

Wine Council of Ontario Annual Meeting Report

Hillary Dawson, President

June 12, 2012

Reporting on the year...

- ▶ Exceptionally active year for the staff and the Board of the Wine Council
- ▶ Role and position of Wine Council remains strong
 - Ability to influence still there
 - Recognized for industry leadership
 - Growth in membership
- ▶ Significant amount of work and process involved in advancing issues
 - Retail access
 - Direct contracting
 - Value of and maintenance of VQA Support Program funding and Marketing Program funding
- ▶ Progress still very incremental with LCBO
 - Chewing away at the margins
 - Vintages forecasts increased after WCO pressure to government
 - Better strategic alignment of goals, but institution not equipped to meet the needs of the industry – Continues to require a push
 - Government will be made to further understand how LCBO can show success with category while industry does not feel that success at the same time
- ▶ Overview based on progress against the Strategic Plan the framework for this presentation

Growing Opportunities for VQA Wine Sales

- Development and execution of annual marketing strategies that increase the value and scope of VQA wines
 - Active engagement with current and potential retail/trade partners to align marketing goals and investments in support of expanded retail opportunities
 - Advocacy to reduce regulatory barriers that restrict access to VQA wines
 - Support of nationally led export initiatives
- ▶ Positioning developed and presented to government and opposition around expanding retail access opportunities for VQA wines under leadership of Research Committee. Supported by:
 - KPMG Economic Impact Analysis
 - Grant Thornton Retail Study
 - Legal Opinion
 - The “500,000 case” narrative
 - ▶ Active engagement on Direct to Consumer campaign
 - Presentation at House of Commons Committee
 - Active dialogue with government on issues – fed and prov
 - ▶ Continued dialogue and progress with Farm Products Marketing Commission on issues related to marketing of grapes
 - Modest reduction in fees on own grapes
 - Optimistic about progress around direct contracting
 - ▶ Continued senior level planning with LCBO
 - Period 7, additional programming, alignment on strategic objectives
 - ▶ Vintages Committee initiated with LCBO
 - Incremental activities with Product Consultants first results
 - ▶ Presentations at CALJ to develop opportunities in other provinces
 - Manitoba, Nfld & Labrador activities in Market
 - Nova Scotia, Quebec in planning phases
 - ▶ Active Engagement in renewal of National Export initiatives
 - Supported by completed economic impact analysis, completion of Grant Thornton work, completion of legal project and refreshment of core data support points inventory

Strategic Plan Goals

Approach & Achievements

Growing Opportunities for VQA Wine Sales

Priorities Going Forward

– GROWTH, PROFITABILITY, LEVELLING THE PLAYING FIELD

- ▶ Strong focus on making the case for retail access with continued dialogue with Minister of Finance, support platform development work of PC's
- ▶ Development and presentation of strong package around regulatory reforms/process reforms
 - Open for Business initiatives –SURVEY!
- ▶ Continued dialogue with government around the challenges of our industry
 - GROWTH, PROFITABILITY, LEVELLING THE PLAYING FIELD
- ▶ Ensure support for industry programming from government and use opportunity of review to realign if desired
 - Jobs and Prosperity Council
 - Ministry Program Reviews
- ▶ Ongoing push for more at the LCBO
 - More opportunities for sales aligned with the needs of the VQA wine business
 - Maximize the value of the industry investment in the LCBO programs – align with our goals around sales, education of LCBO staff
 - Reduce the cost of doing business at the LCBO for VQA wineries
- ▶ Support for Direct to Consumer Strategy
 - Alignment with CVA strategies and Consumer campaigns via Free My Grapes, Chambers of Commerce as needed
- ▶ Play strong role in CFIA labeling discussions
 - Truth in labeling approach
 - Protecting VQA

