



What's New in BC

SPOTLIGHT ON BC : ALCOHOLIC BEVERAGES

FALL 2011

In a short while, the range of unique, innovative, and internationally award winning wines, spirits and beers that call British Columbia home have earned the province attention from the industry on the world stage. A relative newcomer in the production of alcoholic beverages, BC's pristine agricultural resources have allowed talented processors to create premium quality products that generate interest from markets as far away as Asia, Europe, and the Middle East.

Wine

Famous for its major wine producing regions centred primarily within the Okanagan Valley, there are currently over 700 vineyards and close to 200 wineries in BC producing a near even ratio of red and white wines (www.winebc.com). Some of the major grape varieties grown include Merlot, Pinot Noir, Cabernet Sauvignon, Pinot Gris, Chardonnay, and Gewürztraminer. The majority of wineries in BC are small, family-owned operations (www.winegrowers.bc.ca), and their small volume of production by world standards contributes to their limited export capacity.



Despite this, BC still ranks second in Canada behind Ontario, exporting \$5.5 million worth of wine in 2010, quadrupling in growth since 2008 when exports totalled \$1.3 million. Value-wise, icewines and sparkling wines make up over half of BC wine exports. Supported by the country's cold climate, Canadian Icewines compete among the world's best in taste and quality and in 2010, BC wineries exported roughly \$1.3 million worth of the precious nectar. Key markets that year included China, Hong Kong and Taiwan, which comprised 90% of all BC wine exports.



Spirits

Canada has long been known for its whisky, but today, the Canadian distillery industry boasts a wide range of products that include rum, vodka, gin, liqueurs, and spirit coolers. In recent years, the industry has focused on developing premium product lines designed specifically for international markets. With Ontario, Quebec and Alberta together making up 95% of Canadian spirit exports, BC may seem like a minor industry player in comparison. However, thanks in part to the emergence of increasingly exceptional microdistillers, BC has seen significant growth in the sector as of late, exporting \$3.5 million worth of spirits – mainly to Vietnam and Hong Kong – in 2010, compared to only \$765,000 in 2009.



Beer

A testament to the excellence often bestowed upon Canadian beer, the country as a whole exported \$250 million worth of beer to the United States in 2010, \$14.2 million of which was exported from BC. In fact, Canadian brewers export enough beer to make the country one of the world's top ten beer exporters (www.brewers.ca). Strong research and development initiatives in microbiology and biotechnology also better equip the industry to cater to emerging consumer preferences. Low-alcohol, seasonal, and low-carbohydrate beers are a few notable examples of new product developments fuelled by progress in Canadian yeast research.



Again behind only Ontario, BC has the second-largest amount of brewing establishments in Canada, a number of which can be classified as microbreweries. Microbrewers are regarded for their creativity in product development and relatively modest brewing capacity. According to Euromonitor, microbreweries are currently the fastest growing segment within the Canadian beer industry. Demand for microbrewery products has increased, particularly in the United States, as consumers have developed an affinity for beverages of greater variety and depth of flavour.



To learn more about the alcoholic beverage industry in Canada, please consult Agriculture and Agri-Food Canada's various industry reports:

Wine: <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1172244915663&lang=eng>

Beer: <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1171560813521&lang=eng>

Spirits: <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1171995761751&lang=eng>

Rooted in Science, Innovating for the Future

To support its continuously developing wine industry, British Columbia benefits from commitments to science and innovation that have spawned facilities like the Sensory Research Laboratory at the Pacific Agri-Food Research Centre (PARC) in Summerland, BC. The sensory lab tests wines for things like flavour, aroma, and overall impression, allowing the comparison of different wines harvested, treated, or aged under various circumstances.

"The sensory lab's greatest strength is that it takes research that has been done in the field, processing plant or cellar, and brings it to human judgment and assessment," PARC Research Scientist, Dr. Margaret Cliff, explains. "That link is indispensable because it is this interface that makes the connection between product and consumer, which is key to industry."

Dr. Cliff is a sensory evaluation specialist and worked alongside the Sensory Team when it

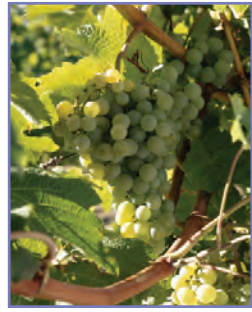


collaborated with the BC Wine Institute and later the BC Wine Authority (BCWA) to develop the province's Vintners Quality Assurance (VQA) program.

Over a twenty-year period beginning in 1990, the Sensory Team worked on the creation of the VQA by developing a score-card, creating benchmarks, establishing a wine library, training judges to identify wine defects, implementing monthly evaluations, and communicating with winery representatives.

Today, the BCWA autonomously implements the VQA program and sensory panels while PARC scientists continue support industry-led research in viticulture and enology.

For more information on the Pacific Agri-Food Research Centre, please visit: www.agr.gc.ca/researchcentre/agassiz-summerland.



Sector Strategies

To learn more about international market development priorities and the capabilities and interests of Canadian alcoholic beverage exporters, Trade Commissioners are encouraged to consult the DFAIT Canadian Wine, Beer and Spirits Practice in the Global Business Opportunities Bureau.

The wine sector strategy is updated annually and approved by the private sector advisory board to reflect and support strategic priorities that align with the interests of the Canadian wine sector,

Canada's major commercial wine exporters, and wine companies engaged in international business. The practice also works with Canadian beer and spirits industries in the development of their international sector strategies.



A copy of the Integrative Trade Global Strategy for the Canadian Wine Sector can be found in Horizons on the DFAIT intranet site: http://intranet.dfait-maeci.gc.ca/horizons/clients/mkt_potential-potentiel_marche/sectors-secteurs/sector_info_secteur.aspx?view=d

