



August 3, 2017

Standing Committee on Finance
Sent by email: fina@parl.gc.ca

RE: 2018 Federal Pre-Budget Consultation

On behalf of the Grape Growers of Ontario, we are pleased to have the opportunity to provide this submission to the consultation on 2018 Federal Budget priorities.

Grape Growers of Ontario is the official organization operating under the Ontario Farm Products Marketing Act, that represents over 500 grape growers including 180 wineries with approximately 17,000 acres of vineyards in Ontario, Canada who produce grapes for processing. Ontario is Canada's leading grape producer, accounting for about 67% of all Canadian production.

Grapes are the central part of the Canadian grape and wine industry which generates \$9 billion annually in economic impact including \$1.7 billion in tax revenue and mark-ups and creates more than 37,000 jobs.

There remain significant challenges to productivity and competitiveness of the grape growing industry including the need for: certified clean propagative grapevine plant material; infrastructure to access irrigation water in order to mitigate risks from climate change; and effective business risk management (BRM) and non-business risk management programs.

Clean Plant Program – Canadian Grapevine Certification Network

The development of a domestic grapevine certification program is imperative in order to improve the productivity and competitiveness of the Canadian grape and wine industry. Stable and long-term funding to support the Canadian Grapevine Certification Network (CGCN) is needed to ensure a sustainable supply of certified propagative grapevine material in order to protect the grape and wine industry from the spread of economically devastating diseases.

The grape industry is currently faced with Grapevine Leafroll-associated virus and Grapevine Red Blotch disease. Leafroll causes significant yield losses (30-50%) and delays fruit ripening, and Red Blotch can cause a brix (sugar) reduction of up to 4 to 6 brix, delays ripening and reduces fruit colour. The negative impacts of these viruses are leading to poor quality grapes, reduced productivity and is limiting the competitiveness of the Canadian grape and wine industry.



The Canadian Grapevine Certification Network (CGCN) was formally incorporated as a national not-for-profit organization in February 2017 with representatives from each grape growing province in Canada including British Columbia, Ontario, Nova Scotia and Quebec.

CGCN has been actively working with industry and the Canadian Food Inspection Agency (CFIA) to develop a certification protocol to ensure a sustainable supply of clean propagative material. Following a workshop hosted in Guelph, Ontario by the Biodiversity Institute of Ontario and the Canadian Food Inspection Agency in November 2016, participants from government, industry and academia developed a consensus supporting the need for a Clean Plant initiative to implement a Canadian vision of “an integrated evidence-based approach aimed at accessing, maintaining and/or distributing propagative plant material that is free of targeted plant pathogens and pests to protect and support Canada’s food supply, trade, environment and economy”.

Stable and long-term funding is required to move forward with this initiative.

National Food Policy

Water accessibility and whole-farm water management should be priorities to assist growers in improving productivity and quality while managing the business risk associated with the extremes in temperature and rainfall that are becoming more common. Infrastructure support to assist growers in accessing water for irrigation is needed to ensure long-term plant health and productivity.

The Grape Growers of Ontario applauds the government for undertaking a Food Policy for Canada to address issues related to the production, processing, distribution, and consumption of food. Access to irrigation water is essential for the long-term viability and competitiveness of horticultural crops, including grapes, and is becoming a greater priority due to the more frequent extremes in precipitation and temperature that are affecting the fruit quality and longevity of Ontario’s vineyards.

The Grape Growers of Ontario began working together with Niagara Region and other commodity organizations in 2012, when Niagara averaged only 60% of normal rainfall accumulation, with a purpose of enhancing on-farm water management and improving access to water for agricultural irrigation. While surrounded by fresh water, the significant investment needed in irrigation infrastructure means that it has remained out of reach to many growers.

Business Risk Management Programs

The Grape Growers of Ontario is pleased that the government has responded to concerns and committed to a meaningful review of business risk management programs.

The Business Risk Management (BRM) programs are a critical tool in assisting growers in mitigating risks outside of their control such as fluctuating costs and adverse weather. AgrilInsurance is of particular importance to grape growers as our greatest vulnerability in cool climate viticulture is the risk of adverse weather and is an effective risk management tool. While the GGO is pleased that the federal, provincial and territorial Ministers of Agriculture have agreed to the new Canadian Agricultural Partnership, including AgrilInsurance, there remain



concerns about the effectiveness of the AgriStability and AgriInvest programs with the proposed changes to begin in 2018.

Non-Business Risk Management Programs

Research and marketing remain priorities for growing our agricultural competitiveness and productivity.

Government investment in innovation and applied research provides valuable assistance to the agriculture industry in continually improving the production capacity, financial sustainability and competitive advantage of our industry. An investment in innovation, science and research-type programming helps reduce the long-term cost of business risk management to the government.

Currently Ontario VQA wine, which is made of 100% Ontario grapes, has only a 10.5% share of the Ontario wine market. Marketing and market development programs continue to be an important component of competitiveness in both the domestic and international marketplace and need to be flexible in permitting industry to implement marketing plans in their local (provincial) market in addition to being available to expand national and export markets.

Recommendations

Priorities for the Grape Growers of Ontario are to grow the industry's competitiveness, productivity, and economic impact through the following:

1. Stable and long-term support for the Canadian Grapevine Certification Network – Clean Plant Program;
2. Address production issues through the National Food Policy to provide infrastructure in order to access irrigation water;
3. Review proposed changes to Business Risk Management Programs to ensure their effectiveness;
4. Prioritize research and marketing in non-business risk management programs.

The Grape Growers of Ontario appreciates the opportunity to provide input for consideration in the development of the 2018 Federal budget. Please contact my office at 905-688-0990 ext 225 if you require further information or clarification on our comments.

Regards,



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