



Alcohol and Gaming Commission of Ontario

Winery Retail Store Information Guide

JULY 2018



AGCO

Alcohol and Gaming
Commission of Ontario

Alcohol and Gaming Commission of Ontario

90 Sheppard Avenue East

Suite 200

Toronto ON M2N 0A4

Fax: 416-326-8711

Tel: 416-326-8700 or 1-800-522-2876 toll free in Ontario

Website: www.agco.ca

© Queen's Printer for Ontario, 2018

Disponible en français

TABLE OF CONTENTS

General Information.....	1
Criteria and Requirements Sections.....	3
Section 1: Criteria and Requirements for an On-Site Grape Winery Retail Store.....	8
Section 2: Criteria and Requirements for an On-Site Fruit Winery Retail Store	10
Section 3: Criteria and Requirements for an On-Site Honey Winery Retail Store	12
Section 4: Criteria and Requirements for an On-Site Retail Store – Other Winery.....	14
Section 5: Criteria and Requirements for the Relocation of an On-Site Winery Retail Store	16
Section 6: Criteria and Requirements for the Sale of Eligible Wine at Farmers’ Markets (Occasional Extension of an On-Site Winery Retail Store).....	19
Section 7: Criteria and Requirements for the Relocation of an Off-Site Winery Retail Store.....	21
Section 8: Criteria and Requirements for VQA Wine Sales in a Wine Boutique (under a supplementary wine authorization).....	24

General Information

The Registrar of Alcohol, Gaming and Racing (the “Registrar”) may authorize a manufacturer of Ontario wine (a “manufacturer”) to operate a store for the retail sale of wine made by that manufacturer. A manufacturer must comply with specific criteria in order to be eligible for an authorization to operate a winery retail store. This information guide summarizes some of those criteria. This guide is designed to assist those wishing to apply for the issuance of a new retail store authorization and/or related authorizations, or for approval to relocate an existing authorized retail store.

In order to be eligible for a winery retail store authorization, an applicant must hold a Manufacturer’s Licence - Winery issued by the Registrar. In addition, an applicant must meet the other criteria outlined in this information guide. More than one licensed manufacturer may have an authorized winery retail store at the same production site, provided that each licensed manufacturer possesses substantial ownership and control over the production site.

The issuance of an On-Site Winery Retail Store Authorization and the determination of the conditions to be attached to it are matters which fall within the discretion of the Registrar, to be exercised based upon the circumstances of each case.

TYPES OF WINERY RETAIL STORES

Winery retail store authorizations may be divided into two broad categories: On-Site Winery Retail Stores and Off-Site Winery Retail Stores. An on-site winery retail store is a retail store located at the site where the winery which holds the retail store authorization has its production site. An off-site winery retail store is a retail store which is not required to be located at the site where the winery which holds the retail store authorization has its production site. Wineries may also be divided into a number of different categories, including grape wineries, fruit wineries, honey wineries and other wineries. The eligibility requirements for a winery retail store authorization will vary depending on the type of retail store authorization being applied for and the type of winery in question. The specific requirements applicable to each type of winery and winery retail store authorization are set out in this guide.

SALES OF ELIGIBLE WINE AT FARMERS' MARKETS (OCCASIONAL EXTENSION OF AN ON-SITE WINERY RETAIL STORE)

The Registrar may authorize a winery with an AGCO Manufacturer's Licence - Winery that operates an on-site retail store and produces Vintners Quality Alliance (VQA) wine, fruit wine, honey wine and/or maple wine to sell this wine, as defined in Ontario Regulation 720 under the *Liquor Licence Act* (LLA), at an occasional extension of its On-Site Winery Retail Store where the extension is within a Farmers' Market ("occasional extension").

SALE OF VQA WINE AT A WINE BOUTIQUE

The Registrar may authorize a winery with an AGCO Manufacturer's Licence - Winery that operates at least three off-site retail stores to sell VQA wine manufactured by another winery that owns fewer than three (3) winery retail stores (excluding on-site retail stores) in a wine boutique in a grocery store. As per Regulation 232/16 made under the *Liquor Control Act* (LCA):

- A "wine boutique" means a winery retail store,
- (a) that is located inside the shopping area of a grocery store, and
 - (b) at which the winery is authorized to sell wine to the public under a supplementary wine authorization described in Part III.1; ("boutique de vins").

