting its review of the information provided by the proponent the Authority may also consult its own independent expert to review and evaluate that information if considered necessary in the circumstances, but the Authority does not initially undertake this work on a proponent’s behalf.

2.2 Details of the Application

With regard to this requirement the Application relies on the work of Mr. Scott Smith and Dr. Pat Bowen. Mr. Smith is a well-known Soil Scientist formerly with Agriculture Canada’s Pacific Agri-Food Research Centre in Summerland (“**PARC**”). Dr Bowen is a Research Scientist at PARC, specializing in the areas of Viticulture and Plant Physiology. The Application includes an extensive technical report on the area of the proposed Sub-GI and its boundaries prepared by Mr. Smith and Dr. Bowen. A boundary map, technical characterization and rationalization for the delineation were included as part of this report. A copy of a map showing the boundaries of the Sub-GI as proposed by Mr. Smith and Dr. Bowen is attached hereto as Appendix 1.

The proposed Sub-GI covers an area of just under 365 hectares, 20 percent of which is currently under vine (75 hectares). The starting point for Mr. Smith’s and Dr. Bowen’s evaluation was the area initially outlined by the BC Wine Appellation Task Group (the “**Task Group**”) in its conceptual map of potential Sub-GIs within the Okanagan Valley. The proposed area for Skaha Bench is roughly defined as the bench lands along the east side of Skaha Lake.

In the opinion of Mr. Smith and Dr. Bowen, the area of the proposed Sub-GI has a unique terroir that combines climatic, topographic and soil characteristics that influence the development and performance of grapevines, including the compositional development of fruit that determines wine quality. The soil type used for agriculture on the Skaha Bench is the Olhausen soil series.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



The proposed Sub-GI is composed of a single landscape element – the Late Pleistocene aged glaciolacustrine terrace (or “bench”). The origin of this glaciolacustrine terrace and the nature of its surface relate to the period at the end of the last ice age during deglaciation when the temporary Glacial Lake Penticton existed some 12,000 to 10,000 years ago on the floor of the Okanagan Valley, including the area currently along the east side of Skaha Lake.

There is only a limited record of climate data for the area. The temperature conditions on the Skaha Bench appear to fall between those for Summerland to the north and Osoyoos to the south. In 2017, growing degree-day accumulations greater than 10°C at Summerland, Osoyoos and the southern portion of the Skaha Bench were 1420, 1600 and 1500 respectively. During the growing season, average daily air temperatures tend to be slightly higher on the Skaha Bench than at Penticton airport largely due to warmer minimum temperatures as the result of the slightly elevated nature of the Bench above the valley floor. The dominantly west-facing slopes of Skaha Bench vineyard sites have excellent air drainage that is assisted by the dissecting gullies and undulating topography that provide pathways through which cold air drains down to the lake shore.

2.3 The Authority’s Assessment

The Authority undertook a review and assessment of the information provided by the proponents in support of their claim to geographic distinctiveness. This included an interview of Mr. Smith wherein members of the Authority’s Board reviewed the methodology utilized by Mr. Smith and Dr. Bowen in developing their conclusions.

Mr. Smith and Dr. Bowen are acknowledged experts in soils, soil science and grape growing in the Okanagan Valley. The Authority has always found them to be objective and credible. There are likely no better qualified individuals in the Okanagan Valley to opine on these issues. The science on which they based their conclusions is considered to be sound and the Board found no reason to question their judgement or conclusions regarding the geographic distinctiveness of the proposed Sub-GI in any respect.

As noted, it is the Authority’s view that a proposed area need not be distinct from immediately adjacent areas in all geographic aspects. The Authority fully expects that in most cases a proposed area will share at least some geographical aspects with its immediately adjacent areas. The proposed area does have some geographic aspects in common with its neighbours, including growing degree days, hours of sunshine and annual rainfall; however, the geographic differences are clear and plainly support the conclusion that the area as proposed is geographically distinct.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



It is also important to note that the Authority is making no qualitative assessment here. The Authority has only concluded that, based on the evidence provided, that the proposed Sub-GI is geographically distinct from the areas adjacent to it. It offers no opinion here as to the qualitative value of those differences.

