

# Converting to Commercial Winery Classification

Information session for Land-Based Wineries

July 20, 2023



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# AGENDA

- Introductions and objectives
- Overview of Commercial Winery classification
- Process to convert to Commercial Winery from Land-Based Winery (LBW)
- Q&A

# Objectives

- Outline difference in rules governing Commercial Wineries  
Compared to LBWs
- Detail process to convert to Commercial Winery
- Detail process to convert from Commercial Winery back to LBW





# LBW vs Commercial Winery Classification



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## LBW vs Commercial Winery Classification

	LBW	Commercial
<b>Input origin</b>	100% BC origin	No restriction
<b>Purchased wine/juice inputs</b>	From BC only	Out-of-province permitted
<b>Farmed input requirement</b>	Must farm min. 2 acres, which contributes to min. 25% of total input from owned or leased land	No requirement

## LBW vs Commercial Winery Comparison (cont'd.)

	<b>LBW</b>	<b>Commercial</b>
<b>Winery location</b>	Tied to farmed land	No restriction (within BC)
<b>Product types</b>	Restrictive	Flexible
<b>VQA Status</b>	Eligible	Eligible



## LBW vs Commercial Winery Comparison (cont'd.)

	LBW	Commercial
<b>Mark-up</b>	Yes	Yes*
<b>Sales Reporting</b>	Monthly	Weekly
<b>PPMS Reporting</b>	None	Annually

\*For questions on how mark-up is assessed on your specific products, contact LDB Vendor Relations at [lbdvendorhelp@bcldb.com](mailto:lbdvendorhelp@bcldb.com).





## Additional details

### Commercial Winery Sales Agreement:

Must submit an annual  
Packaged Product Movement  
Summary (PPMS) report

Weekly sales reporting via  
DSWR application

Must remit the mark-up to the  
LDB via PAD  
settlement weekly









# Process of Converting to a Commercial Winery



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## Process of converting to a Commercial Winery

-  LBW emails LDB Regulatory requesting conversion to Commercial Winery classification.  
**Note: Winery to state desired effective date of conversion.**
-  Requests are handled in order of submission (first in, first out approach).
-  LDB system updates are completed to reflect the change in classification.
-  Commercial Sales Agreement is signed by both the winery and the LDB CFO.

**Timeline for conversion:** Winery can begin operating under Commercial Winery classification on its stated effective date of conversion. If LDB has not finished processing conversion request, it will back-date the classification to Winery's desired date and collect any mark-up retroactively.

# Process of converting to a Commercial Winery

## Business Considerations:

- Mark-up will be assessed per the Commercial Winery Sales Agreement.
- Winery cannot begin purchasing out-of-province inputs until its effective date of conversion.
- Winery may wish to submit product price changes. **See wholesale pricing calculator to determine mark-up assessment – available on the Vendor Website at: [www.vendor.bcliqorstores.com/vendorsite/index.jsp](http://www.vendor.bcliqorstores.com/vendorsite/index.jsp)**











# Process of Converting Back to LBW Classification



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## Process of converting back to LBW

-  Winery emails LDB Regulatory requesting conversion to LBW.
-  LDB performs conversion audit to determine eligibility based on LBW criteria.
-  LDB conducts inventory review: must determine LBW compliant and non-compliant inventory on hand.
-  Prior to converting back to LBW, all non-compliant inventory must be depleted.

**NOTE:** depending on volume of non-compliant inventory on hand, and the winery's ability to sell through it expediently, it could take years to become compliant with LBW criteria; in turn, the process of converting back to an LBW would be delayed.

Thank you

Email questions to LDB Regulatory: [regemail@bcldb.com](mailto:regemail@bcldb.com)



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