ONTARIO’S VQA WINE & GRAPE INDUSTRY

2030 VISION

CONNECTED. SUSTAINABLE. PROSPEROUS. CELEBRATED.
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Many of the world’s premiere wine regions have developed their craft over centuries. Ontario’s wine industry pre-dates Prohibition, but Ontario’s VQA wine and grape industry ("our industry") is only decades old. Building on that history, our industry and the wineries that create the product have an amazing story to tell.
Over the past four decades, our industry has grown in quality, producing a vibrant product offering, exciting consumers. Our local and global impact is significant. Benefiting from a superior “terroir” – a supportive mix of sun, rain and soil - we create some of the world’s finest wines. Many consumers today favour wines produced in cooler climates and Ontario’s appellations produce premium wines that rival or exceed the quality and taste of any wine on the world-stage.

Ontario has 18,000 acres under vine and has grown to 191 VQA wineries, concentrated in the Niagara Peninsula, Prince Edward County and Lake Erie North Shore. A changing climate and improved agricultural technologies now support emerging wine regions across the province of Ontario in Norfolk and Haldimand Counties, Central Ontario and Georgian Bay, Huron Shores and Eastern Ontario. Local wineries and their regional communities have become important destinations for tourists from near and far who are seeking to immerse themselves in Ontario’s wine culture while discovering everything Ontario’s wine country has to offer.
Today, our wine industry contributes $5.5 billion annually to the province’s economy. Economic clusters have formed in rural regions around the province based on an extensive complement of industries that support both winemaking and grape growing. In 2019, twenty-two thousand full time equivalent jobs were supported in the agriculture, food and beverage, hospitality, tourism, education and research sectors. Over 2.69M visitors came to wine country in the same year. Planting wine grapes that become VQA wines, produces the highest value-added return from an acre of agricultural land in Ontario. We play a critical role in protecting Ontario’s prime agricultural lands.

Despite the broad global trend of declining wine sales as a percentage of overall alcohol sales, our VQA wines have maintained their market share in a declining market.

At the heart of our industry is our people, known for their passion, creativity, resilience, and entrepreneurism.

It is broadly acknowledged that Ontario’s VQA wine and grape industry has arrived, and we need to celebrate this success as our industry has faced no shortage of challenges. We have set the foundation for the next stage of our growth.

By 2030, we envision our industry as connected, sustainable, prosperous and celebrated. We will be known for our vibrant wine culture and our wines will be respected globally while being enjoyed and recognized locally.
By 2030 Ontario’s wine consumers will confidently choose our VQA wines over imported alternatives.

Ontario’s opportunity is to leverage our history, to embrace our future, our climate and the preference local and global consumers have for the types of wines we make here in Ontario, to increase sales and to gain market share over imported wines.

To accomplish this, we will invest in and nurture our vibrant Ontario wine culture. Two foundational factors will drive our evolution over the coming eight years:

- First, we will be successful when the consumer is our singular focus, exceeding their wants and their needs.
- Second, we will re-create a unified industry voice to advocate for improved consumer and producer outcomes - with governments, with regulators and with our sales channel partners.

These two VQA industry initiatives are the foundation that will support our success in having a more engaged consumer, delivering increased sales and a more financially sustainable and successful VQA industry.
Producing world-class Ontario VQA wines all starts with planting and growing grapes. Being terroir focused on Ontario’s land is the foundation of our 2030 success.
2030 VISION

CONNECTED. SUSTAINABLE. PROSPEROUS. CELEBRATED.
2030 Success

- We are recognized for our vibrant wine culture that wine consumers want to be a part of.
- Our VQA wines are sought out and confidently celebrated by consumers.
- Sales of our VQA wines have increased across all channels.
- Our growth and economic contribution to Ontario’s economy has been unleashed.
- We are recognized as important stewards of Ontario’s prime agricultural lands.
- Governments have implemented structural changes reducing regulatory and tax burdens creating growth, jobs and investment in the province.
- Our industry is an attractive place to invest and attracts new capital into the sector.
- We are recognized for our leadership in sustainability.
- Industry stakeholders are unified, working together for the success of the industry.

Ontario’s VQA Wine & Grape Industry: 2030 Vision
**Growth in Ontario’s VQA Wine Industry**

Creating jobs, generating rural economic growth, attracting tourists and protecting Ontario’s agricultural heritage.