CHANGE OF OWNERSHIP

If there is a proposed change in the ownership of a winery which holds a winery retail store authorization, the prospective buyer must file both an application for the transfer of the Manufacturer's Licence - Winery and an application for a retail store authorization. These two applications will be reviewed concurrently.

RELOCATIONS OF EXISTING WINERY RETAIL STORES

If a manufacturer with a winery retail store authorization wishes to relocate its winery retail store, it must apply to the Registrar for authorization to relocate prior to any changes taking place. If approved, the manufacturer must then surrender its existing retail store authorization and obtain a new authorization from the Registrar showing the new location.

If a manufacturer with an existing Off-Site Winery Retail Store Authorization wishes to relocate to operate a wine boutique inside a grocery store, it must apply to the Registrar for authorization to relocate and for a Supplementary Wine Authorization.

Please see Section 8 - Criteria and Requirements for VQA Wine Sales in a Wine Boutique (under a supplementary wine authorization).

CRITERIA AND REQUIREMENTS SECTIONS

The specific additional requirements applicable to each type of winery retail store are set out in the following Criteria and Requirements sections:

- 1) Criteria & Requirements for an On-Site Grape Winery Retail Store
- 2) Criteria & Requirements for an On-Site Fruit Winery Retail Store
- 3) Criteria & Requirements for an On-Site Honey Winery Retail Store
- 4) Criteria & Requirements for an On-Site Retail Store – Other Winery
- 5) Criteria & Requirements for the Relocation of an Existing On-Site Winery Retail Store
- 6) Criteria & Requirements for the sale of Eligible Wine at Farmers' Markets (Occasional Extension of an on-site winery retail store)
- 7) Criteria and Requirements for the Relocation of an Existing Off-Site Winery Retail Store
- 8) Criteria and Requirements for VQA Wine Sales in a Wine Boutique (under a supplementary wine authorization)

WINE PRODUCTS WHICH MAY BE SOLD AT A WINERY RETAIL STORE

Generally, all wine sold in a winery retail store must be made by the manufacturer that holds the winery retail store authorization. The wine sold must also comply with specific requirements regarding Ontario content, which are set out in this guide pertaining to the various types of winery retail stores. Additional restrictions may apply to the products which may be sold through a particular winery retail store, depending upon the type of retail store.

WINE MADE BY MANUFACTURER

Subject to the exception set out below concerning gift or souvenir packages, all wine sold in a winery retail store must be made by the manufacturer that holds the winery retail store authorization.

In order to comply with this “made” requirement, the manufacturer must do the following:

- The manufacturer must carry out the full primary fermentation process with respect to at least twenty-five per cent (25%) of the total volume of wine sold by such manufacturer in a year*;
- If the retail store is an on-site retail store, the manufacturer must also carry out the full primary fermentation process at the site of the store with respect to at least twenty-five per cent (25%) of the total volume of wine sold at that store in a year. The full primary fermentation process will be considered carried out at the site of the store only if all aspects of such a process occur and the relevant fermentation vessels are at all times physically present on the premises of the store site;
- The manufacturer must also carry out at least one significant winemaking step with respect to the full content of each bottle of wine the manufacturer sells in its retail store. For an on-site store, the manufacturer must carry out such step, in full, at the site of such store. For purposes of this requirement, significant winemaking steps are limited to:
 - ◇ primary fermentation;
 - ◇ blending;
 - ◇ barrel aging (at least three (3) months);
 - ◇ bulk aging (at least three (3) months);
 - ◇ secondary fermentation (for sparkling wine);
 - ◇ artificial carbonation (for sparkling wine); or
 - ◇ flavouring (for fortified wines).

**The year in the “made” policy spans September 1st to the 31st of August of the following year.*

GIFT OR SOUVENIR PACKAGES WHICH MAY BE SOLD IN WINERY RETAIL STORES

Pursuant to Section 3 of Ontario Regulation 717 under the *Liquor Control Act*, subject to the approval of the Registrar, a manufacturer of Ontario wine (as defined under the *Liquor Licence Act*) may sell Ontario wine made by other manufacturers of Ontario wine as part of a gift or souvenir package. Requests for approval must be made in writing to the Registrar.

The Registrar’s decision to grant or deny approval are made subject to the following conditions:

- 1) Only one type of gift or souvenir package may be sold in all of the Winery Retail Stores at any given time.

