

VQA Wine Sales at Farmers' Markets Program

Webcast
April 29, 2015

AGCO

Alcohol and Gaming
Commission of Ontario

CAJO

Commission des alcools
et des jeux de l'Ontario



Presenters

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Compliance & Inspections: What You Need To Know

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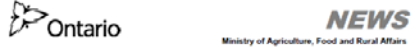
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Overview



VQA Wine Coming to Farmers' Markets This May
Ontario Encouraging Consumers to Buy Local
April 27, 2014 8:00 A.M.

Ontario is making it easier for consumers to pair local food with local wine by allowing Vintners Quality Alliance (VQA) wines to be sold at farmers' markets starting May 1.

The two-year pilot program is part of the Ontario government's local food strategy to increase demand for the good things that are grown, made and harvested in the province. VQA wines are crafted entirely from Ontario-grown grapes and must adhere to rigorous winemaking standards.

The province is implementing this initiative through the Alcohol and Gaming Commission of Ontario to ensure that wine sales are conducted in a socially responsible manner.

Supporting a successful agri-food sector is part of the government's economic plan that is creating jobs for today and tomorrow. The comprehensive plan and its six priorities focus on Ontario's greatest strengths - its people and strategic partnerships.

QUOTES

"I want to ensure our government is doing everything it can to support the good things that are grown and made in Ontario. This project is a great opportunity to connect people with the world-class wine that is made in this province along with all of the other delicious local food found at our farmers' markets."
- Kathleen Wynne
Premier and Minister of Agriculture and Food

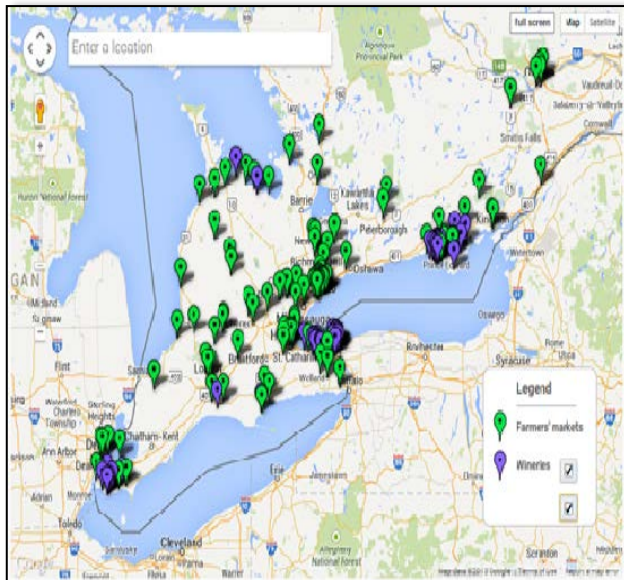
"Enhancing access to the province's wines increases options for Ontario's consumers and helps the wine and grape industry grow its reputation, locally, across Canada and globally. It will also help the province promote a variety of prime tourist destinations."
- Jim Bradley
MPP for St. Catharines

"Sales of VQA wines at farmers' markets create another needed opportunity for Ontario's wineries to connect with consumers — in this case closer to home side-by-side with our farmers. We encourage Ontarians to use the opportunity of matching their local food with local wines crafted from 100 per cent Ontario grapes. What grows together, goes together."

- Began May 1, 2014 as a two-year pilot program
- Part of Government's renewed "Wine and Grape Strategy"
- VQA wine only
- Tied to "retail store authorization"
- Municipal opt-out tool
- Public posting of dates and locations
- Review by government at end of the pilot

Program Results – Year 1

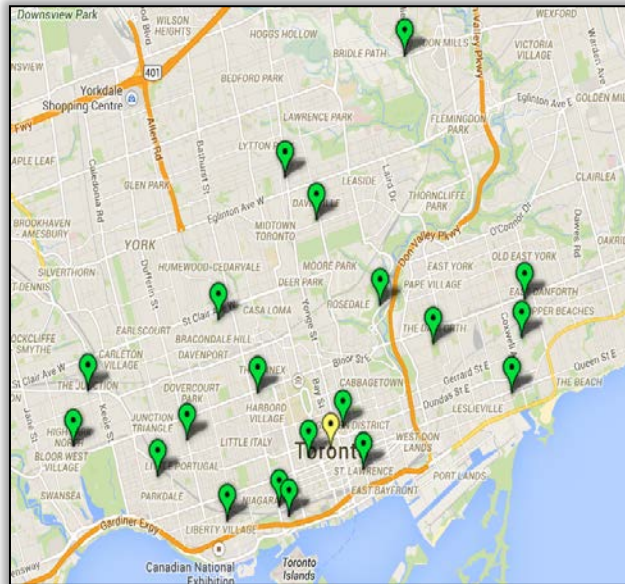
Participation (Ontario-Wide)