Wine Council Leadership and Relationships

- ▶ Continue to provide thought leadership for VQA wines in the province and be looked on as the voice of VQA wines. Success will be reflected in membership growth, achievement of advocacy efforts and a continued positive reputation with stakeholders
- ▶ Modernize the grape pricing process to ensure greater economic benefit for all partners in the value chain
- ▶ Active engagement with all stakeholders in agriculture, tourism, retail, trade, government and wine industry
- ▶ Wine Council role secured to deliver marketing strategy 2011–2012, 2012–2013
 - Funding intact, guide integrity intact
- ▶ Research committee leading development of new narrative around role of VQA, strength of Wine Council members within VQA wines market
 - What is the reality of the marketplace where all members compete versus the perceived marketplace
- ▶ Presentation of direct contracting to FPMC Chair in direct meeting and full Commission
- ▶ WCO leads at grape pricing discussions.
 - Wine Council leadership in grape price negotiations and in development of pricing strategy.
- ▶ Review of WCO role in CVA
 - Strategic approach to issues and engagement
- ▶ Active engagement with industry associations
 - WGAO, Drinks Ontario, SWOVA/EPIC, PECWA, South Coast
 - GGO, VQAO
 - Industry Marketing Committee
- ▶ WCO Leadership at Industry Tables
 - Board level leadership at Ontario Culinary Tourism Alliance, Alliance of Ontario Food Processors, Tourism Partnership of Niagara, Ontario Grape and Wine Research Inc, i4c
- ▶ Growth in membership levels again at WCO

Strategic Plan Goals

Approach & Achievements

Wine Council Leadership and Relationships

Priorities Going Forward

– STRENGTH THROUGH THOUGHT LEADERSHIP

- ▶ Continued demonstrable engagement with all ministries in government
 - All Ministries to understand place of WCO members, VQA wines in industry and strength and value of their role
 - Strong role for WCO in providing industry positioning to Jobs and Prosperity Process
- ▶ Leadership role in execution of Direct Contracting initiatives with FPMC
 - Continue to lead advocacy in support of direct contracting for grapes
- ▶ Strategic review of Wine Council position in Canadian Vintners Association
 - Engagement strategy re CVA Strategic Planning Process
 - Review of WCO role in CVA for fall 2012
- ▶ Stakeholders continue to respect Wine Council role in Ontario wine industry
 - Active outreach to WGAO, GGO, Drinks Ontario and other organizations (PECWA, EPIC, South Coast) to establish strategic alliances where possible.
 - Board to establish concrete goals around industry collaboration with guidance from membership

Membership Growth and Value

- ▶ Consistently measure and approve member satisfaction
- ▶ Continuously improve communications tools for members
- ▶ Increase the level of member engagement in Wine Council activities
- ▶ Member engagement with intranet site to be evaluated and improved
 - Member engagement with site low
 - Content reviewed and overhauled
- ▶ Member communication tools evaluated
 - Eblast content and format
 - Volume and content of additional communications
 - Member feedback at Town Hall a significant influence
- ▶ Trade membership to be launched
 - Use for non-dues revenue for WCO
- ▶ Wine Council staff visitation to wineries and wine regions
 - Initial focus on PEC, LENS/Pelee and South Coast

Strategic Plan Goals

Approach & Achievements

Membership Growth and Value

Priorities Going Forward

– ENHANCED AND MORE EFFECTIVE MEMBER COMMUNICATIONS

- ▶ Strong focus on making the case for retail access with continued dialogue with Minister of Finance, support platform development work of PC's
- ▶ Development and presentation of strong package around regulatory reforms/process reforms
 - Open for Business initiatives
- ▶ Continued dialogue with government around the challenges of our industry
 - GROWTH, PROFITABILITY, LEVELLING THE PLAYING FIELD
- ▶ Ensure support for industry programming from government and use opportunity of review to realign if desired
 - Jobs and Prosperity Council
 - Ministry Program Reviews
- ▶ Ongoing push for more at the LCBO
 - More opportunities for sales aligned with the needs of the VQA wine business
 - Maximize the value of the industry investment in the LCBO programs – align with our goals around sales, education of LCBO staff
 - Reduce the cost of doing business at the LCBO for VQA wineries
- ▶ Support for Direct to Consumer Strategy
 - Alignment with CVA strategies and Consumer campaigns via Free My Grapes, Chambers of Commerce as needed
- ▶ Play strong role in CFIA labeling discussions
 - Truth in labeling approach
 - Protecting VQA

