Grape Growers of ONTARIO | WINE COUNCIL OF ONTARIO | W&GAO
Winery & Grower Alliance of Ontario

2012 PLATEAU PRICING

Frequently Asked Questions (F.A.Q.)

July 23, 2012

Do tonnage restrictions set by wineries apply to Plateau Pricing?
No. There are no tonnage restrictions on the 4 Plateau Pricing varieties for the 2012 harvest.

Who is eligible to participate in Plateau Pricing?
All growers and processors are eligible to participate.

How were the plateau prices calculated?
Plateau prices were calculated using international bulk wine prices, and a cost of production formula without tonnage restrictions.

How were the plateau ranges calculated?
The plateau pricing ranges were developed using a 5-year weighted average for grapes purchased along the sugar schedule and taking into consideration processors' end uses. (ICB, VQA)

Can "Sparkling" end use tonnage be included under "Plateau Pricing" and go towards company average?
No. "Sparkling" tonnage **must** be entered through Setgo as "Sparkling" and **not** be entered at "Plateau Pricing".

What happens if a grower delivers a load of grapes that is slightly over the plateau pricing threshold?
A winery is able to purchase plateau pilot varieties above the plateau threshold at plateau prices as long as that winery's company average for that specific variety does not exceed the established brix threshold.

Is a winery able to remove a grower from plateau pricing end use once contracted there?
A winery is able to remove a grower from plateau pricing end use and pay the grower according to the sugar schedule prior to filling out the weighbill, however once the weighbill is checked off and submitted under the section "End Use" for "Plateau Pricing", it **cannot** be changed.

Where does the tonnage fall along the sugar schedule in an average year?
The majority of purchased tonnage for a given variety falls in and around the base brix value which tapers off as one travels up or down from base.

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Variety	VQA Minimum Brix	Company Average Threshold	2012 Base Brix	Plateau Brix Range	Price per Tonne
J Riesling (class 9)	17.0°	18.4°	19.0°	17.1° – 18.4°	$1,200
Chardonnay (class 9b)	18.0°	20.4°	21.0°	19.0° – 20.4°	$1,200
Cab Sauv (class 10b)	19.0°	20.9°	21.5°	18.3° – 20.9°	$1,300
Cab Franc (class 10c)	18.0°	20.9°	21.5°	19.0° – 20.9°	$1,300

The above chart outlines the various industry brix values for VQA minimum, company average threshold, 2012 sugar schedule base brix and the plateau pricing brix range. The chart also includes the price per tonne for the 4 plateau pricing varieties.