- 141** farmers' markets hosted at least one day of wine sales
 - concentrated in GTA and wine regions
 - most markets hosted wine sales every week during in-season period
- 77** wineries conducted at least one day of farmers' market sales
 - many wineries held weekly sales at multiple markets
 - majority of participants are small wineries (many without LCBO listings)
- 3358** cumulative sales dates amongst all wineries at all markets
- 2** municipalities opted to prohibit wine sales (Tiny Twp., McKellar)

Program Results – Year 1

Participation (Toronto)



30 wineries

28 Farmers' Markets

841 cumulative sales dates

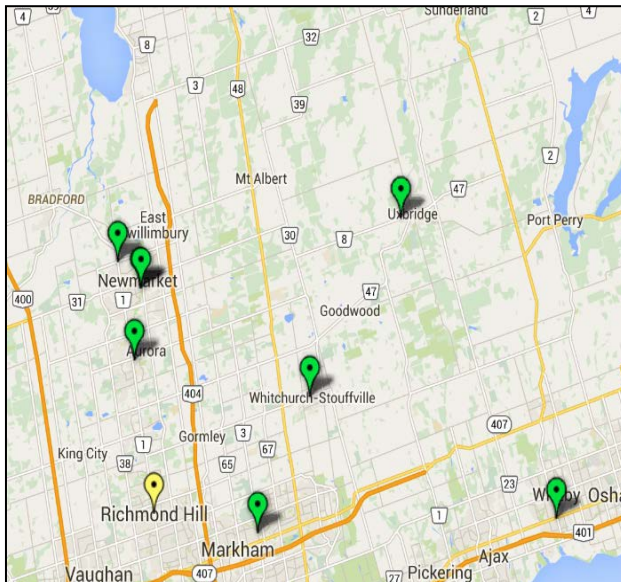
➤ Avg. 28 dates of sale/winery

Top 3 Markets

- St. Lawrence
- Evergreen Brickworks
- Wychwood Barns

Program Results – Year 1

Participation (GTA)



10 wineries

14 Farmers' Markets

207 cumulative sales dates

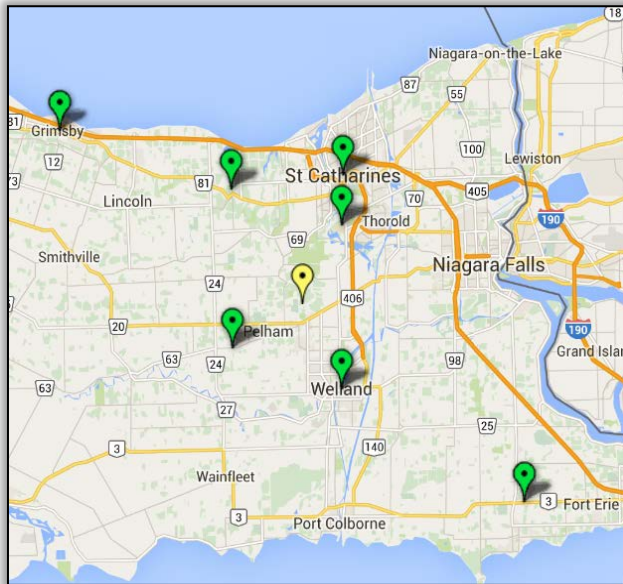
- Avg. 21 dates of sale/winery

Top 3 Markets

- Aurora Farmers' Market
- Brampton Farmers' Market
- Terra @ Home Winter Farmers' Market

Program Results – Year 1

Participation (Niagara/Hamilton)



30 wineries

19 Farmers' Markets

715 cumulative sales dates

➤ Avg. 29 dates of sale/winery

Top 3 Markets

- St. Catharines Farmers' Market
- Grimsby Farmers' Market
- Hamilton Farmers' Market

