

VQA Sales at Farmer's Markets

Industry Input, Current
Positioning and Gaps, How we get
involved

Process to date

- Commitment to see VQA wine sales in Farmer's Markets announced on December 9, 2013 by Premier Wynne
- Details and implementation to be left to a working group internal to government
- Wine Council conducts survey to provide initial input from industry to government on what industry would need in a model to make it successful
 - 96 wineries respond in a period of only a few days
- Presentation made from Government to industry at Wine Secretariat
- Regulatory Review posting now online – Input open until March 20

Challenges with Government Approach

- Regulatory Posting doesn't tell you anything:
 - Summary of Proposal:
 - Allow a pilot program for the sale of VQA wine at farmers' markets, by occasional extensions of on site winery retail stores:
 - Adopt a definition of farmers markets from Regulation 562 under the Health Protection and Promotion Act (detailed)
 - Allow municipalities the ability to opt-out by providing the Registrar of the AGCO with a notice of objection to having farmers' markets in their jurisdiction host VQA wine sales:
 - Require that any person involved in the sale and service of the wineries' VQA wine at farmers' markets holds a certificate demonstrating the successful completion of a server training course approved by the board of the AGCO;
 - Require wineries to give the AGCO advance notice of their intention to sell VQA wine at specific farmers' markets;
 - Require wineries selling VQA wine at farmers' markets to comply with additional conditions set by the AGCO
- Hard to expect fulsome comments given this "outline"

Challenges with Government Approach

- They need to get it done ASAP
 - Premier/Consumer expectations to see wine for sale in the Spring/Summer
- They can't take it to the Legislature
 - Restricted very much to tweaking existing regulatory framework in their view
 - Not a lot of broad, creative thinking
- Some of these issues are wrapped up in the AGCO consultations
 - A reason not to consider them
- By making this a “2 season” pilot, they are not as open as we would want to making fixes when the issues are obvious
 - Will have to be diligent as this rolls forward maintaining the pressure to get a framework that works best for our industry and our partners in the markets
- No measure of success
 - No expectations or goals for market/winery participation

Input and Response

Industry Positioning	Current Proposal
Have ability to participate as extension of current on-site winery retail store authorizations	Sales of VQA wines at markets will be treated as “occasional extensions” of on site winery retail stores.
No separate licence. No fees	A separate licence will not be required to sell VQA wines at farmers’ markets. An authorization or endorsement on your existing manufacturing license will be required. Wineries will be required to provide advance notice to the AGCO of the farmers’ markets at which you will sell wine. No additional fees during pilot phase
Easy reporting on current forms	J10 forms will be altered to provide an ability to separately record these sales

Input and Response

Industry Positioning	Current Proposal
Same margins as WRS	Taxes and fees for farmers' market sales will be the same as for VQA sales at WRS.
Ability to use 3 rd party to sell wines	Wineries will be required to staff farmers' markets with employees that have been Smart Serve Trained. NOTE – we will be pushing get this better aligned with the practice of using 3 rd parties for sampling as an example
Ability to collaborate (ie regionally) to provide a forum for shared costs, sales staff, provide one stop regional presence	Wineries can be in the same space (ie big tent) but must have their own people selling their wine only. NOTE – We will continue to push for this as it was a critical item from wineries to be able to get better economics on the opportunity

Input and Response

Industry Positioning	Current Proposal
Have as many markets eligible as want to be	Farmers Markets will be defined in the same way as the definition in the Health Protection and Promotion Act – essentially must be selling local food from farms and they must be the majority of sellers. Currently a winery would not be considered a farm under this definition.
	Municipalities will be able to “opt out” of the pilot program by providing notice to the AGCO of their objection
Align hours of sale with hours of operation for farmers’ market	Proposal will allow for alignment. Markets could choose to restrict hours of sale at their discretion
Allow sampling for all hours of sale	Undecided. Are doing research on practices elsewhere

Input and Response

Industry Positioning	Current Proposal
Allow off site warehousing of some form to ensure a broader reach of the program	Government not considering a change in this policy. The geographic reach of wineries will be limited by the requirement to return product to the winery each day when the farmers' market closes. NOTE – we have asked them to look at the allowance that agents/ reps have and to consider extending that allowance to allow for more inventory to be available for this kind of opportunity.
Allow other 100% products to be sold – grape and fruit wine	Government only considering VQA. No other opportunities until after pilot is evaluated in Winter 2015.

Next steps

- Likely further direct discussions with AGCO
 - They will also continue to consult with municipalities, health groups, social responsibility groups, Farmers' Markets Ontario, other association representing producers of other forms of domestic alcohol and importers
- Submission of comments to the Regulatory Registry
Posting by March 20, 2014
- As Wine Council we are having direct discussions with the leadership in the Farmers' market communities
 - Will be opportunities to hear from them and them to hear from us on shaping these markets in a way that works for them and works for wineries

What you can do

- Respond to the posting on the registry
 - As wineries you need to have a large voice in expressing any concerns with this proposal as it stands now
 - If the government doesn't hear from you, it will say that it is on the right track
- Continue to respond for our calls for input as well
 - We will continue to fight for changes to the current proposal to make these economically more attractive for wineries
- Feel free to let the Premier know directly if you won't be participating if the rules don't change
 - The Premier is personally invested in this process and she needs to hear the voices of wineries directly and not filtered through a process run by the bureaucrats and regulators
 - We will provide all of these links on our members' site and to the other wineries that participated in our survey

Questions?

Feedback on our approach?