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## NEWS RELEASE

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Ministry of Small Business and Red Tape Reduction and  
Responsible for the Liquor Distribution Branch

### **B.C. increases “hoppportunities” for craft brewers**

BURNABY – As British Columbia continues to grow its reputation as the craft beer capital of Canada, craft brewers in every corner of the province will now benefit from an additional \$10 million a year in economic support thanks to a significant reduction in the mark-up rate for craft beer products.

Effective July 3, 2016, the mark-up rate for small and regional breweries will be reduced by approximately 25% per litre, meaning that craft breweries will have increased financial capacity to grow and expand. These changes further improve mark-up rates for craft beer that were announced last year when government introduced the new wholesale pricing model, support small businesses in British Columbia, and will enable craft breweries to create jobs while increasing the availability of high quality, made-in-B.C. products.

The Province will also take action to improve cash flow for craft brewers, meaning they will have more money to fund payroll, rent, and investments in new equipment. Craft breweries will no longer be required to remit all of the revenue from the sale of their products to the Liquor Distribution Branch before the mark-up is applied.

Government’s support for innovation and entrepreneurship in B.C.’s burgeoning craft beer industry is in direct response to feedback government received from British Columbians and industry through the Liquor Policy Review and wholesale pricing consultations. The reduced mark-up rate builds on previous provincial efforts to cut red tape and increase supports for the craft beer industry. These measures have resulted in a 35% increase in the amount of craft beer produced in B.C. over the last year, including:

- Microbreweries now have opportunities to showcase their products at their local BC Liquor Stores – even before they’ve proven themselves in the larger marketplace,
- Breweries can access new revenue streams thanks to changes that allow on-site tasting lounges at breweries and beer sales at artisan and farmers’ markets,
- Breweries now have the ability to sell other types of liquor at in their lounges and special event areas, allowing patrons to enjoy a glass of wine or a mixed drink while their friends enjoy a beer, and
- Government is also taking a closer look at ways to improve the process for getting a brewery licence and exploring a quality assurance program for craft producers to help promote made-in-B.C. beer.

#### **Quotes:**

**Coralee Oakes, Minister of Small Business, Red Tape Reduction and Responsible for the Liquor Distribution Branch –**

“Today’s announcement will support growth and create jobs for small businesses in B.C.’s booming craft beer industry. We are witnessing new craft breweries popping up around the province, and this speaks to the entrepreneurial spirit of the craft brewing industry as well as the success of our changes to date.”

**John Yap, Parliamentary Secretary for Liquor Policy Reform –**

“We’ve been told first hand by craft brewers that changes to modernize B.C.’s liquor policies have revolutionized the craft beer industry in our province and made room for craft breweries to establish themselves. This is a thriving industry in our province and we want to help ensure its growth continues.”

**Ken Beattie , executive director of the BC Craft Brewers Guild –**

“Increased support from the provincial government will not only help grow the sector, it will provide much needed assistance to existing breweries that blazed the trail for craft beer in British Columbia. Our province is the craft beer leader in Canada and our established breweries have pioneered an industry that is now garnering world-wide recognition. Today’s announcement means all small brewers can look toward hiring more people, investing in more tanks, and growing their business in every region of the province.”

**Eli Gershkovitch, CEO, Steamworks Group of Companies –**

"Lowering the mark-up rate on craft products and increasing cash flow will allow us to re-invest in our business to meet increased consumer demand. These changes will also further our ability to offer British Columbians an incredible variety of craft brewed products of exceptional quality, while supporting local economic activity, especially when it comes to creating and sustaining local jobs. "

**Quick Facts:**

- The B.C. craft beer industry has seen exponential growth over the past few years, increasing from 54 in 2010 to 118 breweries in 2015, with up to 20 additional new breweries on the horizon.
- The mark-up rate is the revenue generated by the Province from the sale of liquor products.
- To date, 41 of the 73 recommendations from the Liquor Policy Review have been implemented. Work to continue implementing additional recommendations is ongoing.
- Read the full list of Liquor Policy Review recommendations:  
[www2.gov.bc.ca/local/haveyoursay/Docs/liquor\\_policy\\_review\\_report.pdf](http://www2.gov.bc.ca/local/haveyoursay/Docs/liquor_policy_review_report.pdf)

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