<table>
<thead>
<tr>
<th>Jobs</th>
<th>VQA Market Share</th>
<th>Total VQA Sales</th>
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<tbody>
<tr>
<td>Over the past 8 years, Ontario has seen a 50% increase in jobs in the wine industry. Over 22,000 jobs were supported in 2019. <strong>By 2030, the industry will employ, directly and indirectly, over 40,000 Ontario workers</strong></td>
<td>Ontario’s VQA Wine Industry holds a 7.7% market share in the LCBO and a 13% market share across all channels...<strong>with the right support, by 2030 VQA’s share of the Ontario wine market will grow by over 20%</strong>.</td>
<td>Ontario’s VQA Wine Industry sells $385 million of wine in the province. Increased market share will drive <strong>VQA sales to over half a billion dollars by 2030</strong></td>
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<tr>
<th>Acres Under Vine</th>
<th>Capital Investment</th>
<th>Tourist Visitors</th>
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<tr>
<td>As market share and sales increase, so will Ontario’s need to increase grape production. From 18,000 acres today, <strong>by 2030 Ontario’s grape and wine industry will need to plant 4 million new vines in over 20,000 acres</strong></td>
<td>Increased market share, acres under vine and critically, changes to the sector’s tax and regulatory regime, will attract new external capital and <strong>increase capital expenditure in the industry to an estimated $700 million by 2030 - a 75% increase over current estimates</strong>.</td>
<td>Ontario’s VQA Wine Industry will attract 3,000,000 tourist visitors annually by 2030, up from 2,600,000 today.</td>
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Realizing our Vision

How we are going to accomplish it

3 STRATEGIC PILLARS

Our Brand & Demand
Connected to our consumers

Our Winemaking
Connected to our land

Our Industry Relationships
Connected to each other

Ontario’s VQA Wine & Grape Industry: 2030 Vision
## Our Strategic Priorities

### Our Brand & Demand  
**Connected to our consumers**

- Build and promote Ontario’s vibrant and inclusive VQA wine culture and brand
- Generate consumer demand across each channel to increase sales of our VQA wines
- Work with industry stakeholders to ensure Wine Country Ontario delivers a consistent, top-tier tourism experience
- Create, enhance and implement Ontario VQA wine education to showcase Ontario’s contribution to the global wine market

### Our Winemaking  
**Connected to our land**

- Ensure our industry vineyard decisions support the growth strategy for Ontario’s VQA wines
- Invest in industry initiatives as well as viticultural and winemaking research to enable innovation, create operational efficiencies, implement sustainable practices, and address the challenges and opportunities related to climate change
- Increase our industry’s contribution to the province of Ontario by increasing our economic contribution, providing high-quality jobs and protecting agricultural lands

### Our Industry Relationships  
**Connected to each other**

- Create a unified voice to support our advocacy efforts for a regulatory and tax framework that supports success
- Collaborate with our channel partners, bringing one industry voice, to drive growth in the sales of our wines
- Increase winery participation and engagement in our industry initiatives
## Our Brand & Demand

Connected to our consumers

### How we will measure success of our Brand & Demand

Market share | Total VQA Sales | Consumer affinity for our brand | Average bottle price | Premiumization

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<tr>
<th>Priority</th>
<th>Objectives</th>
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| Build and promote Ontario’s vibrant and inclusive VQA wine culture and brand | ▪ Develop a consumer-centric marketing strategy  
▪ Determine the role of “VQA” going forward when marketing our wines  
▪ Identify opportunities for our wines to gain global recognition and leverage it to build pride at home  
▪ Tell our story by celebrating and promoting the successes of Ontario’s VQA wine industry  
▪ Conduct consumer research to benchmark consumer and industry perceptions of Ontario’s VQA wines and improve the overall breadth and quality of the industry’s data  
▪ Increase the engagement of key Ontario VQA wine influencers and ambassadors  
▪ Support education and information campaigns that promote responsible drinking  
▪ Continue to build and support a diverse, inclusive culture |
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| Generate consumer demand across each channel to increase sales of our VQA wines | ▪ Create a multi-channel plan with annual targets informed by relevant data/metrics to grow sales of our wines  
▪ Build an improved, consistent, industry-wide data set and make it available to stakeholders  
▪ Obtain better data from the LCBO and the grape marketing board  
▪ Gather bottle shop data  
▪ Leverage “at home” competitive advantage for direct-to-consumer fulfillment / delivery |
| Work with industry stakeholders to ensure Wine Country Ontario delivers a consistent, top-tier tourism experience | ▪ Activate key tourism assets  
▪ Work collaboratively with our tourism industry partners to increase tourism to Ontario’s wine country including a focus on new near-drive markets.  
▪ Enhance the reputation of Ontario’s Wine Country  
▪ Work with all levels of government to improve infrastructure to Wine Country Ontario |
## Our Brand & Demand
Connected to our consumers