- 2) In addition to the manufacturer's own wine, the gift or souvenir package may contain wine made by no more than two (2) other Ontario wine manufacturers.
- 3) The gift or souvenir package shall contain no more than two (2) bottles of each of the other Ontario wine manufacturers' wines, and each bottle shall contain no more than 1.5 litres.
- 4) The volume of each of the other manufacturers' wines may not exceed the volume of the manufacturer's own wine.
- 5) The gift or souvenir package may contain no more than four (4) bottles of wine and at no time may the total volume of the gift pack exceed six (6) litres.
- 6) The Ontario wine made by the other manufacturer(s) must be 100% Ontario wine in accordance with the definition of Ontario wine under the *Liquor Licence Act*.
- 7) The gift or souvenir package must contain wine made by the manufacturer selling the package and such wine must have been made in accordance with the *Wine Content and Labeling Act*.
- 8) The gift or souvenir package must be marketed, assembled, displayed, priced and sold as a single selling unit.
- 9) The manufacturer shall notify the Registrar in writing when it ceases to sell the approved gift pack. On receipt of such notice by the Registrar, the manufacturer's approval to sell the gift pack shall become void.

ACCEPTING PAYMENT AT A TIED HOUSE FOR A WINERY RETAIL STORE PURCHASE

If a tied house is located on the same manufacturing site as an on-site winery retail store, the licensee may bring sealed, unopened wine purchased from the retail store onto the licensed premises for the purposes of selling it to a patron. This allows restaurant patrons that wish to purchase wine for personal use from the retail store to pay for the product on their restaurant bill. In order to do so, the licensee must first purchase the sealed, unopened wine from the winery retail store on the patron's behalf and then charge the amount of the purchase directly on the restaurant bill.

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"
- Dealcoholized 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.

MANDATORY SERVER TRAINING FOR WINERY RETAIL STORE STAFF

Winery retail store staff involved in the sale, service and/or sampling of alcohol are required to complete a server training course approved by the AGCO Board.

The server training course that has been approved by the AGCO Board for these purposes is Smart Serve®.

HOURS OF OPERATION

Daily Hours of Operation

Hours of Operation for on-site retail stores are restricted to:
Monday to Sunday 9:00 am to 11:00 pm

The hours of operation of an occasional extension of an on-site winery retail store are restricted to the hours of operation of the Farmers' Market.

Hours of Operation for off-site retail stores (including wine boutiques) are restricted to:
Monday to Saturday 9:00 am to 11:00 pm
Sunday 11:00 am to 6:00 pm

Retail Sale on Holidays

For retail stores that may sell alcohol and are permitted to open on a holiday under laws applicable to their business, including the *Retail Business Holidays Act* (RBHA) and municipal retail holiday by-laws, the permissible hours of sale of alcohol are as listed above.

Please note that the RBHA does not fall under the AGCO's authority.

Questions about the RBHA may be directed to the Ministry of Government and Consumer Services. More information about the RBHA can be found on the [Ontario.ca](https://www.ontario.ca) website.

Section 1: Criteria and Requirements for an On-Site Grape Winery Retail Store

- The applicant must be a grape winery with a valid Manufacturer's Licence - Winery issued by the Registrar.
- The applicant must apply to the Registrar for an On-Site Grape Winery Retail Store Authorization, together with submission of the necessary supporting documentation.
- The on-site winery retail store must be located on at least five (5) acres of planted grapes.
- All wine made available for sale in the on-site winery retail store by the winery shall be Ontario wine, as that term is defined in the *Liquor Licence Act* or wine manufactured using imported grape or grape product that contains at least 25% Ontario grape content in each bottle, as required by the *Wine Content and Labelling Act (WCLA)* and commonly referred to as International Canadian Blend (ICB) wine.
- The on-site winery retail store must be located on the same parcel of land as the applicant's production site and the wine to be sold in the on-site store must be made by the applicant at that production site.
- In order to comply with the "made" requirement, the applicant winery (referred to as the manufacturer) must do the following:
 - ◇ The manufacturer must carry out the full primary fermentation process with respect to at least 25% of the total volume of wine sold by such manufacturer in a year*;
 - ◇ If the retail store is an on-site retail store, the manufacturer must also carry out the full primary fermentation process at the site of the store with respect to at least 25% of the total volume of wine sold at that store in a year. The full primary fermentation process will be considered carried out at the site of the store only if all aspects of such a process occur and the relevant fermentation vessels are at all times physically present on the premises of the store site;
 - ◇ The manufacturer must also carry out at least one significant winemaking step with respect to the full content of each bottle of wine the manufacturer sells in its retail store. For an on-site store, the manufacturer must carry out such step, in full, at the site of such store. For purposes of this requirement, significant winemaking steps are limited to:
 - primary fermentation;
 - blending;
 - barrel aging (at least three (3) months);

- bulk aging (at least three (3) months);
- secondary fermentation (for sparkling wine);
- artificial carbonation (for sparkling wine); or
- flavouring (for fortified wines).

