



# Winery & Grower Alliance of Ontario

**WGAO**

Winery & Grower Alliance of Ontario

*2011-2012  
Annual Report*

## Message from the Chair



**Anthony Bristow**, Chair

The 2011/12 year for the Winery & Grower Alliance of Ontario (WGAO) was the first full year of operation for the organization with management in place. As a new alliance we focused on building strong relationships with provincial and federal governments as well as other stakeholders in the industry.

The WGAO firmly believes that the industry will grow and flourish with wineries and grape growers

working seamlessly together. In all of our Board of Directors discussions we evaluate policy and program advocacy positions based upon whether the entire industry will benefit, including both grape growers and wineries. It is important to us that we act based upon facts and information, and with complete transparency.

At the same time we encourage and create opportunities for discussion and dialogue with all stakeholder associations in the industry including the Grape Growers of Ontario, Wine Council of Ontario, VQA Ontario and the Canadian Vintners Association.

In March of 2012 the WGAO and the GGO co-sponsored the industry conference Insight 2012 in Niagara on the Lake. This conference brought together 130 representatives from across the industry, government and the LCBO. This serves as just one example of how the WGAO translates its Vision and Mission for the entire industry into action.

Based on feedback the WGAO created a category for Regional Association Membership. We are pleased that Essex Pelee Island Coast (EPIC) Winegrowers Association (formerly Southwestern Ontario Vintners Association) joined the WGAO this year.

Finally, we were extremely pleased to play a leadership role in establishing a new two year Plateau Pricing and fixed base brix structure and two year pricing schedule, which will provide much needed stability and predictability for both wineries and grape growers.

My sincere thanks to the Board of Directors and committee members of the WGAO who volunteer their valuable time to support both the organization and industry as a whole.

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## Message from the President and CEO



**Patrick Gedge**,  
President and CEO

The past year has been an extremely active one for both the Winery & Grower Alliance of Ontario (WGAO) and the industry. Our operational focus has been to provide ongoing objective information and analysis to governments to assist them in better understanding the entire grape and wine industry in Ontario, and to build stronger industry alignment on issues.

We meet on a continuous basis with all political parties, Ministers and their staff, and senior civil servants to discuss the industry and the implications of changes to policies, programs and regulations. The WGAO has also built strong relationships with the LCBO given their important role in growing the industry through more VQA and non-VQA sales in the province.

With the October 6, 2011 election in Ontario of a minority government, the importance of sharing information with all political parties has become even more important than ever.

We have also worked closely with other stakeholder associations including the Grape Growers of Ontario and Wine Council of Ontario in order to identify areas of common interest which will grow the industry in the future. There is a recognition that alignment among industry associations on issues will increase the effectiveness of all our efforts with both provincial and federal governments.

Over and above our personal interactions, the WGAO regularly distributes Industry and Member newsletters to provide updates and new information and analysis. Feedback from the industry and government has been extremely positive to these initiatives.

My thanks to the Chair and Board for their ongoing policy direction and support along with Karen Pogacnik for her insights and dedication.

# 2011/12 Highlights

## Provincial Government Advocacy

- To facilitate the growth of the entire grape and wine industry, both Vintners Quality Alliance (VQA) and International Canadian Blends (ICB) wines, should be recognized in policy.
- To increase VQA sales in Ontario, WGAO advocates a formal review of the Ministry of Economic Development and Innovation VQA Support Program and VQA Marketing Program.
- To increase VQA sales, particularly for small wineries, Farmer's Markets should be enabled to sell Ontario wine.
- To increase sales of VQA and non-VQA wine, agreed upon targets and industry/LCBO action plans need to be established.
- To increase sales through direct delivery, allow 100% Ontario (non-VQA) grape wine.
- To provide wineries with product flexibility, enable all wineries in Ontario the right to make blended wines as long as Ontario grapes represent a minimum 25% by bottle.

## Provincial Industry Relationships

- Plateau Pricing structure and fixed base brix schedule put in place for two year period.
- Prices for all grapes agreed upon for two year period.
- Executive Committee to Executive Committee meetings held with both the Grape Growers of Ontario and Wine Council of Ontario.
- Ongoing industry committees that WGAO participates in include:
  - Grapes for Processing Industry Advisory Committee (GPIAC)
  - Ontario Grape and Wine Research Inc. (OGWRI)
  - Cool Climate Oenology and Viticulture Institute (CCOVI) Advisory Council and CCOVI Executive Committee.
- Worked closely with Windsor Essex Economic Development Corporation and their colleagues in the development of their excellent 2012 Wine Report.
- Participated in the development of the inaugural Lieutenant Governor's Award for Excellence in Ontario Wines competition.