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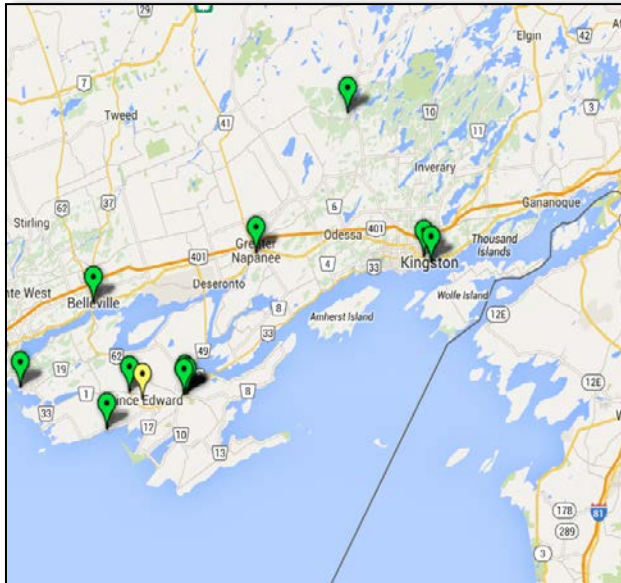
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Program Results – Year 1

Participation (Eastern Ont.)



25 wineries

27 Farmers' Markets

258 cumulative sales dates

- Avg. 10 dates of sale/winery

Top 3 Markets

- Wellington Farmers' Market
- Byward Farmers' Market
- Sunday Market @ 106 Bridge

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Program Results – Year 1

Participation (SW Ont.)



23 wineries

42 Farmers' Markets

1146 cumulative sales dates

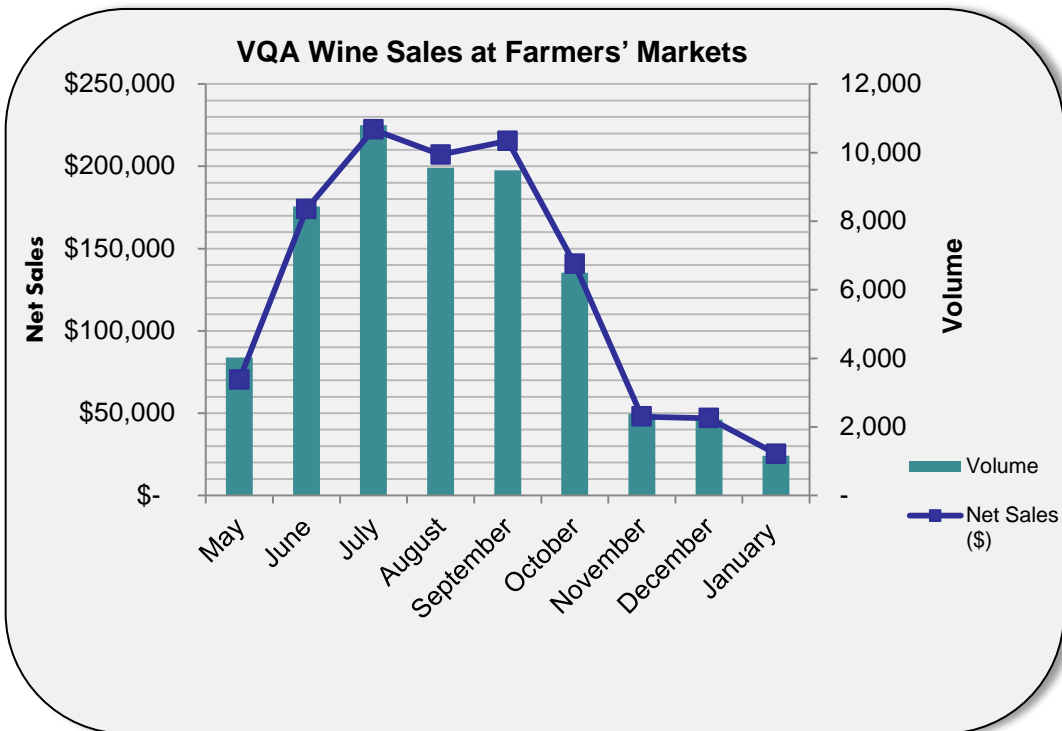
- Avg. 49 dates of sale/winery

Top 3 Markets

- Downtown Windsor
- Amherstburg Farmers' Market
(7680 Country Road)
- Amherstburg Farmers' Market
(Toddy Jones Park)