**The year in the “made” policy and the harvest year spans September 1st to the 31st of August of the following year.*

- The applicant is eligible to apply for authorization to operate more than one winery retail store, provided that each store is located at a production site of the manufacturer and the wine to be sold at the store complies with the “made” requirement.
- To be considered a production site of the manufacturer, the applicant must possess substantial ownership and control over the production site. Where the production site is owned and controlled by more than one licensed manufacturer, the applicant must demonstrate to the Registrar that it meets this requirement.
- Where more than one retail store is located at the same production site, each licensed manufacturer must own and operate their own retail store and the store must be readily distinguishable from any other authorized retail store located at the same production site.

Please note that the application process also includes a site inspection of the constructed retail store to confirm that all eligibility criteria and requirements have been met.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning by-laws/requirements.

Section 2: Criteria and Requirements for an On-Site Fruit Winery Retail Store

- The applicant must be a fruit winery with a valid Manufacturer's Licence – Winery issued by the Registrar.
- The applicant must apply to the Registrar for an On-Site Fruit Winery Retail Store Authorization, together with submission of the necessary supporting documentation.
- The on-site winery retail store and the applicant's production site must be located on at least five (5) acres of land planted with fruit.
- The applicant must produce a minimum of 80% of its total wine production from fruit (not including grapes). If the applicant produces apple wine, it must make each of its brands of such wine from at least 70% Ontario apples or the concentrated juice thereof. If the applicant produces wine from fruit other than grapes or apples, it must make each of its brands of such wine from 100% Ontario fruit or the concentrated juice thereof.
- The on-site winery retail store must be located on the same parcel of land as the applicant's production site and the wine to be sold in the on-site store must be made by the applicant at that production site.
- In order to comply with the "made" requirement, the applicant winery (referred to as the manufacturer) must do the following:
 - ◇ The manufacturer must carry out the full primary fermentation process with respect to at least twenty-five per cent (25%) of the total volume of wine sold by said manufacturer in a year*;
 - ◇ If the retail store is an on-site retail store, the manufacturer must also carry out the full primary fermentation process at the site of the store with respect to at least twenty-five per cent (25%) of the total volume of wine sold at that store in a year. The full primary fermentation process will be considered carried out at the site of the store only if all aspects of such a process occur and the relevant fermentation vessels are at all times physically present on the premises of the store site;
 - ◇ The manufacturer must also carry out at least one significant winemaking step with respect to the full content of each bottle of wine the manufacturer sells in its retail store. For an on-site store, the manufacturer must carry out such step, in full, at the site of such store. For purposes of this requirement, significant winemaking steps are limited to:
 - primary fermentation;
 - blending;
 - barrel aging (at least three (3) months);

- bulk aging (at least three (3) months);
- secondary fermentation (for sparkling wine);
- artificial carbonation (for sparkling wine); or
- flavouring (for fortified wines)

**The year in the “made” policy spans September 1st to the 31st of August of the following year.*

- The applicant is eligible to apply for authorization to operate more than one winery retail store, provided that each store is located at a production site of the manufacturer and the wine to be sold at the store complies with the “made” requirement.
- To be considered a production site of the manufacturer, the applicant must possess substantial ownership and control over the production site. Where the production site is owned and controlled by more than one licensed manufacturer, the applicant must demonstrate to the Registrar that it meets this requirement.
- Where more than one retail store is located at the same production site, each licensed manufacturer must own and operate their own retail store and the store must be readily distinguishable from any other authorized retail store located at the same production site.

Please note that the application process also includes a site inspection of the constructed retail store to confirm that all eligibility criteria and requirements have been met.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning by-laws/requirements.

