



WINE COUNCIL
OF ONTARIO



Wine Council of Ontario
ANNUAL REPORT
Year Ending March 31, 2018



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Members of the Wine Council of Ontario

Niagara-on-the-Lake

Between the Lines Winery	Palatine Hills Estate Winery
Big Head Wines	Pillitteri Estates Winery
Caroline Cellars	PondView Estate Winery
Cattail Creek Estate Winery	Rancourt Winery
Colaneri Estate Winery	Ravine Vineyard
Coyote’s Run Estate Winery	Reif Estate Winery
Frogpond Farm Organic Winery	Reimer Vineyards
Hare Wine Co. (The)	Riverview Cellars Estate Winery
Hinterbrook Winery (Nomad)	Southbrook Vineyards
Ice House Winery (The)	Stratus
Joseph’s Estate Wines	Strewn Winery
Konzelmann Estate Winery	Sunnybrook Farm Estate Winery
Lailey Winery	Two Sisters Vineyards
Lundy Manor Wine Cellars	
Marynissen Estates	
Niagara College Teaching Winery	

Niagara Escarpment and Twenty Valley

13th Street Winery	Leaning Post Wines
16 Mile Cellar	London Born Wine Company
2027 Cellars	Malivoire Wine Company
Bachelder Wines	Mountain Road Wine Company
Back 10 Cellars	Organized Crime Winery (The)
Calamus Estate Winery	Pearl Morissette
Cave Spring Cellars	Peninsula Ridge Estates Winery
Cornerstone Estate Winery	Puddicombe Estate Farms, Wines & Cider
Creekside Estate Winery	Redstone Winery
Di Profio Wines	Rennie Estate Winery
Domaine Queylus	Ridgepoint Wines
Featherstone Estate Winery	Rockway Vineyards
Fielding Estate Winery	Rosewood Estates Winery & Meadery
Flat Rock Cellars	Royal DeMaria Wines
Foreign Affair Winery (The)	Stoney Ridge Estate Winery
Good Earth Vineyard & Winery (The)	Sue-Ann Staff Estate Winery
GreenLane Estate Winery	Tawse Winery
Harbour Estates Winery	Vieni Estates Wine & Spirits
Harvest Estate Wines	Vineland Estates Winery
Henry of Pelham Family Estate	Westcott Vineyards
Hernder Estate Wines	
Hidden Bench Estate Winery	
Kacaba Vineyards & Winery	

Prince Edward County

Black Prince Winery
Broken Stone Winery
By Chadsey’s Cairns Winery & Vineyard
Casa-Dea Estates Winery
Closson Chase
Grange of Prince Edward Estate Winery
Harwood Estate Vineyards
Hillier Creek Estates
Hinterland Wine Company
Huff Estates Winery
Lacey Estates Winery
Norman Hardie Winery & Vineyard
Rosehall Run Vineyards
Sandbanks Estate Winery
Sugarbush Vineyards
Three Dog Winery
Trail Estate Winery
Waupoos Estates Winery

Lake Erie North Shore

Colchester Ridge Estate Winery
Mastronardi Estate Winery
Muscedere Vineyards
Oxley Estate Winery
Pelee Island Winery
Pelee Island Winery Pavilion
Sprucewood Shores Estate Winery

Emerging Regions

Burning Kiln Winery
Coffin Ridge Boutique Winery
Dark Horse Estate Winery Inc.
Gallucci Winery
Generations Wine Company
Georgian Hills Vineyards
Rapscallion Wine Company
Willow Springs Winery

Wine Council of Ontario Board of Directors

June 2017 – 2018

Len Pennachetti, Chair
Cave Spring Cellars

Caroline Granger, Governance Chair / Treasurer
Grange of Prince Edward Estate Winery

