



## Raise a Glass

**A**nnual reviews are a good thing. In the context of a business, it gives management some idea of where you've been and where you're going. I'm sure most of you have some sort of stock taking exercise with varying degrees of complexity to focus your teams and keep on track.

Well, the Wine Council of Ontario (WCO) has just completed its first ever annual review, in light of the ambitious 20 year Industry Strategic Plan it had launched last year. All in all, it has surpassed its aggressive domestic sales targets by 6.6 per cent. Its targets for hospitality channels were up although not as much as the WCO had hoped, but in light of SARS, the war on Iraq and the August blackout, it wasn't bad at 8.3 per cent.

What the Council would like to accomplish now, though, is to get more people drinking more Ontario wines.

The provincial model of liquor control boards, the LCBO, has made it very easy for foreign wine interests to market their products. "We're one of the top export destinations for every wine producing country on earth," says Linda Franklin, president of the WCO. "It makes sense when you think about it, because every other wine producing region owns its domestic market. Because our domestic industry only owns 40 per cent of its own market, and we have the LCBO, if you can convince a person at the LCBO that you have a great product and you're willing to support it – BAM – your wine goes across the whole province."

A few years ago, the Ontario Ministry of Agriculture did a study that found that Europe spends on average about \$6 billion a year on its wine industry. That creates a couple of



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problems for Ontario players. "The competition on the LCBO shelf is fierce and as the liquor board raises its fees and its charges that's not a problem for foreign producers because they can spend government money," says Franklin. "Secondly it means they can aggressively hold their prices. So even when currencies fluctuate worldwide, you still end up, particularly at the most competitive point in the marketplace – the under \$10 range – with countries holding their prices for years."

Considering that the Ontario provincial government has its hands shoved deeply into my pockets for the new health tax, I don't think subsidies for the domestic wine industry is in the cards for now or even the distant future.

So it's up to us to drink up.

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Now I wouldn't care how much value a wine contributed to the economy if it tasted like bilge water, but our provincial wineries have been bringing home quite a few awards for their production lately – and not just for Icewine either.

Franklin says we have to build on our good foundations. "Our challenge now is to convince buyers that the idea of Ontario making great wine is broadly known enough now, that you can bring it to special occasions. We also need to market and advertise our wine growing regions in the province." And that's something I can raise a glass, or two, for.

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