



# ANNUAL REPORT

2013-2014

**WGAO**

Winery & Grower Alliance of Ontario

# MESSAGE FROM THE EXECUTIVE

*The Winery & Grower Alliance of Ontario (WGAO) and the wine and grape industry in total have made great strides over the past year.*

*With the announcement by the Premier of Ontario in December, 2013, a new Ontario Wine Fund was put in place for 5 years beginning in 2015/16. This commitment of up to \$75 million lays the foundation for the growth of the Ontario wine and grape industry over the next number of years. The industry has an economic impact of \$3.3 billion on the provincial economy and reflects some 14,000 direct and indirect jobs in agriculture, manufacturing, services and tourism.*

*The industry has a proven track record in growing in Ontario and being able to compete against wine from across the world. We would like to congratulate our members whose VQA wines were awarded 94 medals at the All Canadian Wine Championships and Ontario Wine Awards. At international competitions against the best in the world, members were awarded over 380 gold, silver and bronze medals for their outstanding VQA wine.*

*In its fourth year of operation, WGAO has built strong relationships with both the provincial and federal governments as well as other stakeholders in the industry. We are proud that our members continue to purchase the vast majority of grapes grown in Ontario by independent farmers for both VQA and ICB wine. The more that stakeholders across the industry can be aligned in their advocacy positions, the more likely we will be successful in achieving supportive public policy.*

*We are extremely appreciative of the active support and time that our Board of Directors and all members have invested in WGAO and its initiatives. Our success is based on wineries and grape growers working together as a team to grow the entire industry and ensure supportive government policies, programs and regulations. We would like to particularly thank Anthony Bristow, outgoing Chair, for his hard work and dedication to building the organization over the past three years.*

*We look forward to a very successful 2014/15 year and are confident that our past achievements have built a strong foundation for the entire wine and grape industry in Ontario.*

**Jim Clark**  
Chair  
WGAO

**Patrick Gedge**  
President & CEO  
WGAO

# HIGH

## PROVINCIAL GOVERNMENT ADVOCACY

> In December, 2013 the Premier of Ontario made an announcement which reflected policy recommendations put forward by the WGAO over the past few years including:

- Establishment of a Wine and Grape Strategy including \$75 million over 5 years (2015/16 through 2019/20) for an Ontario Wine Fund – an increase over the previous 5 year commitment of \$57 million.
- Creation of a Wine Secretariat to provide a single point of coordination between the industry and government, and within government.
- Approval for the sale of VQA wine through Farmers' Markets in Ontario – which will be particularly beneficial to the smaller wineries in the province.
- Policy recognition of the importance of both Vintners Quality Alliance (VQA) and International Canadian Blends (ICB) wine to the entire industry and the provincial economy.

> The WGAO has made numerous recommendations to the Alcohol and Gaming Commission of Ontario (AGCO) in their process for "Regulatory Modernization in Ontario's Beverage Alcohol Industry" and their *Findings Report* of March, 2014 reflected these positive opportunities for reform.

> The WGAO has a close ongoing relationship with the LCBO in Ontario and has continually reinforced their role as our retailer of choice; the LCBO introduction of "Our Wine Country" boutiques and the accelerated expansion of their store network should positively impact Ontario wine sales over time. We are encouraged by the establishment of working groups between the LCBO and industry to identify new ways and means to accelerate the future growth of VQA through their stores.

> To educate the public, media and governments, the *Economic Impact Study* of March, 2013 was communicated extensively, including the Ontario industry impact of \$3.3 billion, 14,000 jobs and \$410 million in provincial tax revenue and mark-ups.

# LIGHTS

## PROVINCIAL INDUSTRY RELATIONSHIPS

- > The second year of a two-year grape pricing agreement including plateau pricing encompassed the 2013 harvest; the 2013 harvest was by far the largest in the history of the industry in Ontario, with some 78,000 tonnes of wine grapes representing a farm gate of \$98 million.
- > Ongoing industry organizations that WGAO participates in include:
  - Ontario Grape and Wine Research Inc. (OGWRI)
  - Cool Climate Oenology and Viticulture Institute (CCOVI) Advisory Council and CCOVI Executive Committee
  - Best Bar None Ontario

## NATIONAL INDUSTRY RELATIONSHIPS AND ADVOCACY

- > The WGAO is a member of the Canadian Vintners Association (CVA) and is the only Ontario trade association representing all domestic wine in the province at the national level.
- > The WGAO and its directors have been actively involved in:
  - The development of a new set of CVA By-Laws which will be finalized in mid-2014.
  - The transfer of legal responsibility and accountability of the intellectual property and trademark of "VQA of Canada" to the CVA.
  - Promoting excise tax relief for Canadian grape content in blended wine, which will increase competitiveness and demand for Canadian grown grapes.
  - Icewine definition – clear definition for Icewine was required in order to protect the brand name and process, and respect international agreements.
  - Canada-EU Free Trade Agreement, which has national/international implications that affect the industry and the LCBO.
  - Canada-South Korea Free Trade Agreement, which eliminates tariffs on Canadian wine exports.