The boundaries of the proposed Sub-GI were substantially based on the claimed geographic distinctiveness except for those few areas of the boundary where it was not practical to do so. In such areas an appropriate proxy (such as elevation) has been used. The boundaries are thus clearly defined and appear to be practical for the Authority to administer from a regulatory compliance and audit perspective.

2.4 The Authority's Conclusion

The Authority has concluded that the Sub-GI as proposed represents an area that is geographically distinct and has clearly defined boundaries (see Appendix 1). The requirements of paragraph 9(3)(a) are thereby met.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



3. **Appropriate consultations must have taken place within the region of the proposed Sub-GI and there must not have been any credible objections that claim that the proposed Sub-GI is not distinctive.**

3.1 Overview of the Authority's Procedures

Paragraph 9(3)(b) requires the Authority to conduct appropriate consultations within the region of a proposed Sub-GI. For the Authority to recommend a proposed Sub-GI to the Minister, there must have been no credible objections that claim the proposed area of the Sub-GI is not distinctive.

The Authority considers that appropriate consultations will normally include:

- A notification in one or more of its regular Newsletters or through one of its *ad hoc* Alerts to all of its Members providing the details of the proposed Sub-GI, including a geographic description and the proposed name;
- Providing notification of the proposed Sub-GI to the BC Grape Growers Association, BC Grape Council and to all grape growers registered with the Authority and having vineyards located in the region;
- Arranging meetings between staff and/or the Board of the Authority with any persons wishing to consult with the Authority regarding the proposed Sub-GI; and
- Soliciting and receiving any written submissions from any interested persons regarding the proposed Sub-GI.

Paragraph 9(3)(b) makes reference to consultations occurring “within the region” of the proposed Sub-GI, and not just “within the proposed Sub-GI” itself. The Authority interprets this to mean that it is required to undertake consultations within an area that is broader than just the proposed Sub-GI, the purpose being, in part, to test the integrity of the boundaries being proposed. What may be the appropriate consultative “region” will always be specific to a given application and it is therefore not possible in advance of a specific application to define what the relevant consultative region may be. Following the receipt of an application the Authority will determine the scope of the consultative region based on, among other factors, the proposed boundaries and location. Bearing in mind that the relevance of any objections under paragraph 9(3)(b) is limited to the proposed Sub-GI not being distinctive, the Authority sees little downside to it utilizing expansive consultations and therefore it will normally utilize very broad consultative regions.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada VOH 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



Paragraph 9(3)(b) does not specify who the Authority is to consult with, only that such consultations must be “appropriate”. In the Authority’s view this means that consultations must not be limited to only Member wineries located within the defined consultative region. Rather, the Authority interprets this as requiring broader consultations that encompass any person who may potentially be affected by or has an interest in the creation of the proposed Sub-GI or its boundaries. This group will include, but is not limited to, Member wineries, non-Member wineries and grape growers with vineyards located within the consultative region. However, the Authority is also open to receiving and considering oral or written submissions from any party who believes their interests may be affected by the designation of a proposed Sub-GI.

3.2 Details of the Application

The Application does not attempt to define what the appropriate consultative region should be. It does state that the proponents undertook their own consultations with producers and growers within “the region” (without defining it), as well as with other groups, prior to submitting the Application.

3.3 The Authority’s Assessment

Following its initial review of the Application the Authority determined that the primary consultative region most appropriate for this Application was the area on the east side of Skaha Lake, from the east and south of the City of Penticton to the northern boundary of the Okanagan Falls Sub-GI (the “**Consultative Region**”). This was considered appropriate because there are no vineyards immediately adjacent to the east or west of the proposed boundaries. To the immediate north, all vineyards had already been included within the scope of the pending Application for the Naramata Bench Sub-GI (and therefore were included within the scope of the consultations that were undertaken for that Application). To the immediate south, all vineyards had already been included within the scope of the recently prescribed Okanagan Falls Sub-GI.

