Deloitte.

Canada's Wine Supercluster: A Catalyst for Economic Growth

Wine Growers Canada

May 2026

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Deloitte LLP (“Deloitte”, “we”, “our”, “us”) was engaged by Wine Growers Canada (“WGC”) to develop quantitative and qualitative analyses to communicate the potential impact of the Canadian national wine industry as an economic multiplier to key government and community stakeholders. This included an examination of the following areas:

(i) Economic contribution of Canada’s premium wine industry to the national economy;

(ii) Economic contribution of the interconnected industries in the wine ecosystem to the national economy;

(iii) Socioeconomic value of the Canadian wine industry in supporting growth in the broader economy; and

(iv) Jurisdictional scan of wine programs and development strategies in other jurisdictions.

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In preparing this report, we have relied on operational and other information provided to us by the WGC including a group of wine industry leaders (“The Coalition”) through a series of workshops. The Coalition aims to build a shared vision for the national industry, foster collaboration and coordination, and responsible development. It should be noted that the views and expressed opinions of coalition members do not represent in whole or in part the views or opinions held by Deloitte.

Additionally, the estimates presented in this report are subject to the general qualification that the information and data provided to us are accurate and reliable and are also subject to the accuracy of the various assumptions described within the report. We reserve the right to amend any part of our report, or the conclusions expressed herein, in the event new or amended information is provided to us after the date of this report.

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This document must be considered as a whole and that selecting portions of the document, without considering all components of the document, could create a misleading view of the issues related to the document. Amendment of any of the assumptions identified throughout this report could have a material impact on our analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided to us not be factual or correct, our analysis, as expressed in this report, could be significantly different.

1. Executive Summary

The Canadian Wine Supercluster: An Economic Engine

Behind every bottle of wine lies a complex value chain of economic activity that begins in the vineyard and extends far beyond the table. From agriculture and manufacturing, to transportation, tourism, and education, the wine industry is deeply intertwined with a broad range of industries that transform grapes into a high-value product. In Canada, the wine industry’s far-reaching connections—refined over 200 years of viticulture and winemaking—have helped to fuel sustainable growth and innovation for the national economy, anchored by a high-value agricultural sector that plays a vital role in Canada’s agri-food industry.[1]

While all provinces produce wine in Canada, the majority of commercial activity is centred in British Columbia, Ontario, Quebec and Nova Scotia, each known for their unique varietals and diverse terroirs. These geographical distinctions fuel a vibrant ecosystem where wine is not an isolated product but the core of a broader cluster of commercial activity.

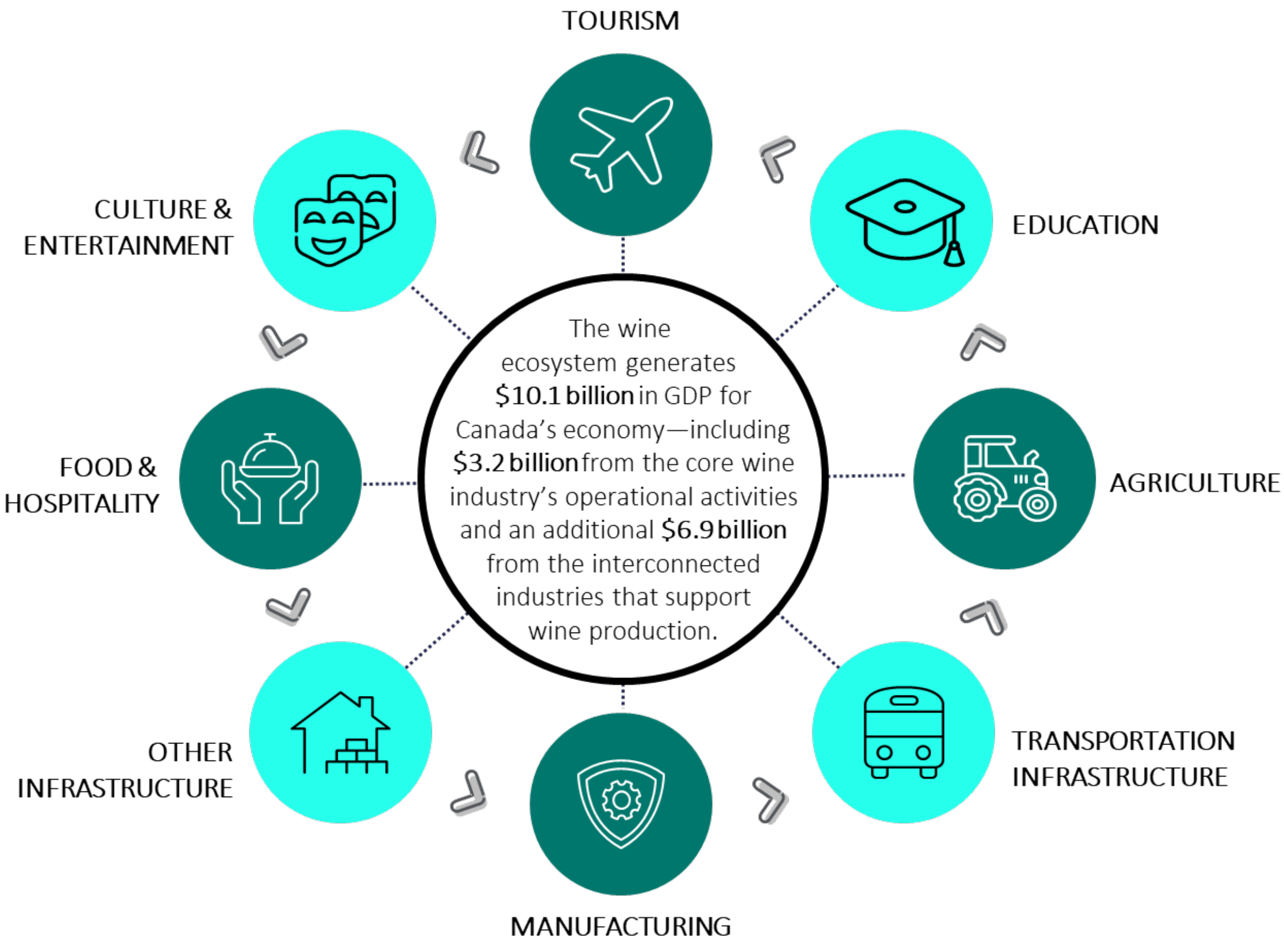
In the context of this report, wine clusters are defined as dynamic regions of concentrated economic activity where businesses, academic institutions and non-profit organizations collaborate to drive productivity, innovation, and investment in a particular industry.[2]

In Canada, each wine region functions as a cluster that includes grape growers, wineries, and their respective supply chains, as well as supporting industries such as transportation, tourism, and culture, which create an integrated value chain that drives regional and rural economic development. These synergies across industries not only strengthen local economies in each wine-producing region but collectively form a cohesive national industry–referred to in this report as the Canadian wine supercluster. As of 2025, Canada boasts over 31,000 grape-bearing acres and more than 600 wineries, which have helped underscore the scale and economic significance of regional wine clusters within the country’s agricultural and business landscape.[3]

The purpose of this report is to assess the contribution of the constellation of regional wine clusters to the Canadian economy. Deloitte’s qualitative and quantitative analysis show that the wine industry and broader ecosystem act as an accelerator for economic growth and job creation. It is estimated that the Canadian wine ecosystem contributes **$10.1 billion** to Canada’s national gross domestic product (GDP), sustaining approximately **99,300 full-time equivalent jobs (FTEs)** annually, on average. This economic impact includes an estimated contribution of:

- $3.2 billion to Canada’s GDP and 21,700 FTEs from the national wine industry; and
- $6.9 billion to Canada’s GDP and 77,600 FTEs from the interconnected industries (i.e., transportation, travel and hospitality, and culture and entertainment) in the four major wine-producing regions.

An Illustration of Canadian Wine Clusters



The Wine Industry is a Catalyst for Growth in Other Jurisdictions

Deloitte's jurisdictional analysis shows that successful wine regions globally benefit from programs that address industry challenges and amplify advantages. These strategic initiatives are key to unlock growth, strengthening competitiveness, and sustaining the industry's long-term success.

The scan of global wine jurisdictions includes the following common practices that contribute to the success of leading wine regions,[*] grouped into four distinct types:

Market Development Initiatives: Spain's €808 million (~$1.3 billion Canadian dollars)[†] market development strategy encompasses a range of tactical action plans for the acceleration of its wine industry in domestic and international markets.[4] These action plans include a focus on enhancing the industry's image, increasing product value, and driving digitalization.

Federal-led Economic Development Strategies: In collaboration with the Ministry of Tourism, France's Destination France plan provides a comprehensive, government-led, 10-year economic development strategy designed to revitalize and transition the French tourism sector. With a budget of €1.9 billion (~$3.1 billion Canadian dollars), the plan places emphasis on the promotion and development of wine tourism, leveraging France's renowned wine regions to strengthen its position as the world's leading tourist destination.[5]

Margin Enhancement Programs: The European Union's (EU) wine industry support programs, introduced through the 2008 Common Market Organisation (CMO) reform and updated in 2013, offer member states tailored financial tools to support competitiveness, climate adaptation, and innovation.[6] Approximately €1.1 billion (~$1.8 billion Canadian dollars) is allocated across member states annually, with distribution to each EU country based on production scale and regional development needs.[7]

Capital Support Programs: Chile's Agricultural Development Institute's (INDAP) capital and sustainability programs offer flexible financing tools, including grants and co-financing mechanisms to support vineyard establishment, infrastructure upgrades, and equipment purchases.[8] In 2024, INDAP allocated $1.5 billion Chilean pesos (~$2.3 million Canadian dollars) to support over 2,600 small-scale wine producers in the Maule and Ñuble regions, focusing on technical assistance and irrigation infrastructure development.[9]

These supportive environments deliberately nurture dynamism and collaboration on a multitude of levels—from individual to corporate to environmental—and provide a multiplier effect that serves to drive regional and national growth.

While the Canadian wine supercluster already makes a significant contribution to the national economy, there is potential to unlock more by exploring common global practices. Additionally, leveraging insights from the jurisdictional scan, federal and industry stakeholders highlighted key areas for improvement, including:

- **Domestic Market Dominance[‡]:** Leading wine industries have a greater representation of domestic wines on their shelves than Canada;
- **Tax and Investment:** Leading wine jurisdictions provide long-term market signals to enable stakeholders to make investments across the wine industry value chain;

[*] In the context of this report, leading wine regions refer to jurisdictions with high wine production volumes (i.e., equal to or above one million hectolitres in 2024) as reported by OIV in the State of the World Vine and Wine Sector in 2024.
[†] Unless otherwise stated, foreign currency amounts are presented in nominal terms in their original currency. Canadian dollar equivalents are provided for illustrative purposes only and are calculated using January 2026 exchange rates.
[‡] This analysis does not include an assessment of potential export markets for Canadian wines, international trade policy dynamics or the impact of exports on the wine industry. The analysis, findings, and conclusions presented in this report are primarily focused on highlighting the existing impact and potential of the industry on the domestic market. As such, any references to global or external factors are provided to offer contextual insights relevant to domestic market share expansion.

- **Internal Trade and Sectoral Connectivity:** Low internal trade barriers on wine products and access to Direct-to-Consumer (DTC) shipping can strategically link the wine industry with tourism and other industries to create a globally recognized wine destination; and
- **Coordinated National Strategy:** Establishing a national wine strategy to help align resources, branding, and policy efforts can strengthen domestic and international competitiveness.

Taking this into consideration, *the potential of regional wine clusters* can help uncover substantial economic benefits and accelerate the wine industry's economic contribution across Canada. At the same time, aligning Canada's wine industry with conventional approaches can aid the development of a vibrant domestic market and provide an opportunity for regional economic development and innovation.

Key Takeaways[§]

Below is a summary of the key takeaways that emerged from the study based on the comprehensive analysis of the industry and findings from stakeholder consultations:

1. **The Canadian wine industry is a constellation of regional clusters:** The national wine industry is a combination of regional clusters of economic activity spanning four regions from the Okanagan Valley in British Columbia to Niagara in Ontario, Cantons-de-l'Est in Quebec, and the Annapolis Valley in Nova Scotia.
   - Beyond the day-to-day operations of grape growers and winemakers, each wine region plays a unique role in unlocking incremental benefits in a wide range of industries such as agriculture, manufacturing, tourism, advanced education, and infrastructure, offering opportunities for cross-sector collaboration, investment, and the long-term economic growth of local communities.
2. **Canada's wine industry plays a significant role in the economy:** The wine industry serves as a stable and impactful revenue stream for the national economy[10]:
   - Volume of sales: Between 2010 and 2019, wines produced in Canada grew at **an average annual rate of 2.7% in sales volumes, outpacing other Canadian-made alcoholic beverages** such as spirits (-0.1%) and beer (-0.9%), with the exception of ciders and coolers (9.7%). With an average of 189 million litres sold annually during this period, the wine industry ranked second in total sales volumes among Canadian-made alcoholic beverages, following beer.
   - Value of sales: Similarly, between 2010 and 2019, the value of sales for Canadian wines had an average **annual growth rate of 4.4%, outpacing the growth of imported wines** (3.5%) during the same period.[11] The industry's growth also compares with the national economy's average annual real GDP growth of 2% over the same period.[12]

   Following the Covid-19 pandemic (between 2021 and 2024), the global wine industry saw a steady decline in wine production and sales volumes, marked by climatic challenges and consumer behaviour.[13] Amid these overarching trends, the Canadian wine industry's sustained growth over the decade helps underscore **its rising momentum in the domestic market and its status as a reliable contributor to the national economy**—two important elements in shaping effective economic development strategies.
3. **Canada's wine supercluster is an economic engine for the national economy:** Spanning four major wine-producing regions from the east to the west coast, the Canadian wine industry and broader ecosystem contributes **$10.1 billion to Canada's GDP and sustains 99,300 jobs** annually, on average.
4. **Canadian wines are highly taxed products:** Wine faces a high tax burden among alcoholic drinks produced in Canada by proportion of total price, with an **average total tax contribution of $3.05 on its $19.88 price tag** (the mean price paid by consumers in Ontario and British Columbia), or approximately 15.3%.[14] To contextualize this further, according to WGC[**]:

[§] Unless otherwise stated, all values are expressed in Canadian dollars.
[**] The insights related to the federal and provincial tax on Canadian wines, as well as retailer and producer shares for Ontario and British Columbia, were identified and validated by Wine Growers Canada. Deloitte did not independently verify this estimation.

- In Ontario, federal and provincial tax (i.e., sales and excise duties) on a $19.88 bottle is 14.2% at the Liquor Control Board of Ontario (LCBO), while the retailer share (i.e., markup and levies) is 41% and the producer share is 44%.
- In British Columbia, federal and provincial tax on the same bottle is 15.7% at the British Columbia Liquor Distribution Branch (BCLDB), while the retailer share is 40.5% and the producer share is 43%.
- Looking at Canada's international peers, however, the total tax contribution on a bottle of wine is ~20% in France and Spain and ~8.8% in the U.S. (California).[15, 16 ††]

Given that wines are highly taxed products, GDP impacts also incorporate final demand taxes on products that are paid for by consumers on domestically produced wines. This means that higher taxes can translate to higher prices for consumers **which potentially weakens local demand, lowers margins for producers, and may dampen further investment due to uncertainty in market growth.**

5. **Despite the wine industry's success, Canada trails its global peers whose wine industries have been bolstered through government-industry collaborations:** According to coalition members, while government support for the Canadian wine industry has important features (e.g., Wine Sector Support Program), **it lags behind common global practices** that can help create an enabling environment for investment growth and the industry's long-term sustainability.
6. **Common practices informed by the world's premier wine regions:**
   - Domination of domestic market share;
   - Free internal trade;
   - Comprehensive programs and tax policies with long-term funding horizons; and
   - Development of a federal wine strategy.
7. **One key aspect of the wine industry's ability to drive long-term economic value is that grape production is inherently place-based, which anchors its activity to a specific region once vines are in the soil.** Roughly 1% of the world's arable land is suitable for growing wine grapes, so when capital is invested into the ground in the form of new plantings, it is done from a long-term perspective.[17, 18] Due to its unique product cycle, **it takes 3-5 years for a grape vine to become commercially viable.**[19] This means, unlike many other industries of the economy, the wine industry is not as mobile as **vines are planted with the intent to last for decades, thus anchoring businesses and supporting local economies over the long-term.**
8. **The turning tide in interprovincial trade presents a unique opportunity to strengthen domestic market share:** With tangible commitments by the federal government to advance interprovincial trade liberalization, there is now a strategic pathway for both governments and industry to take coordinated actions that enable Canadian wines to expand their presence in the domestic market.
   - Assuming a scenario where the wine industry achieves a 51% domestic market share over 15 years, the total GDP contribution from the Canadian wine industry and broader ecosystem could increase to **$13.7 billion** annually, on average. This translates to an estimated impact of $88.50 per 750ml bottle of 100% Canadian wine sold.
   - It is recognized, however, that **internal trade liberalization alone is not a 'silver bullet'**. In 2023/2024, wines domestically produced or blended in Canada accounted for 28.8% of total wine sales in the country.[20] In comparison, around 83% of the wine consumed in France is produced domestically.[21] Canada's positioning, as of the date of this report, highlights other structural challenges (e.g., increasing production capacity and improving DTC product access) that would need to be addressed, in tandem with internal trade reform, to build the conditions necessary to strengthen domestic market share.

[††] Due to differences in the governance structure and taxation framework across these regions, taxation comparisons may not fully reflect the broader economic context or consumer impact in each jurisdiction.

2. Introduction

About The Report

Study Background and Objectives

The objective of this report is to provide quantitative and qualitative analyses that communicate the economic value of the Canadian wine industry. These analyses aim to explore three main hypotheses:

- Wine is a high-value contributor to economic growth. In Canada, the industry stands as an economic engine, rooted in four major regional wine clusters from the east to west coast; its continued success plays a significant role in driving national economic growth.
- Gaps persist between the conventional strategies that have propelled top wine-producing regions worldwide and the existing federal-led approaches in Canada—particularly in taxation, internal trade support mechanisms, and market development strategies.
- Frameworks drawn from global case studies provide useful insights that can help unlock significant economic value for both the wine industry and national economy, enhancing industry competitiveness, and thereby positioning Canadian wines for domestic market leadership.

To explore these hypotheses and measure the impact of the Canadian wine industry, three key layers of economic analysis were conducted. These include:

1. **Modelling the Economic Benefits of the Wine Ecosystem:**

The core analysis of this study is an economic footprint assessment of the Canadian wine ecosystem, conducted using Input-Output models. In the context of this report, the impact of the wine ecosystem, at the national level, comprises two components:

(i) <u>The Economic Footprint of the Wine Industry:</u> This quantitative analysis compiles inputs for all provinces to capture the economic footprint of the premium wine industry at the national level. In the context of this analysis the **wine industry** includes:

- Grape production;
- Wine production;
- Distribution and wine wholesalers;
- Wine retailing; and
- Transportation and warehousing supporting the supply chain.

