

February 3, 2023

The Honourable Peter Bethlenfalvy
Minister of Finance
Frost Building South
7th Floor 7 Queen's Park Cres.
Toronto, ON
M7A 1Y7

Dear Minister Bethlenfalvy:

The Ontario Federation of Agriculture (OFA) is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. We are passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

Ontario's agri-food sector is an economic powerhouse – producing more than 200 farm and food products, fuelling rural communities, generating nearly 750,000 jobs, and contributing over \$47 billion to Ontario's annual GDP. The province's agri-food strategy, Grow Ontario, aims to strengthen the agri-food sector, support economic growth, and ensure an efficient, reliable and responsible food supply. By removing barriers, unnecessary costs and red tape, Ontario farmers will be positioned to seize opportunities and rise to the challenge of an ambitious growth strategy, allowing the agri-food sector to drive the economy forward.

On behalf of the OFA Board of Directors, I am writing to you today to bring an important matter your attention regarding a competitive imbalance for Ontario produced wine.

At OFA's Annual General Meeting, the following motion was passed by our meeting Delegates and adopted by the OFA Board of Directors.

"THAT the Ontario Federation of Agriculture ("OFA") lobby the Ministry of Finance and LCBO to eliminate the LCBO Mark-up and Wine Levy imposed on the direct delivery of 100% Ontario Non-VQA wine to a licensee; and

FURTHER BE IT RESOLVED THAT OFA request that the Minister of Finance, Minister of Agriculture, Food and Rural Affairs, Minister of Economic Development, Job Creation and Trade, Minister of Red Tape Reduction, and Minister of Tourism, Culture and Sport support the elimination of the LCBO Mark-up and Wine Levy imposed on the direct delivery of 100% Ontario Non-VQA wine to a licensee."

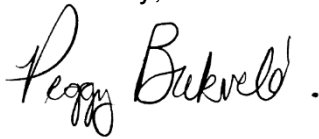
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In addition to selling through the Liquor Control Board of Ontario (LCBO), Ontario wineries are permitted to deliver directly to Licensees such as bars, restaurants and hotels. However, there is an imbalance in the fee paid by Vintners Quality Alliance (VQA) wine compared to 100% Ontario produced non-VQA wine.

Currently VQA wine is charged a 6.1% LCBO Administration fee while non-VQA wine is charged a 71.5% LCBO mark-up and \$1.215 per bottle LCBO Wine Levy. As a result, a non-VQA winery selling direct to a Licensee receives approximately half of what a VQA winery would receive even though both products are 100% Ontario produced wine.

We ask that your Ministry level the playing field for Ontario produced wine by removing the mark up and wine levy for 100% Ontario Non-VQA wine and replace it with the same 6.1% LCBO administration fee applied to VQA wine when delivering directly to a Licensee.

Sincerely,



Peggy Brekveld
President

cc: The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs
Matthias Oppenlaender, Chair of the Grape Growers of Ontario
Sonia Dignard, OFA Member Service Representative, Zone 14
OFA Board of Directors