Program Results – Year 1

Sales-Year 1



\$1.152 million
total wine sales at Ontario
farmers' markets

73,234 bottles of wine
sold at Ontario farmers'
markets

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Program Results – Year 1

Compliance

219 formal inspections conducted by AGCO inspectors

8 infractions cited as a result of inspections

- “no/late notification to AGCO” (6)
- “no Smart Serve” (1)
- “did not transport/return product to winery retail store on same day” (1)

The Authorization Process

Winery Eligibility

To be eligible to apply for an Occasional Extension Authorization, a winery must:

1. Have a valid AGCO Manufacturer's Licence
2. Operate an authorized on-site winery retail store
3. Produce VQA wine

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The Authorization Process

Applications

To participate in the program, a winery must:

- File an application form with the AGCO
 - www.agco.on.ca
 - Authorizations for the life of the pilot
 - No fee

The Authorization Process

Notifications

10 days' notice required by the AGCO

- Multiple days and locations can be listed on a single form

Notifications permit the AGCO to:

- Post the list of active VQA wine sales at farmers' markets on its website
- Determine whether markets are subject to municipal objections
- Determine risk-based inspection activities

Farmers' Market Eligibility

Definition

A central location at which a group of persons who operate stalls or other food premises meet to sell or offer for sale to consumers products that include, without being restricted to, farm products, baked goods and preserved foods, and at which a substantial number of the persons operating the stalls or other food premises are producers of farm products who are primarily selling or offering for sale their own products.

The regulation prohibits the establishment or operation of Farmers' Markets at which all or a substantial number of the products sold or offered for sale are VQA wines

Farmers' Market Eligibility

Markets' Role



- Wineries will have to secure space at farmers' markets
- Markets may set further rules for VQA wine sales
- Farmers' markets may:
 - Prohibit wine sales
 - Limit sales hours
 - Prohibit sampling

Farmers' Market Eligibility

Municipal Role

City or Town	Farmers' Market Name	Days	Date(s)
Ancaster	Ancaster Farmers' Market	Wednesdays	June 10, 2015 – October 14, 2015
Belle River	Belle River Farmers' Market	Sundays	June 14, 2015; July 12, 2015; August 9, 2015; September 6, 2015; October 4, 2015
Cambridge	Cambridge Farmers' Market	Saturdays	May 9, 30, 2015; June 20, 2015; July 11, 2015; August 1, 22, 2015; September 12, 2015; October 3, 24, 2015
Elora	Elora Farmers' Market	Saturdays	Year Round
Grimsby	Grimsby Farmers' Market	Thursdays	May 28, 2015 – October 8, 2015
Hamilton	Dundas Farmers' Market	Thursdays	June 11, 2015 – October 29, 2015
	Hamilton Farmers' Market	Thursdays, Fridays, Saturdays	March 20, 21, 26, 27, 28, 2015
Kitchener	Kitchener Farmers' Market	Saturdays	January 3, 2015 – December 26, 2015

- Municipalities can object to wine sales at farmers' markets
 - The AGCO will notify wineries of municipal objections
- AGCO posting of markets that permit wine sales
 - Intended to provide notice to municipalities of VQA wine sales at farmers' markets
 - Weekly updates
 - http://www.agco.on.ca/en/whatwedo/farmers_market.aspx

Compliance & Inspections

Selling VQA Wine

Occasional

- 3 times per particular farmers' market per week
- Any number of farmers' markets