## National Industry Relationships and Advocacy

- The WGAO is a member of the Canadian Vintners Association (CVA).
- The WGAO and its directors have been actively involved in:
  - Bill C-311 – development and passage of Direct to Consumer Wine Delivery and amendment to the 1928 Importation of Intoxicating Liquor Act
  - Excise tax relief for Canadian grape content in blended wine
  - Icewine definition – clear definition for Icewine required by year-end 2012 in order to respect international agreements
  - Wine labelling – the Canadian Food Inspection Agency (CFIA) has responsibility for wine labelling standards nationally and is in the process of establishing new requirements
  - Canada- EU Free Trade Agreement – various issues have arisen about the industry that have had to be researched and addressed

## Grape and Wine Industry Conference

- Insight 2012 was held on March 6, 2012 with 130 industry, government and LCBO representatives in attendance.
- Major takeaways from the conference included the desire for the industry to work together more collaboratively, the need for more innovation and an analysis of the economic importance of the industry to Ontario.
- According to a survey of participants over 86% evaluated the conference as "Very Good" or "Excellent".

## Economic Impact Analysis of Grape and Wine Industry

- Need for an up to date analysis of the economic importance of the industry to Ontario (last one was done in 2007).
- Developed a Request for Proposal which encompassed Ontario, British Columbia and Nova Scotia by coordinating with the Canadian Vintners Association, B.C. Wine Institute and Winery Association of Nova Scotia.
- Results of the analysis are expected for fall, 2012.

## 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.

## WGAO Board of Directors

**Anthony Bristow**, Chair,  
Andrew Peller Limited

**Tommaso Magnotta**, Director,  
Magnotta Winery

**Jim Clark**, Vice-Chair,  
Colio Estate Wines

**Murray Marshall**, Director,  
Diamond Estate Wines &  
Spirits

**Stu Morgan**, Secretary/  
Treasurer, Grower

**Tom O'Brien**, Director,  
Cooper's Hawk Vineyards

**Rob Enns**, Director, Grower

**Phil Tregunno**, Director,  
Grower

**Flavio Follegot**, Director,  
Vinoteca Inc. Premium  
Winery

**Roger Vail**, Director, Grower

**John Hall**, Director,  
Kittling Ridge Wines & Spirits

**Martin van der Merwe**,  
Director, Constellation Brands

## WGAO Management Team

**Patrick Gedge**,  
President & CEO

**Karen Pogacnik**,  
Executive Assistant

## Ontario's Grape & Wine Industry Statistics (2011/12)

- Net sales of \$613 million and 58 million litres of wine (approximately 77 million bottles)
- 75% of Ontario wine sales are International Canadian Blends (ICB) wines and 25% are Vintners Quality Alliance (VQA) wines
- 62,000 tonnes of wine grapes purchased with a farm gate value of \$77 million
- 54% of Ontario wine grapes are used for International Canadian Blends (ICB) wines and 46% for VQA wines
- 473 grape growers (of which some 150 are wineries)
- At the LCBO, Ontario wines account for 31.4% share of market and imported wine 68.6% (VQA share is 6.2%)
- At Vintages, Ontario wines (all VQA) represent 4.1% of their total wine sales, and imports 95.9%

## About the WGAO

- The Winery & Grower Alliance of Ontario represents over 85% of wine produced in Ontario, including the majority of VQA wine.
- Members of the Alliance include small and large wineries, independent grape growers and regional industry associations.
- Brand names of members include:  
  
Colio Estate Wines, Cooper's Hawk Vineyards, Crush, Dan Aykroyd Wines, De Sousa Wines, EastDell Estates, Fresh Wines, G. Marquis Vineyards, Girls Night Out, Inniskillin Wines, Jackson-Triggs Niagara Estate Winery, Kittling Ridge Wine & Spirits, Lake & River, Lakeview Cellars, Le Clos Jordanne, Magnotta Winery, Mastronardi Estate Winery, Milan Wineries, NHL Alumni Wines (Hat Trick), Peller Estates, Seasons De Sousa Wine Cellars, Thirty Bench Wine Makers, Trius Winery at Hillebrand, 20 Bees Wines, Vinoteca Inc. Premium Winery, Wayne Gretzky Estates.

## 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

Winery & Grower Alliance of Ontario

282 LINWELL ROAD, SUITE 210A  
ST. CATHARINES, ON L2N 6N5

TEL: 905.937.9463

FAX: 905.937.9467

patrick.gedge@wgao.ca

www.wgao.ca