Utilizing contact and locational information in the Authority’s databases as well as publicly available information, the Authority specifically communicated with all Member wineries, non-Member wineries and grape growers having production facilities or vineyards located anywhere within the Consultative Region. The Authority further advised the BC Grape Growers Association, the BC Grape Council and all of its Members through an email “Alert”. Finally, the Application was posted on the Authority’s website and the general public was invited to provide comment. All parties were advised that they could provide comments to the Authority in writing or, if they wished, could meet with the Board in person.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



Following submission of the Application Authority staff attended a meeting of wineries located within the Consultative Region to discuss the Application and the implications of having a prescribed Sub-GI. Authority staff also held several follow-up meetings with individual wineries during which these same issues were discussed.

The Authority received formal comments from only one winery, located outside of the proposed southern boundary of the Sub-GI. This winery is located in a small area of land in between the proposed Sub-GI and the recently prescribed Okanagan Falls Sub-GI. This winery was concerned that it would be precluded from using the proposed Sub-GI, as its vineyards lie outside of the area of the proposed Sub-GI. Authority staff met with this Member to discuss these concerns. Scott Smith also attended this meeting. Authority staff and Mr. Smith reviewed with the winery the reasons for the proposed boundaries and why its vineyards had not been included within the area of the proposed Sub-GI. The land on which these vineyards are located is significantly different geographically from area included within the scope of the Application. In particular, the bench south of McLean Creek has been entirely washed away, with some of the soil being deposited in a number of bedrock depressions on which these vineyards have been planted. While the underlying soils within these vineyards may be similar in some respects to those within the proposed Sub-GI, the Sub-GI's primary defining landscape element, the glaciolacustrine terrace, does not exist in the area of these vineyards.

3.4 The Authority's Conclusion

The Authority has undertaken what it considered to be appropriate consultations within the region of the proposed Sub-GI. The Authority received only one objection regarding the boundaries of the Sub-GI as proposed. After a review of the supporting documentation and further consultation with Mr. Smith, the Authority is satisfied that the vineyards at issue do not properly fit within the proposed Sub-GI and therefore the Authority has concluded that this does not constitute a credible objection regarding the proposed Sub-GI's distinctiveness. Expanding the boundary of the proposed Sub-GI so as to include these vineyards would substantially undermine the geographical distinctiveness of the Sub-GI as proposed, meaning that the Application would then no longer meet the requirements of paragraph 9(3)(a). As the Authority received no other objections regarding the proposed Sub-GI, it has concluded that the requirements of paragraph 9(3)(b) have been met.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



4. Grape production within the proposed Sub-GI must have reached commercially viable levels

4.1 Overview of the Authority's Procedures

Paragraph 9(3)(c) requires that grape production within a proposed Sub-GI must have reached commercially viable levels. The Authority will therefore review the current grape production within the area of a proposed Sub-GI to determine if production is at a “commercially viable” level. The Authority interprets “commercially viable” to mean that vineyard(s) located within the proposed area are already under commercial production and that production levels are such as to generate commercial quantities of wine. If the only vineyard(s) located within the area have only recently been planted and are not yet producing a commercial crop, the Authority will not consider production to have reached a commercially viable level until such time as commercial-level production begins. Further, the Authority will assess the total acreage of the proposed Sub-GI versus the total acreage under vines, as well as the dispersion of vineyards throughout the proposed area. Insignificant total vineyard area, as compared to the total area, or lack of significant dispersion throughout the proposed area may cause the Authority to question whether production has actually reached commercially viable levels or whether the proposed boundaries are appropriate in the circumstances. To aid in its determination of commercial viability the Authority may refer to other records and information that it collects for any purpose under the Regulation.

4.2 Details of the Application

The Application states that “based on the number and size of wineries within the proposed boundaries, it proves that the proposed region has commercially viable levels of grape production”.