Section 3: Criteria and Requirements for an On-Site Honey Winery Retail Store

- The applicant must be a honey winery with a valid Manufacturer's Licence - Winery issued by the Registrar.
- The applicant must apply to the Registrar for an On-Site Honey Winery Retail Store Authorization, together with submission of the necessary supporting documentation.
- The winery must own/lease and operate a minimum of 100 bee colonies and possess at all times a valid Certificate of Registration issued by the Provincial Apiarist under the *Bees Act*.
- The on-site winery retail store must be located on the same parcel of land as the applicant's main production site, where the winery's main manufacturing plant is located and where honey extracting takes place. The wine to be sold in the on-site store must be made by the applicant at that main production site.
- In order to comply with the "made" requirement, the applicant winery (referred to as the manufacturer) must do the following:
 - ◇ The manufacturer must carry out the full primary fermentation process with respect to at least twenty-five per cent (25%) of the total volume of wine sold by such manufacturer in a year*;
 - ◇ If the retail store is an on-site retail store, the manufacturer must also carry out the full primary fermentation process at the site of the store with respect to at least twenty-five per cent (25%) of the total volume of wine sold at that store in a year. The full primary fermentation process will be considered carried out at the site of the store only if all aspects of such a process occur and the relevant fermentation vessels are at all times physically present on the premises of the store site;
 - ◇ The manufacturer must also carry out at least one significant winemaking step with respect to the full content of each bottle of wine the manufacturer sells in its retail store. For an on-site store, the manufacturer must carry out such step, in full, at the site of such store. For purposes of this requirement, significant winemaking steps are limited to:
 - primary fermentation;
 - blending;
 - barrel aging (at least three (3) months);
 - bulk aging (at least three (3) months);
 - secondary fermentation (for sparkling wine);

- artificial carbonation (for sparkling wine); or
- flavouring (for fortified wines)

**The year in the “made” policy spans September 1st to the 31st of August of the following year.*

- The applicant is eligible to apply for authorization to operate more than one winery retail store, provided that each store is located at a production site of the manufacturer and the wine to be sold at the store complies with the “made” requirement.
- To be considered a production site of the manufacturer, the applicant must possess substantial ownership and control over the production site. Where the production site is owned and controlled by more than one licensed manufacturer, the applicant must demonstrate to the Registrar that it meets this requirement.
- Where more than one retail store is located at the same production site, each licensed manufacturer must own and operate their own retail store and the store must be readily distinguishable from any other authorized retail store located at the same production site.

Please note that the application process also includes a site inspection of the constructed retail store to confirm that all eligibility criteria and requirements have been met.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning by-laws/requirements.

Section 4: Criteria and Requirements for an On-Site Retail Store – Other Winery

- The applicant must be a winery with a valid Manufacturer’s Licence – Winery issued by the Registrar.
- The applicant must apply to the Registrar for an On-Site Retail Store Authorization – Other Winery, together with submission of the necessary supporting documents.
- The on-site winery retail store must be located on the same parcel of land as the applicant’s production site and the wine to be sold in the on-site store must be made by the applicant at the production site.
- The applicant is eligible to apply for authorization to operate more than one winery retail store, provided that each store is located at a production site of the manufacturer and the wine to be sold at the store complies with the “made” requirement.
- To be considered a production site of the manufacturer, the applicant must possess substantial ownership and control over the production site. Where the production site is owned and controlled by more than one licensed manufacturer, the applicant must demonstrate to the Registrar that it meets this requirement.
- Where more than one retail store is located at the same production site, each licensed manufacturer must own and operate their own retail store and the store must be readily distinguishable from any other authorized retail store located at the same production site.

ADDITIONAL REQUIREMENTS FOR ON-SITE RICE WINERY RETAIL STORES

- The applicant must be a rice winery with a valid Manufacturer’s Licence – Winery issued by the Registrar.
- The on-site winery retail store and the applicant’s production site must be located on the same parcel of land as the applicant’s production site where the full rice wine making process takes place. The full rice wine making process includes, without limitation, rice milling, rice washing, rice steeping, rice steaming, koji making, fermentation, filtration and pasteurization.
- The only wine to be sold in the on-site store must be made by the applicant using the full rice wine making process at the production site where the on-site store is located.

Please note that the application process also includes a site inspection of the constructed retail store to confirm that all eligibility criteria and requirements have been met.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning by-laws/requirements.

Section 5: Criteria and Requirements for the Relocation of an On-Site Winery Retail Store

APPLICATIONS TO RELOCATE AN ON-SITE RETAIL STORE

An on-site winery retail store cannot be relocated without prior authorization from the Registrar. In addition, an on-site store cannot be relocated to an off-site location. It must be located at a production site of the holder of the on-site retail store authorization.