Derek Saunders
Calamus Estate Winery

Ed Madronich
Flat Rock Cellars

Paul Speck
Henry of Pelham Family Estate

Stephen Gash
Malivoire Wine Company

Murray Wilson
Oxley Estate Winery

Allan Schmidt, Vice Chair
Vineland Estates Winery

Walter Schmoranz
Pelee Island Winery

Jamie Slingerland
Pillitteri Estates Winery

Andrea Kaiser
Reif Estate Winery

Dan Sullivan
Rosehall Run

Sue-Ann Staff
Sue-Ann Staff Estate Winery

Carolyn Hurst
Westcott Vineyards

Wine Council of Ontario Sustainability Committee

Jamie Slingerland (Pillitteri Estates Winery) – Chair
Bruno Friesen (Pelee Island Winery), Jens Gemmrich (Frogpond Farm Organic Winery), J-L Groux (Stratus), Dave Hooper (Cave Spring Cellars), Shiraz Mottiar (Malivoire Wine Company)

Ontario Craft Wine Conference Planning Committee

Stephen Gash (Malivoire Wine Company), Ed Madronich (Flat Rock Cellars), Jamie Slingerland (Pillitteri Estates Winery), Sue-Ann Staff (Sue-Ann Staff Winery)

Wine Council of Ontario Staff

-  Richard Linley, President
-  Alison Oppenlaender, Projects & Communications Manager

Vision

Love Our Wine

Mission

The Wine Council of Ontario leads the growth and profitability of Ontario’s respected VQA wine sector – through strategic partnership and authoritative trusted advocacy.

Values

Authority, Trust, Pride, Impactful

Strategic Objectives:

- 🍷 To be cherished by consumers.
- 🍷 To be respected by the international wine community.
- 🍷 To be a source of pride for all Ontarians.

Priority Goals:

1. To lead the growth and profitability of Ontario’s VQA wine industry.
2. To increase the recognition and pride of Ontario’s VQA wine.
3. To have an influential authoritative and trusted voice for the industry.

Who We Are

As a non-profit trade association, the WCO represents over 100 wineries from across the three designated viticultural areas of the province (Niagara, Prince Edward County and Lake Erie North Shore – including Pelee Island) as well as emerging wine producing regions such as Ontario’s South Coast and Georgian Bay/Grey County. Our members are independently owned small and medium sized enterprises – grape growers, manufacturers and leaders in tourism in their communities. Our members are the future of Ontario’s wine industry, which is a source of new investment, jobs and award-winning wines.

When the WCO was formed 40 years ago, the Ontario wine world was a very different place. Throughout its existence, the WCO has always been the trade association advocating for positive change for Ontario wineries. Significant gains have been made including increased access to the LCBO, the ability to directly sell to licensees, relief from excise taxes; and most importantly, the recognition of our wines as world-class by the international community. Ontario consumers are demanding increased access to quality Ontario wines, and we will continue to work with the provincial government to realize more opportunities for our members.

Our members are dedicated to promoting Ontario’s wine-growing regions – from the wines and wineries themselves to the complete experience of each destination: local cuisine, year-round activities and warm hospitality. Through Wine Country Ontario, the industry promotes Ontario’s vintners and the unique qualities of our authentic, 100% VQA wines. We want Ontario wine consumers to love local VQA wines so much that Ontario VQA wines become the first consideration in their wine purchase decision.

The WCO looks forward to continuing to work diligently to meet the needs of our members and the Ontario wine consumer.

Greetings from the Deputy Minister Greg Meredith



A message from the Ontario Ministry of Agriculture, Food and Rural Affairs

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) is pleased to contribute to the Wine Council of Ontario’s Annual Report.

We thank the Wine Council of Ontario for its efforts to represent more than 100 wineries in the production of Ontario VQA wines. Sales of VQA wines continue to increase, and we congratulate you on this success.

OMAFRA continues to support your industry’s growth through the VQA Wine Support Program and the promotion of VQA wines through the Marketing, Tourism and Export Development Initiative.

Last year’s grape-growing season resulted in record production numbers, and consumers look forward to savouring the world-class VQA wines being made in the province’s wineries.

Ministry staff look forward to continuing to work with you to support the industry’s growth and success.

Please accept our best wishes to the Wine Council of Ontario and its members for another successful year.