## GRAPE AND WINE INDUSTRY CONFERENCE

- > The WGAO was a sponsor of the Insight 2014 Conference along with Constellation Brands, Andrew Peller Limited, the Grape Growers of Ontario and Wine Council of Ontario.
- > Insight 2014 was held on March 4, 2014 with a record number of 160 industry, government and LCBO representatives in attendance.
- > Industry leaders from Australia and the United Kingdom made timely presentations, as did the LCBO, who shared up-to-date market analysis and consumer/retail research.

## WGAO MEMBERSHIPS

- > To broaden awareness of the importance of the grape and wine industry to Ontario's economy, the WGAO is a member of the Tourism Industry Association of Ontario, Ontario Culinary Tourism Alliance and the Greater Niagara Chamber of Commerce.

## Ontario's Grape & Wine Industry Statistics (2013/14)

- > Net sales of \$649 million and 61 million litres of wine (approximately 81 million bottles).
- > 74% of Ontario wine sales are International Canadian Blends (ICB) wines and 26% are Vintners Quality Alliance (VQA) wines.
- > 78,000 tonnes of wine grapes purchased with a farm gate of \$98 million.
- > 55% of Ontario wine grapes are used for International Canadian Blends (ICB) wines and 45% for VQA wines.
- > At the LCBO, Ontario wines by volume account for 29% share of market and imported wine 71%. WGAO members represent 25% of the 28% Ontario share.
- > On a provincial basis, Ontario VQA and ICB wine represent by volume some 42% share of market, and imported wine 58%. WGAO members represent 36% of the 42% Ontario share.
- > The total economic impact of the wine and grape industry in Ontario is \$3.3 billion and generates some 14,000 jobs in the province.

## ABOUT THE WGAO

The Winery & Grower Alliance of Ontario represents over 85% of the wine produced in Ontario, and members purchase over 85% of the grapes grown by independent farmers.

Members of the Alliance include small and large wineries, independent grape growers and regional industry associations. We are very appreciative of all the new wineries and grape growers that joined the association over the past year.

### BRAND NAMES OF MEMBERS INCLUDE:

- Bricklayer's Predicament
- Château des Charmes
- Colio Estate Wines
- Cooper's Hawk Vineyards
- Crush
- Dan Aykroyd Wines
- De Sousa Wines
- EastDell Estates
- Fresh Wines
- G. Marquis
- Girls Night Out
- Hillebrand Showcase
- Inniskillin Wines
- Jackson-Triggs Niagara Estate Winery
- Kittling Ridge Wine
- Lake & River
- Lakeview Cellars
- Le Clos Jordanne
- Magnotta Winery
- Mastronardi Estate Winery
- Megalomaniac
- Milan Wineries
- NHL Alumni Wines (Hat Trick)
- Niagara College Teaching Winery
- Peller Estates
- Seasons De Sousa Wine Cellars
- Small Talk Vineyards
- Stonechurch Vineyards
- Thirty Bench Wine Makers
- Trius
- 20 Bees Wines
- Two Sisters Vineyards
- Vinoteca Inc. Premium Winery
- Wayne Gretzky Estates No.99

*Congratulations to our WGAO members whose VQA wines won 57 medals at the 2014 All Canadian Wine Championships, 37 medals at the 2014 Ontario Wine Awards and over 380 medals at international wine competitions over the past year.*

## OUR VISION

*Growers and wineries together nurture a grape and wine industry that reflects consumer demand and is sustainable and profitable for all stakeholders.*

## OUR MISSION

*To increase the visibility and recognition of the economic and community value of the Ontario grape and wine industry in partnership with all stakeholders.*

*To create consumer preference for our wine through the quality and value of our products in every market segment.*

## WGAO Board of Directors

### Jim Clark

Chair  
Colio Estate Wines

### Greg Berti

Director  
Andrew Peller Limited

### Paul Bosc

Director  
Château des Charmes

### Anthony Bristow

Past Chair (Ex-Officio)  
Andrew Peller Limited

### Rob Enns

Director  
Grower

### Patrick Gedge

President & CEO (Ex-Officio)  
Winery & Grower Alliance  
of Ontario

### Tommaso Magnotta

Director  
Magnotta Winery

### Murray Marshall

Vice Chair  
Diamond Estate Wines &  
Spirits

### Stu Morgan

Secretary/Treasurer  
Grower

### Tom O'Brien

Director  
Regional Association –  
Cooper's Hawk Vineyards

### Del Rollo

Director  
Constellation Brands

### Phil Tregunno

Director  
Grower

### Roger Vail

Director  
Grower

## WGAO Management Team

### Patrick Gedge

President & CEO  
patrick.gedge@wgao.ca

### Karen Loch

Executive Assistant  
karen.loch@wgao.ca

# WGAO

Winery & Grower Alliance of Ontario