## Strategic Priorities and Objectives

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| Create, enhance and implement Ontario VQA wine education to showcase contribution to the global wine market | - Build relationships with Ontario’s Colleges, Chef Schools and Wine Designation Programs to integrate and promote Ontario’s VQA wines in their curricula  
- Create an education program for professionals already working in Ontario’s restaurant industry to learn about Ontario’s VQA wines  
- Create a consumer-focused education program on Ontario’s VQA wines |
**Our Winemaking**
Connected to our land

**How we will measure success of our Winemaking**
Greater alignment with our grape supply and consumer demand

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| Ensure our industry’s vineyard decisions support the growth strategy for Ontario’s VQA wines | ▪ Create an industry varietal plan to enable vineyard planning and rebalance the mix looking at what we have and where the demand is. Assess whether to go to government with the request for a vine pull and replant program as a corrective supply measure.  
 ▪ Align grape prices with quality as well as supply and demand  
 ▪ Develop better industry data, benchmarking and intelligence |
### Our Winemaking

**Connected to our land**

### Strategic Priorities and Objectives

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| Invest in industry initiatives as well as viticultural and winemaking research to enable innovation, create operational efficiencies, implement sustainable practices, and address the challenges and opportunities related to climate change | ▪ Evolve the Sustainable Winegrowing Ontario (SWO) program through participation and credibility  
▪ Expand our industry’s technical capacity to identify, discuss and implement technology and innovation initiatives  
▪ Actively support Canadian Grapevine Certification Network (CGCN) and continue to focus on the clean vines program  
▪ Strengthen and implement applied research initiatives placing more emphasis on winemaking (e.g., OGWRI and CCOVI) and making sure research results get back to wineries  
▪ Invest to create “value chain” economic research to deliver stakeholder support  
▪ Invest in opportunities to improve the economic viability of the industry through initiatives that will leverage economies of scale and focus on operations/process research and development (e.g., sharing production capacity, harvest processing – optical sorters, filtration technology etc.)  
▪ Explore opportunities to address glass supply chain issues (e.g., a bottle wash program) |
### Our Winemaking
Connected to our land

### STRATEGIC PRIORITIES
AND OBJECTIVES

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| Increase our industry’s contribution to the province of Ontario by, increasing our economic contribution, providing high-quality jobs and protecting agricultural lands | - Continue to invest in conducting economic contribution studies and find ways for our industry to increase our contributions to the province  
- Continue to create attractive high-quality jobs, especially in rural Ontario, to grow, nurture and retain the talent in our industry  
- Promote our role in protecting Ontario’s prime agricultural lands                                                                 |

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**Ontario’s VQA Wine & Grape Industry: 2030 Vision**
Our Industry Relationships  
Connected to each other

How we will measure success of our Industry Relationships  
We are one industry with one vision and one voice

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| Create a unified voice that publicly advocates for our customers and for the success of Ontario’s diverse VQA wine producers | - Advocate for reforms that promote a regulatory, tax and distribution framework that supports our industry’s success across all business models and the financial stability of Ontario’s VQA producers  
- Gain buy-in from the government and its agencies on the importance of having a resilient and profitable wine industry in Ontario  
- Develop consensus on retail modernization  
- Strengthen the relationship with the Grape Growers of Ontario (GGO) and work towards the inclusion of the grape growers in the industry’s “unified voice”  
- Modernize our relationship with the industry’s grape growers  
- Identify red tape reduction opportunities  
- Assess the structure of our industry and whether it is allowing the industry to effectively work together |
## Our Industry Relationships

**Connected to each other**

### STRATEGIC PRIORITIES AND OBJECTIVES

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| Collaborate with our channel partners, bringing one industry voice, to drive growth in sales of our VQA wines | ▪ Increase collaboration and planning with the LCBO  
▪ Increase collaboration and planning with the grocery sector including our wine boutiques  
▪ Develop an industry engagement approach with bottle shops and other new retail channels  
▪ Strengthen our relationships with food, restaurant & hospitality sectors |
| Increase winery participation and engagement in our industry initiatives | ▪ Improve industry succession planning across our industry associations  
▪ Increase the breadth of industry stakeholders engaged to lead and support our industry initiatives |