



WINE COUNCIL
OF ONTARIO



WCO TOWN HALL MEETING

Rockway Vineyards
November 25th, 2015

TOPICS FOR DISCUSSION

- Wine Marketing Association of Ontario Update
- Shire Corp Issue – Harald Thiel (Speaker)
- Retail Access – Ed Clark Process
- VQA Support Program & VIP Feedback
- Ontario Wine Industry Performance Study
- CRA Excise Tax Issue – Duncan Gibson (Speaker)
- AGCO Licensing Reforms – Allan Schmidt (Speaker)
- Winery Sustainability Certification Program Workshops
- WCO Strategic Planning Survey
- GF2 Summer Intake Complete: Next Round Now Open
- Rural Economic Development Program Update
- Greenbelt Foundation - Local Food Investment Fund
- Presentation from bdBuilder – Doug Beatty (Speaker)



WMAO UPDATE

- ◉ **Purpose:** To keep the Ontario wine industry up to date on initiatives that WMAO has developed and executed to drive sales for VQA Wines of Ontario.
- ◉ WMAO's mission is to increase sales of VQA Wines of Ontario and build the VQA brand. Accessing funds through OMAFRA, VQA Ontario and the Ontario wine industry, WMAO develops comprehensive marketing and PR programs to drive sales of Ontario VQA wines.
- ◉ The team is led by Sylvia Augaitis, Executive Director of Marketing, who will provide an update/overview.



SHIRE CORP DEVELOPMENT

- Ontario Municipal Board hearing is set to begin on **Feb. 2, 2016** to deal with an application by Shire Corporation to store and process human waste at a property on Frost Road.
- The Town of Lincoln turned down the application for official plan and zoning amendments in November 2014 that would have allowed the storage of non-agricultural source materials at the site.
- Brantford-based Shire Corporation has appealed on the grounds that the town failed or neglected to make a decision on the application within the statutory time limits under its own municipal policy.



ED CLARK COUNCIL

- ◉ ***Ed Clark is hoping to uncork some good news for wine drinkers before Christmas. Premier Kathleen Wynne's assets adviser, architect of the expansion of beer sales in grocery stores, said his blueprint for getting more wine on grocery store shelves should be completed within the next eight weeks. "We're working at it," Clark, the former TD Bank CEO, said in an interview Thursday. "Still shooting that I can open a bottle of wine and not have to worry about whose wine I'm drinking on Christmas," he said with a laugh. "So that's our target date."***

- Robert Benzie, Friday, October 30th, 2015 (Toronto Star)



VQA SUPPORT PROGRAM & VIP

- ◉ We view the planning and execution of both programs this year to be a general success. **HOWEVER...**
- ◉ Program guidelines very difficult to understand; this was expected given the changes in program concepts and reporting requirements.
- ◉ We see great benefit in Agricorp working collaboratively on the program guidelines before they are distributed to program participants i.e. wineries.
- ◉ e.g. A significant change to the program in year 2 will be requirement to submit invoices for 2x funding claim amount. It would be useful if this point was reinforced now - as the claim period is from April 1, 2015.



VQA SUPPORT PROGRAM & VIP

- ◉ **Communications:** This is one area where we received the most feedback from Ontario wineries.
- ◉ Wineries were frustrated at having to contact a generic e-mail or phone number, not receiving a timely response and not having the ability to follow up directly with a specific Agricorp staff person.
- ◉ Appreciate that operational items are normal 'start-up' issues, and we do think that communications between Agricorp and wineries will improve in year 2. Need a contact person for each program file, going forward.



VQA SUPPORT PROGRAM & VIP

- **Program Payment Timing:** Given the 'late start' to the VQA Support Program this year, pleased that Agricorp was able to process claims by the end of Sept. 2015.
- **Next year:** We would ask that that claims be processed by the end of June 2016. LCBO sales numbers for the period ending March 31, 2016 will be available before the end of April, and with sufficient notice to wineries claims could be submitted by the end of May.
- Helps maximize transparency, predictability and delivers business certainty for wineries.



VQA SUPPORT PROGRAM & VIP

- Demand for the **VIP** this year was stronger than expected. Applications were submitted, requesting \$5.2 million in funding, exceeding the \$4 million in available funding over the next 2 years.
- **Program fairness:** There remains a credibility issue with respect to fairness for all potential applicants which needs addressing. We may want to consider a threshold for a “Maximum Available Grant” that could be based on overall program funding and the total number of eligible growers that participate.
- Otherwise VIP suffers a credibility gap on fairness and ensuring all applicants have equal access to the funds.