A winery may apply to the Registrar for authorization to relocate its on-site retail store where:

- the winery wishes to relocate both its production site and the on-site store;
- the winery wishes to relocate its on-site store from the existing production site where the store is located to another production site of the winery; or
- the winery wishes to relocate its on-site store to another location at the production site.

CONDITIONS OF THE NEW ON-SITE RETAIL STORE AUTHORIZATION

If the proposed relocation is approved by the Registrar, a new on-site winery retail store authorization will be issued to the applicant, showing the new store location, but subject to the same conditions contained in the original on-site retail store authorization. **The conditions on a winery's existing on-site retail store authorization may limit where the on-site winery retail store can be relocated.**

REQUIREMENTS FOR RELOCATION OF ON-SITE WINERY RETAIL STORES

- The winery wishes to relocate its on-site store to another location at the production site.
- The applicant must be a winery with a valid Manufacturer's Licence – Winery issued by the Registrar and a valid on-site winery retail store authorization for the store which is proposed to be relocated.
- The applicant must apply to the Registrar for the relocation of its on-site winery retail store together with submission of the necessary supporting documentation.

- Where, in the opinion of the Registrar, there are extenuating circumstances, a winery that proposes to relocate its retail store may be permitted to sell its wine concurrently at the retail store at its original location (which it proposes to close) and the retail store at its new location for a period of up to seven (7) days to facilitate the transition of equipment and inventory, provided that the winery obtains the prior approval of the Registrar.
- After the relocation, the on-site winery retail store must continue to operate in accordance with the conditions set out in the on-site retail store authorization for the store. The conditions contained in the authorization document will vary depending upon the type of on-site retail store and type of winery involved and depending upon the conditions which were contained in the original authorization document which existed before the relocation of the store in question.
- After the relocation, the on-site winery retail store must continue to be located on the same parcel of land as the applicant's production site and the wine to be sold in the on-site store must be made by the applicant at that production site.
- In order to comply with the "made" requirement, the winery which holds the authorization (referred to as the manufacturer) must do the following:
 - ◇ The manufacturer must carry out the full primary fermentation process with respect to at least twenty-five per cent (25%) of the total volume of wine sold by such manufacturer in a year*;
 - ◇ If the retail store is an on-site retail store, the manufacturer must also carry out the full primary fermentation process at the site of the store with respect to at least twenty-five per cent (25%) of the total volume of wine sold at that store in a year. The full primary fermentation process will be considered carried out at the site of the store only if all aspects of such a process occur and the relevant fermentation vessels are at all times physically present on the premises of the store site;
 - ◇ The manufacturer must also carry out at least one significant winemaking step with respect to the full content of each bottle of wine the manufacturer sells in its retail store. For an on-site store, the manufacturer must carry out such step, in full, at the site of such

store. For purposes of this requirement, significant winemaking steps are limited to:

- primary fermentation;
- blending;
- barrel aging (at least three (3) months);
- bulk aging (at least three (3) months);
- secondary fermentation (for sparkling wine);
- artificial carbonation (for sparkling wine); or
- flavouring (for fortified wines)

**The year in the “made” policy spans September 1st to the 31st of August of the following year.*

Please note that the application process also includes a site inspection of the relocated, constructed retail store in order to confirm that all eligibility criteria and requirements have been met.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning by-laws/requirements.

Section 6: Criteria and Requirements for the Sale of Eligible Wine at Farmers' Markets (Occasional Extension of an On-Site Winery Retail Store)

An Authorization to Sell Eligible Wine at a Farmers' Market allows eligible licensed wine manufacturers to sell their VQA wine, fruit wine, honey wine or maple wine as defined in Regulation 720 made under the *Liquor Licence Act* (eligible wine) at an occasional extension of their on-site winery retail store within a farmers' market.

