

OCW Membership Fee Information for FY2025

Ontario Craft Wineries' (OCW) mission is to champion and advocate for the growth and success of Ontario VQA wine producers.

Government advocacy is a key service we provide to our members, and the OCW is active on multiple fronts. We advocate to improve laws and regulations affecting wineries at the municipal, provincial and federal level. We also work on policy issues with partner industry organizations, advocating to improve market share and gross margins at the LCBO and cellar door while trying to mitigate any negative financial impacts to the Ontario VQA wine industry. Our members work hard on their vineyard while we work hard in Toronto and Ottawa on your behalf!

Looking back over the past five years, OCW has made progress towards the Ontario VQA wine industry's objective of a tax and regulatory environment that supports the financial viability of its members and the industry more broadly. But what has been accomplished is only a down payment on the structural changes required that would benefit all the stakeholders in the Ontario wine eco-system. The north star for the OCW remains a regulatory environment that is compatible to all winery business models and creates the market conditions for grape growers, vintners, retailers and consumers to each achieve successful outcomes. This past year, OCW met regularly with members of the federal and provincial governments, the LCBO, the AGCO and industry stakeholders to ensure continued dialogue on these priorities and those of our membership.

The OCW worked diligently over the past year to secure a range of supports for Ontario wineries as the Ford government transitions to a more open marketplace, including:

- extending dedicated shelf space requirements across all new retailers for craft producers to provide opportunities for small wineries to compete;
- immediately enhancing the Vintners Quality Alliance (VQA) Wine Support Program beginning in 2024-25 for up to five years to 2028-29 to support the growth and sale of Ontario-grown VQA wines;
- extending the Wine Marketing Fund for up to five years;
- supporting local economic development by directing the LCBO to promote and prioritize
 Ontario-made products, producers and workers by providing more and enhanced programs, promotions and strategies to help local producers grow Ontario product sales;
- establishing a wine and grape industry sector table between government and industry partners;
- and, finally and most importantly, introducing legislation that will, if passed, eliminate the 6.1
 per cent wine basic tax at on-site winery retail stores, making Ontario's tax regime competitive
 with other provinces, including British Columbia.

The totality of these changes will put our winery members on track for not only sustaining, but growing their businesses for years to come.

As it is important for members to remain current on the information needed to operate a successful business and winery, we will continue to keep members up-to-date on industry matters through our

weekly newsletter, Friday "round-up" email, our semi-annual town hall meetings, the OCW Annual General Meeting, and through our annual craft wine conference being held on April 23rd this year. The Ontario's Wine Industry Marketing Program continues to be administered and executed by the Wine Marketing Association of Ontario (WMAO). The VQA marketing program remains of critical importance to our winery members, and, as an equal (50%) partner in WMAO, the OCW will continue to represent our members' interest in program planning and delivery through the VQA Marketing Committee.

The OCW membership remains 'tiered'. We believe that the tiered fee structure recognizes the financial considerations of both established and newer members. There are five tiers of membership, based on **previous** year annual sales as per your winery's J10 submissions to the LCBO (so for next year, sales for the period from April 1, 2023 to March 31, 2024). Membership fees are assessed in two parts (i.e. a fixed and a variable portion) as shown in the following membership table:

Membership Tiers	Sales Levels Per Tier (annual case sales)	Fixed Portion of Fee invoiced in April 2024	Variable Portion of Fee (per case) invoiced in October 2024
Micro Craft Winery	Less than 1,000	\$300	\$0.24
Craft Winery	Up to 4,000	\$925	\$0.24
Small Winery	Up to 20,000	\$1,600	\$0.18
Medium Winery	Up to 40,000	\$3,250	\$0.18
Large Winery	Above 40,000	\$8,000	\$0.18 / \$0.12

Thank you for your ongoing support and confidence in the OCW. Should you have any questions about OCW's mission, membership fees, benefits of membership or any other matters, please do not hesitate to contact us. We look forward to continuing to advocate on the Ontario VQA industry's behalf.

Sincerely,

ONTARIO CRAFT WINERIES

Per:

Richard Linley,

President, Ontario Craft Wineries

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