

**DISTRICT 2 ST CATHARINES
STRUCTURAL CHANGE MEETING**

**Lakeport Secondary School
Tuesday January 13, 2009
7:00 p.m. – 9:00 p.m.**

Purpose – to gather input on the Structural Change Discussions with WCO

Board and Advisory Team members in Attendance:

Bill George Jr., Doug Hernder, Matthias Oppenlaender, Steve Pohorly, Steve Fernick,
Lou Puglisi, Albrecht Seeger, Bill Schenk

Staff in Attendance: Debbie Zimmerman, Nick Hubbard, Mary Jane Combe

Attendance: 35

Grower Suggestions:

Market Access:

- Consider Canadian wine industry, not just Ontario – interprovincial trade
 - Easier to sell wine US wine into Quebec
- Wine Council's proposal for Wine Stores including imported wine – Does GGO have a position?
- No Free Trade amongst wineries – need greater equity amongst wineries - off site winery stores should be divided between wineries by tonnage of Ontario grapes they are buying - possibly allow wineries to join together to share a store (trade barriers in Ontario need to be addressed)
- How to make stores trade legal? – invest in Ontario vineyards to be eligible to sell in stores
- Independent wine stores – prefer to have imported wines in the store with local to attract buyers who are buying imports -not economically viable to open a store with limited wines available
- S. Africa model of small wineries forming joint venture with larger wineries - large wineries buy 100% Ontario wines from smaller wineries for their stores
- Period 7 LCBO Promotion “Go Local” –CIC were sold as local under the promotion
- Alternative grape beverage – inexpensive wine to compete with beer
- Restaurants charging too much for wine –tip bigger than grower share of the bottle
- LCBO – merchandising & marketing criteria difficult
- Wine stores for small wineries
- Privatize LCBO

Government Policy:

- Wine content act is a fast way to move grapes if economically viable - may leave some varieties currently used in CIC without a home
- Wine Content Act – phase in change
- Need true definition of Ontario or Canadian categories
- QEP – remove cap –use as a tool with Wine Content
 - Original intent to help small wineries get into the LCBO, not reward existing sales/ wineries
- QEP – not renewed by Provincial Government yet
- Challenge with LCBO shelf space for Ontario wineries
- Greenbelt - can it be used to increase shelf space at the LCBO?
- Trade rules
 - Trade rules affecting LCBO – government store. BC has private stores and can do what they like without same risk of trade action.
- Greenbelt – government has responsibility – government controls LCBO & regulations
- Opportunity with a common vision to go to government for change
- Property tax assessment issue
- Municipal issues/ zoning/ LCBO store in Virgil opportunity lost
 - Gov't walked away from Cangro & imported bulk peaches this year
- What does government want of the grower?
- Government financial support of other industries – reduce taxes on capital investment by processors (cooperage etc)
- Government benefit from grape and wine industry – not enough being returned to the industry
- Infrastructure funding – irrigation
 - Federal infrastructure program – agriculture not included

Governance:

- Higher standard for quality by increasing payments for high quality grapes
- More grapes into CIC category
- Sugar schedule to reflect end use
- Reducing tonnes/ acre doesn't work in every area – not a direct correlation between tonnes and quality
- Site specific yield and quality on an individual grower/ winery contract basis
- Opportunity for some growers to grow more per acre with lower return to provide grapes for import replacement
- Don't want to hurt CIC, but concerned with Local term used to describe CIC. Floor price increase in beer price – GGO needs to help sort out this type of issue
- Sugar scale – 5 year average base brix -reflect growing conditions in the year
- 5 yr avg base – winery can make more money from a good growing year, because he can sell wine for more, so can pay for the higher brix in those years.
- Consumer – need to deliver what the consumer wants at all price points
- CIC – taste profile needs to be considered with content
- Stability – new grape plantings without contracts
- Significant grapes on the ground in 2008 – concern over 2009 harvest

- GGO continue to discourage planting without a contract
 - Politicians included
 - Municipal planners
- Use opportunities to educate consumer about VQA
- Communication to members
 - Need to be transparent - advise membership to lobby once strategy is developed

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