Bettering the Ontario Wine Industry

- ▶ Active leadership in industry research
- ▶ Ongoing assessment of the economic impact and benefits of Ontario's VQA wines and WCO winery members
- ▶ Increase member participation in the Wine Council's Sustainable Winemaking Ontario program and implement and certification process to enhance its value
- ▶ Partnership and support for VQA Ontario and its goals for excellence in quality for VQA wines and improving awareness and understanding of wines of origin.
- ▶ Launch and continued promotion of KPMG results
 - Significant pick up and usage of \$12.29 figure including government
 - Members engagement on launch high in social media space
- ▶ Winner of Friends of the Greenbelt Honors – June 2012
- ▶ Completion of research on retail access options
 - Grant Thornton
 - Legal research
- ▶ Effective WCO engagement in Ontario Grape and Wine Research Inc, Vineland Stakeholder Committee, Niagara College Research Committee and CCOVI Advisory Committees
- ▶ Growth in member's participation and engagement in Sustainable Winemaking Ontario.
 - Certification options under development
 - Strategic alignment and shared programming to develop vineyard components of certification process
- ▶ Effective delivery of obligations to VQAO including reporting to VQAO board pursuant to current funding agreement
 - Renewal of partnership with VQAO for next fiscal year.
 - Delivery of key tools – Our Story booklet

Strategic Plan Goals

Approach & Achievements

Bettering the Ontario Wine Industry

Priorities Going Forward

– STRENGTH THROUGH THOUGHT LEADERSHIP

- ▶ Continued demonstrable engagement with all ministries in government
 - All Ministries to understand place of WCO members, VQA wines in industry and strength and value of their role
- ▶ Leadership role in execution of Direct Contracting initiatives with FPMC
 - Continue to lead advocacy in support of direct contracting for grapes
- ▶ Strategic review of Wine Council position in Canadian Vintners Association
 - Engagement strategy re CVA Strategic Planning Process
 - Review of WCO role in CVA for fall 2012
- ▶ Stakeholders continue to respect Wine Council role in Ontario wine industry
 - Active outreach to WGAO, GGO, Drinks Ontario and other organizations (PECWA, EPIC) to establish strategic alliances where possible.
 - Board to establish concrete goals around industry collaboration with guidance from membership

Excellence in Promoting Wine Country Ontario

- ▶ Deliver excellence and results to current and future government marketing partnerships
- ▶ Continuous measurable improvement in usage and performance of key Wine Council assets – Wine Route, Wine Country Ontario travel guide, Visitor's First Program
- ▶ Active engagement with, and leadership in industry partnerships
- ▶ Complete overhaul of process for delivery of Wine Country Ontario programming
 - Establishment of Industry Marketing Committee – WGAO, WCO, GGO, VQAO, Government
 - Meetings and structure ran successfully
 - WGAO withdrew from committee because IMC would not accept all ideas for programming
 - Government approved plan as submitted by WCO with no amendments or concerns
 - Delivery of plan to MEDT and approval.
- ▶ Metrics improving in all aspects of marketing plan.

Strategic Plan Goals

Approach & Achievements

Excellence in Promoting Wine Country Ontario

Priorities Going Forward

– DELIVERING VALUE THROUGH MARKETING PROGRAMS

- ▶ Delivery of all reporting vehicles to MEDI per funding agreement
- ▶ Focus on maximizing value of programs to participants
- ▶ Communication of marketing plan achievements and opportunities to stakeholders
 - Communication to members
 - Ensure transparency to stakeholders through Industry Marketing Committee
- ▶ Wine Route Renewal in conjunction with launch of St. Catharines route, emerging regions evolution
- ▶ Active Wine Council leadership on Tourism Partnership of Niagara, Alliance of Ontario Food Processors, Ontario Culinary Tourism Alliance, OTMPC Stakeholder committees

Overall....

▶ A good year

- No membership loss to WGAO (no growth for WGAO at all)
- Success on funding asks to government and continuation of role as chosen partner of government
- Retail access proposals still have a live audience with government and opposition
- Sharp understanding at the province of challenges faced by industry and interest in solving them
 - All in the context of fiscal realities, but still very motivated and encouraging noises from government

What will help us continue to be successful?

▶ **Member Engagement**

- Our job is to provide the tools and the opportunities, members need to engage when asked
 - Survey will be critical to our success in moving regulatory reform
 - Proactive engagement on government relations issues will be critical
 - Icewine definition a challenge, will be very important tasks coming up which will succeed or fail depending on member responses
 - Need to understand the best way to ensure the best results
- Any government ask benefits from strength of voice, unanimity of position from VQA wineries

▶ **Growth of Membership Base**

- Continued focus on emerging regions, support of wineries outside of Niagara