Yours truly,

Greg Meredith
Deputy Minister on behalf of OMAFRA

Chairman’s Message

The past year marks my first full year as Chair of the Wine Council of Ontario (WCO). It has been a pleasure and honour to represent our membership. Working alongside our President and a thoughtful group of directors, my appreciation has deepened for our members’ challenges, and the obstacles they face to succeed in an increasingly competitive marketplace. With over one hundred members at the WCO, we must continue to build a strong and supportive economic environment for our members.


The third annual industry survey conducted by VQA Ontario and Deloitte on sector health and profitability shows our industry is changing. Where and how you invest in your business is an important driver of overall profitability. Whereas some wineries are having great success, the majority are not and we must learn from each other in order to drive a prosperous and sustainable future for our industry.



The WCO sought to address many strategic objectives over the past year. Highlights for 2017-18 include:

- A 3 year \$45 million investment, starting in 2017/18 to 2019/2020, was secured for our industry. The Ontario government has also committed to developing a new strategy beyond 2020.
- A second LCBO promotion was secured for Canada Day in addition to our P7 wine promotion.
- The inaugural Ontario Craft Wine Conference & Trade Show was held at the Beanfield Centre in Toronto. The day served as an educational conference for our industry and included an engaging presentation from keynote speaker, Erica Crawford of Loveblock Wines.
- The 3rd annual joint reception with craft breweries and cideries was held at Queen’s Park in Toronto and was well attended by politicians and their staff from across the province.
- The WCO webinar series was launched to engage members on topics important to their businesses, ranging from marketing and promotion to changes in our tax code and labour laws.
- Regularly engaged with LCBO and grocers to ensure equitable treatment of VQA wines. This also included active engagement with the AGCO on policy issues important to our membership.
- The WCO began to actively cooperate with the Winery & Grower Alliance of Ontario (WGAO) to advance our mutual interests where they are aligned while maintaining our independence in those areas where our interests are not aligned.
- The WCO also began to cooperate with the Ontario Craft Brewers, Ontario Craft Cider Association and the Ontario Craft Distillers Association to explore how our four associations can combine efforts to drive better results for the entire Craft sector.

As your Chair, I am looking forward to a promising 2018-19, as we seek out new opportunities for our members to grow their domestic market share and improve their profitability outlook. On behalf of the WCO Board of Directors, thank you to our dedicated members who contribute their time and energy participating on our committees and at our various town halls. Also thank you to our Board of Directors who volunteer and work diligently to ensure our members’ needs are met throughout the year. Through our collective actions and work we are meeting the objectives of our small and impactful organization. Let us continue to work together to achieve lasting and meaningful results this coming year.

Sincerely,

Len Pennachetti
Chair, Wine Council of Ontario

President’s Message


This past year proved to be very busy as we increased our collaboration with industry partners to address ongoing competitiveness issues in our sector, especially in the run-up to the Ontario provincial election. As our province’s wine and grape industry is the largest in the country, there remains an opportunity for our members to make a greater economic impact. However, margins on wines sold at the LCBO must improve to facilitate future investments and market share growth. Accordingly, the WCO and industry partners have developed a joint proposal that will allow us to work towards being more competitive in our home market. We look forward to sharing this proposal with a new government.



As an industry, we were of course disappointed with the Supreme Court of Canada’s ruling on Her Majesty the Queen v. Gerard Comeau. The case challenged restrictions on interprovincial trade and the ruling represents a missed opportunity for direct to consumer wine shipments. Unfair interprovincial trade barriers have impeded Ontario’s wine industry growth and prevented consumers from purchasing the Canadian wines of their choice, which has stunted our sector’s growth potential. This is an important issue for our members and we will continue to fight for consumers and their ability to order Canadian wine from wherever the winery is to wherever they live in Canada. For this reason, we intend to continue our work with the federal and provincial/territorial Alcoholic Beverage Working Group to allow interprovincial wine delivery from wineries to consumers. We trust a new Ontario government will support the ability for Ontarians and Canadians to order wine directly to their homes from wineries across Canada. This is something 9 out of 10 Canadians believe should be permitted, and we eagerly await Ontario and other provinces making this choice available to consumers.