(ii) <u>The Economic Footprint of the Canadian Wine Ecosystem:</u> This quantitative analysis compiles inputs for the four major wine-producing regions to capture the economic footprint of the adjacent sectors in the wine ecosystem at the national level. In the context of this analysis the **interconnected industries** include:

- Travel and hospitality;
- Transportation; and
- Culture and entertainment.

The outputs of each analysis include estimates for:

- GDP (direct, indirect, and induced);
- Employment (FTEs) created/sustained (direct, indirect, and induced); and
- Government revenues (direct, indirect, and induced).

The combined economic impacts of the abovementioned analyses represent the total contribution of the wine ecosystem to the national economy.

2. **Structural Benefits of the Canadian Wine Industry:**

   Building on the key findings of the economic benefits modelling, this section provides a high-level overview and storyline of the broader role of the regional wine clusters which catalyze growth in local communities across Canada, resulting in additional socioeconomic uplift. These structural benefits include impacts on agriculture, manufacturing, tourism and culture, land development, and advanced education.

   The analysis leverages a combination of data and literature reviews, stakeholder interviews with subject-matter experts, as well as a review of leading practices in other jurisdictions to identify and communicate key findings.

   A total of nine stakeholders were interviewed for feedback and insights related to this study. These included industry leaders, government representatives, as well as select business operators within the tourism sector and wineries across the major wine-producing regions in Canada. Interview participants provided input on Canada's business environment, the value proposition of the industry, as well as sustainable growth opportunities and barriers that could impact the industry and national economy in the existing geopolitical climate.

3. **Snapshot of Canada's Support Programs and Learnings from Global Peers[‡‡]:**

   Finally, a jurisdictional scan was conducted to understand whether Canada's existing industry support framework, related to the wine industry, aligns with common practices in leading wine-producing regions. To support this analysis, Deloitte leveraged qualitative research on common practices in leading wine jurisdictions (e.g., France, Spain, and California) and consultations with The Coalition[§§] to assess the current state of Canada's design features for the wine industry and opportunities for the industry's future development. The two key objectives of this analysis included:

   - Providing a perspective on the goals of the wine industry and existing challenges to long-term growth aspirations; and
   - Highlighting common design features from leading wine jurisdictions that may inform future strategy for the development of the wine industry in Canada.

Policy Scope

Four key policy types were reviewed for this analysis:

- Capital support programs;
- Margin enhancement programs;
- Market development strategies; and
- Federal-led economic development strategies.

‡‡ This snapshot does not constitute a detailed review of program outcomes in global jurisdictions or benefits in Canada. No assessment of program effectiveness or attributable impacts was conducted as part of this study. The insights reported reflect literature review findings and consultations with WGC and its industry and federal stakeholders.

§§ The Coalition aims to build a shared vision for the national industry, foster collaboration and coordination, and responsible development. It should be noted that the views and expressed opinions of coalition members do not represent, in whole or in part, the views or opinions held by Deloitte.

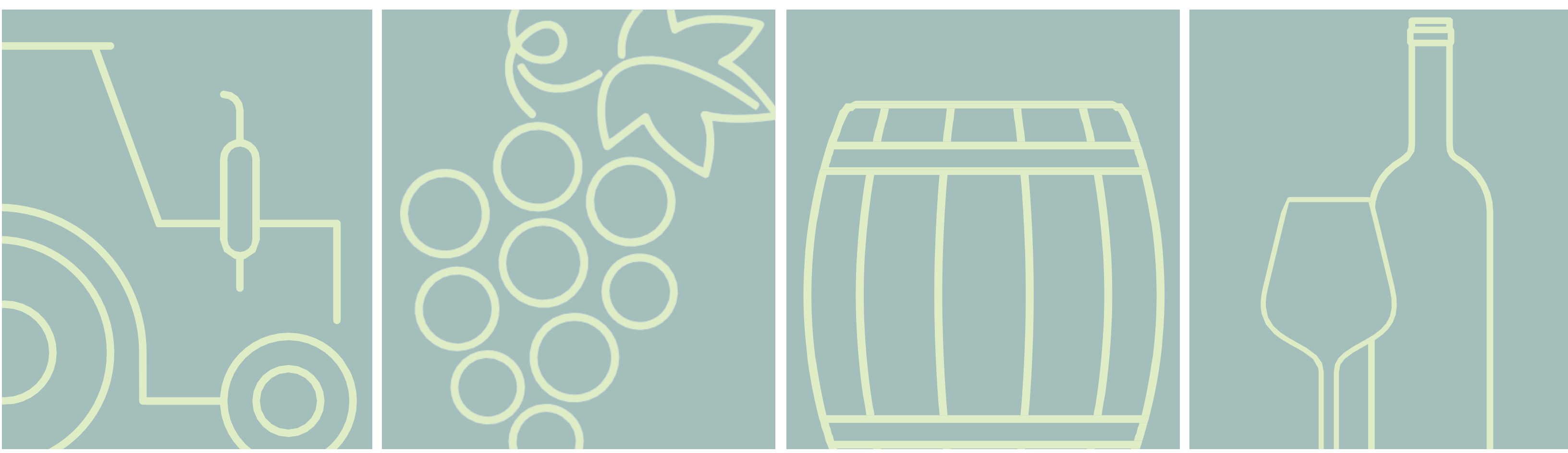
Report Outline:***

The findings from the abovementioned research areas and stakeholder consultations are structured in six sections:

- Section 3: Industry Snapshot: An Overview of the Canadian Wine Industry
- Section 4: Economic Contribution of Canada's Wine Clusters
- Section 5: Beyond Economic Impact: The Long-Term Structural Benefits of the Wine Ecosystem
- Section 6: Challenges and Opportunities: Shaping the Future of the Canadian Wine Industry
- Section 7: Harvesting Opportunity Through the Domestic Market
- Section 8: Conclusion

*** The insights shared in this report are based on a scope of analysis, data and assumptions that have been agreed upon by WGC.

3. Industry Snapshot: An Overview of the Canadian Wine Industry



Canada's Wine Industry Today

Canadian wines have been produced for over 200 years, dating back to the nineteenth century. Through years of expansion in grape and wine production, the industry has evolved into an economic engine–one that continues to make a significant impact on the economy and Canadian consumers.

Canada's wine landscape is defined by both diversity and distinction, offering a mix of products that range from accessible blends to premium vintages. At present, there are three categories of Canadian-made or Canadian-bottled wine sold in the country[22]:

- **Vintners Quality Alliance (VQA) Certified Wine:** This refers to wines made from grapes grown in Canada and meet the quality requirements for designation by the Ontario Wine Appellation Authority and British Columbia Wine Authority.
- **100% Canadian Wine:** This refers to wines that are not VQA certified but are made from grapes grown in Canada.
- **International Domestic Blends (IDB):** This refers to wines made from a combination of Canadian and imported grapes.

Key Grape Varietals

Canada produces a diverse range of high-quality wines with varietals influenced by the regional climates, terroir, and winemaking traditions. Producers cultivate a mix of Vitis vinifera grape varieties, such as Chardonnay, Riesling, Pinot Noir, and Cabernet Franc, alongside European hybrids such as Baco Noir, Seyval Blanc, and Vidal, which originate from two parent vines to improve quality in Canada's colder climate.

Cool-climate varietals thrive in regions like the Niagara Peninsula, Okanagan Valley, and Eastern Townships, yielding notable **whites** such as Riesling, Chardonnay, and Gewurztraminer, as well as **reds** like Pinot Noir, Cabernet Franc, and Merlot. Vidal is the main grape cultivar used for Icewine production, Canada's world-renowned dessert wine.[23] Canada has also gained international recognition for its **sparkling wines**, particularly in Nova Scotia and Ontario, due to its crisp acidic profile and domestic interest in **rosé** is steadily reshaping the country's product mix.[24, 25]

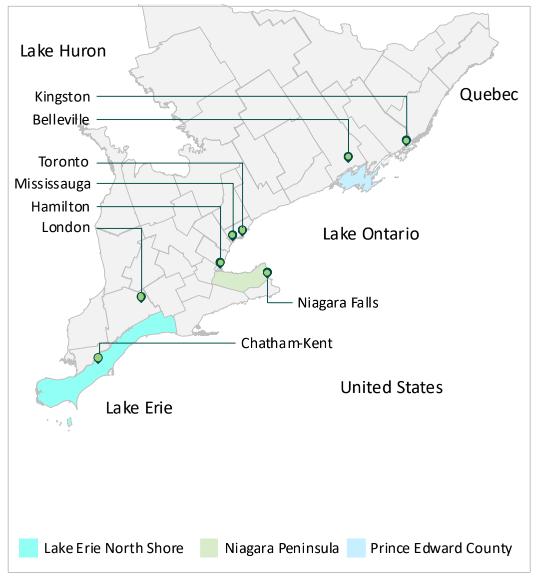
Top Wine-Producing Regions

As of 2025, Canada boasts over 31,000 grape-producing acres and more than 600 wineries, spanning coast to coast, making it one of the country's most diverse agricultural and economic sectors.[26] While wine is produced in every province in Canada, the majority of commercial wine production is concentrated in four key provinces, each offering a unique terroir and a distinct wine product. Collectively these regions account for over 90% of national wine production in Canada.[27]

Ontario is Canada's largest wine-producing region, accounting for about two-thirds of Canadian grape production.[28]

Home to 450 grape growers and 186 wineries, the province processes approximately 70,000 metric tonnes of grapes annually, on average, which span roughly 18,000 acres of land.[29,30]

Ontario's wine story dates back to 1866, with the province's first commercial winery opening on Pelee Island. As of 2025, wine production in the province is anchored by three Designated Viticultural Areas[31,32]:

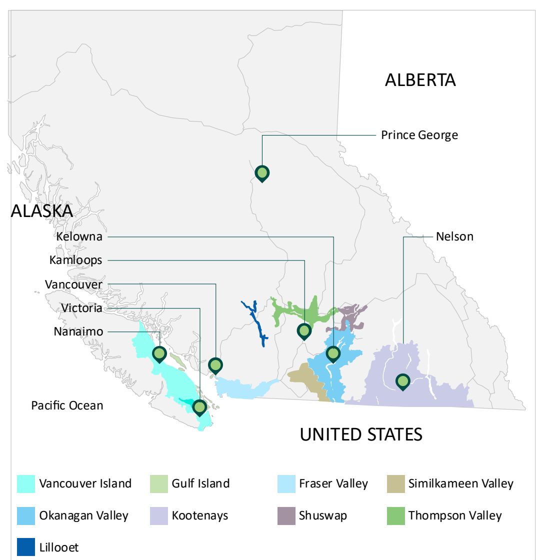


- Niagara Peninsula, which includes Niagara-on-the-Lake and the Niagara Escarpment, is the most established wine cluster and accounts for 90% of Ontario's grape-growing volume and a wide range of varietals including Riesling, Chardonnay, Pinot Noir, and Cabernet Franc;
- Lake Erie North Shore and Pelee Island benefit from long growing seasons and abundant sunshine, producing early-harvest wines in Canada's southernmost grape-growing zones; and
- Prince Edward County, one of Ontario's fastest-growing wine regions, is known for its cool-climate varietals such as Pinot Noir and Chardonnay.

Ontario specializes in VQA wines, made from 100% locally grown grapes which have met specified quality requirements set out by the Ontario Wine Appellation Authority. This focus on high-quality, authentic Canadian wines has positioned the province as a leader in cool-climate varietals, particularly Icewine, which is recognized internationally as a premium dessert wine.[33]

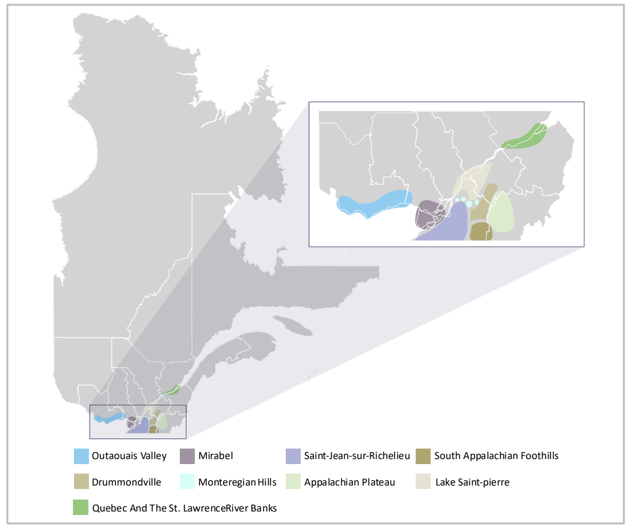
British Columbia follows as the second-largest wine-producing province. Home to 828 grape growers and 306 wineries, the province processes approximately 16,000 metric tonnes of grapes annually (on average), which span roughly 12,700 acres of land.[34] To date, more than 80 varieties of red grapes are grown in the province, contributing to the diversity and quality of British Columbia's wine industry.[35]

The province's wine production is dominated by the Okanagan Valley, which accounts for over 86% of the province's vineyard acreage.[36] The valley stretches over 250 kilometres, across sub-regions, each with distinct soil and climate conditions suited to growing a range of varietals, from sun-ripened reds to crisp white grapes.[37] Other prominent areas include:



- The Similkameen Valley, known for its organic and artisanal approach;[38]
- The Fraser Valley and Metro Vancouver areas, which offer a range of handcrafted wines with diverse varieties and styles;[39] and
- Vancouver Island and the Gulf Islands, where small-scale, family-run wineries are set amid coastal landscapes and island communities.[40,41]

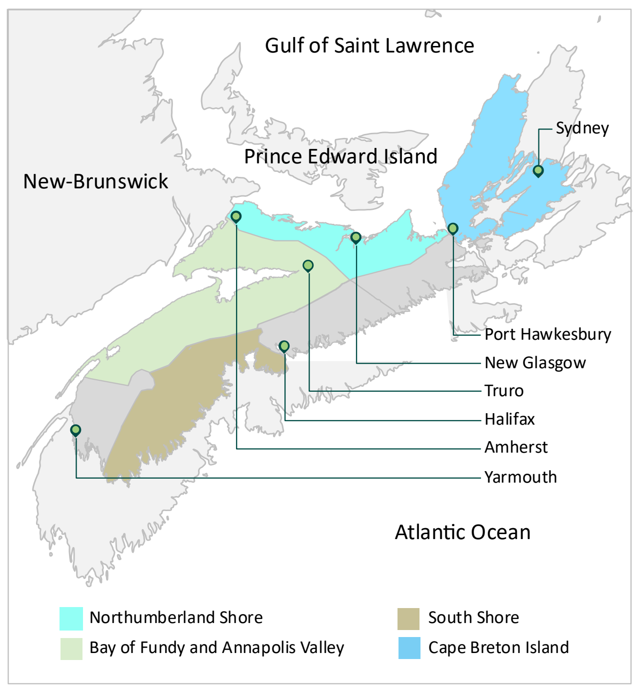
In 1990, British Columbia established its own region-specific appellation and quality standards under the designation British Columbia Vintners Quality Alliance (BC VQA) to certify and promote its locally produced wines. For this designation, wines must be made exclusively from locally grown grapes, with 95% of the grape content originating from the specific region displayed on the bottle label.[42]



Quebec is home to 423 grape growers and 146 craft wineries, and processes approximately 4,300 metric tonnes of grapes annually (on average), spanning roughly 2,970 acres of vineyard land.[43] Quebec's wine industry cultivates around 80 grape varieties, focusing on those suited to its unique climate, such as Frontenac, Marquette, and Vidal.[44]

Quebec distinguishes premium wines through its Protected Geographical Indication (PGI) system, supporting the growth of hybrid varietals and Icewine.[45] Quebec's wine production is anchored by two key wine regions:

- The Eastern Townships (which include areas such as Dunham and Brome-Missisquoi) is the most established, hosting a majority of the province's vineyards and producing a diverse range of varietals and styles, including sparkling wines and ice ciders; and
- The Montérégie region benefits from a slightly milder climate and is known for both traditional grape wines and fruit-based products.



Nova Scotia is the fourth-largest wine-producing province in Canada, with the Annapolis Valley serving as its primary wine region. Additional grape-growing activity occurs in Cape Breton, Northumberland Shore, and the South Shore. The province's cool, maritime climate is well-suited to producing crisp, aromatic white wines and sparkling styles.

Home to 58 grape growers and 19 wineries, Nova Scotia processes approximately 1,500 metric tonnes of grapes annually, on average, cultivated across roughly 1,200 acres of vineyard land.[46] The province grows over 20 grape varieties, with a focus on cold-hardy and early ripening types such as L'Acadie Blanc, Seyval Blanc, and Vidal.[47]

Wine production in Nova Scotia is anchored by these distinct wine regions:

- The Annapolis Valley accounts for the majority of the province's vineyards and specializes in aromatic whites and sparkling wines; and
- Cape Breton, Northumberland Shore, and the South Shore contribute to the diversity of Nova Scotia's wine offerings, each benefitting from unique microclimates and coastal influences.

In 2012, the province gained international recognition for its Tidal Bay appellation–the province's signature white wine made exclusively from 100% Nova Scotia-grown grapes. This is the first such appellation designated to a region in North America and remains the only one granted as of 2025.[48]

As mentioned above, beyond these core provinces, smaller, but growing wine operations are found in Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Prince Edward Island, and Saskatchewan. These regions also focus on cold-hardy grape varieties and fruit-based wines, and collectively reflect the adaptability and expanding reach of Canadian viticulture across the country.

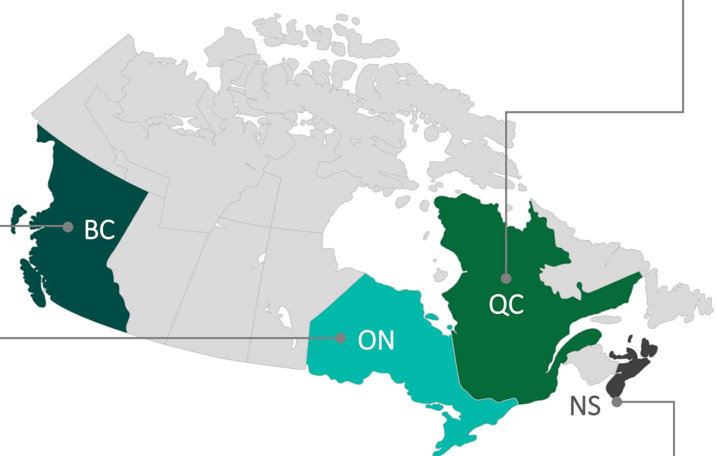
By The Numbers: Summary Statistic on Canada’s Four Major Wine-Producing Regions

British Columbia (BC) is Canada’s 2nd **largest** wine-producing province.

The province is home to **828** wine grape growers who cultivate **12,700** acres of land to produce **16,000** metric tonnes of grapes annually, on average, and support wine production across **306** wineries.

Quebec (QC) is Canada’s 3rd **largest** wine-producing province.

The province is home to **423** wine grape growers who cultivate **2,965** acres of land to produce **4,300** metric tonnses of grapes annually, on average, and support wine production across **146** wineries.



Ontario (ON) is Canada’s **largest** wine-producing province.

The province is home to **450** wine grape growers who cultivate **18,000** acres of land to produce **70,000** metric tonnes of grapes annually, on average, and support wine production across **186** wineries.

Nova Scotia (NS) is Canada’s 4th **largest** wine-producing province.