4.3 The Authority's Assessment

Paragraph 9(3)(c) requires the Authority to assess “grape production” within a proposed Sub-GI and not “wine production”. The number of wineries that may be located within the area of a proposed Sub-GI will provide no relevant information to the Authority concerning commercial grape production within the area, as wineries are often situated in locations geographically distinct from vineyards. This being the case, the Application did not provide the Authority with sufficient information to determine whether this factor was met.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



The Authority therefore sought and used other sources of information available to it. First, as is plainly evident to the Board from even a casual reconnoitre of the area, the area of the proposed Sub-GI is extensively planted with a significant number of grape vineyards currently under apparent commercial production.

Second, using information available to the Authority through its Grape Grower Registry and other sources, the Authority has estimated that the total area of grape vines within the proposed Sub-GI is approximately 75 hectares (or 185 acres). Thus, vineyards currently occupy approximately 20% of the total area of the proposed Sub-GI and are widely dispersed throughout its entire area. Using a generally recognized production average in BC of four tons of grapes per acre, this equates to an annual grape production of approximately 740 tons, a quantity of grapes sufficient to generate approximately of 50,000 cases of wine (at 800 bottles per ton) annually. In the Authority's view this level of grape production is clearly "commercially viable".

4.4 The Authority's Conclusion

The Authority has concluded that grape production within the proposed Sub-GI has reached commercially viable levels. The requirements of paragraph 9(3)(c) are thereby met.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



5. **At least two-thirds of the Members within the proposed Sub-GI, who produce at least two-thirds of the total production of wine made from grapes grown in that Sub-GI, must have voted, by ballot, in favour of the proposed Sub-GI**

And

At least two-thirds of registrants in a proposed Sub-GI, who produce at least two-thirds of the total grape production in that Sub-GI, must have voted, by ballot, in favour of the proposed Sub-GI

5.1 Overview of the Authority's Procedures

Sub-paragraph 9(3)(d)(i) requires that at least two-thirds of the **Members** (wineries) within the proposed Sub-GI, who produce at least two-thirds of the total production of wine made from grapes grown in that Sub-GI, must have voted, by ballot, in favour of the proposed Sub-GI. In order to determine if the requirements of this paragraph are met, the Authority must first determine what Members of the Authority have winery facilities located within the area of a proposed Sub-GI. It is only those Members who are eligible to cast a ballot (a "voting Member") under the paragraph. The Authority must then determine the volume of wine produced by each voting Member from grapes grown within the proposed Sub-GI. At least two-thirds of the voting Members must be in favour of the proposed Sub-GI and those voting Members voting in favour must represent at least two-thirds of production of all voting Members from grapes grown within the proposed Sub-GI.

Sub-paragraph 9(3)(d)(ii) sets out a similar requirement for **grape growers**. That paragraph requires that at least two-thirds of registered grape growers ("registrants") with vineyards located within a proposed Sub-GI, who produce at least two-thirds of the total grape production in that Sub-GI, must have voted, by ballot, in favour of the proposed Sub-GI.

The information required to conduct the required ballots and assess whether the special double-majority requirements of paragraph 9(3)(d) are met will generally not be available to proponents. This information will only be available to the Authority. This being the case, the Authority does not expect proponents to be able to demonstrate that the requirements of paragraph 9(3)(d) are met as part of the initial application. That assessment and balloting is done by the Authority following submission and consideration of an application, based on the boundaries for the Sub-GI proposed by the applicants.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4
Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



5.2 Details of the Application

The Application stated that:

“[i]t is understood that the process for taking a vote by ballot will be conducted by the British Columbia Wine Authority (BCWA) staff. The BCWA is also the only group that would have access to the records to determine the production levels of the practice standard certificate holders. However, through the process of due diligence all wineries that fall within the proposed boundaries have given their support to the development of the proposed region.”

5.3 The Authority’s Assessment

(A) *Ballot of Members*

Using the boundaries proposed in the Application and the Authority’s Membership information, the Authority concluded that the following five Members qualified as eligible “voting Members” for purposes of the ballot as of the date the ballot was distributed:

- Black Dog Cellars
- Blasted Church Vineyards
- Crescent Hill Vineyard
- Painted Rock Vineyards
- Pentage Winery

There were no non-Member wineries located within the area of the proposed Sub-GI. The Authority conducted the required written ballot of all voting Members during the period November 2 to November 30, 2018. Participation in the ballot was 100%, with all five eligible voting Members submitting a ballot. These voting Members unanimously voted in favour of the proposed Sub-GI representing 100% of the wine produced within the area of the proposed Sub-GI.