Hours

- Sales to be permitted during farmers' market hours

Sampling

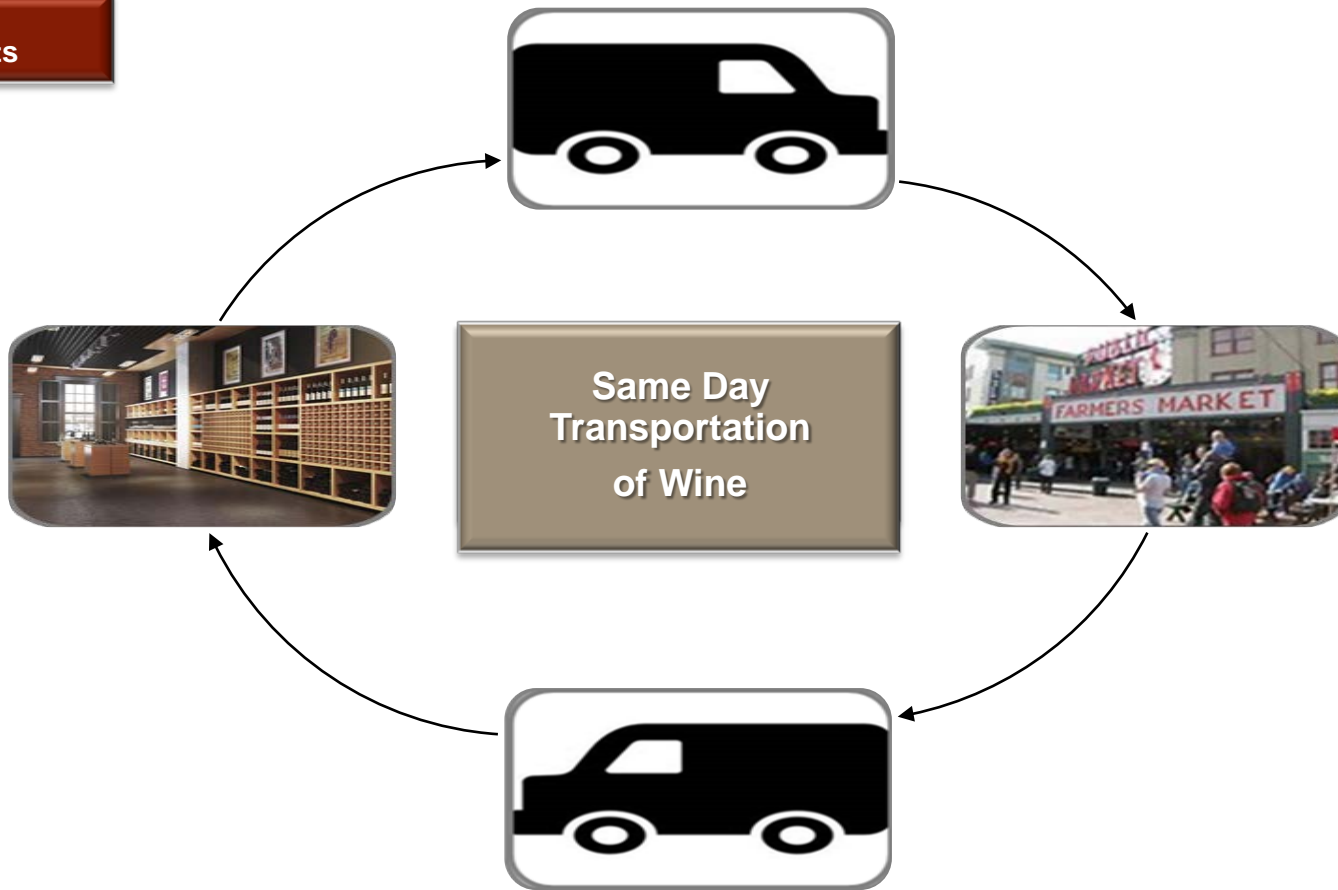
- Sampling permitted during the farmers' market hours
- Sampling must be restricted to the occasional extension

Ancillary items

- Same items approved for sale in on-site store

Compliance & Inspections

Sales
Requirements



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Ontario

Compliance & Inspections

Sales Requirements

- No cross-selling
- Smart Serve required



Compliance & Inspections

Sales Requirements

- Risk-based compliance inspections
- Compliance with *Liquor Licence Act*, including Farmers' Market changes to Regulation 720:
 - Smart Serve certification
 - Farmers' Market falls within definition
 - Sampling is conducted in accordance with the Registrar's Sampling Guidelines
 - Only VQA wine is sold

Assistance

AGCO Contact
Information

farmersmarkets@agco.ca

416-326-8700

1(800) 522-2876

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Questions



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