The province is home to **58** wine grape growers who cultivate **1,200** acres of land to produce **1,600** metric tonnes of grapes annually, on average, and support wine production across **19** wineries.

Sources: Statistics Canada. Table: 32-10-0364-01 ; Grape Growers of Ontario; BC Grape Growers’ Association; Wines of British Columbia; Conseil des vins du Québec; Grape Growers Association of Nova Scotia.

Historical Trends in the Value and Volume of Wine Sales

According to Statistics Canada, between 2010/11 and 2018/19, wines produced in Canada grew at **an average annual rate of 2.7% in sales volumes**, outpacing other Canadian-made alcoholic beverages such as spirits (-0.1%) and beer (-0.9%), with the exception of ciders and coolers (9.7%). With an average of 189 million litres sold annually during this period, the wine industry **ranked second in total sales volumes among Canadian-made alcoholic beverages**, following beer.[49]

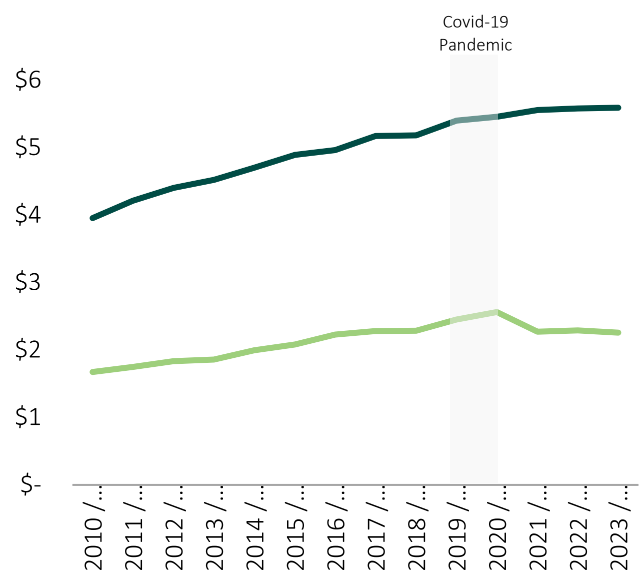
Similarly, the value of Canadian wine sales showed an average annual growth rate of 4.4%, outpacing the growth of imported wines (3.5%) during the same period. Growth in the Canadian industry was primarily driven by red wines, up 21% in sales volumes over the period, with average annual sales of $903 million or 84.5 million litres in sales volumes.[50] The industry's growth compares with a 2% real GDP growth for the national economy during that timeframe.[51]

Despite the challenges to retail brought on by the COVID-19 pandemic and subsequent lockdowns, Canada's wine industry saw strong gains in wine sales, up 6.5% in volumes sold and 4.4% in the value of sales from the 2019/20 to 2020/21 fiscal year.[52] This growth reflected a notable shift in consumer habits towards at-home consumption, but also increasing interest in Canadian wines.

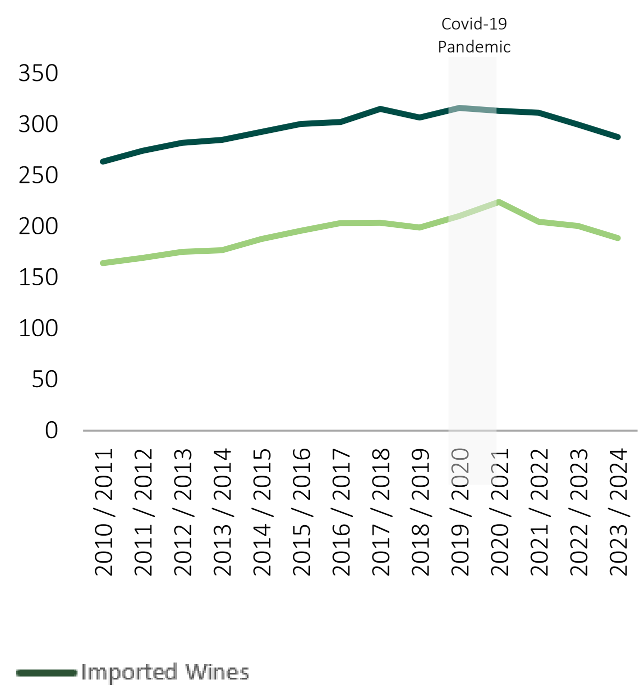
In the years following, however, Canada's wine industry has seen a gradual **decline in total wine sales volumes,** marked by supply challenges from extreme weather events and the Covid-19 pandemic which could be understood to have prompted the industry to shift toward more sustainable practices and climate resilience.[53] Between 2021/22 and 2023/24, total sales volumes for Canadian wine products fell 7.9% from **205 million litres** to **189 million litres**.[54] While lower sales volumes were observed across all four categories, red wines, and rosé wines experienced the steepest volumes declines during this period. Despite this downturn, the **total value of wine sales** remained relatively stable in the years following the pandemic, averaging approximately $2.3 billion annually. The trend in the value of sales, however, is likely attributed to higher prices on the shelves due to supply chain challenges ensuing from the pandemic and extreme weather conditions impacting grape and wine production.[55]

It is noted that the post-pandemic slump in wine sales impacted both Canadian and imported wine segments. However, the magnitude of the impact was greater on domestically produced wines. Despite this, the industry's sustained growth over the decade helps underscore **its status as a reliable contributor to the national economy**—creating multiplier effects which are discussed further in the next section of this report.

Value of Wine Sales in Canada ($ billions, from 2010/11 to 2023/24)

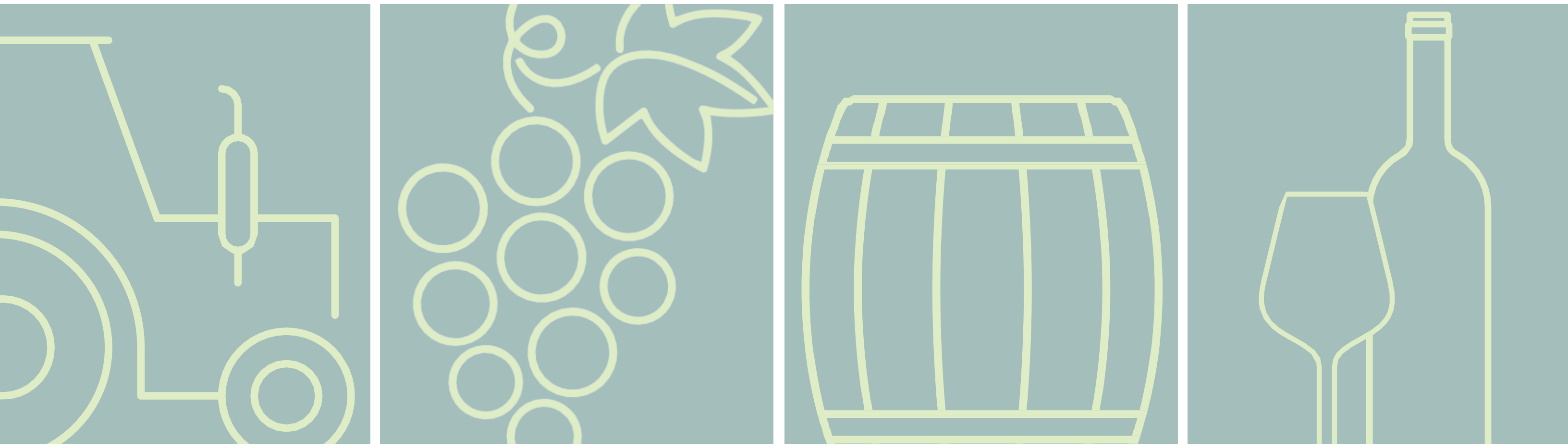


Volume of Wine Sales in Canada (millions of litres, from 2010/11 to 2023/24)



Source: Statistics Canada. Table 10-10-0011-01.

4. Economic Contribution of Canada's Wine Clusters



Uncorking Value: Overview of Economic Impact Analysis

Canada’s wine ecosystem acts as critical driver of growth for the national economy. The economic contribution of the Canadian wine industry is best understood not only through its standalone value, but also through its unique linkages to a broader ecosystem that supports national economic growth.

Leveraging a targeted review of primary and secondary literature, as well as relevant statistical databases, this section presents the findings of a comprehensive impact analysis to quantify the benefits of Canada’s wine ecosystem at the national level.

This analysis uses a national Input-Output (I-O) model to quantify the total economic contribution of the industry, capturing the ripple effects of wine-related expenditures across the Canadian economy. The I-O model draws from Statistics Canada’s Supply and Use Tables and includes detailed modelling of wine industry activities such as grape growing, production, retail, and distribution, along with associated industries like tourism, hospitality, and logistics.

This section is organized as follows:

(iii) An overview of the economic benefits framework;

(iv) Definition of the wine industry and wine ecosystem;

(v) Summary of the economic benefits of Canada’s national wine industry; and

(vi) Summary of the economic benefits of the Canadian wine ecosystem.

It is noted that there have been other economic impact analyses of the wine industry conducted prior to this study. For more information on how this study builds upon or contrasts with earlier reports, please see Appendix A.

Economic Benefits Framework

This study estimates the economic contribution of Canada's wine industry using an I-O modelling framework. The model traces how capital investments and operating expenditures by wineries and associated wine industry activities generate economic activity across the country. This I-O model leverages Statistics Canada's 2019 Supply and Use Tables and I-O multipliers to assess economic impacts.[†††] These impacts are segmented across three layers—direct spending, indirect supply chain demand, and induced household consumption effects—offering a holistic view of the industry's footprint, measured in terms of GDP, employment, and government revenues. For additional details on the input-output modelling approach, please see Appendix A.

The model is configured to capture a broad set of operational inputs including:

Operational Activities:	Expenditures:
• Wine production • Wine grape production • Wine and grape sales (wholesale and retail) • Tours and experiences • Hospitality • Distribution and transportation	• Salaries, wages, and benefits • Marketing and advertising • Machinery and equipment • Raw materials • Partnerships • Professional services • Utilities • Finance, payment, processing and insurance

These activities generate expenditures across a wide range of sectors—from machinery and packaging, to marketing, transport, and professional services—creating a multi-layered economic ripple effect.

Modelling Impact Layers

The model captures the total economic contribution across three levels:

- **Direct contribution** reflects economic impacts from core wine-related activities including vineyard operations, wine production and sales, and on-site activities;
- **Indirect contribution** stems from upstream industries supplying goods and services to wineries (e.g., equipment, packaging, marketing, and distribution); and
- **Induced contribution** captures the household-level spending enabled by wages earned throughout the wine industry value chain.

The results for this analysis are reported in terms of:

- **GDP**: This refers to the total unduplicated value of goods and services produced across Canada;
- **Employment**: This refers to the number of full-time equivalent (FTE) positions, regardless of part- or full-time status; and
- **Government revenues:** This refers to the estimated tax revenues generated from wine industry activity, including sales taxes, payroll taxes, and income taxes.

[†††] While 2021 Supply and Use Tables (SUTs) from Statistics Canada provide the most recent available data on the structure of the Canadian economy, the year of observation reflects a period marked by high uncertainty and supply chain disruptions following the onset of the Covid-19 pandemic. As a result, using these tables for the economic impact analysis may limit the robustness of results put forward in this report. To address this, Deloitte has applied multipliers from the 2019 SUTs to derive the economic impacts of the wine industry and adjacent sectors (i.e., in terms of GDP, employment and government revenues) with values adjusted to 2023 based on most recent "price level" data (i.e., industry revenues and GDP) available from Statistics Canada.

Mapping the Canadian Wine Industry and Wine Ecosystem

Across the country, Canada's wine industry encompasses a wide range of activities spanning grape cultivation, wine production, distribution, and tourism. Behind each bottle of wine lies an intricate story of how businesses across the country work together to craft a quality experience into every glass.[56]

It is recognized that the Canadian wine industry does not operate in isolation, but rather functions as a network of interconnected economic clusters in wine-producing regions across Canada. For this reason, it is important to assess the Canadian wine industry's economic footprint together with the supporting industries in the broader ecosystem to gain a comprehensive view of the impact of these regional wine clusters.

In the context of this report, the economic contribution of the Canadian wine cluster is defined as the total impact of the (i) core wine industry and (ii) regional wine ecosystems which are mapped out below:

- **Wine Industry:** This includes grape production, wine production, distribution and wine wholesalers, and wine retailing across all provinces and territories in Canada.

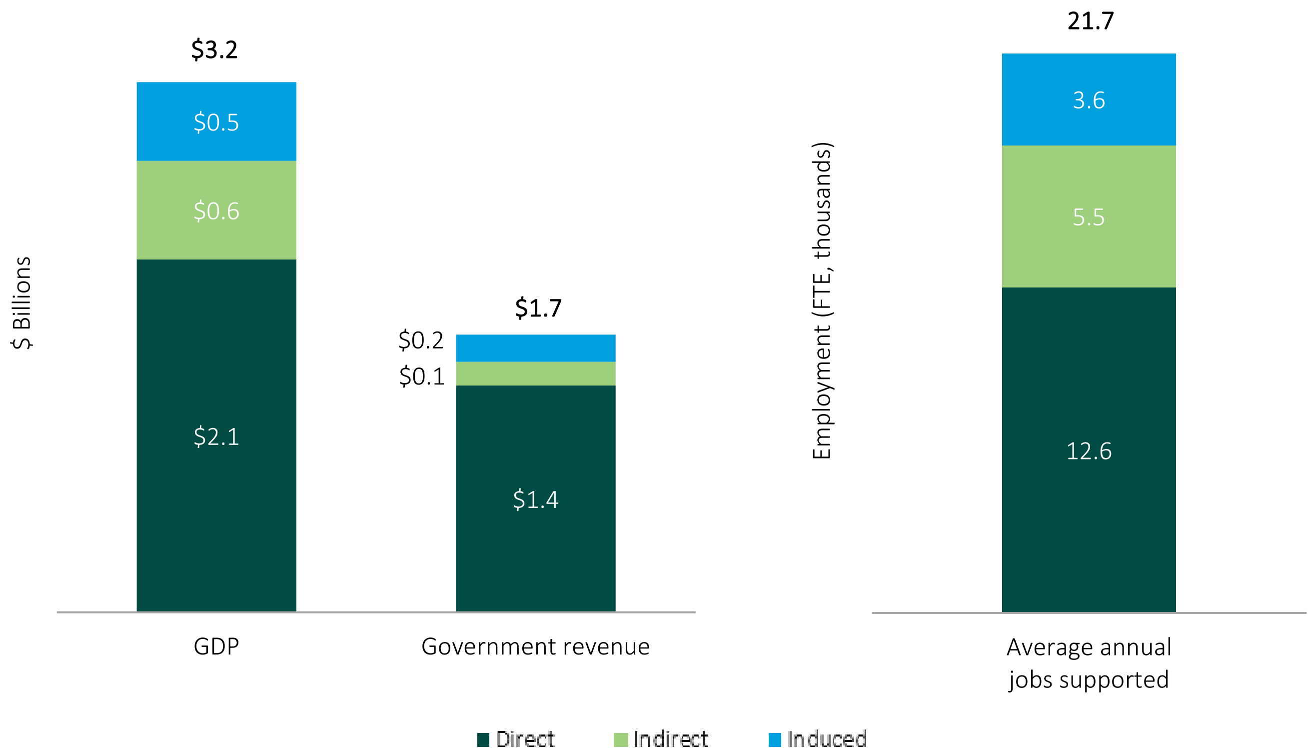
- **Wine Ecosystem:** This includes the key industries (travel and hospitality, transportation, and culture) associated with wine-related tourism in the four main wine-producing regions of Canada (i.e., British Columbia, Ontario, Quebec, and Nova Scotia):

Travel & Hospitality	Transportation	Culture & Entertainment
Traveller Accommodation	Air Transportation	Performing Arts, Spectator Sports, and Related Industries
Travel Services	Rail Transportation	Casinos
Food Services and Drinking Places	Bus Transportation	Other Amusement and Recreation Industries
	Other Transit and Group Passenger Transportation	

Economic Footprint of the National Wine Industry‡‡‡

The findings from the economic footprint analysis shows that the Canadian wine industry plays an important role in the national economy. Accounting for the direct, indirect, and induced economic contribution, it is estimated that the wine industry contributes **$3.2 billion to Canada's national GDP** with **$1.7 billion generated in government revenues**. Moreover, across Canada, the wine industry **sustains an estimated employment of 21,700 FTEs, annually, on average**.

Contribution of the Canadian Wine Industry to the National Economy



‡‡‡ Notes:
(i) The reference year for this analysis is 2019, with industry growth rates applied to scale up estimates to 2023 dollars.
(ii) All estimates, except jobs, are expressed in Canadian dollars.
(iii) At the national level, the estimated contribution to government revenue captures revenues to national, provincial and municipal level governments across the country. The value reported comprises taxes on products and production, corporate income taxes, personal income taxes, and royalties.
(iv) Given that wines are highly taxed products, GDP and government revenue direct impacts also incorporate final demand taxes on products that are paid by consumers on domestically produced wines.
(v) Due to rounding, numbers presented on this page may not add up precisely to the total.

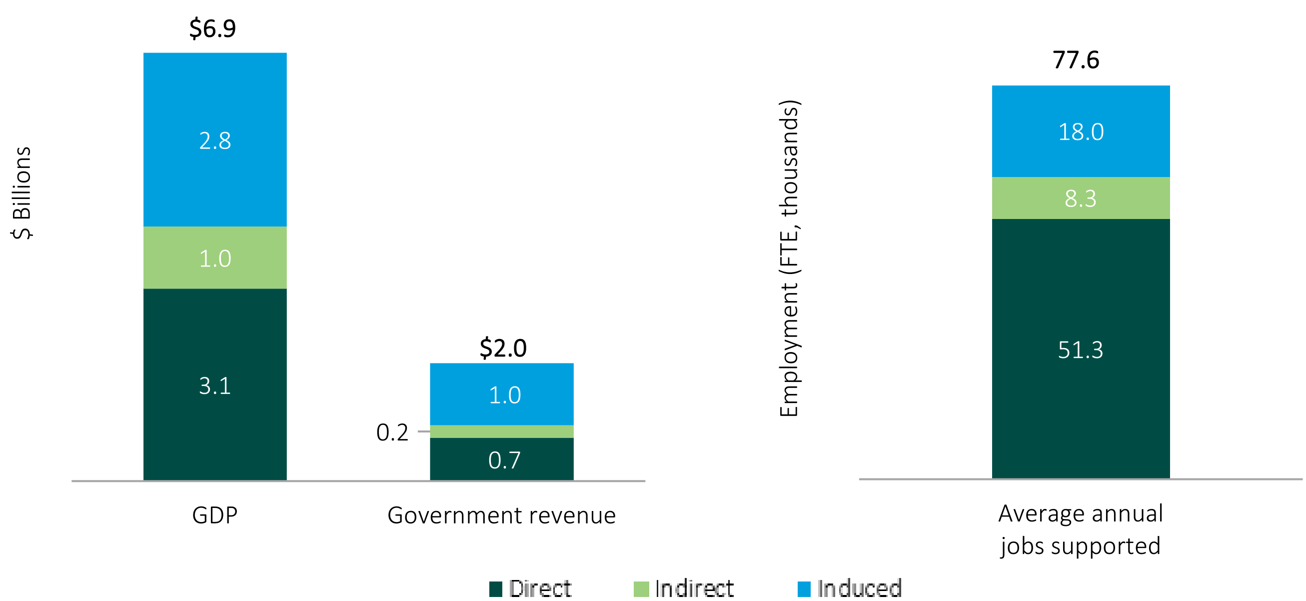
Economic Footprint of the Canadian Wine Ecosystem[§§§]

The impact of the Canadian wine industry is greater than just the aggregated economic contribution stemming from its production and sales. Across Canada, wine regions like the Okanagan Valley in British Columbia and Niagara-on-the-Lake in Ontario contribute significantly to the country's diverse regional economic landscape. These wine regions serve as more than just vineyard landscapes; they are hubs of economic activity and culture supported by a mix of restaurants, accommodations, and transportation networks.