Wineries that wish to participate in the program must:

- have a valid AGCO Manufacturer's licence;
- operate an authorized on-site winery retail store; and
- produce one of the following types of eligible wine:
 - ◇ "VQA wine" has the same meaning as "Vintners Quality Alliance wine" (VQA wine) in section 2 of the *Vintners Quality Alliance Act, 1999*.
 - ◇ "Fruit wine" means Ontario wine that,
 - a) is produced from fruit grown in Ontario, other than grapes, and;
 - b) is not produced using any combination of the concentrated juice of apples grown outside of Ontario
 - ◇ "Honey wine" means a wine described in clause (b) of the definition of "Ontario wine" in subsection 1(1) of the *Liquor Licence Act* (LLA).
 - ◇ "Maple wine" means Ontario wine that is produced by the alcoholic fermentation of Ontario maple syrup or another Ontario maple product.
- All wine made available for sale at an occasional extension must be eligible wine as defined above.
- All wine offered for sale at an occasional extension must be transported from the manufacturer's on-site Winery Retail Store to the Farmers' Market each day and any unsold product must be returned to the manufacturer's on-site Winery Retail Store within 24 hours from the time it leaves the manufacturer's store.
- Wineries may sell eligible wine at an occasional extension at any number of Farmers' Markets. The sale of eligible wine at an occasional extension is limited to no more than three (3) times per week at a particular Farmers' Market.

- Any sampling at an occasional extension must be conducted in accordance with the guidelines on sampling set out in the document entitled **Sampling Guidelines** published by the Registrar and available through the website of the Alcohol and Gaming Commission of Ontario.
- All wine made available for sale at an occasional extension must comply with the “made” requirement as it is defined and applied in this guide.
- A manufacturer that has been authorized by the Registrar to sell its eligible wine at an occasional extension must submit to the Registrar a **Notification of Intended Sales at a Farmers’ Market** at least 10 days prior to each date it intends to sell its eligible wine at a Farmers’ Market.
- The manufacturer must ensure that all staff involved in the sale of eligible wine at an occasional extension have successfully completed a server training course approved by the Board of the AGCO (i.e. Smart Serve).
- If, at any time, the municipality in which a Farmers’ Market is located notifies the Registrar that it objects to the sale of wine at that Farmers’ Market, the Registrar will advise the manufacturer of the objection and the manufacturer must immediately cease the sale of wine at that Farmers’ Market.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning bylaws/ requirements.

Please note that sales of wine at Farmers’ Markets are subject to legislation including the *Liquor Licence Act* and regulations, all other relevant sections of the Winery Retail Store Information Guide and the Sampling Guidelines and any additional conditions imposed by the Registrar.

Section 7: Criteria and Requirements for the Relocation of an Off-Site Winery Retail Store

If the proposed relocation is considered appropriate by the Registrar, an amended Off-Site Winery Retail Store Authorization will be issued to the applicant, showing the new store location.

REQUIREMENTS FOR RELOCATION OF OFF-SITE WINERY RETAIL STORES

- The applicant must be a winery with a valid Manufacturer's Licence – Winery issued by the AGCO and a valid Off-Site Winery Retail Store Authorization for the store which is proposed to be relocated.
- The applicant must apply to the Registrar for the Relocation of an Off-Site Winery Retail Store Authorization, together with submission of the necessary supporting documentation.
- Once the relocation has been authorized by the Registrar, the store being relocated must be open and operational in the new location within 6 months from the date of the closure of the store in its original location.
- The winery which holds the Off-Site Winery Retail Store Authorization(s) must make the wine it sells in its off-site retail store(s). In order to comply with the made requirement, the winery which holds the authorization (referred to as the manufacturer) must do the following:
 - ◇ The manufacturer must carry out the full primary fermentation process with respect to at least twenty-five per cent (25%) of the total volume of wine sold by such manufacturer in a year*;
 - ◇ The manufacturer must also carry out at least one significant winemaking step with respect to the full content of each bottle of wine the manufacturer sells in its retail store. For an on-site store, the manufacturer must carry out such step, in full, at the site of such store. For purposes of this requirement, significant winemaking steps are limited to:
 - primary fermentation;
 - blending;
 - barrel aging (at least three (3) months);
 - bulk aging (at least three (3) months);
 - secondary fermentation (for sparkling wine);
 - artificial carbonation (for sparkling wine); or
 - flavouring (for fortified wines)

**The year in the “made” policy spans September 1st to the 31st of August of the following year.*

ADDITIONAL REQUIREMENTS FOR RELOCATION OF AN OFF-SITE WINERY RETAIL MINI-STORE

An off-site winery retail store, that is not a Wine Boutique as defined in Regulation 232/16 made under the *Liquor Control Act*, and that is located within a host store is referred to as a **Mini-Store**. The premises to which the Mini-Store is proposed to be relocated must comply with the following requirements applicable to all Mini-Stores, in addition to complying with the general requirements set out above for the relocation of off-site winery retail stores:

