



WINE COUNCIL
OF ONTARIO



UPDATE TO MEMBERS

Town Hall Meeting – February 24, 2011

Hillary Dawson, President

ISSUES UPDATE - WINE CONTENT AND LABELLING

◉ Province

- No final decision yet on next steps from government
- Some consensus in industry that 25% minimum for blended wines post 2014 is the right level
- Question is how to implement – eliminate Act, bring in rules vs. don't eliminate Act
- Real concerns from government that less than 25% would jeopardize grandfathering of offsite retail licences

◉ Federal Government

- Discussion at CFIA/AAFC is on label clarity only
- No CVA position yet, WCO has brought forward joint positioning with GGO that content levels should be 25% to use any term with Canada, have also advocated for more statements of origin on the label
- Process moving very slowly. Not expecting anything substantive to happen until at least the fall

- ◉ Provincial discussion will resolve before feds. Are related issues but province does not have to wait on feds – province is content, while feds is labelling only



ISSUES UPDATE - VINEYARD TRANSITION PROGRAM

- Potential OMAFRA program - \$3 million in transition funding for viticulture to be released next year for a program (\$3 million per year x 4 years)
- OMAFRA has had discussions in theory with all stakeholders on program design
- No details for sure but wineries should anticipate
 - That there will be a program
 - Cost shared, not a full grant, likely with a cap geared to size of vineyard
 - Outcomes should be related to quality enhancement, built around a business plan/engagement in a training seminar
 - Will be dollars for capital, not likely for vines
 - Will be a 4 year program so there will likely be opportunities in later years if unable to participate this year
- Likely first come first served – wineries should be alert to the release of the details of the program requirements and make investments in time to act
- WCO will provide details as soon as it is released, but expect to see something over the next several weeks



ISSUES UPDATE - PROMOTIONAL WINE & MINIMUM PRICING

◉ Promotional Wine

- Positive feedback on fixing the issue
- Will not know until post provincial budget
- If fix comes will be part of budget bill, not part of public budget announcement

◉ Minimum Pricing

- Has been long engagement with industry on raising minimum price of wine
- Had a proposal ready to bring forward
- Recent media activity around the minimum price of beer has made government gun shy about notionally raising wine prices now – Tim Hudak, 24 for \$24
- WCO will continue to seek an increase to these prices – right now the industry remains exposed to low price imports.



ISSUES UPDATE - LLA REVIEW

- ◉ Yesterday Ministry of Attorney General announced a “limited” review of some elements of the LLA
- ◉ Brief consultation (2-3 weeks) with a view to doing some changes within this legislative session under the “open for business” banner
- ◉ Includes the following issues:
 - Removing the need for beer tents at events and festivals so people can walk around freely with drinks (SOP reform)
 - Extending the hours that alcohol can be served at special events, such as weddings or charity fundraisers, from 1 a.m. to 2 a.m., to be consistent with licensed establishments (SOP reform)
 - Allowing all-inclusive vacation packages to be sold in Ontario – package pricing is something that we have been advocating for
 - More use of monetary penalties – a request of the restaurant trade who would prefer fines to license suspensions
- ◉ WCO has been invited to bring other issues to the table for review
 - Likely that these will be some of the smaller asks on the list but still can continue discussions with them on broader issues around rationalizing licensing



STRATEGIC PLAN 2010-2015

- ◉ Recently released
- ◉ 5 key priorities per October 2010 Town Hall discussion
 - Growing opportunities for VQA wine sales
 - WCO leadership and relationships
 - Membership growth and value
 - Excellence in promoting Wine Country Ontario
 - Bettering the Ontario Wine industry
- ◉ Board has augmented priorities with Goals
- ◉ Goals are being overlaid into annual WCO workplans and we will report at Town Hall meeting on progress on key priorities and goals
- ◉ Going to give update today on a some key initiatives that will be part of this year's workplan
 - Goal is to update progress on Strategic Plan elements at all Town Hall meetings and the AGM



RESEARCH IN SUPPORT OF GR GOALS

- ◉ Key research underway and planned to support our core priorities and goals
 - Priority #1 – Growing opportunities for VQA wine sales
 - Currently working on public opinion research around expansion of retail opportunities for wines
 - Planned further work on retail access model to refine for government post October 2011 election
 - Ongoing work with LCBO on growing opportunities in this channel – establishment of working group on sell through with Vintages
 - Priority #4 – Excellence in promoting Wine Country Ontario
 - Several projects underway under leadership of Wine Route Review committee including quantitative research on wine tourist use of Route, analysis of impact on ancillary businesses, impact on winery, best practices from other similar products
 - Priority # 5 – Bettering the Ontario wine industry
 - Renewing economic impact analysis – focus on VQA wines. Critical to continue the momentum of this work. Has strong resonance with media, public and government.



TRADE MEMBERSHIP - NEW

- ◉ The Wine Council Board of Directors is empowered through its by laws to establish other categories of membership.
- ◉ Recently they have decided to develop a “Trade Membership” category
- ◉ Targeted at our non-winery trade partners, engagement with these companies and organizations will allow a greater connection to Wine Council member wineries with potential special offers and opportunities
- ◉ Member engagement will come through the WCO Intranet
- ◉ Look for further details as this rolls out over the next couple of months
- ◉ Any concerns or comments please let us know.



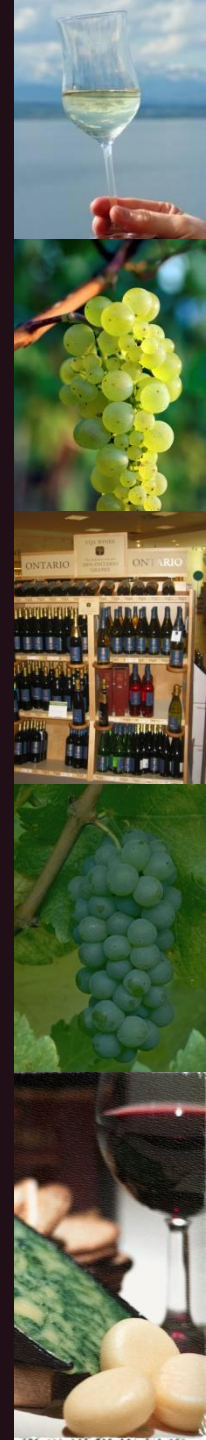
PLANNING FOR 2011 AGM & TOWN HALL

◉ AGM

- As the Board looks to planning for 2011 AGM, there will be opportunities to become Board and Committee members
- Calls for participation will come out in the spring
- Would strongly encourage all who have time to engage in our Board/Committee process
 - Can audit committee meetings now to assess interest/suitability
 - Board and staff members available at any time to discuss the options

◉ Town Hall

- We want to ensure that topics are meaningful and engaging
- Looking for member suggestions



QUESTIONS, COMMENTS, CONCERNS?