The local ecosystems underscore the powerful clustering effects driven by the wine industry which remains heavily interconnected across the four major wine-producing regions. Simply put, each wine region has the potential to attract new visitors and spending to communities, resulting in economic activity that may not otherwise exist. As such, it is important to assess the Canadian wine industry's economic footprint in conjunction with the impact of interconnected industries in the regional wine clusters.

Accounting for the direct, indirect, and induced economic contribution, it is estimated that the interconnected industries in the Canadian wine ecosystem contribute **$6.9 billion to Canada's national GDP** with **$2.0 billion generated in government revenues**. Moreover, across Canada, the wine ecosystem **sustains an estimated employment of 77,600 FTEs, annually, on average**.

Contribution of the Interconnected Industries in the Canadian Wine Ecosystem to the National Economy



Taken together, Canadian wine clusters contribute an estimated **$10.1 billion to Canada's national GDP** with **$3.6 billion generated in government revenues** and sustains approximately **99,300 full-time equivalent jobs annually, on average**.

§§§ Notes:
(i) The economic impact analysis of adjacent sectors is focused on the four major wine regions of Canada (i.e., British Columbia, Ontario, Quebec, and Nova Scotia).
(ii) The reference year for this analysis is 2019, with industry growth rates applied to scale up estimates to 2023 dollars.
(iii) All estimates, except jobs, are expressed in Canadian dollars.
(iv) At the national level, the estimated contribution to government revenue captures revenues to national, provincial and municipal level governments across the country. The value reported comprises taxes on products and production, corporate income taxes, personal income taxes, and royalties.
(v) Due to rounding, numbers presented on this page may not add up precisely to the total.

Sustaining Employment in the Canadian Labour Market:

While our report has quantified the number of jobs supported, the numbers alone may not communicate the breadth and importance of the wine industry labour force. In spotlighting the impact of the wine industry and broader ecosystem, it is important to contextualize its contribution to the Canadian labour market. The Canadian wine ecosystem comprises a diverse workforce from across the country engaged in both seasonal and full-time roles. These roles range from viticulture and winemaking, to corporate, finance and executive functions, and other supporting activities in tourism and transportation, reflecting the broad skill sets required across the wine industry value chain and interconnected industries in the broader ecosystem.

Employment Sustained in the Wine Industry Value Chain:

- Beginning in the vineyard, the wine industry sustains a diverse range of specialized occupations including the employment of grape growers and seasonal labourers, with the support of viticulture specialists who develop cutting-edge techniques to help modernize grape production practices in Canada.
  - Off the vineyard, many individuals in Canada can also benefit from educational programs in viticulture, enology, and wine business programs due to joint efforts between industry stakeholders and academic institutions. A notable example is Niagara College’s School of Wine, Beer and Spirits located in Niagara-on-the-Lake which offers opportunities for individuals to attain certifications to support careers as winery and viticulture technicians, distillers, and beverage managers, as well as build specialized skills that are also transferrable across the agriculture and manufacturing industries.[57] Other examples include:
    - University of British Columbia’s Wine Research Institute which has pioneered wine research and education in the Okanagan for over 20 years;[58]
    - Brock University’s internationally recognized Cool Climate Oenology and Viticulture Institute which delivers wine, cider, and spirits programs in collaboration with Wine Growers Ontario and organizations including the Wine and Spirits Education Trust and the Cider Institute of North America;[59] and
    - University of Guelph’s Wine & Spirit Education Trust (WSET) Certifications offered by the School of Hospitality, Food & Tourism Management.[60]
- As grapes move through the wine production process, additional jobs across functions are created or sustained in winemaking, bottling, packaging, and quality control at wineries.
- From there, workers in logistics and distribution move the finished Canadian wines to retailers (e.g., liquor boards) and consumers, connecting wine producers with domestic and export markets.

Employment Sustained by Regional Wine Clusters:

The impact of the wine industry, however, does not end at production as the interconnected industries which form regional wine clusters play a key role in the labour market for tourism, transportation, and culture.

- Wine regions across Canada attract visitors year-round, supporting jobs in accommodations, restaurants, tasting rooms, and tour services. For example, in 2019, Ontario wineries welcomed 2.7 million visitors to its wine regions, driving over 1.3 million transactions that supported commercial activity in the local community (e.g., restaurants, hotels, casinos) and jobs for Canadian workers.[61, 62]
- Wine is also a central feature in festivals (e.g., Niagara Grape and Wine Festival[63]), food and wine pairings (e.g., Nova Scotia Seafood and Wine Pairing[64]), sustaining additional jobs in sub-industries such as event planning, media, and marketing amplifying Canada’s cultural tourism opportunities.

Key Takeaway:

Canada's wine ecosystem has a meaningful impact on workforce development across the country, sustaining thousands of jobs annually through both the wine industry's core operations and across the interconnected service industries (e.g., food and beverage services, travel services, advertising and recreational services) that support its growth. Beyond job creation, the industry actively supports education and specialized training. Many academic institutions in wine-producing regions (e.g., Niagara College) offer tailored, wine-focused programs that help individuals build or refine skills that can foster advancement in the wine industry or be applied to other industries of the economy.

Together, these wide-ranging activities show how the Canadian wine supercluster fuels jobs that help to build a resilient talent pipeline, as well as broader socioeconomic growth across various industries of the national economy, which are described, from a qualitative lens, in the next section of this report.

Case Study: Assessing the Impact of a Micro-Cluster on Indigenous Communities

Nk’Mip Cellars, located in Osoyoos, British Columbia, is the first Indigenous-owned and operated winery in North America.[65] Established in 2001 in a joint venture between Osoyoos Indian Band (OIB) and Arterra Wines Canada (previously Vincor), Nk’Mip’s operations remain deeply rooted in Indigenous customs, with vintners embedding traditional culture, language, and ecological knowledge at the core of their sustainable winemaking practices.[66]

As of 2025, Nk’Mip is one of the largest vineyards in Canada, with approximately 1,500 acres under cultivation in the Okanagan—representing roughly 10% of the acreage of the Okanagan Valley.[67] The scale of land stewardship supports a diverse portfolio of VQA wines, including Chardonnay, Pinot Blanc, Riesling, Merlot, and Cabernet Sauvignon.[68] In addition, they produce specialties such as Syrah (a full-bodied red wine known for is deep color and rich dark fruit flavours), the *Qwam Qwmt* (which translates to ‘achieving excellence’ in the Okanagan language), the winery’s reserve-tier series which is crafted from the oldest vines on the Nk’Mip Vineyard, and *Mer’r’iym* (which translates to ‘marriage’), a signature Bordeaux-style blend uniting Merlot, Cabernet Sauvignon, Cabernet Franc, and Malbec.[69]

Between 2014 and 2019, Nk’Mip’s wines have garnered notable acclaim both nationally and internationally, earning awards such as:

All Canadian Wine Championships	Okanagan Wine Festival	International Wine and Spirits Competition	WineAlign Awards	InterVin Wine Awards	Decanter World Wine Awards
2014, 2016, 2018, 2019	2014-2019	2014, 2016-2019	2014, 2016-2019	2014-2019	2014, 2016-2018

Source: Nk’Mip Cellars website.

In addition to these awards, Nk’Mip Cellars has received prestigious winery-wide honours, including consistent *Top 10 Winery of the Year* rankings[70], a *Winery Star Certificate* from the Wine International Association[71], and awards from the *British Columbia Lieutenant Governor’s Wine Awards* and *Chardonnay du Monde.*[72,73] The *Qwam Qwmt* series remains particularly celebrated for its consistent excellence in both national and international competitions.

Economic and Social Impact****:

According to Wine Growers Canada, Nk'Mip's success highlights how strategic investment in wine production can catalyze broader economic and social benefits. Through the Osoyoos Indian Band Development Corporation (OIBDC)'s targeted investments in Nk'Mip, in partnership with Arterra Wines Canada, the organization has generated significant impacts that extend well beyond direct operations. This includes:

Strengthening Regional Employment[74, 75]

Nk'Mip Cellars is a substantial regional employer, providing direct and indirect jobs in viticulture, winemaking, hospitality, retail, and cultural interpretation. Employment creation is prioritized by Nk'Mip cellars, reflecting OIBDC's commitment to long-term community well-being. Professional development opportunities have enabled Band members to progress into leadership roles, building transferable skills for future generations.

Tourism and Hospitality Growth[76]

As part of a destination resort cluster, Nk'Mip Cellars attracts over 50,000 visitors annually, driving demand for accommodations, dining and recreation. Visitor spending supports a range of local businesses and contributes to the South Okanagan's positioning as a premier wine tourism destination.

Enabling Supply Chain and Manufacturing Stimulation[77]

Operating a premium winery stimulates a broad regional supply chain, from bottle and cork manufacturing to label printing, vineyard equipment, and specialized technical services. These activities create a multiplier effect, benefiting both manufacturing and service sectors across the region.

Enriching Culinary and Cultural Experiences[78]

The winery's restaurant, Sweetgrass, emphasizes local, Indigenous-inspired cuisine, strengthening agricultural supply networks and enriching the region's gastronomic appeal. The integrated Nk'Mip Desert Cultural Centre further deepens cultural tourism, promoting Indigenous heritage and attracting diverse visitors.

Nk'Mip Cellars serves as a compelling case study in how strategic investment in the premium wine industry can function as a powerful economic cluster. Its success underscores wine's capacity to drive regional economic development, stimulate adjacent investments, create diverse employment, and foster vibrant, prosperous communities, demonstrating that wine country investments can be foundational to comprehensive regional growth.

**** All insights related to the economic and social impact of Nk'Mip Cellars' operations in British Columbia were identified and validated by Wine Growers Canada.

5. Beyond Economic Impact: The Long-term Structural Benefits of the Wine Ecosystem

Maximizing the Value Proposition: Overview of Structural Impact Analysis

The economic activity spurring from regional wine clusters supports a diverse range of benefits that extend past the traditional impact measures. While these benefits are typically challenging to quantify, they are likely to have a lasting impact on the local economies in wine regions across Canada which, in turn, can magnify the total value proposition directly associated with the Canadian wine clusters.

In the context of this report, these impacts are referred to as structural benefits and are assessed for the following five industries:

- Agriculture;
- Manufacturing;
- Tourism and Culture;
- Land Use and Commercial Development; and
- Advanced Education.

Leveraging public data, reports, and interviews with wine industry stakeholders, this supplemental analysis provides an overview of additional socioeconomic benefits that the wine industry can deliver to the national economy, by highlighting:

(i) Common practices from leading wine regions; and

(ii) Key considerations for Canada to optimize the full potential of its wine industry.

The Role the National Wine Industry Plays in Catalyzing Growth in Several Industries in Canada

Agriculture

Overview

At the heart of the wine industry's value chain is viticulture, a unique agricultural industry for grape production which requires precise growing conditions, specialized knowledge and long-term investment. In 2017, grapes, the foundational crop for wine production, were recognized by the Food and Agriculture Organization of the United Nations as having the highest total value of production in the world at $70 billion US (~$96 billion Canadian dollars).[79] This is followed by apples at $50 billion US (~$69 billion Canadian dollars) and watermelons at $38 billion US (~$52 billion Canadian dollars).[80]

The production value of grapes largely stems from the high technology requirements (i.e., for cooling, sulfuration, packing, and cold storage) for its production.[81] At the same time, grapevines must follow three to five-year growth cycles to reach commercial viability,[82] requiring years of hands-on work by grape producers and a long-term commitment to the industry's success. For this reason, grape production is both capital and labour intensive and can play a vital role in agricultural innovation and sustainability—key factors in building resilient economies.

Common Practices Demonstrated by Leading Wine Regions

Learnings from global peers show that agriculture in wine production often involves integrating cutting-edge practices across viticulture, sustainability, innovation, and value-chain coordination through capital support initiatives to move production from farm to bottle. Examples of leading techniques in wine producing regions include:

Case Study 1: Chile - INDAP Capital and Sustainability Programs[83,84]

Chile's Agricultural Development Institute (INDAP) administers a suite of programs designed to integrate family-owned vineyards into national and international markets while enhancing environmental sustainability.

The INDAP Capital and Sustainability Programs offer flexible financing tools, including grants, subsidized credit, and co-financing mechanisms to support vineyard setup, infrastructure improvements, and equipment purchases:

- Grants and co-financing mechanisms: To support vineyard establishment, infrastructure upgrades, irrigation systems, and equipment purchases;
- Credits and technical assistance: To finance modernization projects and provide technical assistance (e.g., sustainable farming practices); and
- Rural development initiatives: To protect traditional winegrowing practices and expand market participation beyond large industrial producers.

Key Takeaway: In 2024, INDAP allocated $1.5 billion Chilean pesos (~$2.3 million Canadian dollars) to programs which have helped to enhance operational efficiency and climate risk resilience for over 2,600 small-scale wine producers through targeted financial support and training. This program can also be recognized as a key driver towards strengthening Chile's position as a global leader in sustainable wine production, with 80% of its wine exports now carrying a sustainability certification.

Case Study 2: European Union - Wine Support Programs[85, 86, 87]

The EU's CMO, introduced in 2008, provides targeted financial aid to wine-producing Member States to enhance competitiveness, sustainability, and innovation in the wine industry.

These programs allow countries to offer tailored measures to support their respective wine industries through both direct investment and risk mitigation tools. Key components of the programs include:

- Vineyard Restructuring: Support for varietal conversion, replanting for health or phytosanitary reasons, as well as improvements to vineyard management techniques to improve quality, adapt to climate change or address issues related to vine disease, and age-related decline;
- Innovation: Funding for new wine products, processes, and technologies;
- Harvest Insurance: Subsidies for crop loss insurance;
- Enterprise Investments: Support for facility upgrades and efficiency; and
- Green Harvesting[††††] and By-Product Distillation: Measures to manage surplus sustainably.

The EU dedicates approximately €1.1 billion (~$1.8 billion Canadian dollars) annually to support the wine industry, with each Member State receiving an annual allocation from the EU budget based on production capacity and regional priorities. Most of the budget is split across vineyard restructuring (~50%), enterprise investments (~22%), and promotion (~18%), with the remainder distributed among other eligible measures.

Key Takeaway: The introduction of long-term funding programs has played a crucial role in driving modernization, enhancing sustainability, and boosting competitiveness of the EU wine industry. Since its launch in 2008, these programs have helped improve biodiversity, water management, as well as reduce soil erosion across 3.2 million hectares (~7.9 million acres) of vineyards in EU Member States. Additionally, these supports have helped propel wine exports to over €14 billion (~$23 billion Canadian dollars) and positioned the EU as a leader in the world wine market, representing 62% of global wine production and trade. These programs also contribute meaningfully to the underlying reputational capital of the industry in terms of both product excellence and sustainable agricultural practices.

Other Considerations for Canada

- **Maximizing the Economic Value of Grapes:**

  Grapes have shown to be an important and profitable asset, and long-term investments in its prosperity can offer sustainable and reliable economic benefits to the wine ecosystem. In 2023, the farm gate value (i.e., the amount received by producers at the point of first transaction) was $228 million, the second highest among Canadian fruits, behind apples ($293 million).[88] Additionally, looking at the value per metric tonne, grapes were significantly higher among fruits produced in Canada with a value of $1.80 as compared to $0.72 for apples and $1.40 for blueberries.[89, 90] The high per-tonne value for grapes signals the industry's ability to serve as a stable, lucrative opportunity for investors, and in shaping public policy support. Despite this, only 0.03% of arable land in Canada is used for vineyards as compared to 0.5% around the world.[‡‡‡‡]

  With this considered, expanded production capacity, in combination with investments in sustainable viticulture practices, could offer a clear advantage for the future of farming through climate-smart agriculture practices (e.g., drone-assisted monitoring to optimize the efficiency and quality of products, and satellite technology to allow farmers to react to issues like fertilization and irrigation).[91,92]

†††† The Green Harvesting support measure provides funding to wine growers to enhance grape quality as well as support yield optimization (i.e., by reducing grape yields in an effort to align production with softer demand). While this measure accounted for less than 3% of funding between 2014 and 2018, it is noted that global declines in consumer demand have resulted in an increase in funding allocations to green harvesting between 2023 and 2025 to reduce excess supply. Taking this into consideration, this support measure may not align closely in the context of the Canadian wine industry's current growth strategy.

‡‡‡‡ This calculation accounts for estimates that Canada has 38,235,000 hectares of arable land as of 2023 (The World Bank), and vineyards account for about 12,600 hectares (Wines of Canada).

- **Adapting to Environmental Conditions:**

  Climate change is challenging many traditional wine regions to adjust wine production techniques as weather patterns become more unpredictable and extreme. For example, in December 2022, a freeze event swept across British Columbia's main winemaking regions, resulting in a decline of its Vinifera grape production by 25% in the following year. However, if Canada is able to adapt to changing weather and mitigate potential crop losses from extreme conditions, the Canadian wine industry could become an attractive option for those looking to increase profit margins while keeping expenses lower. Examples from peer jurisdictions show that integrating climate risk technologies and adopting sustainable farming practices can significantly enhance the industry's adaptability to changing environmental conditions and long-term stability as a key contributor to Canada's economy.

Manufacturing

Overview

The wine industry has been actively involved in the implementation of highly innovative practices and places a focus on product and process improvements.[93] Manufacturing in the wine industry goes far beyond bottling as technological advancements in wine manufacturing are driving innovation and growth in the industry. Notably, many of the technologies being developed and applied in wine production have the potential to transform other industries in agri-food processing.

In recent years, winemakers have been experimenting with technologies such as precision viticulture, where sensors and mapping tools are used to optimize grape growing and harvesting. This approach allows for more precise control over the vineyard, resulting in higher yields, better quality grapes, and more sustainable practices.

Similarly, advancements in fermentation and bottling technologies are allowing winemakers to produce wines with more consistent quality and greater efficiency. As the demand for high-quality wines continues to grow, wine-producing regions across Canada could be positioned to capitalize on these technological advances and lead the way in the industry.

Common Practices Demonstrated by Leading Wine Regions

Learnings from global peers show that wine-related manufacturing involves adopting advanced technologies to help design and produce products sustainably and efficiently, as well as increasing supply chain agility in other industries. Examples of leading techniques in wine producing regions include:

Case Study 1: Sustainable and Efficient Manufacturing[94, 95,96,97,98]

Winemaking is recognized as a low-emitting sector, with the average bottle of wine releasing just over one kilogram (kg) of carbon dioxide (CO_2) over its lifetime in comparison to other beverages like milk (3.15 kg of CO_2 emitted per kg produced) or coffee (28.5 kg of CO_2 emitted per kg produced). With growing threats from climate change, winemakers across the globe are putting sustainability at the centre of their operations.

