WINERY & GROWER
ALLIANCE OF ONTARIO

May 29, 2020

Amarjot Sandhu
MPP for Brampton West
Chair, Standing Committee on Finance & Economic Affairs
Room 261
Legislative Building, Queen's Park
Toronto, ON
M7A 1A8

Mr. Sandhu,

I am writing to you in your role as Chair of the Standing Committee on Finance and Economic Affairs. On behalf of the Winery & Grower Alliance of Ontario (WGAO) and our members, I would like to thank you and the government for all of your efforts in the fight against COVID-19.

We understand the Committee is doing a sector by sector review of the impacts COVID-19 has had on the Ontario economy. As the Committee prepares to hold public hearings on the economic impact on the Province's tourism sector, I am submitting to you a series of recommendations that will provide immediate support to Ontario's Wine and Grape Growers, including the 18,000 Ontarians that the industry employs.

In a typical year, Ontario wineries welcome over 2.4 million visitors and generate over $847,000,000 of tourism and tourism employment related economic impact contributing to several regional economies including Niagara, Prince Edward County and Lake Erie north shore.

A recent survey found that now 1 in 5 Ontario wineries are worried they may have to permanently close their operations. Despite the measures taken to date by all levels of government, our members face serious liquidity and cash flow challenges. Layoffs have had a major impact and many wineries are facing uncertainty about how they will be able to make loan payments. The industry is at a crossroads and is in urgent need of assistance. While sales through the LCBO and grocery have been robust, these are being more than offset by the fact that sales to restaurants, to winery visitors and to export markets have all but vanished as have revenues from events such as weddings and corporate meetings.

We are requesting that the following three measures be implemented immediately to help the grape and wine industry during this challenging time.

1. Direct the LCBO to provide more shelf space for Ontario VQA wines. As other channels, particularly farmgate and licensee sales have waned in many cases, the LCBO must remain a champion for our domestic industry. With the significant increase in wine sales through the LCBO and the inability of imported brands to respond, domestic suppliers can step in now to support consumer demand. This will require an expansion of VQA shelf space and shelf inventory to avoid overly taxing the replenishment cycle and ensuring continuity of supply. It also means discretionary shelf-space, floorspace, wine fridges or display areas should be reserved for VQA wines, including staff picks during P1/P2.

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4890 Victoria Avenue North, Box 4000
Vineland Station, ON L0R 2E0 T 905.562.9426

2. Remove the $7.5M cap on the VQA Wine Support Program.

3. Eliminate the 6.1% Basic Wine Tax to help sustain our province's smallest wineries.

WGAO would appreciate the opportunity to appear before the committee to discuss the immediate measures we are requesting as part of the economic recovery process. This is a critical time for our industry, and we need your support.

Yours Sincerely,

Aaron Dobbin
President & CEO
Winery & Grower Alliance of Ontario

cc Jeremy Roberts, Vice-Chair, Standing Committee on Finance and Economic Affairs
Paul Calandra, Government House Leader
Sam Oosterhoff, MPP, Niagara West
Hon. Todd Smith, Minister of Children, Community and Social Services