



WINE COUNCIL
OF ONTARIO



WCO TOWN HALL MEETING

Pillitteri Estates Winery

February 25, 2015

TOPICS FOR DISCUSSION

- Retail Access – Ed Clark Process
 - Upcoming Ontario Budget
- Wine & Grape Strategy
 - Treasury Board has approved 2 Years of Funding
- Wine Marketing Association of Ontario
 - New Vehicle for Delivering the Marketing Program
- Executive Director of Marketing Named
- Farmers' Markets
- AGCO Regulatory Review



RETAIL ACCESS - ED CLARK PROCESS

Retail Access Update

○Premiers Advisory Council on Government Assets:

- Ed Clarks initial finding report (October 17th speech)
- No sell off or privatization of LCBO, but a strong drive to increase revenues for the province.
- Frequent reference to market “Fairness” issue as the foundation for many recommendations .
- Recommends more “Open Competition” in the market with private wine stores.

○Post speech meeting with Clark and Deloitte, has us involved in creating the new framework for change.

○Remain cautiously optimistic about future reforms.



WINE & GRAPE STRATEGY

Ontario Wine Strategy - Secretariat Process

- ◎ Up to \$75 million over 5 yrs starting April 1, 2015:
 - VQA Support Program increased to \$7M
 - VQA Marketing program remains \$3M a year
 - OVIP program to continue, but at \$2M
 - There will also be \$250,000 allocated for Research and Innovation Development; \$250,000 for performance management; and an estimated \$500,000 set aside for administrative costs (subject to change).
 - *** Treasury Board has approved 2 years *** Outer years are TBD, but the government's commitment remains for 5 years.
- ◎ All programs moving to one ministry – OMAFRA.



WINE MARKETING ASSOCIATION OF ONTARIO (WMAO)

- ◉ Wine industry agreement on a new collaborative approach in the delivery of Wine Country Ontario and the VQA Marketing Program. WCO will continue to focus on advocacy/GR.
- ◉ WMAO is a 50/50 joint venture with WGAO.
- ◉ Two directors from each industry association will sit on the WMAO Board. The two WCO reps will be Allan Schmidt and Paul Speck.
- ◉ A joint VQA marketing committee has also been established, which is focused on the strategic planning/plan for the new association. They are accountable to the new WMAO board.



EXECUTIVE DIRECTOR OF MARKETING

- ◉ Sylvia Augaitis started last week - over twenty five years experience.
- ◉ Strong track record of success in consumer packaged goods, Retail and not-for-profit sectors.
- ◉ Specialties include marketing communications, consumer analysis, integration and marketing plan development.
- ◉ Built and led team that marketed and grew Canadian Tire business for 13 years.
- ◉ Won the Greater Toronto Marketing Alliance's International Leadership Award.



FARMERS' MARKETS

- Over 130 markets sold VQA wines to date.
- WCO will be meeting with AGCO soon to hopefully 'tweak' program for year two of the program.
- 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 wineries.



AGCO REGULATORY REVIEW

- AGCO began industry consultations in August 2013, and Findings Report was issued March 2014.
- Approved an initial series of policy reforms:
 - Licensing reform for Manufacturers
 - Modernizing ancillary items list for sale in on-site retail stores
 - Reforming 'Batch Still' capacity
- Process on hold until after Ontario Budget & Ed Clark process is finalized.