A notable example is Fetzer Vineyards in California, which has long been a leader in sustainability, by implementing a range of initiatives to minimize its environmental impact. A sizable portion of the winery's energy needs is supplied by an on-site solar power system, which generates nearly 1 million kilowatts of renewable energy annually. Fetzer uses a unique water filtration system that uses up to 85% less water than comparable systems. Fetzer also ensures that carbon dioxide and solid waste are diverted from landfills using a wastewater treatment system, which relies on billions of worms to clean up the winery's processed water. That system uses 85% less energy to clean winery water and regenerates up to 16 million gallons annually for reuse in vineyards. For these reasons and many more, Fetzer is known as the world's first zero-waste certified wine company.

Key Takeaway: By adopting sustainable practices, wineries make considerable progress in reducing their carbon footprint and protecting the environment. At the same time, with growing focus on ESG, sustainability certification in the wine industry is important to safeguard both the quality of wine products and their reputation in domestic and international markets.

In Canada, Sustainable Winegrowing Ontario (SWO) and Sustainable Winegrowing British Columbia (SWBC) are accredited certifications available to wineries in their respective provinces. As of 2026, 51 out of the 186 wineries in Ontario are SWO certified and in British Columbia, only 8 out of the 306 wineries are SWBC certified. This, therefore, reflects a critical opportunity for the industry to scale up its commitment and expand support systems (e.g., access to certification resources) to align more fully with leading environmental and market expectations to build market share.

Case Study 2: Satellite and Drone Imagery [99, 100, 101, 102]

Satellite and drone imagery represent cutting-edge technological advances in wine production that are increasingly being applied across various industries. For example, Astrium Infoterra, a subsidiary of EADS in France, partnered with the Institut Coopératif du Vin (ICV) to develop Oenoview—a tool that generates vine vigor and soil maps using satellite images. These images capture natural radiation emitted by vine leaves and use infrared technology to map vineyard canopies. In Bordeaux, Château Pape Clément introduced its first drone in 2014 to precisely determine fungicide application needed to combat vine diseases. The drone also provides real-time visualizations of vine vigor variations across the vineyard. In 2021, it was reported that the winemakers in France who subscribed to the service increased their revenue between €1 million to €2 million annually (~$1.6 million to $3.2 million Canadian dollars), and profitability is expected to increase substantially over the next few years.

European researchers are also developing robotic solutions such as Vinbot, a prototype robot equipped with sensors and cameras designed to reduce vineyard monitoring errors from around 30% (manual methods) to 10–15%. A total of was €2 million (~$3.2 million Canadian dollars) was invested in the development of the robotic system with a third of the investment provided by the European Commission.

Key Takeaway: Beyond viticulture, these technologies have broad applications in other industries. Satellite imagery supports construction progress monitoring, natural disaster assessment, and transportation infrastructure management—leading to higher yields and reduced input costs by millions of dollars annually. Similarly, drones and sensor-equipped robots can enhance accuracy and efficiency in agriculture and other industries by providing real-time data on crop health and soil conditions.

Case Study 3: Tank Sensors and Advanced Technological Systems [103, 104, 105, 106, 107, 108]

Tank sensors, particularly for temperature, pressure, and liquid level measurement have been widely adopted in oil and gas, chemical processing, as well as food and beverage manufacturing (e.g., dairy and brewing). In winemaking, tank sensors deliver precise, real-time data on oxygen levels, temperature, and brix (a unit used in winemaking to measure the sugar content of wine) throughout the fermentation process. This information is essential for assessing and ensuring the quality of the wine produced. In fact, many experts credit this technology with helping elevate the United States’ reputation in the global wine market.

In Canada, brix measurement has been essential for Icewine production. According to VQA regulations, grapes must be frozen and harvested at temperatures of-8°C or lower, with the average sugar level of the juice used reaching at least 35° brix for a naturally sweet wine. This means accurately tracking brix levels is critical given the narrow and weather-dependent harvest window for Icewine according to the growers associations in British Columbia and Ontario. The use of these tools can assist Canadian producers by continuously tracking grape temperature, sugar content and fermentation progress, therefore ensuring consistent quality is maintained and improving operational efficiencies for VQA agents and harvesters.

Building on these advancements, researchers are now developing artificial intelligence (AI) systems that use sensor data to predict wine quality. This AI-driven approach allows winegrowers to make more informed decisions, improving the consistency and excellence of their wines. One example of this advanced precision agriculture technology is autonomous tractors—ranging in cost from $68,000 to $272,000 US (~$94,000 to $375,000 Canadian dollars)—equipped with geofencing technology and advanced sensors that navigate through vineyard rows independently and monitor for vine health indicators (e.g., leaf discoloration) or signs of pest infestation.

Key Takeaway: Monitoring tools, such as tank sensors and advanced technological systems have helped to transform the wine industry, enabling the consistent production of high-quality wines.

Other Considerations for Canada

- **Supporting Sustainable Manufacturing:**

  According to WGC, the Canadian wine industry is largely dependent on natural resources and sustainable practices for its operations in vineyards and wineries. These practices include:

  - Energy efficient designs (i.e., the use of insulation, LED, daylighting, and natural lighting);
  - Renewable energy adoption (i.e., the use of solar, wind or geothermal energy to power the lighting, heating or cooling); and
  - Eco-Friendly Materials (i.e., the use of lightweight bottles to cut down on emissions related to production and transportation).
    - Notably, in 2022, TricorBraun WinePak (Ontario) was the largest wine glass distributors in North America and a major provider of bottles to the Canadian wine industry. These bottles are made with more than 55% recycled glass, reducing overall CO_2 emissions between 19% to 29%, compared to a standard 20-ounce wine bottle.

Additionally, in Niagara, Henry of Pelham, a family-owned estate winery, is also at the forefront of sustainable manufacturing. The winery actively works to lower its carbon emissions, conserve water and energy, and promote biodiversity. Their sustainable practices include wetland restoration, the use of biofilters to improve groundwater quality, sterilizing equipment with ozonated water and high-pressure steam to reduce water use, and preserving surrounding woodlands. Henry of Pelham stands out as one of the first wineries in Ontario to achieve certification from Sustainable Winemaking Ontario (SWO), a program that recognizes adherence to environmentally responsible practices in both vineyard and winery operations.

As early adopters, Henry of Pelham Family Estate Winery can serve as a model for other producers in Canada, showcasing how technology integration can help future-proof farming practices and drive broader innovation across the agricultural industry.

Tourism and Culture

Overview

Tourism is a catalyst for economic activity in Canada. In 2023, the industry generated $124.4 billion in tourism revenue, exceeding pre-pandemic levels from 2019.[109] The direct visitor spending translated to a total economic impact of $252.2 billion in Canada in 2023, including indirect and induced impacts.[110] This total economic impact sustained nearly 1.1 million jobs and generated approximately $50.9 billion in total tax revenues in 2023.[111] The wine industry amplifies the tourism value proposition by creating immersive experiences that connect consumers to place, culture, and product. Wine regions across Canada attract millions of local and international visitors each year,[112] leveraging the natural beauty of Canada’s vineyards and culinary heritage. Like many leading wine region, as Canada’s wine industry continues to grow and thrive, it can underpin the possibility for Canada to create more destination value as a tourism and cultural asset.

Common Practices Demonstrated by Leading Wine Regions

Notable strategies employed by leading wine jurisdictions include having national tourism campaigns, offering immersive wine experiences and collaborating on stronger branding, all of which enhance the development of domestic and international wine markets. Examples of leading techniques in wine producing regions include:

Case Study 1: Wine Routes and Exhibitions [113, 114, 115, 116]

The Jura Wine Road in France, recognized by the EU's European Destinations of Excellence (EDEN) program, celebrates the region's rich wine heritage through a variety of events and activities. This 80-kilometre route not only showcases local crafts, cuisine, and historical landmarks, but also encourages tourism and supports local wine consumption. Visitors can explore 140 winegrowers, stay overnight amid vineyards, participate in tastings, and engage in various other recreation activities. This wine route was one of the first to receive France's national wine tourism designation, highlighting its success in promoting wine tourism and enhancing the overall visitor experience in the Jura region.

Beyond leisure tourism, wine regions can also serve as attractive destinations for business tourism, including corporate retreats, conferences, and other professional gatherings. Examples of this include:

- In 2023, the Napa Valley welcomed 3.7 million visitors with 7% (260,000) travelling for business purposes or to attend a corporate event. It was also noted there was a total of $2.5 billion US in total visitor spending in that year (~$3.4 billion Canadian dollars). Taking this into consideration, the growing influx of business travellers has become a stabilizing force in Napa's local economy, helping to: (i) balance seasonal fluctuations and (ii) fuelling the expansion of the hospitality sector by driving demand for high-end meeting spaces designed for team building, strategic planning, and curated wine and culinary experiences that often encourage return visits.
- ProWein is the world's largest international trade fair for wines and spirits. Held annually in Dusseldorf (Germany) since 1994, the exhibition creates a platform for networking, trade, and market intelligence for trade visitors and professionals such as importers, retailers, distributors, hoteliers, and sommeliers. In 2025 the fair featured 5,400 exhibitors from 65 countries and attracted roughly 47,000 trade professionals.
- Vinitaly, held annually in Verona (Italy), draws over 4,000 wine exhibitors and more than 125,000 professionals and visitors from across the globe. The event provides a key platform for showcasing Italian wines, promoting international trade, and highlighting the unique characteristics of regional wine specialties. For producers within Italy's wine industry, participation in Vinitaly and the reception their wines receive serve as important indicators of market health and success, especially for emerging wine regions. The exhibition also offers wineries a valuable opportunity to launch new wines and styles, announce collaborations with universities, organic, and biodynamic organizations, or form partnerships with other producers.

Key Takeaway: The incorporation of wine routes and national exhibitions can provide tourists with immersive experiences in wine-producing regions, contributing to economic diversification and the preservation of cultural heritage. As seen above, such investments can attract additional visitors annually and diversify income streams from tasting rooms to business tourism and international trade. Strategies applied in other jurisdictions provide examples where, by positioning wine regions as year-round destinations, regional wine clusters helped to transform rural areas into all-inclusive tourism destinations with global appeal.

Case Study 2: Spain – National Tourism Campaign [117, 118, 119]

In 2022, the Government of Spain and Turespaña (Spain's national promotion agency operating under the Ministry of Industry and Tourism) launched its National Plan for Enogastronomic Tourism, designed to showcase and strengthen the country's rich food and wine heritage. With an investment of €65 million (~$105 million Canadian dollars), the Plan aimed to establish Spain as a leading destination for culinary and wine tourism by fostering sustainability, innovation, and collaboration among industry stakeholders.

This campaign, in combination with other national tourism campaigns led by the Spanish government, has had a transformative impact on international visitor numbers. In 2024, Spain welcomed a record-breaking 94 million international tourists (up 30% from 2022), positioning the country as the 2nd most visited country in the world in that year. Additionally, with visitor spending reaching €126 billion (~$204 billion Canadian dollars). In that year, tourism accounted for approximately 12% of the country's GDP, with cultural and culinary tourism seeing a 28% rise compared to pre-pandemic level, thus reflecting growing demand for immersive travel experiences.

Key Takeaway: Wine tourism campaigns have helped to elevate the profile of a country's unique wine regions by promoting a singular national identity for wine tourism, which in turn, helped the industry to compete domestically and internationally. At the same time, these strategies brought together stakeholders from multiple industries—aligning messaging and resources to strengthen tourism ecosystems and experiences.

Other Considerations for Canada

- **Diversifying Revenue Streams:**

  Insights from stakeholder consultations reveal the need for wine regions across Canada to expand offerings to provide a more immersive experience that integrate food, culture, and wellness beyond vineyard tours and wine tastings. These could include:

  - Culinary tourism through wine-pairings, farm-to-table dining experiences, and collaborations to create wine-themed food festivals.
  - Cultural heritage by leveraging vineyards to showcase how the wine industry contributes to land preservation and aligns with Indigenous practices in terms of maintaining ecological balance and sustainability.
  - Business tourism by leveraging the appeal of wine regions for corporate meetings, strategic planning sessions, and conferences.
  - Other events such as leveraging spaces for weddings, and other community activities to support regional economic development.

- **Capitalizing on Buy-Canada Momentum:**

  With growing geopolitical uncertainty, consumer sentiment towards Canadian products is changing with Canadian shoppers rallying behind local goods and experiences. In response to U.S. tariffs on Canadian products, a February 2025 survey found that 78% of Canadians were committed to purchasing more domestically made goods. Notably, 50% of those respondents also indicated that they would increase their purchases of Canadian-made alcohol.[120]

  The impact of the buy-Canada movement on consumer sentiment provides an opportunity for the Canadian wine industry to increase its domestic market share.

Land Use and Commercial Development

Overview

Land use and commercial development are key drivers of economic vitality, shaping how communities grow, function, and thrive. In Canada, the real estate industry contributed $148.4 billion to GDP in 2021 and supported over one million jobs—underpinning urban planning, infrastructure investment, and economic growth across the country.[121] In the wine industry, land use and commercial development shape the value chain by aligning environmental stewardship with infrastructure planning. Thoughtful zoning, investment in wine-focused commercial hubs, and preservation of vineyard landscapes underpin the sustainable expansion of wine regions—balancing economic growth with long-term environmental and cultural values.

Common Practices Demonstrated by Leading Wine Regions

Observations from leading wine regions around the world include the impact that wineries and vineyards have on community desirability, as demonstrated on the accretive effects in the value of real estate of an area, as well as spurring rural economic development. Examples of leading techniques in wine producing regions include:

Case Study 1: Napa Valley, California—Housing Prices[122]

The Napa Valley's living costs are approximately 65% above the national average and 49% higher than the California state average. In fact, the region's average home prices are nearly three times greater than the national figure. Despite the challenges of the pandemic, Napa's real estate market demonstrated resilience and, as a result, demand has continued to grow in the post-pandemic period. Projections indicate that property values in Napa could increase by around 30% over the next decade.

Key Takeaway: The region's property wealth is closely linked to its thriving agriculture, tourism, and local wine industries. The Napa Valley attracts residents with its strong infrastructure, quality schools, and desirable lifestyle. Approximately 34% of residents rent their homes and there is significant demand for vacation rentals. The Napa Valley stands as a prime example of how wineries and wine-related tourism can drive regional economic growth and enhance property value. It is noted, however, that elevated property values could also have an adverse impact on housing affordability for key individuals supporting production activities (e.g., labourers) and potentially impact labour availability, retention, and producer operating costs.

Case Study 2: La Rioja, Spain—Infrastructure and Transportation[123, 124]

A 2018 study by Diaz-Reza et al. examined the role of infrastructure and transportation in the supply chain of wineries in La Rioja, Spain. Their analysis revealed that improvements in infrastructure have a direct positive impact on reducing transportation costs, represented by a 17.5% improvement in logistics performance reported in the analysis. According to the researchers, these improvements can help generate a 21% increase in economic gains throughout the entire wine supply chain (e.g., better satellite tracking with on-time data sharing and better-quality transport using distribution centres, outsourcing, and traceability), enhancing operational efficiencies from grape growers to distributors.

Key Takeaway: By investing in improved transportation networks, wineries can reduce logistics costs, improve delivery times, and attract more visitors to rural regions—helping to boost overall competitiveness. For example, the proposed introduction of a hovercraft service from Toronto to Niagara could significantly reduce travel time to the region from 2-3 hours to 30 minutes, making the region more accessible for both tourists and visitors.

Case Study 3: Walla Walla, Washington[125]

A study examining the impact of the wine industry on hotels and restaurants in Walla Walla revealed that in 2007, approximately 17% of the city's restaurant revenue and nearly 40% of its hotel revenue were directly attributed to local wine production. This significant contribution was largely driven by the growing number of wine tourists seeking accommodation and dining experiences in the region.

Key Takeaway: The findings underscore the vital role the wine industry plays in supporting Walla Walla's hospitality industry, boosting demand for both lodging and food services. Moreover, the study highlights how the success of the wine industry fuels broader growth in tourism infrastructure, reinforcing the region's economic development and positioning it as a key destination for wine tourism.

Other Considerations for Canada

- **Transforming Regional Wine Clusters into Commercial Hubs:**

  Regional wine clusters can support real estate development by driving demand for housing, hospitality services, and commercial infrastructure to create vibrant wine communities in rural and peri-urban areas. Their appeal as lifestyle and tourism destinations encourages the revitalization of underused land and fosters mixed-use developments tailored to both residents and visitors. In Canada, Ontario's wine regions, such as Niagara, share comparable advantages, including rich natural surroundings and proximity to major urban centres like Toronto. These regions hold strong potential to attract remote workers, retirees, and investors seeking quality of life and economic opportunity, and can be mirrored in other regional clusters through increased investments and industry partnerships.

Advanced Education

Overview

In the wine industry, advanced education supports the value chain by developing the scientific, technical, and managerial expertise needed to sustain growth and innovation. Universities and research institutions contribute to viticulture and oenology (i.e., study of wine and winemaking, excluding viticulture) advancements, workforce training, and global thought leadership—vital components for industry resilience and knowledge transfer across generations.

Common Practices Demonstrated by Leading Wine Regions

Widely adopted international practices emphasize research, training, and the exchange of knowledge. Examples of leading techniques in wine producing regions include:

Case Study 1: Research and Development (R&D) [126, 127, 128]

The successful entry of Australia into the global wine market has been enabled by the wine sector's strong R&D initiatives such as the development of steel tank fermentation and the adaptation of industry-wide technologies to local agricultural conditions.

Through Wine Australia, the country's grape and wine industry receives matched research and development funding from levies (i.e., $2 AUD per ton on grape growers and $5 AUD per ton on wine producers) and the government. According to Wine Australia's Strategic Plans, $120 million AUD (~$112 million Canadian dollars) in R&D funding would be available between 2020 and 2025 with an additional $4 million AUD (~$3.7 million Canadian dollars) per annum expected, as of 2026, under the Australia Wine Future Fund. Some of the areas that this funding will support include:

- Incorporating new or enhanced grapevine varieties that are resistant to both downy and powdery mildew;
- Incorporating new or enhanced technologies and processes, including agrifood technology to improve grape and wine quality, winery efficiency, and sustainability;
- Increasing the use of vineyard cover crops and soil remediation practices; and
- Maintaining supply of genetically diverse and high-health planting material.

Key Takeaway: Research and development play a critical role in driving innovation in the wine industry, enhancing the quality of grapes, productivity and overall profitability. At the same time, learnings can be leveraged across agriculture, food and beverage manufacturing, and environmental management to improve operational efficiencies and support a more competitive economy as a whole.

Other Considerations for Canada

- **Knowledge-Sharing Networks Playing a Key Role in Scaling Innovation across Canada:**

  Organizations like the BC Wine Grape Council facilitate the transfer of agri-tech advancements and sustainable practices by connecting growers, researchers, and policymakers.[129] Recent projects led by the Council have focused on[130]:

  - Management of grapevine trunk diseases and soil-borne pathogens;
  - Impact of cold hardiness and climate change;
  - Soil, water, and crop quality;

- Crop protection and monitoring; and
- Optimizing the quality of wines.

