



**REAL PEOPLE.  
REAL CRAFT BEER.**

**PRESENTATION TO THE ONTARIO  
HOP GROWERS' ASSOCIATION  
(OGHA) AGM**

FEBRUARY 2021



# ABOUT ONTARIO'S CRAFT BREWERIES

- Ontario's craft breweries are located in over **110 communities across the province**, with a heavy concentration in **rural and northern Ontario**
- Today there are **over 300 brick and mortar breweries**
- Brewers have deep ties to the **local community** and are often among the **largest employers**

## OCB'S VISION

To be a catalyst for growth in Ontario's craft beer industry by creating an environment of inclusiveness, collaboration, innovation, and advocacy for all stakeholders.



## Craft Beer by the Numbers

Ontario's craft beer industry has experienced tremendous, **but fragile** growth over the past decade. Prior to the pandemic, these small manufacturers:

**\$2 billion** in annual economic impact

**Over \$400 million** in sales (11% of beer volume sold) JR1

**\$60 million** in capital investment annually

**Employed over 4,600 workers**, representing 80% of all direct brewery jobs

**Over 9,000 jobs** supported in tourism, agriculture, manufacturing, and other industries

## Slide 3

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**JR1** Needs to be updated for 2020 if available  
Jonathan Rose, 17/02/2021



ONTARIO CRAFT BREWERS  
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## Impact of COVID-19 on Craft Beer

The COVID-19 pandemic severely impacted Ontario's craft beer industry.

- ↓ On average local brewers saw sales **drop by 77%** during the height of the first wave due to closure of licensees, cancellation of festivals, and halt of tourism
- ↓ **63% of brewery staff were laid off** during the pandemic, and the future of many breweries is still in jeopardy

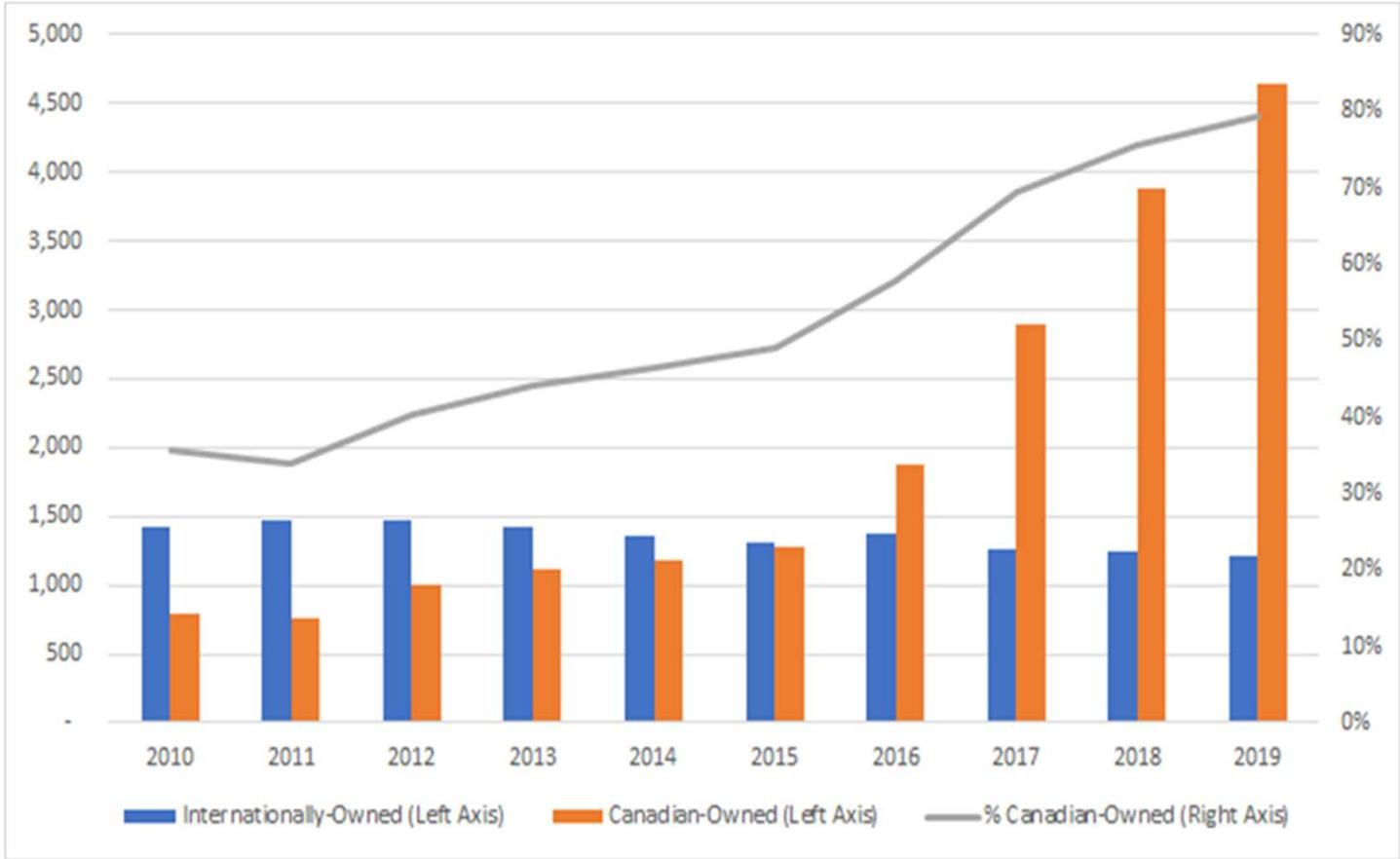
Brewers continue to be impacted by the public health restrictions that remain in place across much of the province.



