



Administration Report ALSA Board Meeting, April 4th, 2018

AGLC UPDATES

Product Tastings – As you are aware, it has been more than 2 years since ALSA starting working with AGLC on the changes to In Store Liquor tastings. It is hoped that the new regulations provide clarity for both stores and AGLC inspectors as well as product reps. Thank you to the Board members who help administration on this endeavour.

New Warehouse – At the request of the ALSA Board, a meeting was arranged with AGLC's VP of Liquor Services, to discuss the transition plan from the old warehouse and ensure there are no outages in service during this period. Of most importance to the Board, was the discussion of the RFP process for new operator in relation to the transition process. The presentation provided by Jody Korchinski is attached.

Warehouse RFP - AGLC hired PwC Consultants to review its warehouse and logistics operations and make recommendations for the RFP process. ALSA was one of the stakeholders interviewed with regards to the current services provided by Connect Logistics. Thank you to the Board members that provided administration feedback for this meeting. In essence the feedback was as follows: The system is working well. Change for the sake of change is not prudent. If a new provider was chosen, it would have to provide significant new benefits to the entire industry. In terms of opportunities to the current system: Improved innovation for further efficiencies and Improved access to data and reporting

Cannabis - The Province announced the rules around cannabis retailing back in February of this year. ALSA was pleased to see that the Government followed the majority of the recommendations provided by the Association. To date 250 applications have been submitted, and 91 have been given the green light to proceed. The majority of applications were in Edmonton with 40 applications and Calgary with 21 applications. Attached are the proposed municipal bylaws regarding separation distances for both Edmonton and Calgary.

BC Wine Boycott – Back in February, Premier Notley announced Alberta would stop shipping wines from BC as retaliation to the Trans Mountain pipeline issue. This came without warning to industry and created a media frenzy around the issue. The premier's office called to assure ALSA and its members that the Government understood the effect this boycott would do retailers and that they hoped it would be short lived. ALSA was prominent in the news, encouraging the Premier to end the boycott as soon as possible.

Health Canada proposes to restrict the alcohol content of single-serve highly sweetened alcoholic beverages - The Government of Canada is concerned about the health risks of single-serve highly sweetened alcoholic beverages whose alcohol content is between 7% and 12%. These beverages, which are sold in large-volume, non-resealable containers, have colourful packaging, are inexpensive and are aggressively marketed in a manner that appeals to youth. Consultation will be held until May 3rd. This proposal is not intended to capture liqueurs, dessert wines and other sweet alcoholic beverages sold in re-sealable containers.

ALSA UPDATES

Cannabis – In discussions with AGLC, it is their position that they would welcome ALSA as the association that also represents Cannabis Retail. At the last ALSA Board Meeting, administration was asked to look at our present bylaws with the intention of adding cannabis to the Associations' mandate. ALSA has engaged Roberto Noce to look at the current bylaws and provide options. Roberto's memo to the Board is attached. **Decision required on next steps.**

ALIC – the Dates for the next Liquor Conference are September 19th and 20th in Edmonton. Minister Ceci and AGLC Board and Executive's attendance have already been confirmed.

This year marks the 25th Anniversary of Liquor Privatization – however we will be referring to this as the Anniversary of 25 years of retailing excellence. ALSA has a new logo to commemorate the milestone, and is currently working with AGLC and the AB Government on a in store marketing proposal to bring attention to Alberta Made Products (including spirits, fruit wine and mead). Below is a summary of project.

By September 2018, AGLC will have granted 125 new manufacturer's licenses in Alberta. This is a tremendous accomplishment made possible by the Government of Alberta's policy for Alberta Made Products. Although some Alberta Beers have made it to the shelves of Liquor stores, the majority of Alberta products remain unknown by the public and liquor retailers. Leveraging activities for the 25th Anniversary of the Alberta Model of Liquor Retailing, the Alberta Liquor Store Association is seeking a marketing grant to develop an "Alberta Made" brand with retailing tools and communication to all 1500 liquor stores in Alberta, so they can better feature Alberta-made products and store owners are better equipped to promote local products.