Regional viticulture programs—such as those offered by Acadia University and Niagara College—further support this ecosystem by equipping students with hands-on training in vineyard management and wine production. These institutions serve as important bridges between research and application, ensuring that emerging technologies and leading practices are continuously refined and widely adopted across the industry.[131, 132]

Niagara College exemplifies this with its Teaching Winery, which offers certificate programs designed to prepare students for the practical day-to-day responsibilities of working in the wine industry. Beyond initial training, the college provides graduates with opportunities to advance their skills through specialized programs in Wine Business Management, Hospitality and Tourism Management, and International Business Management. In 2022, the Teaching Winery and its associated vineyards earned SWO certification. This not only positions the college as a leader in responsible winemaking, but also allows students to learn best practices to advance a more sustainable future for the industry.[133]

Similarly, Brock University's Cool Climate Oenology and Viticulture Institute (CCOVI) is an internationally recognized research facility dedicated to viticulture. The institute offers the only program dedicated specifically to wine in cool climate regions in the world and works with over 100 wineries and grape growers in Ontario supporting the industry with research, education, and outreach. Like Niagara College, it has dedicated facilities and programs that train and educate workers for the wine, tourism, and hospitality industries.[134] CCOVI boasts a 96% job placement rate within the grape and wine industry, with many of its graduates taking on careers such as winemakers, vineyard manager, lab manager, sensory scientist or researcher.[135] The average salary for graduates in the program ranges from $40,000 to $150,000, highlighting the strong earning potential and diverse career pathways available to Canadians looking to enter the field.

6. Challenges and Opportunities: Shaping the Future of the Canadian Wine Industry

Wine Industry Challenges and Opportunities

The Canadian wine industry continues to deliver strong economic and social value. However, coalition members have indicated that there remains significant challenges for the industry to achieve its economic potential.

Looking at common practices in other jurisdictions can provide insights on how other countries have refined and expanded their initiatives to support their wine industries’ strategic ambitions.

As a path forward, coalition members have highlighted four strategic pillars of opportunity for the Canadian wine industry [136]:

- Growing and dominating the representation of Canadian wines in the domestic market;
- Enabling the tax-free movement of wine and other alcoholic beverages across provincial borders;
- Coordinating wine strategies nationally; and
- Assessing the duration and value of federal support programs.

This section of the report explores each of these priorities, identified and validated with stakeholders and case studies from other jurisdictions, to highlight the (i) existing barriers facing the industry and (ii) opportunities from tools commonly used by global wine industry leaders that could help drive industry-wide growth and competitiveness.

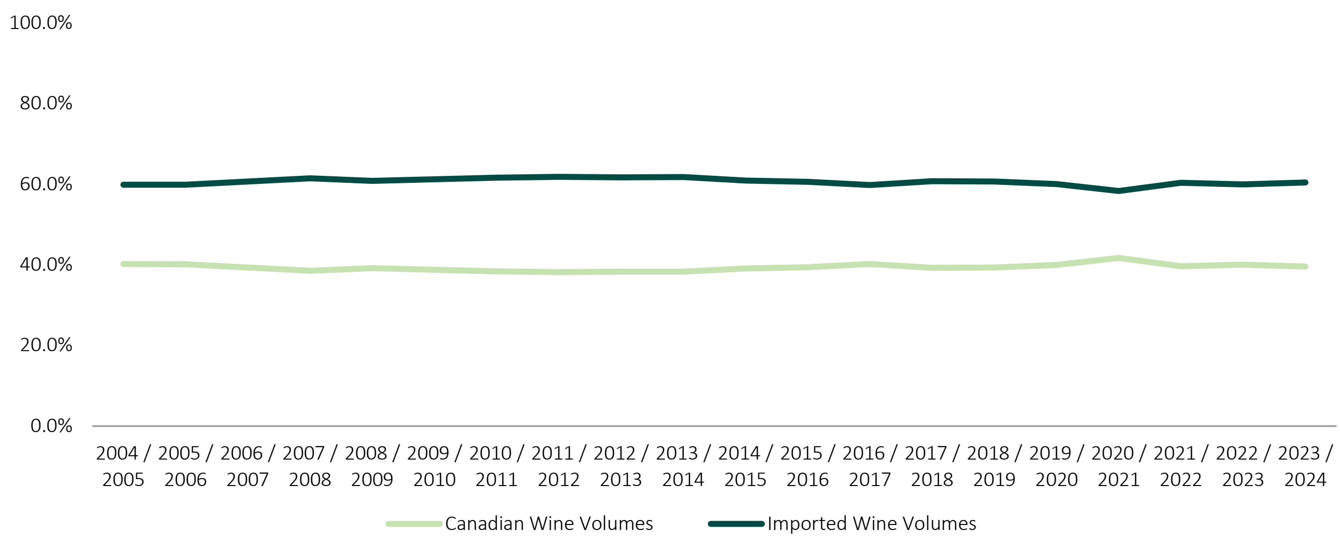
Pillar #1: Market Development – Growing and Dominating the Representation of Canadian Wines in the Domestic Market

Challenges Faced by the Industry Today

Stakeholders and coalition members highlighted that increasing the competitiveness of the national wine industry will require securing a 50% share of the domestic market. The standpoint of the stakeholders and coalition members was that the low levels of consumption of domestic wine in Canada compared to other jurisdictions (e.g., France), coupled with changing preferences such as younger people drinking less (and switching from alcohol to cannabis) could lead to lower demand in the wine industry.

Despite a strong and growing reputation for quality (e.g., Icewine and sparkling wines), Canadian wines continue to face low domestic market penetration. According to data from Statistics Canada (see chart below), the volume of Canadian wine products (i.e., VQA, non-VQA, and IDB) has hovered around 40%, showing muted growth for nearly two decades. In contrast, approximately 83% of the wine consumed in France originates from domestic production. [137]

Wine Sales Volumes (% share, from 2004/05 to 2023/24)



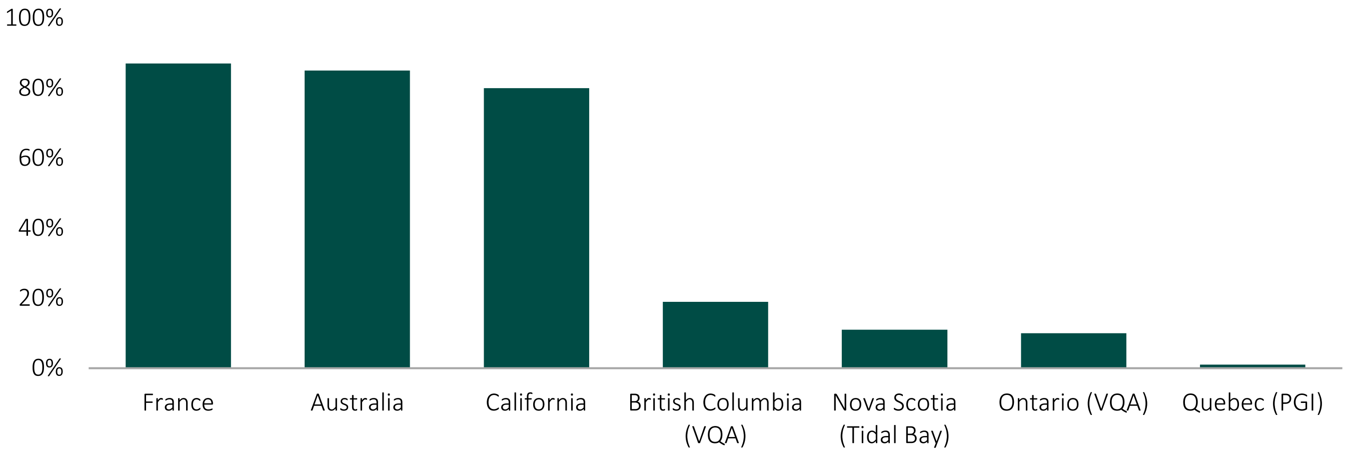
Source: Statistics Canada. Table 10-10-0011-01.

This imbalance becomes even more evident when compared with the market share of premium wine categories produced in Canada’s major wine regions:

- British Columbia’s VQA holds a **19%** market share; [138]
- Ontario's VQA holds a **10%** market share; [139] and
- Quebec’s PGI holds a **1%** market share. [140]

As of 2024, 100% Canadian wines account for less than 20% of all volumes of wines sold in their respective provinces. Among the four major wine-producing regions, Quebec’s PGI wines represent about 1% of the province’s wine market, despite having the highest volume of wine sales. Put simply, this means that out of the 166 million litres of wine sold in the province in 2023/24, only about 2 million litres were PGI wines. Looking abroad, it is also observed that domestic market share is significantly larger in leading wine jurisdictions (e.g., France, Australia, and California) where the majority of wine consumed is crafted locally.

Share of Domestic Market Wine Sales Volumes (%) in Key Jurisdictions



Sources: International Organisation of Vine and Wine; Wine Australia; Wine Institute; Grape grower associations in British Columbia, Nova Scotia, Ontario and Quebec.

This significant gap between sales of Canadian wines and imports domestically could, in turn, translate to lost revenue opportunities for local wine industry stakeholders and a smaller economic footprint for the industry.

Key Opportunities

According to WGC, multiplier effects for Canadian wines are six times greater than that of imported wines in Canada.[141] It is estimated that for every bottle of 100% Canadian wine purchased in Canada, about $89.99 is generated for the economy, on average, as compared to a bottle of imported wine, which results in an $15.73 impact.[142]

Illustration of the Economic Contribution of 100% Canadian Wines in Comparison to Imported Wines ($ impact per bottle)

Source: Wine Growers Canada.

This means domestic wines keep more value within the national economy, supporting operations and jobs across multiple industries (e.g., agriculture, education, manufacturing, transportation, and tourism). To further strengthen market development in its domestic wine industry, Canada can look to successful strategies adopted by leading wine jurisdictions as outlined in the case study below:

Case Study: Spain – The Strategic Plan for Wine [143, 144]

Spain's 2022-2027 strategic plan for the wine industry, spearheaded by the Interprofessional Wine Organization of Spain (OIVE) is a **comprehensive initiative aimed at revitalizing both domestic and international markets** for Spanish wine. Spain's wine industry benefits from funding under the EU's Common Agricultural Policy, and for the period 2021-2027, Spain has a budget of €47.7 million (~$77.1 million Canadian dollars) This plan focuses on enhancing the industry's image, increasing product value, promoting sustainability, and driving digitalization.

Key Takeaway: Spain's 2022-2027 strategy has already started to deliver measurable impact, with the country maintaining its position as the third largest producer of wine globally and seeing a 3.1% increase in domestic consumption from 9.6 million hectolitres in 2022 to 9.9 million hectolitres in 2024 (despite declines in other leading jurisdictions like France, Italy, and the U.S. during the same period).

A Changing Course: Consumer Perceptions Related to Alcohol Consumption

It is important to highlight, however, that changing alcohol consumption patterns could present another hurdle for the industry. Behavioural trends recorded in the annual Canadian Community Health Survey reveal a steady decline in alcohol consumption among young people aged 18-34 between 2015 and 2024. [145, 146] Consequently, health concerns related to alcohol and generational drinking preferences could lead to an overall decline in wine consumption and could reshape traditional wine markets, thus demanding new approaches to sustain market presence.

Pillar #2: Market Development – The Tax-Free Movement of Wine and Other Alcoholic Beverages across Provincial Borders

Challenges Faced by the Industry Today

Stakeholders and coalition members highlighted that from a regulatory perspective, trade barriers can significantly hinder the wine industry's ability to grow and compete domestically as compared to other countries with free internal trade.

In Canada, the interprovincial trade landscape for alcohol is primarily governed by the Federal Importation of Intoxicating Liquors Act (IILA). [147] Interprovincial trade in alcohol has been directed largely by provincial governments, resulting in inconsistent rules (e.g., differences in licencing and credential recognition for workers, as well as weight limits and safety standards for trucks) for market access across provinces.

Approaching its centennial, coalition members have expressed that the IILA has left Canada without a true national market for wine. Instead, the industry is constrained within a patchwork of provincial systems that fragment domestic demand. According to coalition members, this fragmentation guarantees that Canada's wine industry remains structurally subscale—too small to achieve efficient scale within its own borders—and, in turn, too small to compete globally against producers in other countries who benefit from unified national markets that help enable cost-effective brand building and international expansion.

This feature of the Canadian economy has long been identified by coalition members as a potential challenge for domestic growth as it curtails the trade of Canadian wine products, limiting consumer access and reducing revenue opportunities for producers.

In an effort to reduce these internal barriers to the movement for goods and services within Canada, the Canadian Free Trade Agreement (CFTA) Action Plan was created in 2019. In the context of the wine industry, the CFTA aims to [148]:

- Encourage provinces to eliminate personal import limits; and
- Enable DTC wine shipping.[§§§§]

More recently, given the geopolitical landscape around international trade and discussions on internal trade liberalization, the federal government has moved to eliminate all federal exemptions from CFTA. At the provincial level, several provinces have taken steps—through amendments to their liquor acts or agreements with other provinces (i.e., a memorandum of understanding)—to facilitate the sale of alcohol from a manufacturer in one province to a consumer in another province. However, compliance remains uneven, with several provinces still prohibiting DTC shipping of wine across borders as outlined in the table below:

A Snapshot of Wine-Related Interprovincial Trade Barriers

Province	Level of Restrictions[*****]	Interprovincial Trade Policy
British Columbia	Low	• **DTC shipping is permitted** for wine from other provinces. • **Unlimited wine imports** for personal consumption.
Manitoba	Low	• DTC shipping is permitted for wine from other provinces. • **Unlimited wine imports** for personal consumption.
Nova Scotia	Low	• **DTC shipping is permitted** for wine from other provinces. • **Unlimited wine imports** for personal consumption.
Alberta	Moderate	• **DTC shipping of wine is restricted from most provinces**; Alberta has a bilateral agreement with the Government of British Columbia to allow DTC shipping between the two provinces. • **Unlimited wine imports** for personal consumption.
Ontario	Moderate	• **No DTC shipping framework for wine** from other provinces; all wine must be sold through the LCBO. Schedule 3 of the LCBO Act (amended in December 2025) allows the LCBO to implement a DTC framework, pending approval by the Minister of Finance. • **Unlimited wine imports** for personal consumption.
New Brunswick	Moderate	• A May 2025 amendment to the Liquor Control Act permits **DTC shipping** for wine from other provinces, however entry into force remains pending. • **Unlimited wine imports** for personal consumption.
Prince Edward Island	Moderate	• A May 2025 amendment to the Liquor Control Act permits **DTC shipping** for wine from other provinces, however entry into force remains pending. • **Unlimited wine imports** for personal consumption.
Saskatchewan	Moderate	• **DTC shipping of wine restricted from most provinces**; multi-provincial Memorandum of Understanding on advancing DTC shipping entered into in July 2025. • **Unlimited wine imports** for personal consumption.

[§§§§] DTC shipping refers to wineries' capacity to ship wine straight to consumers in Canada without relying on third parties such as retailers or wholesalers.
[*****] This summary provides a high-level summary of Deloitte's findings on policies related to DTC shipping and import limits. It is not intended to serve as a comprehensive benchmark or analysis of the broader complexities and impacts of trade policy.

Province	Level of Restrictions*****	Interprovincial Trade Policy
Quebec	Moderate	• **No DTC shipping framework for wine from other provinces;** Memorandum of Understanding on advancing DTC shipping entered into in July 2025. • SAQ only allows sales (e.g., in their grocery channels) from producers who have invested in production facilities in the province. • **Unlimited wine imports** for personal consumption.
Newfoundland and Labrador	High	• **No DTC shipping framework for wine from other provinces;** Memorandum of Understanding on DTC shipping entered into in July 2025. • **Legislated limit on personal wine imports** is 18 litres.
Yukon	High	• **No DTC shipping framework for wine** from other provinces; all wine must be sold through the Yukon Liquor Corporation (YLC). • **Legislated limit on personal wine imports** is nine litres.
Nunavut	High	• **No DTC shipping framework for wine** from other provinces; all interprovincial wine shipments must go through the Nunavut Liquor and Cannabis Commission (NULC). • **Legislated limit on personal wine imports** is nine litres.
Northwest Territories	High	• **No DTC shipping framework for wine** from other provinces; all wine must be sold through the Northwest Territories Liquor and Cannabis Commission (NTLC). • **Legislated limit on personal wine imports** is nine litres.

Legend:

Level	Key	Description
Low Restriction		Full DTC shipping access **AND** Unlimited wine imports for personal consumption
Moderate Restriction		Some/Full DTC shipping access **OR** Limited /Unlimited wine imports for personal consumption
High Restriction		No DTC shipping framework **AND** Limited wine imports for personal consumption

Sources: Provincial Government Websites; Wine Growers Canada.

Key Opportunities

Consequently, asymmetry between provinces fosters uneven market conditions and could pose significant challenges for the wine industry as varying provincial rules limit domestic market access.

- For small and mid-sized producers, trade barriers may limit access to consumers which, in turn, could impact brand visibility and imply higher marketing costs to fully contribute to Canada's economic development; and
- For Canadian consumers, these barriers may also limit access to Canadian wines and awareness of the diversity and quality of wine-related products that the domestic wine industry has to offer—thus missing opportunities to support local businesses and producers.

According to Farm Credit Canada's 2025 Food and Beverage Report, there are opportunities to support the Canadian wine industry through increased domestic production—provided regulatory hurdles to interprovincial trade can be addressed.[149]

To date, however, selling alcohol across the country remains complex due to varying provincial regulations related to taxation, storage, shipping, labelling, and distribution.[150] According to coalition members, ensuring a wider selection of Canadian wines across the country by removing interprovincial trade barriers could allow the industry to tap into this Canadian cultural moment, leveraging a burgeoning national pride, establishing reputational capital and perceived scale across the industry. The case study below provides an example of a successful strategy adopted by a leading wine jurisdiction to strengthen internal trade flows:

Case Study: United States – Inter-State Trade of Wine[151, 152]

In the United States, there are fewer restrictions on inter-state trade of wine in comparison to Canada. Wine can be shipped almost freely between states, with 48 states permitting winery DTC shipping. This has created an opportunity for the wine industry to expand into domestic markets more easily. Successful wine producing jurisdictions have a common characteristic that their local wineries tend to dominate their domestic markets.

Key Takeaway: California is one of the largest wine producing jurisdictions in the U.S. In 2024, the estimated retail value of Californian wine to the U.S. was $67.5 billion US (~$93 billion Canadian dollars). This reflects the significant contribution of the wine industry to the U.S. economy, enabled by access to both domestic and international markets. The ability to ship wine freely between states can help wineries reach a wider customer base, boost awareness of local products, as well as encourage healthy competition among producers to improve both wine quality and sales. At the same time, it allows Californian wines to scale up production volumes, which can help to lower cost per bottle and, in turn, support export competitiveness.