# CHANNEL VOLUME/SHARE - 2019

Channel	Volume	Share
LCBO	215,382	11.7%
TBS	71,013	1.9%
Grocery	74,103	15%
Craft Brewer Direct	200,100	--
Licensee	230,701	16%
Total Market	791,299	10.3%

# Job Growth 2010-2019



# NEW MEMBERS

The OCB continues to see strong membership growth. Here is a list of members who have joined since June 2020:

- *Kensington Brewing Company*
- *Indie Ale House*
- *Durham Brewing Company*
- *Square Timber Brewing Company*
- *Vimy Brewing Company*
- *Fogorig Brewing*

# ADVOCACY SUCCESSES

*Recent policy changes as a result of our advocacy:*

- ✓ Freezing Provincial Beer Tax Rates until March 2022 to save breweries thousands of dollars
- ✓ Temporary Expansion of Patios without Application Fees, Waiting Periods or Notices
- ✓ Automatic license renewals for 2020 and Q1 2021; saving the average brewery approximately \$2100

# ADVOCACY SUCCESSES CONT'D

*Recent policy changes as a result of our advocacy:*

- ✓ New Made-in-Ontario LCBO Support Program launched to promote locally-made beverage alcohol products
- ✓ Allow the sale of growlers at restaurants and the ability for craft breweries to charge delivery fees
- ✓ Allowing dogs on brewery patios and taprooms

# CURRENT ADVOCACY

*After extensive consultations with our members, OCB has been advocating for these retail changes to be included in the government's reforms to the beverage alcohol system:*



Allow craft brewers to open/operate pop-up locations, such as at farmers markets, parks, and community events



Eliminate the punitive and unnecessary 8.9 cent Environmental Can Levy on all non-reusable beer cans



Allow existing craft breweries to cross-sell and be able to open additional retail locations without the caveat of having to be accompanied by an operating brewery



Extend and Improve the LCBO Made-in-Ontario Support Program



Expand Access to the Foodland Ontario Program to include Craft Beer



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# Ontario's Hop Industry

## Identifying the Opportunities

# ONTARIO'S HOP INDUSTRY

- *Success for craft brewers = success for hop growers'*
- *Bedrock of this success is the strong partnerships between local brewers and hop growers' in communities across Ontario that have developed over past decade.*
- *OCB & OGHA looking for opportunities to promote and grow our sectors.*
- *Several meetings with OMAFRA incl. the Deputy Minister and joint meeting with OCB & OGHA and their Economic Team. Discussion focused on support for hop growers.*
- *OCB funded hop farming soil conditions study at Trent University and is also involved with the "terroir" sensory project.*
- *Craft brewers have a commitment to use local ingredients wherever possible – seeing beers with 70% and even 100% local hops.*
- *A top priority for OCB is access to sell our products in local farmers' markets – a commitment to local products – such as OGHA hops – key part of making that happen.*

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**QUESTIONS?**

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***THANK YOU FOR YOUR SUPPORT!***



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