(B) *Ballot of Registered Vineyards*

Using the boundaries proposed in the Application and the Authority’s information contained in its Grape Grower Registry, the Authority concluded that a total of 15 grape growers (“registrants”) qualified as being eligible to cast a ballot as of the date the ballot was distributed.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



The Authority conducted the required ballot of all eligible registrants during the period of November 2 to November 30, 2018. Of the 15 eligible registrants, 14 (or 93%) submitted ballots in favour of the proposed Sub-GI. There was one abstention. Collectively, these 15 eligible registrants produced 474 tons of grapes in 2017. The 14 registrants voting in favour of the proposed Sub-GI produced a total of 457 tons of grapes in 2017, or 96% of 2017's total production.

5.4 The Authority's Conclusion

The Authority conducted two separate votes, one for eligible Members and the other for registered grape growers. The Authority has concluded that at least two-thirds of the Members who produce at least two-thirds of the total production of wine made from grapes grown in the Sub-GI, have voted in favour of the proposed Sub-GI. Similarly, the Authority has also concluded that at least two-thirds of the registered grape growers within the area of the proposed Sub-GI, who produce at least two-thirds of the total wine grapes grown in the Sub-GI, have voted in favour of the proposed Sub-GI.

The Authority has therefore concluded that the minimum thresholds of support required under paragraph 9(3)(d) have been exceeded here.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



6. Other Issues - Consideration of Issues Related to the Proposed Name

6.1 Overview of the Authority's Procedures

As part of any application the Authority expects proponents to propose a name for the new Sub-GI. It is the Authority's view that the proposed name must be directly related to the area of the proposed Sub-GI and the application should explain and demonstrate the relationship between the proposed name and the proposed area. All of the area within a proposed Sub-GI must be known locally or more broadly by the proposed name, although use of that name may extend beyond the boundaries of proposed Sub-GI. The sources of evidence considered acceptable to demonstrate the required relationship can include maps, magazine articles, books, websites and web-based articles, business names and road signs. Proponents should seek to avoid proposing names that are widely used or used in more than one location because use of such generic names for wine appellations can cause consumer confusion, the direct opposite of what is intended by their adoption. If a widely used name is considered to be the most appropriate in the circumstances, then the use of an additional modifier may address potential confusion.

6.2 Details of Application

The Application has proposed the name "Skaha Bench" for the Sub-GI. Use of this phrase is generally consistent with the locational term now in common usage to refer to the geological terrace (or "bench") located to the east and south of the City of Penticton and along the east side of Skaha Lake, being the primary geographical featured used to define the scope of the proposed Sub-GI.

6.3 The Authority's Assessment

The Authority is of the view that "Skaha Bench" is a clear reference to the applicable geographic region due east and south of the City of Penticton above the eastern shore of Skaha Lake and is in common usage. Historically, this wine-producing region has been known as the "Skaha Bench" for some time now and it has developed a reputation amongst the media, wine professionals and the consuming public more generally for producing quality wine. The creation of a Sub-GI appears to the Authority to be a natural progression in the development and maturation of this area's reputation.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



6.4 The Authority's Conclusion

The Authority has concluded that the proposed name of "Skaha Bench" is directly related to the area of the proposed Sub-GI, is fully consistent with current usage, and is not locationally misleading or misdescriptive. The Authority thereby approves of the proposed name.

BRITISH COLUMBIA WINE AUTHORITY

Unit #3- 7519 Prairie Valley Road, Summerland, BC Canada V0H 1Z4

Telephone: 250-494-8896 Toll Free: 1-877-499-2872 Fax: 250-494-9737



Appendix 1

Map of Proposed Sub-GI Boundaries