A Changing Course: Breaking Barriers to Build Markets in Geopolitical Uncertainty

Amid rising geopolitical trade tensions and a shift in trade relations with the U.S. (Canada's largest trading partner), Canada is turning its focus on diversifying its global trading partners while reinforcing and expanding its domestic market.[153]

On June 20, 2025, the Government of Canada passed the One Canadian Economy Act which aims to[154]:

- **Remove barriers to internal trade and labour mobility** to enable the free movement of goods, services, workers, and businesses across provinces and territories;
- **Expedite nation-building projects** that will connect and transform Canada and unleash economic growth while ensuring environmental protections and Indigenous rights are upheld; and
- **Improve collaboration with Indigenous Peoples** through consultation and engagement to build shared prosperity.

Eliminating interprovincial trade barriers could deliver a significant boost to the Canadian economy, partially offsetting the impact of U.S. tariffs and improving the economic prospects for Canadian businesses nationwide. Deloitte estimated that removing these barriers would deliver an $881 billion economic boost which translates to a 2.4% increase in GDP and 133,000 new jobs across Canada.[155]

For wine industry stakeholders, this commitment from the federal government could be a key step towards increased consumer access and creating a unified Canadian wine market that could drive economic activity and advance the industry's goal of increasing domestic market share.

- Expanding DTC shipping access could allow wineries—particularly small and mid-sized producers—to bypass the cost of using intermediaries and connect directly with consumers across the country, thereby creating a robust national market.[†††††]

††††† It is noted that the expansion of DTC shipping channels reallocates value along the wine industry's supply chain, increasing producer margins. However, shipping costs across provinces may prohibit producers from achieving the full benefit of DTC. Premium wine producers are likely to gain the most as higher price points and brand equity may be able to absorb logistics and other associated costs (e.g., marketing costs) more effectively than bulk wine producers due to lower price points.

- At the same time, the elimination of trade barriers on wine products provides an opportunity for producers to increase their investment in the industry (i.e., expanding grape growing and wine production capacity), which could translate to more Canadian jobs and products.
- Internal trade would not only boost the industry, but also the many sectors that are linked to its growth such as culture, tourism, and transportation.

At the same time, it is clear that interprovincial trade liberalization is not a 'silver bullet'. It is recognized by both industry and federal stakeholders that structural challenges like production capacity, climate adaptation and other policy frameworks (outlined below in Pillars #3 and #4) still need to be addressed by both stakeholder groups to increase domestic market share and enable long-term growth in the Canadian wine industry.

Pillar #3: Federal-led Development Strategies — Coordinating Wine Strategies Nationally

Challenges Faced by the Industry Today

Stakeholders and coalition members brought attention to the fact that, at present, there is no federally led development strategy tailored to expanding the competitiveness or sustainability of the Canadian wine industry. Although the Federal Tourism Growth Strategy exists as a national development strategy, it is not specific to the wine industry and hence may not be able to address industry-specific challenges, the establishment of wine routes and promotional campaigns. [156]

- As an industry-agnostic program, it places the wine industry in direct competition with a wide array of other industries and regions for limited funding. This can dilute the impact of federal support and limit the wine industry's ability to access sustained, tailored investment, particularly compared to countries that have adopted wine-specific strategies to advance rural development and domestic market competitiveness.

Similarly, at the provincial level, stakeholders and coalition members highlighted that there are a few interconnected tourism and economic development strategies that relate to the wine industry. Existing initiatives include:

- **Wine Growers Nova Scotia (WGNS) marketing plan and integrated social media strategy** to promote the wine industry, and help WGNS [157]:
  - Develop and launch the Nova Scotia Vine and Wine Ambassador program;
  - Build awareness of the Wines of Nova Scotia brand; and
  - Collaborate more effectively with all levels of government to expand market opportunities for Nova Scotia wine.

- **Niagara Grape and Wine Festival** which is one of the largest and most well-known festivals in Canada featuring activities that celebrate the region's rich winemaking heritage. [158]

Key Opportunities

According to coalition members, leading wine jurisdictions leverage federal-led development strategies to bolster wine tourism and increase industry recognition. These programs often encompass the establishment of wine routes across vineyards to attract visitors, as well as organizing wine exhibitions and formulating a national government-led economic development strategy to outline tactical steps for positioning wine as a tourism and cultural asset. One jurisdiction that Canada can draw learnings from is France and its development of the Destination France Plan to strengthen its destination value through wine tourism:

Case Study: National Tourism Campaigns[159,160,161]

In 2021, France introduced the Destination France Plan, a comprehensive 10-year national strategy led by the Minister of Tourism which aimed to revitalize and transform the tourism sector. With a significant budget of €1.9 billion (~$3.1 billion Canadian dollars), the plan has focused on reinforcing France's status as the world's top tourist destination while promoting sustainable tourism practices. The strategy includes 20 key initiatives across five strategic areas which are outlined below:

- Attracting and retaining talent;
- Enhancing sector resilience and quality;
- Developing and promoting tourism assets;
- Advancing ecological transition; and
- Maintaining France's competitive edge in the global market.

For the French wine industry, this strategy has helped to promote wine tourism as a strategic asset, with the "Vignobles & Decouvertes" (Vineyards and Discoveries) brand expanding across France at key events such as the biannual Destination Vignobles showcase for international operators. The strategy also boosts destination marketing by leveraging France's renowned wine regions to strengthen the country's position as the world's leading tourist destination.

Key Takeaway: In 2023, a total of 12 million wine tourists visited vineyards across France, up 20% from 2016. Of those visitors, 6.6 million were local visitors (up 14%), while 5.4 million came from abroad (up 29%), underscoring a growing global interest in French wine tourism through the support of federal strategies.

Pillar #4: Margin Enhancement and Capital Support — Assessing the Duration and Value of Federal Support Programs

Challenges Faced by the Industry Today

It was also emphasized by stakeholders and coalition members that from a policy perspective, high taxation and the absence of long-term, dedicated federal funding streams to support sustained capital investment in the wine industry, is a major factor impeding the Canadian wine industry from reaching its full potential.

- **Margin Enhancement –Taxation:**

  In 2017, Canada introduced changes to excise duty rates on alcohol products under Bill C-44, whereby rates would be adjusted annually based on inflation.[162] While 100% Canadian wines were initially exempted from the legislation changes, the policy was challenged by Australia at the World Trade Organization in 2018, arguing an unfair disadvantage to imported wines.[163] As a result, to comply with international trade regulations, Canada agreed to repeal the exemption, and as of July 1, 2022, all Canadian wines, including wines produced prior to the repeal of the excise exemption became subject to the excise duty.[164]

  According to WGC, the excise exemption had supported investments in the following areas between 2006 and 2018[165]:

  - Construction of 400 new wineries across Canada; and
  - Renovations of 300 wineries to modernize wine production infrastructure and enhance the quality of wines made in Canada.

  Together, these infrastructure investments supported an increase in wine production and an additional 40 million litres of 100% Canadian wine sales over the 12-year period according to the industry stakeholders.

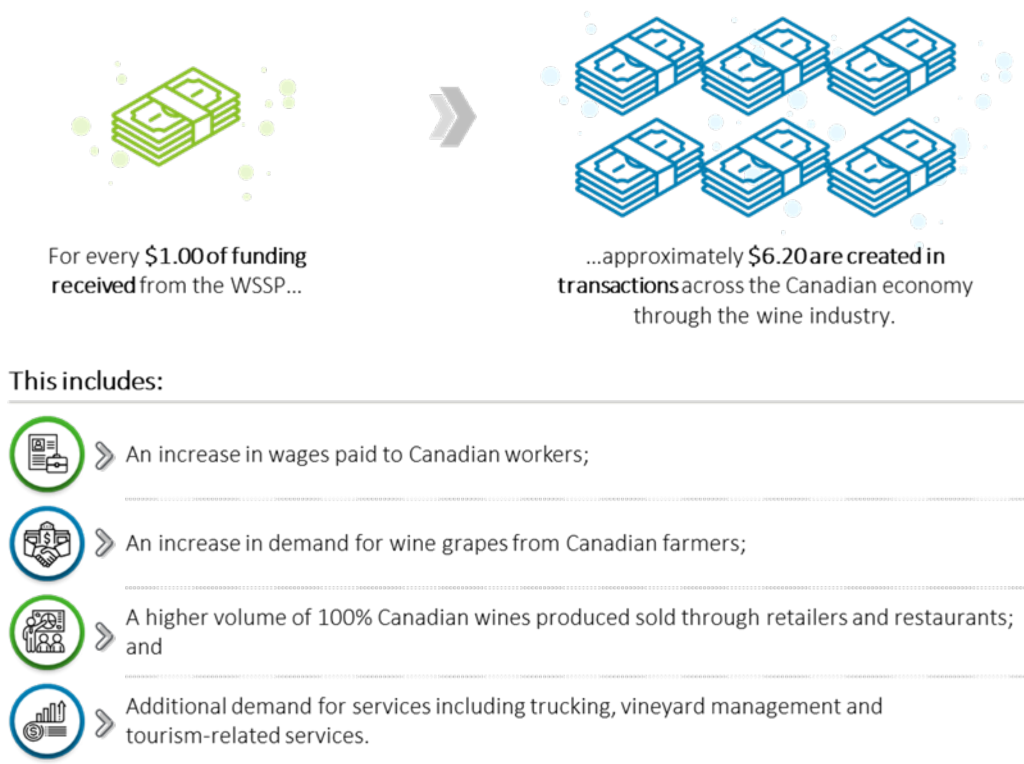
Following the removal of the excise exemption in 2022, an excise rate of $0.67 was applied to wine containing more than 7% alcohol per litre. As of 2025, the excise duty rate has increased by 8.6% to $0.73 per litre.[166] In comparison, the excise rate for French wines, as of 2025, is €0.04 (~$0.06 Canadian dollars) per litre.[167] Similarly, the U.S. government's excise duty on still wine is $0.28 US (~$0.39 Canadian dollars) per litre.[168, ‡‡‡‡‡] Taking into consideration the sales tax also applied to Canadian wines, the industry faces a high tax burden with an average total tax contribution of $3.05 on its $19.88 price tag, or approximately 15.3%.[169] Coalition members have highlighted that, at this level, domestic taxation rates could limit Canadian wines from competing against major wine-producing nations.

- **Capital Support–Broad-Based Funding with Short-Term Horizons:**

  Coalition members have also emphasized that growing grapes for wine is a long-term commitment measured in seasons, not months. For a new vineyard, it can take Canadian farmers three to five years before vines produce usable grape and up to 10 years before a grower sees a return on investments from premium varietals. Once harvested, those grapes may require years of aging before reaching liquor board shelves, particularly cool-climate varietals like Pinot Noir or barrel-aged Cabernet Franc. Therefore, stakeholders indicate that long-term vision is a necessity for the industry's viability.

  In 2022, the Government of Canada announced the Wine Sector Support Program (WSSP) to help licensed Canadian wineries adapt to ongoing and emerging challenges (e.g., labour shortages and climate impacts), and improve the wine industry's market competitiveness.[170] With an initial budget of $166.2 million over two years (2022-2024), coalition members indicated that the program was a great success by helping to generate economic activity in the wine ecosystem from grape growers and wine producers to businesses in culinary and wine tourism, retail, entertainment, and culture that support the industry's growth.

To put this into context, in 2024 WGC reported that[171]:



Source: Wine Growers Canada.

‡‡‡‡‡ Due to differences in the governance structure and taxation framework across these regions, taxation comparisons may not fully reflect the broader economic context or consumer impact in each jurisdiction.

Recognizing that the wine industry continues to face several pressures that impact its financial resilience and competitiveness, in March 2024, the Government of Canada announced a three-year extension to the WSSP (from 2024 to 2027) with an additional $177 million in funding to support Canadian wineries.

To date, the WSSP remains trade compliant and could continue to support billions of dollars of economic benefits to local and rural communities. Stakeholders and coalition members have indicated, however, that while this program offers valuable support, funding horizons can be restrictive due to the long-term planning cycle associated with the wine industry.

Additionally, according to coalition members, there is a notable gap in targeted support for climate resilience measures specifically within viticulture. Provincial programs (e.g., British Columbia Replant Program and Nova Scotia Wine and Grape Industry Development Program) have been effectively tailored to meet jurisdiction-specific needs. However, due to short-term funding horizons and the broad structure of programs, coalition members stated that existing federal initiatives may lack the continuity or specificity required to aid wine producers in capital expansion activities such as in vineyard replanting, frost-resistant varietals, irrigation infrastructure, or other climate-adaptive technologies. Coalition members emphasized that this, in turn, could limit the national industry's ability to recover from extreme weather events and may weaken producers' capacity to make proactive, multi-year investments essential for climate resilience.

Key Opportunities

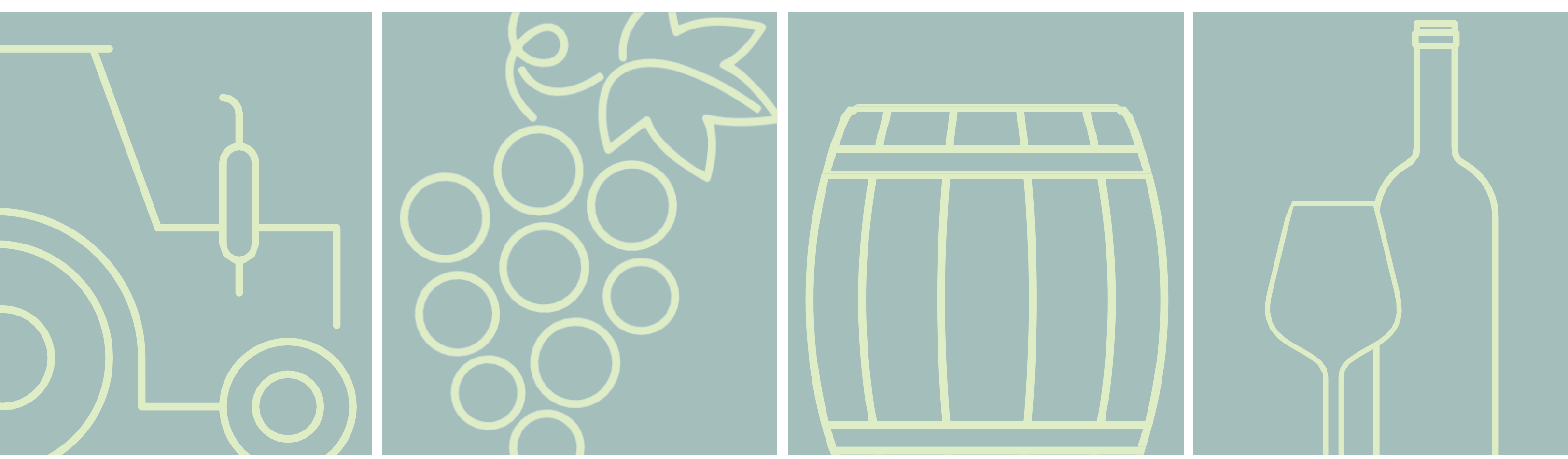
Globally, leading wine jurisdictions have leveraged capital support programs to support domestic wine producers improve operational efficiencies and overall competitiveness. These programs play a critical role in helping wine producers remain viable amid rising input costs, environmental pressures, and global competition–offering valuable insights for enhancing Canada's support programs related to the wine industry. A key example includes:

Case Study: United States – Agricultural Grants[172,173,174,175,176]

The U.S. Department of Agriculture's Rural Development arm provides matched funding to wineries under its Value-Added Producer Grant (VAPG) program. Between 2016 and 2017, wineries in California and Washington State were among the recipients of the program's grants, with individual awards of up to $250,000 US (~$344,000 Canadian dollars) and total winery funding reaching several million dollars during that period. The funding helped to finance operating costs such as: hiring labour, expanding production, improving product design and packaging, and other initiatives.

To qualify, wineries needed to be vertically integrated and produce over 50% of the grapes used in their respective production process, making the program especially helpful to smaller producers. Given the long-term investment required in winemaking and the high barriers to entry faced by smaller producers, early financial support can increase their likelihood of long-term stability and profitability in the industry.

7. Harvesting Opportunity Through the Domestic Market



A Path Forward: Expanding the Impact of Canada's Wine Industry and Broader Ecosystem

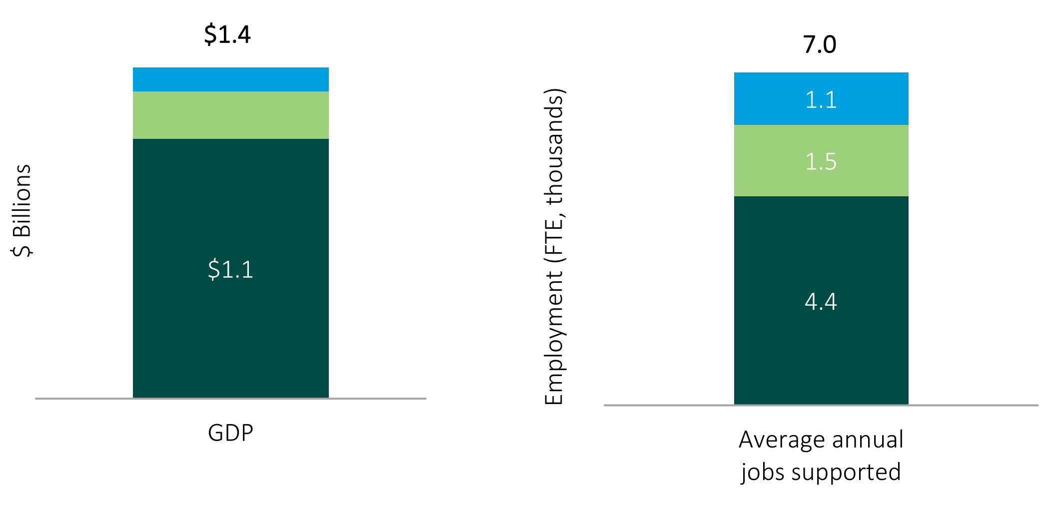
A high domestic market share of a country's own wine production signals more than just local preference—it can serve as a strong indicator of national confidence in the wine industry's quality, brand identity, and contribution to cultural value. As discussed in Section 6, countries like France, Australia and the U.S. (California) maintain dominant shares of their domestic wine markets. In contrast, Canadian wines account for about 40% of domestic wine sales by volume and 30% by value.[177,178] In the face of geopolitical uncertainty, domestic wines can serve as a strategic hedge that helps mitigate the risks associated with trade disruptions. To illustrate the significance, a more robust local wine market can contribute to greater stability in product flows for grape and wine producers, while supporting a consistent revenue stream across the broader supply chain (i.e., for retailers and wholesalers) and reduce reliance on export markets for long-term growth.

A Scenario in which the Wine Industry Achieves a 51% Domestic Market Share

It is estimated that the wine industry contributes $3.2 billion to the national economy and sustains 21,700 jobs annually, on average. If the Canadian wine industry captures a 51% domestic market share of wine sales values over the next 15 years, the estimated contribution of the industry to the national economy could increase by:

- **$1.4 billion** in GDP from $3.2 billion to $4.6 billion; and
- **7,000 FTEs** in sustained employment from 21,700 FTEs to 28,700 FTEs, **annually, on average**.

