



WINE COUNCIL
OF ONTARIO



WCO TOWN HALL MEETING

Rockway Vineyards

April 29th, 2015

TOPICS FOR DISCUSSION

- Retail Access – Ed Clark Process
 - Recent Ontario Budget
- Wine & Grape Strategy
 - VQA Support Program
 - Ontario Vineyard Improvement Program
- Wine Marketing Association of Ontario
 - New Vehicle for Delivering the Marketing Program
- Farmers' Markets & Results
- MMAH Coordinated Review



ED CLARK COUNCIL

- **Page 2 of the report:** *“Accordingly, the Council would ask that industry participants – and the public – continue to work with us in our review of the sector. The Council remains committed to improving the beverage alcohol sector for consumers, producers, and taxpayers in a socially responsible way. We expect to continue our consultations and analysis in the months following the tabling of the government’s 2015 Budget, with a view to developing a carefully considered future direction for wine and spirits retailing in Ontario.”*



ED CLARK COUNCIL

- **Page 17 of the report:** *“As indicated earlier in this report, our work on the potential direction for the wine and spirits retail system in Ontario is still on-going. This work will include consideration of alternative retail channels for wine. Depending on the outcome of that exploration, we will need to ensure that our proposals for an alternative retail channel for beer are aligned with our final recommendations for wine. Acknowledging the need for this further study to complete the picture, the Council has developed its thinking on a possible model for alternative retail channels with specific respect to beer.”*



CORE ISSUES FOR BEER

- There were two core issues at the heart of the Council's review of beer retailing in Ontario:
 - How to materially enhance customer convenience, choice and shopping experience, while continuing to ensure that Ontarians can buy their beer at prices below the Canadian average; and
 - How best to establish a level playing field for all producers selling beer in Ontario.



ED CLARK COUNCIL

- Toronto Star, April 17th, 2015 (Benzie/Ferguson)
- ***Privatization guru Ed Clark now sets sights on wine: Plan for wine sales in supermarkets coming before summer's end, says privatization czar Ed Clark.***
- Those 268 licences are “a huge asset to the Ontario wine business, but it’s just that they’re a huge asset to a very small number of companies in the wine business,” Clark said of their owners.
- “Those wine shops should be “repurposed into co-op type stores so the whole industry can benefit,” said Allan Schmidt, chair of the Wine Council of Ontario and president of Vineland Estates Winery.



WINE & GRAPE STRATEGY

- The Ontario government is providing \$28 million over the next two years through two programs:
 - Marketing and Vineyard Improvement program (MVIP) at \$6 million in 2015/16 and \$8 million in 2016/17 (a \$2 million increase in 2016/17 from current investments for marketing and viticulture)
 - VQA Wine Support program at \$7 million per year for two years (up from \$6 million per year from 2009/10 to 2014/15)
- Decisions regarding the government's investments in later years will be made in 2016/17 pending the outcomes of a performance review and once the Premier's Advisory Council on Government's Assets has completed its work.



VQA SUPPORT PROGRAM

- **Current state:** MEDEI makes grant payments in advance to wineries and asks for a report back on eligible expenditures in the amount of the grant the year after the grant is received.
- **Proposal:** OMAFRA to make grants to wineries retroactively based on a receipt-based claim of eligible expenses from the previous year. 2014/15 is proposed as a transition year. The 50% cost-share requirement would not be introduced during the transition year.
- **Note:** A small number of wineries may not have sufficient eligible expenses to be able to claim their 2015/16 grant from OMAFRA – the Ministry is proposing a **transition year** to address this concern.



VQA SUPPORT PROGRAM

NEXT STEPS

- LCBO data to OMAFRA/Agricorp – late May TBC
- Amount of grant wineries are eligible for and application forms sent to wineries – 3rd week of June
- Deadline for wineries to apply – July 31
- VQA grant payments – end of September. WCO pushing for earlier grant payment date. Agricorp has not said “no”. Need to understand program better.



MVIP

- ◉ **Objective:** To incent grower investment in vineyard improvements that enable them to adapt to ongoing and emerging vineyard challenges, increase productivity and profitability, and produce quality grapes to meet the growing demands of Ontario wine manufacturers.
- ◉ Eligible investments backdated to April 1st
- ◉ Revised guidelines and application forms available to growers – May 4th
- ◉ Application intake opens – May 19th
- ◉ Grower information sessions - May 4th to the 19th
- ◉ Funding for wineries and growers will be conditional on benchmark survey participation



FARMERS' MARKETS

- ◉ Thanks to those who attended the AGCO seminars
- ◉ Due to the Ed Clark process, changes are not contemplated for 2015. The AGCO is proposing that the pilot be evaluated starting in fall 2015 for decisions prior to May 2016. WCO is already engaged.
- ◉ Larger issues to sort out going forward:
 - 'Pooling' of resources, i.e. sharing booths/staffing
 - Allowing off-site storage of wine for markets
- ◉ Program needs more flexibility to be beneficial and ensure it is designed for both consumers and Ontario VQA wineries.



FARMERS' MARKETS RESULTS

- ◉ **141** farmers' markets hosted at least one day of wine sales - concentrated in GTA and wine regions. Most markets hosted wine sales every week during in-season period.
- ◉ **77** wineries conducted at least one day of farmers' market sales; many wineries held weekly sales at multiple markets; majority of participants are small wineries (many without LCBO listings).
- ◉ **3358** cumulative sales dates amongst all wineries at all markets; **\$1.152 million** total wine sales; **73,234** bottles of wine sold at Ontario farmers' markets.



2015 COORDINATED REVIEW

- **Issue:** co-ordinated review of the Growth Plan for the Greater Golden Horseshoe, the Greenbelt Plan, the Oak Ridges Moraine Conservation Plan, and the Niagara Escarpment.
- The document, ***Our Region, Our Community, Our Home***, is helping inform and guide discussions.
- Posted to the EBR on February 27, 2015. Deadline for comments: **May 28, 2015**
- Comments will inform draft amendments to the plans, and will be presented at a second set of public consultations later this year.

