

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MAY 13, 2014
FROM:	CATHY SAUNDERS CITY CLERK
SUBJECT	SALE OF VQA WINE AT ELIGIBLE ONTARIO FARMERS' MARKETS

RECOMMENDATION

That, on the recommendation of the City Clerk, the City Clerk BE ADVISED as to:

- a) whether or not the Municipal Council wishes the City Clerk to advise the Registrar, in writing, of any objection to the sale of VQA wine at eligible Ontario farmers' markets within the City of London; and,
- b) whether or not the Municipal Council wishes to consider placing any restrictions on municipally-run farmers' markets or farmers' markets operating on municipal property.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

None.

BACKGROUND

On April 14, 2014, the City Clerk received a communication dated April 11, 2014, from the Alcohol and Gaming Commission of Ontario (AGCO), advising that Regulation 720 under the Liquor License Act, R.S.O. 1990, Chapter L.19 was being amended to permit the sale of Vintner's Quality Alliance ("VQA") wine at eligible Ontario farmers' markets effective May 1, 2014, as a pilot program. Specifically the amendment is as follows:

"3.2 (1) In this section,

"farmers' market" means a central location at which a group of persons who operate stalls or other food premises meet to sell or offer for sale to consumers products that include, without being restricted to, farm products, baked goods and preserved foods, and at which a substantial number of the persons operating the stalls or other food premises are producers of farm products who are primarily selling or offering for sale their own products;

"production site" means property that is used by a manufacturer primarily for the alcoholic fermentation and production of Ontario wine;

"Vintners Quality Alliance wine" (VQA wine) has the same meaning as in the Vintners Quality Alliance Act, 1999. O. Reg. 98/14, s. 1.

(2) If the holder of a manufacturer's licence manufactures VQA wine and if the Registrar, under clause 3 (1) (e) of the Liquor Control Act, authorizes the manufacturer to sell the wine at an occasional extension of a winery retail store that the manufacturer owns and operates at its production site, where the extension is within a farmers' market, the manufacturer's licence is subject to the following conditions:

- 1. The manufacturer shall comply with any authorization of the Registrar relating to the store.*
- 2. The municipality, if any, in which the farmers' market is located has not advised the Registrar in writing that it objects to the sale.*
- 3. The manufacturer shall provide the Registrar with notice of the location and dates of the intended sales in advance.*
- 4. The manufacturer shall ensure that its VQA wine offered for sale at the farmers' market is transported from the manufacturer's store to the farmers'*

market each day and any unsold product is returned to the manufacturer's store by the end of the day.

5. The manufacturer shall ensure that any sampling that it conducts in conjunction with the sale is conducted in accordance with the guidelines on sampling set out in the document entitled "Sampling Guidelines for Liquor Manufacturers", dated July 2012, published by the Registrar and available through the website of the Alcohol and Gaming Commission of Ontario.

6. The manufacturer shall ensure that any person involved in the sale or sampling of liquor holds a certificate demonstrating the successful completion of a server training course approved by the Board. O. Reg. 98/14, s. 1.

(3) The document incorporated by reference under paragraph 5 of subsection (2) includes amendments made to the document from time to time after Ontario Regulation 98/14 is made. O. Reg. 98/14, s. 1.

(4) Nothing in this section authorizes the establishment or operation of farmers' markets at which all or a substantial number of the products sold or offered for sale are VQA wines. O. Reg. 98/14, s. 1."

Under subsection 2 of Section 3.2(2), a municipality may object to the sale of VQA wine at eligible Ontario farmers' markets within the City of London. We are advised by representatives of the AGCO that such objection may be limited to the sale of wine at any or all of the local eligible farmers' markets. Any objection would effectively prohibit the sale of VQA wine at the farmers' market locations objected to by the municipality.

Additionally, municipalities that operate farmers' markets or permit farmers' markets to operate on municipal property, may be able to set further rules for VQA wine sales within those farmers' markets (e.g. tasting hours), as long as those rules do not contravene the AGCO's regulatory framework as set out in the Liquor License Act, Regulations and Registrar's policies.

The ACGO advises that a list of farmers' markets that intend to allow VQA wine sales will be posted on the AGCO's website after May 1, 2014, after which the list will be updated on a weekly basis. On April 30, 2014 we were advised by phone, by the AGCO, that Covent Garden Market is one of the five pilot sites in Ontario for this project and will commence with wine sales on Saturday, May 3, 2014.

RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK