

Mr. Ari Dressler and co-signers
President
Campaign for Real Ale Society of BC
Email: pres@camrabc.ca

Dear Mr. Dressler:

Thank you for your June 13, 2015 email outlining CAMRA's position on craft beer pricing. As a key stakeholder in BC's craft brewing industry, which government fully supports, we appreciate your taking the time to provide critical feedback.

As you know, in recent years, the provincial government has stimulated extraordinary growth in the craft beer sector by eliminating unnecessary red tape and enacting key policy changes, including the relatively new graduated mark-up system for small breweries. With our support, craft beer sales have nearly tripled over the past five years – to the tune of \$73 million in provincial sales last year.

BC Liquor Stores have also been a long-time supporter of the BC craft brewing industry by selling and promoting craft products in stores. However, like any retailer, they must continually review their prices to ensure they strike the right balance between being marketable to customers and being sustainable for the retailer. The latest figures show that, compared to last year, sales of craft beer are up nearly 50 percent between April and June, which indicates that customers continue to find good value in these local products.

It is also important to note, that in the retail industry prices have always fluctuated, and they will continue to do so. A variety of factors can impact a product's retail price, including increases or decreases in supplier-related costs, the strength of the dollar, price rounding and price promotions. As you note, minimal price increases were applied to some beer in June, while in other cases, price promotions were applied making products less expensive.

While there will always be price changes that take place over time, BC Liquor Store's goal is to avoid passing along any excessive price increases to customers. Their goal is to generate revenue for the province, and it is in their interest to continue to price craft beer according to what is marketable for consumers and viable from a business perspective.

Thank you again for taking the time to write.

Yours very truly,

Suzanne Anton QC
Attorney General
Minister of Justice