On a more positive note, I would like to thank MPP Wayne Gates for introducing his private member’s bill, Supporting Wine Jobs and Growth in the Niagara Region Act, earlier this year. The bill would create an exemption for VQA and 100 percent Ontario wines from the 6.1% Basic Tax paid on winery retail store sales. Likewise I would like to thank MPP Sam Oosterhoff for supporting this legislation. Their efforts have helped raise awareness about the profitability challenges in our sector, especially amongst smaller wineries who are dependent on the winery retail store as their principal sales channel. Tourism is very important across all winery sizes and the basic wine tax is a tax burden on the family farm and agri-tourism. If adopted by a future government, the proposed bill would help address structural business challenges for smaller wineries while supporting job creation and growth in our sector.

In closing, I would like to take this opportunity to extend my gratitude and appreciation to our Chair, Board of Directors and our dedicated staff, particularly Alison Oppenlaender, who played an instrumental role in executing our first inaugural Ontario Craft Wine Conference & Trade Show. As a team, we look forward to another promising year of delivering on our organizational mandate and supporting our members’ priorities.

Sincerely,

Richard Linley
President, Wine Council of Ontario

Priority #1

To lead the growth and profitability of Ontario’s VQA wine industry.

Growth in the industry reflects a healthy bottom line and active market demand; it means profitability across the spectrum of winery sizes and market strategies; it means growth in the direct jobs and investment in Ontario’s wine industry.

The WCO continues to advocate for improved margins for wineries through the LCBO and grocery channels, and continues to pursue a permanent tax structure that will provide relief for Ontario wineries.

Now in its third year, the Ontario Wine and Grape Industry Performance Study continues to show the profitability challenges that the small and medium size wineries face yearly. To be successful, we need to eliminate the competitive disadvantages that hinder Ontario’s VQA wine industry. Currently, Ontario VQA wineries have to pay the same import tax as international wineries who export their wine into Ontario making it difficult for wineries to sell their wine at an equitable and fair price point.

We cannot grow our industry with a tax structure that advances our competition and puts limits on our ability to make the necessary investments in capital and marketing at the LCBO. Our margins need to improve to enable those investments which will in turn allow us to move from 8% VQA market share to a target growth of 12%.



Priority #2

To increase the recognition and pride of Ontario’s VQA wine.

Increasing the recognition of Ontario, as a world-class wine region, demands growing the respect of Ontario’s wine nationally; it means turning consumers into advocates; it means success economically and emotionally.

The overarching objective is to build a high level of regard and pride for Ontario VQA wines. This is important in building greater inherent support from the Ontario public when we advocate for reforms to achieve the fiscal imperative objectives.

By combining a new level of public pride with impeccable economic proposals from a trusted and authoritative industry voice, the government will be more amenable to implement sensible and ongoing reforms.

There has been a monumental shift over the past couple of years in the number of retail opportunities for VQA wines in Ontario. Consumers now have more choice and easier access to VQA wines that have not previously been available, creating much broader recognition of the quality wines we produce in Ontario. Wines are now being sold in over 70 grocery stores, and this number is scheduled to increase. The VQA wines at farmers’ markets initiative also continues to be a great opportunity for our smaller members to showcase and sell their products to the Ontario consumer.

The WCO continues to work with the LCBO to increase shelf space and consumer recognition for Ontario VQA wines. Through our continued efforts with VQAO and WMAO, we are working together to provide adequate signage and proper product placement of 100% Ontario VQA wines in LCBO stores. Creating transparency for 100% Ontario VQA wine will build awareness for our wines and increase brand loyalty and recognition for Ontario VQA wines with the average Ontario wine consumer.



Priority #3

To have an influential authoritative and trusted voice for the industry.

Having an influential authoritative voice for the industry means having effective relationships and presenting a trusted organization to represent the VQA wine industry. The audiences for these imperatives are the government and the public in Ontario.

The WCO continues to meet with the Ontario government on a number of policy items that will grow the VQA wine industry. Our annual Lobby Day at Queen’s Park continues to be an important priority as the day ensures that the MPPs who represent our wine growing regions are aware of our organization, our goals, future plans, as well as our policy priorities with government. Part of our annual Lobby Day is an evening reception that the WCO co-hosts with the Ontario Craft Brewers and the Ontario Craft Cider Association at Queen’s Park. This reception gives the craft sector the opportunity to showcase our local VQA and craft products that are not easily accessible through traditional retail channels.

