

April 22, 2020

Hon. Rod Phillips
Minister of Finance
Frost Building South
7th Floor, 7 Queen's Park Cres.
Toronto, ON M7A 1Y7

RE: Supporting Ontario's beverage alcohol industry during COVID-19

Thank you for your continued leadership during the COVID-19 pandemic. As the situation evolves, the Ontario Chamber of Commerce (OCC) is receiving concerns from the business community and communicating them to all levels of government.

I wanted to provide you with input from our members in the beverage alcohol industry and, in particular, the wine industry. Ontario is the largest wine grape producing province in Canada, generating \$4.4 billion and attracting 2.4 million tourists in 2015. Despite the popularity of Ontario's wines and many wine regions, Canada has one of the lowest percentages of domestic wine sales when compared to the top wine consuming nations like Chile, South Africa, and Argentina.

As outlined in our July 2019 report, *Refreshing the Sale of Beverage Alcohol in Ontario*, inter-provincial trade barriers continue to prohibit Ontario wineries (and other beverage alcohol producers) from being able to ship products home to Canadians living in other provinces. As restrictions continue to exist when it comes to transferring alcohol between provinces, opening up trade between all provinces and territories is an area that the provincial and federal governments need to address. Our members consider this to be "low-hanging fruit" that, once addressed, could yield benefits for domestic producers and governments alike.

Since international travel ceased, restaurants and bars have closed, and Ontarians continue to stay home to help stop the spread of COVID-19, tourism and tourism spending is significantly down. The current situation has severely impacted approximately 100 local wineries in Ontario who do not have distribution through the LCBO and only sell their products at their farm gate.

As Ontarians and Canadians continue to stay at home, permitting Ontario wineries to sell their products and ship across provincial borders could make a measurable difference for the wine and beverage alcohol industry more broadly. While internal trade regulations are largely unenforced in Canada, they serve as a barrier that prevent small wineries in Ontario from selling across provincial borders, reaching new consumers, and expanding into new markets.



We appreciate the recent steps the Alcohol and Gaming Commission of Ontario took by allowing consumers to order beverage alcohol from restaurants and bars with their food takeout and delivery orders between 9am and 11pm. However, we encourage the province to eliminate inter-provincial trade barriers with willing provinces and territories. Doing so would help sustain local wineries and wine producers at this critical juncture. Moreover, it would provide consumers with greater choice and convenience, while allowing participating jurisdictions to benefit from tax revenue during this difficult financial period.

Public health and safety are priorities for all Ontario businesses. We will continue to monitor and assess new developments pertaining to COVID-19 closely and work with our members, partners, and all levels of government to provide support to Ontario business.

Sincerely,

A handwritten signature in black ink, appearing to read "Rocco Rossi".

Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC: The Honourable Vic Fedeli, Minister of Economic Development, Job Creation and Trade
The Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs
The Honourable Lisa MacLeod, Minister of Heritage, Sport, Tourism and Cultural Industries
The Honorable Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction