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## THE GLOBE AND MAIL

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### Ontario boosts local wine with new labelling, tax measures

By Josh Wingrove  
From Wednesday's Globe and Mail

*Province announces it will tighten rules surrounding wines branded as "Cellared in Canada," which are required to include only 30 per cent local grapes*

In an effort to squeeze foreign grapes out of Canadian wine, the Ontario government Tuesday announced regulatory and tax changes that will encourage local producers to make wines entirely from domestic grapes.

The province announced it will change the rules surrounding wines branded as "Cellared in Canada," which, despite their name, are required to include only 30 per cent local grapes to be sold under that label in the province.

Ontario will reduce the tax cuts currently afforded to those CIC wines as early as next year, and will beef up its support for Vintners Quality Alliance (VQA) wines, which are made entirely of Ontario grapes and are currently produced by 108 wineries in the province.

"The Ontario government today is basically taking all the oxygen out of the room for 'Cellared in Canada' wines, and it's about time," said Rick Smith, executive director of the Environmental Defence advocacy group, which he said pursued changes to the current "crazy system" in hopes of supporting Ontario grape growers. "People clearly want to buy local wine. They want to know what it is they're buying. They don't want to have products with misleading labels."

Ontario will raise the minimum requirement for Ontario grapes in CIC wines from 30 per cent to 40 per cent for five years, the length of time it takes for new vines to mature. But after the five years, the requirement will be done away with. Producers could make "Cellared in Canada" branded wines with 100 per cent foreign grapes if they chose, but they would pay a higher tax rate.

Ontario will centre its tax breaks and marketing campaigns on VQA wines.

"In the long term, we want to be completely focused on VQA wines," said Douglas Tindal, a spokesman for Ontario's Minister of Community Services.

Veteran wine critic Tony Aspler said many large wineries - which rely on the mixed CIC wine for a significant portion of their sales - will be forced to rethink their strategies amid the new regulations and an increasing "buy local" movement.

"It's pretty significant, showing the government is really interested in there being a Canadian wine industry, as opposed to an industry based on 70-per-cent imported juice, or imported wine," he said.

"Those big companies are going to have to buy a lot more Ontario grapes."

Ontario winemakers praised the announcement.

"Today really is the next step in our evolution as a wine industry," Ed Madronich, chair of the Wine Council of Ontario, said. "I think people are looking for authenticity. When you buy a New Zealand sauvignon blanc, it's from New Zealand. So, authenticity is important to consumers... I think the government signalled today that VQA is our future."

The move comes about a week after Canada's other major wine-producing province, British Columbia, vowed to move "Cellared in Canada" wines off shelves dedicated to local products in its liquor stores. Compared to Ontario's move, Mr. Smith described that as a more "modest" approach.

Ontario's changes had been in the works for several months and "certainly predate B.C.'s action," Mr. Tindal said.

The Ontario government will work with local winemakers to improve labelling on both the bottles and in Liquor Control Board of Ontario stores to push VQA wines as the lone local option.

"Everything's on the table, from design, to font style, to wording," Mr. Tindal said. "The grape growers, the wine makers - everyone agrees that [VQA] is where we need to focus."

Mr. Aspler said the practice of producing mixed wines from both domestic and imported grapes is found in many countries worldwide. He speculated the recent announcements from both provinces have come amid a swirl of recent media attention that sparked consumer complaints.

"It happens," he said of the grape mixing. "This has been going on for several years. It's interesting that [the announcement] happens now."

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