New this year, the WCO hosted the Ontario Craft Wine Conference & Trade Show in April 2018. This conference is the first of its kind in our sector, and featured 12 educational and engaging seminars, a keynote speaker, and industry benchmark overview provided by Deloitte. The event was hosted in Toronto as an easy halfway point for wineries across the designated viticultural areas, and in close proximity for government officials to attend. The purpose of this conference is to bring Ontario VQA wineries together for a day of learning and networking.

This past year, the WCO launched a webinar series as an added value for winery members, and hosted a number of topics ranging from marketing, to working with the LCBO, to human resources. The main goal of these interactive webinars is to provide an opportunity for continuing education and skill development for winery owners, vintners, marketing, sales, production, staff and wine enthusiasts across Ontario.

Throughout the year, the WCO continues its efforts of being thought-leaders and the trusted voice for Ontario VQA wines by continuing to represent craft, small and medium size wineries to the Ontario government. As the voice for craft, small and medium-sized wineries, the WCO continues to work closely with industry partners, such as the Wine Marketing Association of Ontario (WMAO), Vintners Quality Alliance of Ontario (VQAO), the Liquor Control Board of Ontario (LCBO), the Winery & Grower Alliance of Ontario (WGAO) and other industry partners on the challenges and the priorities of our membership.

Over the next year, our focus is on rebranding and repositioning the perception of the Ontario VQA wine industry to consumers and government. Our winery members are family-run, independent businesses that focus on high-quality produced local VQA wines. In addition, our industry is one of resilience and hard work, as we contribute to local communities, the economy and the agricultural sector. We will continue to tell this story in 2018/19.



Wine Council of Ontario’s Sustainable Winemaking Ontario

Work continues on the WCO’s Sustainable Winemaking Ontario (SWO) program, which is now in its second year of being an accredited certification program. To date, thirteen Ontario wineries are certified as part of the SWO program, and we look forward to continuing to grow this program.

To receive certification, wineries are audited through a third-party independent audit. Once they receive a passing score, they are accredited and become certified. Transitioning the SWO program into a certifiable program is important to ensure the “from soil to shelf” program will help sustain Ontario’s success as consumers embrace local and environmentally friendly products.

The priority for the program this year is to acquire funding to help wineries offset audit costs in order to become certified, leading to more wineries participating in this program.

SWO continues to be a voluntary program, but all wineries and growers are encouraged to participate and find benefit in this program. With increasing consumer interest for certified sustainable products, this program provides an opportunity for Ontario’s VQA wineries and their wines to meet consumer demand and compete in an ever-growing market.



Wine Council of Ontario Trade Supplier Members

The Wine Council of Ontario’s Trade Supplier Membership aims to benefit WCO members and local businesses as it connect wineries with suppliers offering a variety of services that are beneficial to the wine industry. Trade members range from accounting services, event planning, law, manufacturing, production and packaging suppliers, to consulting services, promotional services and retail suppliers. We encourage our winery members to take advantage of offerings presented by our trade members – which may include discounts, promotions, networking opportunities and more.

2018 Wine Council of Ontario Trade Supplier Members

Banking Services

Bank of China

www.boc.cn/en

Western Union

www.business.westernunion.ca

Business Consulting

bdBuilder

www.bdbuilder.com

CE Safety

www.cesafety.com

DJB Chartered

Professional Accountants

www.djb.com

INAC Services Limited

www.inacservices.com

Last Call Analytics

www.lastcallanalytics.com

MNP LLP

www.mnp.ca

Business Equipment

Brock Office Automation (BrockOA)

www.brockoa.com

Event Planning / Trade Shows / LCBO In-Store Tastings

Epernay Tasting & Promotional Co.Ltd.

www.theepernaycompany.com

WE DRIVE Designated Drivers Inc.

