

Application for a New Sub-GI for “Naramata Bench” Backgrounder on Ballot Results

As part of its consideration of any application for any new sub-geographical indication (“**Sub-GI**”), the BCWA is required to conduct a vote of qualifying members and grape growers pursuant to paragraph 9(3)(d) of the *Wines of Marked Quality Regulation* (the “**Regulation**”).

The BCWA has now completed the ballot process for the “Naramata Bench” application and has concluded that support for the proposed Sub-GI among qualifying members and grape growers exceeds the minimum required thresholds. The specific results of the ballot are summarized in the chart below.

The purpose of this Backgrounder is to provide members and grape growers with further information concerning the BCWA’s conduct of this particular ballot and the results.

Paragraph 9(3)(d) of the Regulation provides that:

- “...the [BCWA] must hold a vote, by ballot, with respect to the proposal, and the proposal must be supported by at least 2/3 of the following:
- (i) the practice standards certificate holders who process, in the area, at least 2/3 of the total wine processed from grapes grown in that area;
 - (ii) the registered grape growers who grow at least 2/3 of the total volume of grapes grown in that area by registered grape growers.”

The BCWA distributed ballots to all qualifying members and grape growers on July 30, 2018. The BCWA initially set a deadline of August 27, 2018 for submission of these ballots. This initial deadline proved impractical for various reasons and it was subsequently extended to September 12, 2018 to allow sufficient time for members and grape growers to review all pertinent information relating to the application and to cast their ballots.

While the BCWA was conducting this ballot issues relating to the interpretation of paragraph 9(3)(d) were raised by certain members concerning how the results of the ballot were to be tabulated. Because all prior Sub-GI ballots conducted by the BCWA had been unanimous such issues had not been raised previously. These interpretative issues could have affected the final outcome of the ballot and therefore were thoroughly reviewed and considered by the BCWA. However, in the end, those voting in favour of the proposed Sub-GI have exceeded the applicable thresholds for approval regardless of which interpretations of paragraph 9(3)(d) are utilized by the BCWA.

The following methodology was applied by the BCWA to assess the results of the ballot:

1. Under subparagraph 9(3)(d), regarding eligible members, each registered member of the BCWA in good standing (a “practice standards certificate holder”) with a licenced production facility (winery) located within the area of the proposed Sub-GI was entitled to one vote. There are a total of 32 qualifying members within the proposed Sub-GI, 30 of whom voted. There were two abstentions;
2. In subparagraph 9(3)(d)(i), the phrase “total wine processed from grapes grown in that area” determines the wine volume denominator for threshold purposes. This phrase is

subject to two different interpretations: (a) all wine produced by voting members from grapes grown within the proposed area, regardless of whether that wine is certified by the BCWA or not; or (b) only that wine produced by voting members from grapes grown within the proposed area that has been submitted to the BCWA for certification. Because of uncertainty regarding which of these interpretations is correct, the BCWA obtained all of the information from qualifying members necessary to calculate both of these volumes;

3. In subparagraph 9(3)(d)(ii), an issue was raised regarding the phrase “registered grape grower”. For its administrative purposes the BCWA issues a unique grape grower number for each unique registered vineyard, rather than for each individual registered grower. This means that some grape growers hold more than one grape grower number. Certain members have suggested that “registered grape grower” is intended to mean each unique grape grower number, meaning that each grape grower should be entitled to one vote for each grape grower number the grower holds. The alternative interpretation is that each unique registered grape grower is entitled to only one vote regardless of how many grape grower numbers that grower holds. There are currently 170 unique registered growers with vineyards located within the proposed Sub-GI, and 194 unique grape grower numbers issued for vineyards located within the Sub-GI; and
4. All abstentions or failures to cast a ballot regardless of reason were counted as “no” votes but the applicable tonnage of that member or grower was still included in the Total Tonnage amounts.

The Table below provides a summary of the ballot results and shows the various outcomes depending on which interpretation is applied to paragraph 9(3)(d). As is readily apparent, regardless of which interpretation is applied the proposed Sub-GI has received sufficient support of qualifying members and grape growers by exceeding each of the specified 2/3rds thresholds.

	Total Number	Yes Votes	% Yes Vote	Total Tonnage	Yes Tonnage	% Yes Tonnage
Qualified Members	32	26	81%	1761	1,341	76%
Qualified Members (Total Production)	32	26	81%	1901	1,412	74%
Growers (One Vote per Grower)	170	125	74%	3227	2,584	80%
Growers (One Vote per Number)	194	138	71%	3227	2,584	80%

As the BCWA has concluded that support for the proposed Sub-GI among qualifying members and grape growers exceeds the minimum required thresholds under paragraph 9(3)(d), the BCWA will now continue on to finalize its consideration of the Application and the drafting of its report and recommendation to the Minister of Agriculture.