- The Mini-Store must be self-contained and must be operated independently from the business of the host store and the business of any other party to whom the host store operator has leased space.
- The winery which holds the off-site retail store authorization for the Mini-Store must at all times either own or lease the space occupied by the Mini-Store.
- Separate cash registers for each business (i.e. the mini-store, the host store and any other businesses carried on in space leased from the host store) will be required.
- The location and construction of the Mini-Store must comply with the following:
 - ◇ There must be a defined entrance and exit from the Mini-Store.
 - ◇ Where the host store is so constructed that its customers are required to pass through controlled entrances and exits (i.e. turnstiles and check-out counters) of the host store, then the Mini-Store can only be situated in an area outside those controlled entrances and exits of the host store and not in the shopping area of the host store.
 - ◇ In circumstances where customers are not required to pass through controlled entrances and exits of the host store, the Mini-Store must be situated near the entrance of the host store so that customers are not required to pass through the shopping area of the host store in order to reach the Mini-Store.

Please note that the application process also includes a site inspection of the relocated, constructed retail store to confirm that all eligibility criteria and requirements have been met.

Please note that it is the responsibility of the holder of a retail store authorization to ensure that it complies with all federal, provincial and municipal laws including municipal zoning by-laws/requirements.

Section 8: Criteria and Requirements for VQA Wine Sales in a Wine Boutique (under a supplementary wine authorization)

- The applicant must be a winery with a valid Manufacturer's Licence - Winery issued by the AGCO and valid off-site winery retail store authorizations for at least three off-site winery retail stores.
- The applicant must have entered into a wine boutique agreement with the operator of a grocery store that holds a Wine Boutique Sales Agent Authorization, under which:
 - ◇ The winery agrees to lease or license space in the shopping area of the grocery store in which to sell wine;
 - ◇ The operator of the grocery store agrees to sell, as agent of the winery, wine that is available for sale to the public in the leased or licensed space; and
 - ◇ The initial term of the lease or licence must be at least three years.
- The applicant must apply to the Registrar for a Supplementary Wine Authorization (to Sell VQA Wine in a Wine Boutique) together with submission of the necessary supporting documents.
- The space in which the wine boutique is located must be readily distinguishable from the grocery store, and the name of the wine boutique must be prominently displayed in the boutique and must be distinct from the name of the grocery store.
- A winery that has been authorized to sell wine in a wine boutique must begin to offer the wine for sale to the public under the authorization within 12 months after receiving the authorization, and must continue to offer the wine for sale in the boutique thereafter.
- All wine made available for sale at a wine boutique under a supplementary wine authorization must be VQA wine, as defined in the *Vintners Quality Alliance Act, 1999*, manufactured by another winery that owns fewer than three winery retail stores (excluding on-site retail stores).
- The winery must not acquire wine for sale under its supplementary wine authorization otherwise than from the Liquor Control Board of Ontario in accordance with its supply agreement.
- The winery must not offer for sale, or sell, any of the following wines:
 - ◇ Wine with an alcohol content greater than 18 per cent by volume.
 - ◇ Wine beverages.
 - ◇ Cider with an alcohol content greater than 7.1 per cent by volume.

- The winery must ensure that there is a variety of stock-keeping units of wine (excluding cider) offered for sale in the wine boutique, and at a minimum the variety must include the lesser of the following:
 - ◇ At least 25 stock-keeping units of wine must be for wine manufactured by other wineries.
 - ◇ At least one-half of the stock-keeping units of VQA wine must be for wine manufactured by other wineries.
- The winery must ensure that it meets packaging, product display, target sales levels for VQA wine, and sale information related to stock-keeping units as outlined in the Sale of Liquor in Government Stores regulation under the *Liquor Control Act*.
- Any sampling at a wine boutique must be conducted in accordance with the guidelines on sampling set out in the Registrar's **Sampling Guidelines** and the Sale of Liquor in Government Stores regulation under the *Liquor Control Act*.

Please note that it is the responsibility of the holder of a supplementary wine authorization to operate a wine boutique must do so in compliance with all applicable federal, provincial and municipal law.

Please note that the sale of VQA wine at a wine boutique is subject to legislation including the *Liquor Licence Act*, the *Liquor Control Act*, their respective regulations, all other relevant sections of this Winery Retail Store Information Guide and the Sampling Guidelines and any additional conditions imposed by the Registrar.