Annual Contribution of the Canadian Wine Industry to the National Economy Assuming the Wine Industry Achieves 51% Market Share Penetration over a 15-Year Period[§§§§§]



[§§§§§] Notes:
(i) The reference year for this scenario analysis is 2019, with industry growth rates applied to scale up estimates to 2023 dollars.
(ii) All estimates, except jobs, are expressed in Canadian dollars.
(iii) Due to rounding, numbers presented on this page may not add up precisely to the total.

Achieving this incremental contribution of $1.4 billion—once the industry reaches a 51% domestic market share following a 15-year ramp-up period—would translate to an average, annual growth rate of 2.7% across the wine industry's supply chain (i.e., including grape production, wineries, wholesale and retail) in comparison to its historical average growth rate of 1.13%.[179]

Growth Trajectory Scenarios for the Wine Industry over 20 Years

Source: Deloitte Analysis.

Wineries create demand for goods and services across multiple tiers of the economy such as transportation, tourism and culture, which create an integrated value chain of businesses which drive regional and rural economic development. Accounting for the growth of interconnected industries in the Canadian wine ecosystem, the estimated contribution of Canada's regional wine clusters to the national economy could increase by $2.2 billion in GDP from $6.9 billion to $9.1 billion. Taken together, the total GDP contribution from Canada's wine cluster (in a 51% domestic market share scenario) could increase by $3.6 billion, from $10.1 billion to **$13.7 billion** annually, on average. This translates to an estimated impact of $88.50[******] per 750ml bottle of 100% Canadian wine sold.

If domestic market share steadily grows to 51% over 15 years and is sustained thereafter, the uplift from the wine industry could amount to an additional **$10.6 billion** in GDP to Canada's economy, cumulatively, by year 20. When accounting for the growth of interconnected industries in the Canadian wine ecosystem, the overall cumulative GDP uplift from Canada's wine cluster in this scenario would amount to an additional **$24.2 billion** by year 20.

Key Contributors to Increasing Domestic Market Share

Gaining a 51% domestic market share would require a strategic shift across the wine industry, with stakeholders leveraging common global practices (outlined in the earlier sections of this report), and applying them across major wine regions in Canada.

******The GDP per litre impact is calculated as a ratio of the incremental GDP impact of a 51% market share to the volume (litres) of imported wine displaced.

Based on literature reviews and consultations with coalition members, the driving factors enabling this shift would include:

- **Production Capacity Expansion and Vineyard Development:**

  Consumption trends reported by Statistics Canada in 2023/24 show that Canada would need to produce and sell an additional 54.4 million litres of wine annually, on average, to displace imported volumes.[180, ††††††] To reach this target over the next two decades, the wine industry would need to:

  - Increase current production levels for VQA and non-VQA wines;
  - Expand vineyard acreage by approximately 16,000 acres (up ~50% from the existing 31,000 grape-bearing acres); and[‡‡‡‡‡‡, 181, 182]
  - Strengthen market value share (i.e., by increasing total sales revenues for Canadian wines by ~$1.7 billion) in part by premiumizing the Canadian wine category and expanding in higher price bands.[§§§§§§]

  Coalition members have highlighted that this growth could present a unique opportunity to advance a regional/rural economic development strategy for the production of premium wines. The strategy would centre on the expansion of vineyards in emerging wine regions, as well as retrofitting existing farmlands (i.e., through crop substitution) to maximize land productivity and align grape supply with evolving market demand. At the same time, the full utilization of harvested grapes could also support an increase in Canadian grape content in blended and value wines (e.g., bulk wines), thereby helping to improve the competitive positioning of domestic wines across all price levels.

  The scale of production would also necessitate significant capital investment for land acquisition (estimated between $10,000 and $210,000 per acre)[183, 184] depending on the region, as well as replanting and operational setup costs for establishing a new vineyard (estimated between $10,000 and $15,000 per acre) over the first four to five years.[185, 186] As a labour-intensive industry, the economic development strategy could help drive skilled employment across Canada and contribute to a more resilient supply chain (i.e., in agriculture, bottling, packaging, logistics, distribution, retail, and hospitality). Collectively, these outcomes could position the Canadian wine industry as a key driver of both agricultural diversification and regional economic growth.

- **Increased Consumer Awareness and Destination Branding:**

  Federal stakeholders and coalition members have highlighted the importance of consumer awareness as a key lever to increase demand for domestic wines. According to stakeholders, by shifting perception of Canadian wine being synonymous with solely Icewine, and building an understanding of the different flavour profiles and unique terroirs, consumers may be more likely to consume domestic wines. Some tactics that have enhanced the perception of wines in other jurisdictions include:

  - Wine education initiatives to inform people about the time and investment put into production;
  - Media campaigns via digital and social platforms; and
  - Events and tastings in major wine tourism zones.

  Additionally, coalition members have emphasized that a stronger consumer connection to Canadian wines can help reinforce national supply-chain linkages from agriculture to retail, hospitality, and tourism. Wineries can create demand for goods and services across multiple tiers of the economy and with growing global interest in culinary tourism for

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†††††† According to Statistics Canada, the total volume of wine sold in Canada in 2023/24 was 476 million litres. Of this, the Canadian wine industry produced 189 million litres. This means that Canada's wine industry would need to produce and sell an additional 54.4 million litres of wine to capture 51% of the wine sales volumes and displace imported wines. The displaced volume is calculated as 51% of the total volume of wines sold in 2023/24, less the amount already produced domestically.

‡‡‡‡‡‡ The projection of an additional 16,000 acres of land under vine assumes that (i) Canadian grape growers would be able to produce average yields of 4.5 tons of grapes per acre and (ii) wine producers could maintain a conversion rate of approximately 770 litres of wine per ton of grapes.

§§§§§§ According to Statistics Canada, the total value of wines sold in Canada in 2023/24 was $7.8 billion. Of this, wines produced or blended in Canada accounted for $2.3 billion. This means that Canada's wine industry would need to secure an additional $1.7 billion in wine sales to capture 51% of the domestic market and displace imported wines.

authentic experiences,[187, 188] Regional wine clusters across Canada are well-positioned to generate high economic returns at the local, provincial, and national level. By leveraging market development campaigns to spotlight Canada's premium varietals (i.e., VQA and 100% Canadian wines), wineries and vineyards across the country could function as multi-use spaces for leisure and business tourism (e.g., tastings, overnight stays, weddings, and corporate events) that support year-round economic activity for the wine industry and, in turn, help strengthen regional clusters and consumer value.

- Free Internal Trade:

  Finally, as discussed in Section 6, coalition members have emphasized that seamless access across all provinces and territories would enable Canadian wines to effectively compete in the domestic market. According to coalition members, (i) aligning DTC shipping frameworks and (ii) expanding limits on personal imports could support the domestic market, unlocking new sales channels for craft and commercial producers to build market share.

  Similarly, the ability to efficiently move goods and services across regions is fundamental to a robust wine ecosystem. Findings from a 2023 Statistics Canada survey showed that transportation costs were reported as the most common obstacle to interprovincial trade for businesses in Canada (cited by 27.4% of businesses).[189] Variations in trucking regulations—such as driver certifications, weight limits, and inspections—can contribute to increased costs when goods move across provincial borders and may impact business competitiveness. Taking this into account, regulatory alignment across provinces can help reduce trade frictions, while also supporting labour mobility in the wine ecosystem, and the broader economy, to help boost national productivity and economic resilience across Canada.

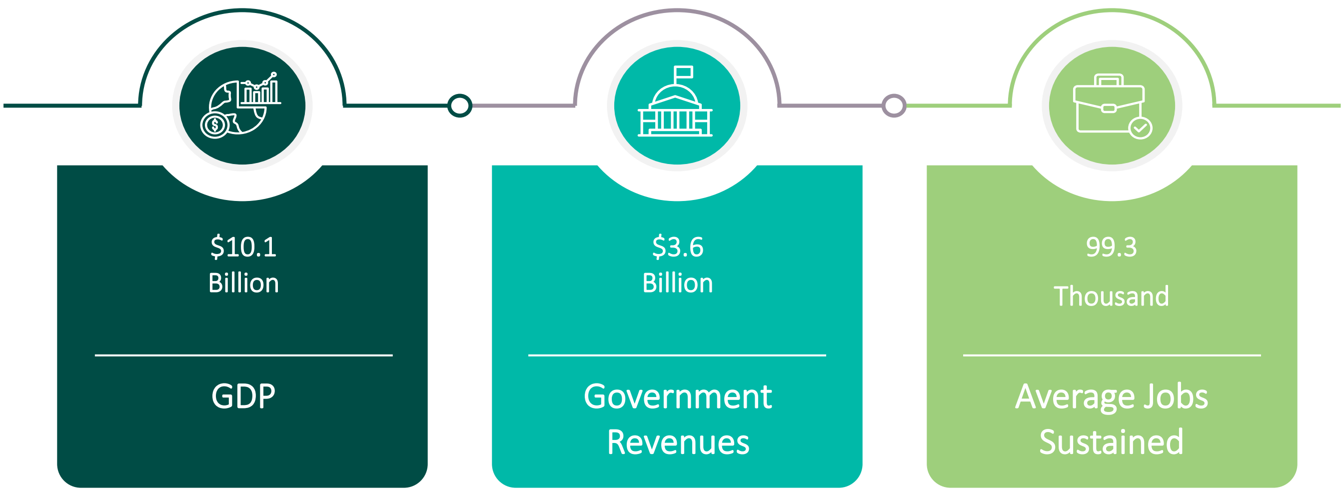
8. Conclusion

Synthesis of the Wine Industry's Value Proposition

As outlined throughout this paper, the wine industry serves as a critical player for economic growth in Canada. Anchored by its four major wine-producing regions, the industry has supported stable and impactful streams of revenue for Canada's long-term development with each region acting as a unique cluster of economic activity that collectively form the national wine industry.

Shaped by more two centuries of development, Canada's wine industry has made a significant contribution to the national economy through its operations and supply chain effects. The impact of the Canadian wine industry, however, is not limited to viticulture or production, but rather flows across multiple interconnected industries such as transportation, tourism, and culture, reflecting a broad and integrated value proposition. Together, these industries create a wine ecosystem that generates $10.1 billion to Canada's GDP, including $3.6 billion to government revenues and sustained employment for 99,300 FTEs.

Canada's Wine Supercluster: Summary of the Economic Contributions



Source: Deloitte Analysis.

The story of wine is not just about the final product. Unlike many short-cycle commodities, grape and wine production cannot be viewed as a one-off investment. In fact, the industry requires a long-term commitment from viticulturists and winemakers, including steady capital and strategic planning for its viability. With this considered, the industry can serve as a catalyst for growth and innovation across various sectors of the economy. In leading wine jurisdictions, the wine industry has pioneered innovative techniques from drone imaging to AI-assisted crop monitoring that can be adopted across broader agri-food systems. Similarly, tasting rooms, vineyard tours and other events can contribute to destination branding and positioning the industry as a strategic tourism asset capable of delivering long-term economic and social returns for the national economy.

According to coalition members, while the industry continues to make a significant contribution to the national economy, how it is nurtured and managed will determine the extent to which the Canadian economy will reap the full economic benefit of the industry. As identified in Section 6 of this report, Canada's wine industry continues to face challenges to its economic growth and lags in comparison to common practices employed in leading wine-producing jurisdictions. Low domestic market share, internal trade barriers, and other challenges, identified by stakeholders and coalition members, differ from the approaches found in prominent wine jurisdictions around the world. This, in turn, may have the effect of curtailing the wine industry's economic uplift and can hinder its long-term viability.

Taking this into consideration, learnings from leading wine jurisdictions can help elevate brand recognition in the domestic market, which can help foster increased competitiveness in Canada. Assuming a scenario where the wine industry achieves a 51% domestic market share over 15 years, the total GDP contribution from Canada's wine cluster could increase by $3.6 billion from $10.1 billion to $13.7 billion annually, on average.

9. Appendices

Appendix A: Economic Impact Analysis Methodology

Economic Impact (Input-Output) Modelling Overview

Input-Output (I-O) models are used to simulate the economic impact of an expenditure on a given basket of goods and services or the output of one of several industries. Input-Output analysis uses data on the flow of goods and services among various sectors of the economy, and attempts to model how an expenditure, increase in demand, or investment ripples through a region's economy.

This is done by mapping the production of products and services by each industry, and identifying the intermediate inputs used in the production of each final product or service used by consumers, sold as an export, or purchased by government. The model can then aggregate all of the employment and value-added impacts generated in the supply chain as commodities are produced. I-O models also consider the role of imports, which tie the supply chain to the global economy.

This data is combined into a single model of the economy which can be solved to determine how much additional production is generated by a change in the demand for one or more commodities or by a change in the output of an industry.

Deloitte's I-O model has been configured using Statistics Canada's 2019 Supply and Use tables and 2019 I-O multipliers to estimate Canada's wine industry's economic contribution, as well as the wine industry ecosystem's economic contribution to the national economy.[*******]

Definitions for Economic Impact Analysis Terminology

The I-O model examines direct, indirect, and induced economic contribution in terms of GDP and employment as defined below:

Measure	Description
Direct Contribution	Direct economic contribution represents the economic value added that is directly related to capital investments and operating expenditures in the wine industry. For example, these contributions include the employment and income of employees directly involved in the wine industry, as well as the associated product and production taxes to the federal, provincial, and municipal governments.
Indirect Contribution	Indirect economic contribution represents the economic value added resulting from the demand for materials and services that the wine industry generates in supplier industries. For example, this includes economic activity generated in the agriculture, transportation, hospitality, and professional service industries as a result of demand for materials and services generated by wine industry operators.
Induced Contribution	Induced economic contribution represents general income effects associated with the expenditure of wages earned as a result of direct and indirect economic contribution. For example, this includes economic activity stimulated by the purchase of goods and services at the household level resulting from the wine industry's direct or indirect contribution.
Gross Domestic Product (GDP)	GDP is the total unduplicated value of goods and services produced in the economic territory of a country or region during a given period. GDP includes household income from productive activities (i.e.,

[*******] While 2021 Supply and Use Tables (SUTs) from Statistics Canada provide the most recent available data on the structure of the Canadian economy, the year of observation reflects a period marked by high uncertainty and supply chain disruptions following the onset of the Covid-19 pandemic. As a result, using these tables for the economic impact analysis may limit the robustness of results put forward in this report.
To address this, Deloitte has applied multipliers from the 2019 SUTs to derive the economic impacts of the wine industry and adjacent sectors (i.e., in terms of GDP, employment and government revenues) with values adjusted to 2023 based on most recent "price level" data (i.e., industry revenues and GDP) available from Statistics Canada.

Measure	Description
	wages, salaries, and unincorporated business income) as well as profits and other income earned by corporations and government revenues. In the context of our study, GDP serves as a measure of the total economic value added resulting from expenditures by the wine industry. For this report, Deloitte considers GDP at market prices as opposed to GDP at basic prices since the former (latter) is inclusive (exclusive) of imposed government taxes and subsidies on products.
Employment	In this report, employment contribution is estimated in terms of full-time equivalent (FTE) positions for ongoing employment (i.e., employment contribution associated with annual expenditures). Full-time equivalent positions are counted according to their duration and not according to whether they were employed on a full-time or part-time basis. That is, two part-time employees would be counted as one full-time equivalent if the total time they spent on the job adds up to the number of hours one full-time employee would work in one year. This approach is consistent with standard statistical terminology.

Additionally, Deloitte measured economic contribution in terms of GDP, as opposed to sales, in order to isolate and identify the incremental value-added by wine industry and wine industry ecosystem operators. The issue of double counting was mitigated by excluding the outputs of one industry in the ecosystem that served as an input in another industry member of the ecosystem.

Assumptions and Limitations of the Input-Output Model

The Input-Output model is subject to a number of general assumptions and limitations. The model reflects a simplified macroeconomic structure and does not include various macroeconomic variables of interest, such as interest rates, unemployment rates, and income tax rates, which may ultimately affect overall impact. The model also assumes that the Canadian economy has the capacity to produce the goods and services stimulated by any additional economic activity entered into the model. Therefore, it is not able to forecast situations in which demand may outpace the capacity to produce the required goods and services, however it does estimate the portion of goods and services sourced from other provinces in Canada and internationally. The model makes a basic underlying assumption that the number of jobs sustained maintains a linear relationship with short-term gross output and that technologies are fixed. The model also assumes that product prices do not change in response to higher demand.

While induced economic effects are included, it is recognized that this does run the risk of overestimating economic impacts because of the model’s rigid assumptions of a fixed expenditure share of household income, is maintained in the presence of the additional economic activity. However, not considering induced economic effects will tend to underestimate economic contribution since household spending is not included in the model. Therefore, economic contribution based on direct and indirect effects alone provides a lower bound for economic contribution, whereas economic contribution based on direct, indirect, and induced effects can be viewed as providing an upper bound for economic contribution.

It is important to note that the economic contribution results should be interpreted as a snapshot of the economic activity associated with the wine industry. These results do not take account of the opportunity cost of labour, capital, and intermediate resources used for capital and operating activities. As such, the economic contribution results do not represent incremental economic impacts.

Wine Industry and Wine Industry Ecosystem NAICS Codes

Throughout this report, Deloitte uses the North American Industry Classification System (NAICS) to classify industries relevant to the wine industry and wine industry ecosystem. The following tables map each relevant industry to the corresponding NAICS code used during analysis.

Wine Industry

Wine Industry	NAICS Code	NAICS Code
Grape Production	Non-citrus fruit and tree nut farming	111330
Wine Production	Wineries	312130
Distribution and Wine Wholesalers	Alcoholic beverage merchant wholesalers	413220
Wine Retailing	Beer, wine, and liquor retailers	445320

Wine Industry Ecosystem – Travel and Hospitality

Travel and Hospitality	NAICS Code	NAICS Code
Traveller Accommodation	Traveller accommodation	7211
Travel Services	Travel arrangement and reservation services	5615
Food Services and Drinking Places	Food services and drinking places	722

Wine Industry Ecosystem – Transportation

Transportation	NAICS Code	NAICS Code
Air Transportation	Air transportation	481
Rail Transportation	Rail transportation	482
Bus Transportation	Urban transit systems	4851
Other Transit and Group Passenger Transportation	Other transit and ground passenger transportation	4859

Wine Industry Ecosystem – Culture and Entertainment

Culture and Entertainment	NAICS Code	NAICS Code
Performing Arts, Spectator Sports and Related Industries	Performing arts, spectator sports and related industries	711
Casinos	Casinos (except casino hotels)	713210
Other Amusement and Recreation Industries	Other amusement and recreation industries	7139

Previous Economic Impact Studies

There have been other economic impact studies of the wine industry led by WGC. The most recent study is entitled “The Economic Impact of the Wine and Grape Industry in Canada 2019 and 2020” by Economic Forensics and Analytics, Inc. (EFA). It should be noted that the methodology of this report is similar with the previous study but also differs in other aspects. Both studies utilize Input-Output frameworks–a standard and credible methodology–to assess economic impacts and economic contribution. Where the difference lies is that the EFA paper estimates the impacts from a transactional perspective.

This report, on the other hand, estimates the impacts from a value-added (GDP) perspective, and streamlines the interactions of inter-industry and intra-industry flows of goods and services. The approach in this report was used in part because it is in alignment with the approach utilized by Provincial governments and the Federal government in Canada and does not speak to the nature of the methodology used in other previous studies. This report was conducted independently of any previous studies.

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