



## Canadian Blended Wine Industry and Labelling Overview January 2017

There are two types of wines primarily produced in Canada: 100% Canadian (includes VQA and BC VQA) and International Canadian Blends. Together, they contribute an annual economic impact of \$6.8 billion (\$3.7B for 100% Canadian and \$3.1B for blended wines).

Blended wines are an important part of the Canadian wine industry, supporting over 10,000 jobs (direct and indirect) and purchasing more than 15,000 tonnes of Canadian grapes annually.

International Canadian Blended (ICB) wines use the label “Cellared in Canada by (naming the company), (address) from imported and/or domestic wines” label designation must include domestic content to meet federal labelling requirements to ensure the label is not false, misleading or deceptive. Ontario regulations require that blended wines produced and sold in the province, contain a minimum 25% Ontario grape content.

ICB wines are sold domestically to compete against imported wines in the value price category. For example, the LCBO reports that the average price of an ICB wine is \$7.54, compared \$13.25 for a VQA wine and \$31.56 for a VQA wine in its specialty section, VINTAGES.

Canada has a long history of blending domestic and imported wines. We are not unique, as blended wines are produced around the world, including major wine producing countries like Europe and the United States.

### Labelling of Wine in Canada

Canada’s *Food and Drug Act* Regulations require wine labels to include “a clear indication of the country of origin,” while beer, spirits and all other food products can voluntarily indicate country of origin on the label.

Only 100% Canadian wines can use the label term “Product of Canada.”

Wines produced in Canada with less than 100% Canadian wine content may use the Interim Order as the qualifying country of origin statement, “*Cellared in Canada by (naming the company), (address) from imported and/or domestic wines*”. The “Cellared by” designation was approved in 1996 (Canada General Standards Board) and supported by the National Wine Standards (NWS) Committee in 2005. The NWS process was never finalized and consequently, the federal Interim Order was never promulgated into law, as always intended by both government and industry.

The Interim Order label for blended wines is similar to the label designation for all foods produced and sold in Canada which are not made from 100% Canadian ingredients – “*Made in Canada from imported and domestic ingredients*”.

The Interim Order label for blended wines is also similar to the label designation for wines sold in Europe – *“Blend of wines from different countries of the European Union,”* or *“Blend of wines from different countries outside the European Union.”*

Since 2008, the Canadian Vintners Association (CVA) has been working with the Canadian Food Inspection Agency (CFIA) to modernize the blended wine label designation. Plans were in place for a federal-industry consultation on blended wine labelling in late 2012, but the passage of the *Safe Food for Canadians Act* forced CFIA to shift direction and in June 2013, a broader Food Labelling Modernization (FLM) initiative was launched. CVA organized industry roundtables – facilitated by The Strategic Counsel – in October 2016 with a view to providing CFIA updated industry feedback on ICB labelling. These roundtables concluded that the label designation “International Blend from Imported and Domestic Wines” is a better fit than the current labelling requirements. CVA submitted this recommendation to the Minister of Agriculture and Agri-Food in December 2016. In the interim period before a response or any labelling change is required by CFIA, the origin statement *“Cellared in Canada by (naming the company), (address) from imported and/or domestic wines”* will continue to be used.