INDUSTRY PERFORMANCE STUDY

- ◉ WCO has long advocated for the completion of a wine industry 'Benchmarking Study'. Similar studies have been done in other wine jurisdictions such as Australia, New Zealand, California, etc.
- ◉ As part of the Ontario Wine Strategy, the Ontario government agreed to fund the study, which is being administered by VQAO and executed by Deloitte.
- ◉ Wineries are required to complete this survey if your company receives/intends to receive funding under the VQA Wine Support Program or the Marketing and Vineyard Improvement Program. **The survey must be completed by Friday, December 11, 2015.**



CRA EXCISE TAX DEVELOPMENT

- ◎ **CRA position:** Sparkling wine (in bottle, traditional method), which many wineries send to a 3rd party for storage or disgorging, is now being classified by Excise as 'bulk wine'. No federal rules have changed - simply a new interpretation. Whereas AGCO, VQAO and LCBO view it as: 'finished product' or 'bottled inventory'.
- ◎ Implications for wineries:
 - Not severe if 100% of vintage is disgorged at one off-site location; just need letter on file with excise.
 - More problematic IF 'finishing' is done at more than one off-site third party (may not apply to any wineries).



CRA EXCISE TAX DEVELOPMENT

- ◉ Implications for 3rd parties: Not severe, but since bulk wine, for excise purposes, cannot be sent to a non-registered businesses, they must register (one time registration, no fee).
- ◉ Call Duncan Gibson @ WCO office with questions or if further clarification is needed.
- ◉ He can be reached at 905.562.8070 ext. 222



AGCO LICENSING REFORMS

- Recent AGCO Licensing Reform Working Group session on Friday, October 30th, 2015. Allan Schmidt is our industry representative.
- At meeting provided two DRAFT application forms:
 - 1) Manufacturer's licence renewal/reinstatement application form
 - 2) Additional manufacturer's licence application form
- Forms are intended to help streamline processes and reduce administrative burden for existing licensees until such time that the AGCO's Regulatory Assurance System is implemented.



WINERY SUSTAINABILITY

- ◉ Viticulture and Winery Sustainability Certification Program Workshops.
- ◉ The WCO and GGO have arranged workshops for winemakers and growers to better understand the program and to help with future vineyard and winemaking planning, as well as assist winemakers and growers with the best practices to adopt that will enhance their environmental performance.
- ◉ These workshops will also outline how wineries and growers will be audited and what the auditors will be examining. Dates and times are in the newsletter.



WCO STRATEGIC PLANNING SURVEY

- The WCO Board is currently developing our 2016–2021 Strategic Plan and we are requesting members' feedback and comments as we move into the next stages of the Strategic Plan's development.
- Strongly encourage members to take a few minutes to participate in the anonymous survey – your time is greatly appreciated.
- Surveys available at the door to complete today or later online. The deadline to respond online is **December 9th, 2015.**



GF2 INTAKE NOW OPEN

- ◉ Producers and Processors can apply for GF2 funding starting November 16 to December 3, 2015.
- ◉ GF2 is a project-based cost-share funding assistance program. Individual businesses may be eligible to receive up to \$350,000 over the life of the program.
- ◉ Areas of focus eligible for funding:
 - 1. Environment and climate change adaptation
 - 2. Business & leadership development
 - 3. Animal and plant health
 - 4. Market development
 - 5. Labour productivity enhancement
 - 6. Assurance systems; food safety, traceability, animal welfare



RED UPDATE

- The renewed Rural Economic Development (RED) Program was launched in October and has two streams for applications: a Community Development Stream and a Business Development Stream.
- For projects to qualify under either stream, applicants must demonstrate how their project benefits rural Ontario. The RED Program is accepting applications now until **January 15, 2016.**
- A number of you sit on local tourism boards and work closely with municipalities and RED is a potential funding option for strengthening current & future partnerships.



MEETING CLOSE

- Presentation from bdBuilder
- New Business
- Next Meeting – Wednesday, February 24th, 2016
- Adjournment
- Social – join us for a glass of wine 4:30pm-5:30pm
- Thank you!

