

# Regulatory Modernization in Ontario's Beverage Alcohol Industry

## INFORMATION BULLETIN No. 039 (December 18, 2015)

In 2013, the Alcohol and Gaming Commission of Ontario (AGCO) launched *Regulatory Modernization in Ontario's Beverage Alcohol Industry*, a comprehensive review of the AGCO's approach to the regulation of Ontario's wine, beer and spirits manufacturers, manufacturers' representatives, ferment-on-premise operators, and liquor delivery services.

This initiative is focused on modernizing the AGCO's policies and procedures in order to reduce the administrative burden on businesses in Ontario's beverage alcohol industry, remove barriers to new investment and innovation, and help ensure the continued responsible sale and service of alcohol.

As part of this initiative, the Registrar of Alcohol and Gaming has previously approved a number of policy reforms as outlined in Information Bulletins [035](#), [036](#) and [037](#). The AGCO continues to work with stakeholders on a number of initiatives and is pleased to announce that the Registrar has approved the following additional policy reforms that will be effective January 4, 2016:

### 1. Sale of Non-Liquor Products at On-Site Retail Stores

Ontario alcohol manufacturers will now be able to sell an updated complement of products in their on-site retail stores that support the local cultural, historical and culinary experience, while ensuring that the responsible sale of alcohol remains the principal focus of on-site retail stores. The new list of permissible products sets out broad categories of products that may be sold instead of the prescriptive list of specific products that were permissible in the past. All types of liquor manufacturers will also now be subject to the same list instead of distinct lists for breweries, wineries and distilleries. Please see APPENDIX I: Products Other Than Beverage Alcohol Which May Be Sold at an On-Site Manufacturer Retail Store.

### 2. Local Grape Content Requirements for Wineries Located Outside of Designated Viticultural Areas

Ontario wineries located outside of Ontario's three Designated Viticultural Areas will no longer be required to produce at least fifty per cent (50%) of their total wine production from grapes grown within the boundaries of the territorial division in which the winery is located. All wineries in Ontario will therefore be eligible to operate an on-site retail store regardless of where in Ontario their grapes are grown, provided the other eligibility requirements have been met (e.g. that the winery is located with at least five (5) acres of planted grape, etc.).

These reforms are the result of extensive consultations between the AGCO and stakeholder representatives. For more information, please email [consultation@agco.ca](mailto:consultation@agco.ca) or call the AGCO's Customer Service Department at 416 326-8700 (GTA) or 1 800 522-2876 (toll-free in Ontario).

# APPENDIX I

## Products Other Than Beverage Alcohol Which May Be Sold at an On-Site Manufacturer Retail Store

The following non-liquor products may be sold at an on-site manufacturer retail store:

- Items used for storing, opening, carrying and serving beverage alcohol
- Books, magazines and other media related to: (i) food and beverage; and (ii) local history, art and tourism
- Clothing and accessories which display the manufacturer's branding
- Locally-produced artisanal products
  - “Locally-produced” means “produced in the Province of Ontario”
  - “Artisanal products” means “products produced in limited quantities using traditional methods”
- De-alcoholized wine and beer produced by the manufacturer
- Tickets for public events taking place in the community
- Gift cards and certificates for the purchase of the manufacturer's goods and services

The manufacturer must ensure that:

- it does not offer for sale any products that promote immoderate or high-risk consumption of alcohol or specifically target people under the legal drinking age; and
- the amount of non-liquor products made available for sale at any one time does not constitute a substantial amount of all products made available for sale in the store.