OntarioWineReview

A bi-weekly newsletter dedicated to helping you discover Ontario's best Wines and Wineries. Enjoyment comes from understanding - Passion comes from understanding more.



OntarioWineReview Newsletter - 194

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In this Edition

1 OntarioWineReview: It's About Damn Time

Grape Guy's Picks of the Bunch: Bubblies for the Season and More from Tawse Bi-Weekly OWR Updates: Video, plus J-T Lost & Found and Ottawa Life article

1 Wine Event Spotlight: Open Houses Galore



OntarioWineReview: It's About Damn Time

Have you ever been screwed with your pants on? I'm not talking about your teenage years of dry humping Suzy Creamcheese on your parents' couch, I mean totally screwed fully clothed? No? Think again. It happens every time you buy alcohol here in the province of Ontario; and if you're a winery owner or principal it happens to you every ... single ... day. Now that all sounds a little crass, and I'm sure if my mom is reading this she is rolling her eyes and saying, "Oh Michael" out loud to herself ... Sorry mom, but before your pick up the phone and threaten me with yet another soaporiented mouth-washing best you listen to what I have to say, because I'm calling it the ways I sees it ... and the way I see it, it seems that the wineries of Ontario are finally getting sick and tired of waiting for the province to see the light and are now pushing to get something done – and in truth it's about damn time!

Now hopefully you've all scanned the <u>BASR report</u> (Beverage Alcohol System Review panel) ... a report commissioned by the Liberal government which was dropped on their collective desks in July of 2005. It basically told Ontario's reigning party that there was money in them there hills known as privatization – a lot of money – in fact, more money from the sale of booze than is currently being sucked up through the current monopoly system (read: LCBO). But it also talked about the inequality within the marketplace and how to fix it.

"We are proposing that the Ontario government withdraw from ownership and operation of wholesale and retail beverage alcohol business, and instead create a regulated but competitive marketplace ... we do not believe that the current system is the only way of controlling this product.." - BASR report conclusion, July 2005 (paragraph 2 & 3)

The Wine Council of Ontario (WCO), with I am sure much pushing and shoving from its membership (82 and growing), has finally lit the match and set the fuse to what is the large powder keg known as privatization with mywineshop.ca. I say 'pushing and shoving' because the WCO is not known for being so brazen about the way they go about things, in fact they are quite passive, but it seems there is a faction within the organization that wants to see some action and is not satisfied anymore with backroom talks and whispering in ears – it has not worked: it's like after years of playing milquetoasts and sidekicks Jim Belushi got his own TV show (According to Jim, for those who didn't know). But the facts behind their reasons for jumping into the fray are not in dispute: winemaking in this province is a labour of love and retailing it is a absolute nightmare. There are 600+ LCBO locations in the entire province, along with 300 private retail stores (the majority of these (say 95%) owned by two companies: Peller and Vincor), but they are privately held by wineries who existed before 1993 and by wineries who were able to invest in off-site retail licenses prior to the

government shutting the door on that system due to free-trade. It's important to note that these "private stores" can only sell the products of their license holder. Since 1993 no more "private store" licenses have been issued, thus stagnating the growth of off-site sales, which means any winery who has opened after 1993 can only retail their wines through one of three streams: the LCBO, their own on-site store and directly to restaurants. Keep in mind there were approximately 11 wineries in Ontario pre-1993 ... there are now over 150 (that includes fruit and grape wineries in the mix) and that number climbs every year.

"Apart from the emphasis on social responsibility, the most powerful theme was the need to increase access, opportunity and flexibility in the system." - BASR report conclusion, July 2005 (paragraph 5)

The WCO is not a leader in the field of privatization either, in fact, the Ontario industry is just trying to play catch-up with more forward thinking provinces like Nova Scotia, British Columbia, Manitoba, Alberta (Canada's only free market province), Saskatchewan and Quebec who already allow varying forms of private ownership for the sale of alcohol. For those paying attention to the above list that leaves Ontario in a league with most of the Maritimes and the Northern Territories ... further instilling our have-not status.

"The government does not need to operate a wholesale or retail business in order to collect revenue from beverage alcohol." - BASR report conclusion, July 2005 (paragraph 9)

Let's do some simple math here, just to illustrate the need for some form of privatization in this province. The WCO's numbers say there are 120+ "active commercial VQA wineries in the province" (this is an ever growing number). Let's say each winery makes 10 different wines each year (that's a conservative number, but follow along). That's a total of 1200 wines released in Ontario every year (that's just labels - not cases or bottles). The LCBO's "Vintages" arm releases some 200 VQA products Into their stores (I say that's a little on the high side, but I'm going with the numbers given out by the WCO) - that leaves some 1000 wines that the consumers of Ontario are never exposed to, unless they make their way to one of our 3 major wine regions (and a few minor undeclared ones). How is anyone expected to sell all these wines from just one single location scattered throughout a region where other single locations are also vying for your dollar? Imagine if lettuce, or milk were sold in only 600 stores in Ontario; or better yet, because not all LCBO stores have a full Vintages outlet (let's half that number and say 300 stores) ... can you imagine if there were only 300+ stores in Ontario that carried milk, bread, eggs, butter or any of your grocery shopping staples. Now, I'm not saying alcohol is a staple, but it should be more readily accessible and we as Ontarians should have as much choice in what wine, beer or spirit we put on the table as we have choices in the grocery store. Think of wine as you would a grocery item like Pop-Tarts: there are many different flavours, lots of choice ... and lots of different places to buy them, from the corner store which sells 3 of the most popular flavours to Loblaws which sells all 25 varieties - you have the choice as to where you go to get your Pop-Tarts ... and not matter what anyone tells you, they are not a staple either. Can you imagine if the government limited the places you could buy Pop-Tarts? Yet we are limited to where we as Ontarian can buy our wine. The government has no trouble licensing these agricultural businesses (wineries) and taking their tax dollars – but then they handcuff them from day one as to how and where they can sell their product. If you really think about it we were a much freer society back in 1993 then we are now.

"Convenience, variety and competitive prices for consumers. Our plan would deliver them all by creating a more open marketplace." - BASR report conclusion, July 2005 (paragraph 12)

Many people will ask what about British Columbia and their VQA-only stores? Has the WCO

abandoned that idea? It would seem Ontario is afraid to take on the Free Trade Agreement and continues to cite that as the reason they cannot implement VQA stores. B.C. claims they "found" a few freed up licenses that were already in existence before the agreement came into effect ... my contention has always been, if you can't "find" a few "lost" ones lying about why not re-appropriate the ones we have: set a price that a winery can buy into X-number of stores already held by Peller and/or Vincor. But then again those two companies are not about to let go of their cash-cows any time soon ... are they?

"Finally, promoting Ontario's products. A restructured system would improve market access, opportunity and flexibility for Ontario beverage alcohol producers." - BASR report conclusion, July 2005 (paragraph 15)

So that leaves the WCO and their member wineries to get behind private stores with the following guidelines:

- Able to sell imported and domestic wine (at the license holders discretion)
- Private sector, not province, assumes risk and puts up the capital
- Single license only, no manufacturers or importers can hold license
- LCBO remains importer of record and collects full markups without having to distribute or retail the product

It certainly is a step in the right direction and would pull Ontario kicking and screaming out of their still prohibition-era rules. The real question remains, how can I, as John Q Public get involved?

- 1) Visit mywineshop.ca read and with a click send a letter to your MPP
- 2) Read the BASR Report you'll have some free time this holiday I'm sure or heck, just skim the conclusion section ... it's really all you need to know and it's a mere 18 paragraphs of which I've highlighted 10 in this article.
- 3) While you're mulling the yuletide wine mull over the facts about Ontario's antiquated liquor system and why we continue to take getting-the-shaft, like the good Canadians we are.
- 4) Start demanding more from our provincial leaders and holding them accountable for what they say and promise: both Peterson (Liberal) and Harris (Conservative) promised privatization ... Now Hudak has made a similar promise, another retail stream for domestic products ... leader or not he should be applying pressure to make his promise a reality, wouldn't that be a nice change for a political New Year's resolution.

I leave you to ponder the following ... here are the last three paragraphs of the BASR report's conclusion:

"A major transition is never easy, but it would be worth it. The strategy we recommend would lead to more government revenue for health care and education; a sustained commitment to the socially responsible use of alcohol; increased economic growth based on greater access to markets; a renewed emphasis on responsible environmental practices; and wider choice, more convenience and competitive prices for consumers.

The present beverage alcohol system took shape at the end of Prohibition. For decades, Ontario has made minor repairs to the system when a complete overhaul was needed. In our view the government should focus its role on effective regulation, and restructure the system from top to bottom to establish a more competitive model.

After 78 years, change is long overdue. It is time to transform Ontario's beverage alcohol system for

the 21st century."

Amen ... and come hell or high water the wineries of Ontario are prepared to do what our government should have done decades ago ... 2013 should be a very interesting year.



Grape Guy's Picks of the Bunch: Bubblies for the Season and More from Tawse

Henry of Pelham 2012-Tasting - NV Cuvee Catharine Rosé - \$29.95 (W, L) www.henryofpelham.com

One of the best rosé bruts to come out of Ontario has undergone a make-over ... thankfully it's not what's in the bottle that has changed – instead it's the outside packaging. The label is now a more prominent colour, a cross between baby and sky blue, eye-catching, but not necessarily better looking – like it or not the one positive thing you can say about it is that you won't miss it on the shelf. As for what's in the bottle, this version seems to be one of the best I've had in quite some time (could be because it is grapes primarily from the 2008 vintage – a good vintage for sparkling and whites). Nose of apple and strawberry; the strawberry continues on the palate with green apple acidity and a hint of minerality ... there's also a lovely lemon-strawberry finish. But the wine was best summed up by my wife when she said, "I don't usually smell it, I just drink it." All said with a big smile as she drained the glass and asked for another. Price: \$29.95 – Rating: **** ½+

Other Bubblies to Celebrate the Season (in a variety of price ranges):

13th Street 2008 Premier Cuvee Brut - \$34.95
Angels Gate 2010 Archangel Chardonnay Sparkling - \$19.95
Cave Spring 2004 CSV Blanc de Blancs Brut - \$39.95
Flat Rock 2008 Riddled Sparkling - \$24.95

More from Tawse:

In honour of being named Wine Access Winery of the Year for the third year in a row:

Tawse 2009 Cherry Avenue Pinot Noir - \$57.95 (W) www.tawsewinery.ca

Only 3040 bottles are made of this wine, and I recommend getting your hands on one as soon as possible ... this is quite possibly one of the best Ontario Pinots I have tried. The nose is big on cherry with hints of floral and vanilla – but it's the cherry that really pops here (that does sound a little rude). The palate is a berry bowl of flavor – loads and loads of cherry sprinkled with white pepper ... strawberry kicks in mid-palate adding cinnamon and all-spice notes. This is one sexy and appealing wine with good acid backbone that mixes with the tannins for a full, long finish. Price: \$57.95 – Rating: **** ½

BONUS: Tawse 2010 Estate Chardonnay - \$37.95

BONUS: Tawse 2010 Growers Blend Pinot Noir - \$31.95

BONUS: Tawse 2010 Robyn's Block Chardonnay - \$45.95

BONUS: Tawse 2010 Sketches of Niagara Chardonnay - \$19.95 (W, L)

Availability legend: W (Winery) – L (LCBO/Vintages) – WTH (Winery to Home) - OL (On-Line)



NEW - Video Wine of the Week:

WineFox.ca and the Grape Guy have teamed up to bring you the Ontario Wine of the Week

This week's videos:

Inniskillin 2011 Montague Vineyard Chardonnay

NEW - Ottawa Life Weekly International Wine Recommendation:

Thirst Impressions: Piedmont or Bust

On the Road with the Grape Guy:

Trips, tours and tastings – join me as I review the highs, and sometimes, the lows

New reports coming soon

Lost and Found (blog)

Wines that got "lost" in my cellar - some are Treasures others Trash ... Find out what happened

Jackson-Triggs 2002 Proprietors' Grand Reserve Meritage

Taste it Again Grape Guy (blog)

Find out what has happened to some of my favourites over the years

Nothing New This Week

What I'm drinking Tonight (blog)

When it's not an Ontario wine, here's what I'm pulling out of the cellar New Posts Added

Wines from Argentina and California

Vintages Release (blog)

December 8th release report coming soon



After reading the above article visit www.mywineshop.ca to get involved

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Wine Event Spotlight: Open Houses Galore

'Tis the season for Open Houses, Fa La La La La La La La La La Check your favourite winery's website for details of what they will be doing.

OntarioWineReview's bi-weekly newsletter is devoted to the love, enjoyment and promotion of the wines of Ontario and the wineries that make them.



What can the Grape Guy do for you ... Michael Pinkus (Grape Guy) provides a variety of wine related services that you might be interested in taking advantage of: he gives lectures, leads seminars, conducts tastings, sets up tours; consults, selects and judges. He also gives interviews, broadcasts, podcasts and writes. Contact the Grape Guy if you require any of these services or have any questions.



Psst, Pass It On ... keep the good wine flowing. Forward this newsletter to your mom in Mimico your uncle in Uxbridge, your great aunt in Grand Bend or any other family member or loved one that you know needs good wine advice.



Socially Speaking ...

Follow Michael Pinkus, the Grape Guy's (almost) daily Tweets http://twitter.com/TheGrapeGuy. You can become а friend facebook: http://www.facebook.com/?ref=home#!/mepinkus.

"Linked In" folks can find Michael at http://ca.linkedin.com/pub/michael-pinkus/14/704/4b8

To contact us with feedback, article ideas, comments, concerns or questions – email michael@ontariowinereview.com. We look forward to hearing from you!

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