www.yourdd.ca

Financial Services

Beverage Protect Powered by BKIFG

www.beverageprotect.com

JLT Canada

www.jltcanada.com

Signature Risk

www.signaturerisk.com

Industrial Services / Supplies

Abell Pest Control

www.abellpestcontrol.com

SkEYEking

www.skeyeking.com

Law

Sullivan Mahoney LLP

www.sullivanmahoney.com

Manufacturing

A.O. Wilson

www.aowilson.ca

Claymore Design and Construction

www.claymoredc.com

Enereau

www.enereau.com

FreshTAP

www.freshtap.com

Global Glass Inc.

www.globalglassbrands.com

Jane’s Packaging Inc.

www.janepackaging.com

Lakeview Vineyard Equipment Inc.

www.lakeviewvineyardequipment.com

Saxco International

www.saxco.com

Technologie Inovaweld Inc.

www.inovawine.com

Printing / Design / Office Supplies

AutoTrim & Signs

www.autotrimniagara.ca

Minuteman Press

www.st-catharines10.minutemanpress.ca

The Printing House

www.tph.ca

Warehousing & Logistics

CHEP Canada

www.chep.com/ca

ColdHaus Direct

www.coldhausdirect.ca

TIMAX

www.timax.com

TNG

www.tng.com

Wide Range Transportation

www.widerange.ca

WP Warehousing & Bottle Supply

www.wpbottlesupply.com

*The Wine Council of Ontario would like
to acknowledge our long standing members:*

30+ Years

Reif Estate Winery 🍷 36 years, since 1982

Vineland Estates Winery 🍷 35 years, since 1983

Pelee Island Winery 🍷 34 years, since 1984

Cave Spring Cellars 🍷 32 years, since 1986

Stoney Ridge Estate Winery 🍷 31 years, since 1987

Henry of Pelham Family Estate 🍷 30 years, since 1988

Konzelmann Estate Winery 🍷 30 years, since 1988

25+ Years

Marynissen Estates 🍷 26 years, since 1991

Southbrook Vineyards 🍷 27 years, since 1991

Joseph’s Estate Wines 🍷 26 years, since 1992

Pillitteri Estates Winery 🍷 25 years, since 1993

Sunnybrook Farm Estate Winery 🍷 25 years, since 1993

20+ Years

Hernder Estate Wines 🍷 22 years, since 1996

Strewn Winery 🍷 21 years, since 1997

15+ Years

Creekside Estate Winery 🍷 19 years, since 1999

Royal DeMaria Wines 🍷 19 years, since 1999

Kacaba Vineyards & Winery 🍷 18 years, since 2000

Harbour Estates Winery 🍷 18 years, since 2000

Malivoire Wine Company 🍷 18 years, since 2000

Peninsula Ridge Estates Winery 🍷 18 years, since 2000

Puddicombe Estate Farms, Wines & Cider 🍷 17 years, since 2001

Lailey Winery 🍷 16 years, since 2002

Riverview Cellars Estate Winery 🍷 16 years, since 2002

Rockway Vineyards 🍷 16 years, since 2002

Caroline Cellars 🍷 15 years, since 2003

Grange of Prince Edward Estate Winery 🍷 15 years, since 2003

Niagara College Teaching Winery 🍷 15 years, since 2003

Palatine Hills Estate Winery 🍷 15 years, since 2003

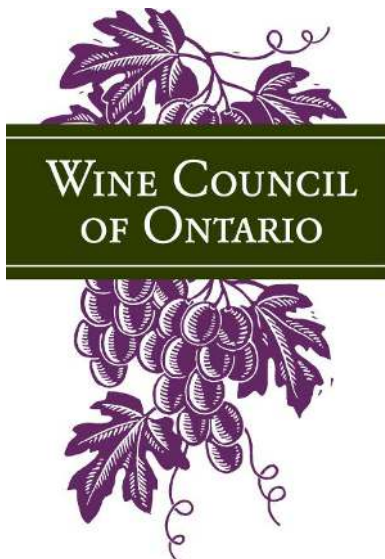
Waupoos Estates Winery 🍷 15 years, since 2003



New Members 2018

16 Mile Cellars

Lundy Manor Wine Cellars



Wine Council of Ontario

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Vineland Station, Ontario LOR 2E0

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