

**Vintner's Quality Alliance Wines at Toronto Farmers' Markets**

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| <b>Date:</b>             | June 17, 2014                                      |
| <b>To:</b>               | Executive Committee                                |
| <b>From:</b>             | Executive Director, Strategic and Corporate Policy |
| <b>Wards:</b>            | All  |
| <b>Reference Number:</b> |  |

**SUMMARY**

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This report provides information on regulation amendments to the provincial *Liquor Licence Act* to permit the sale and sampling of Vintner's Quality Alliance (VQA) wines at Ontario farmers' markets on a two-year pilot program basis. Under the program, VQA wineries are authorized to sell and serve samples of their product at farmers' markets across the province, including markets in Toronto. The Alcohol and Gaming Commission of Ontario (AGCO) delivers and regulates the program. Under the regulation, the City of Toronto has the ability to prohibit VQA wine sales at farmers' market within its boundaries. City Divisions permit or directly organize twenty farmers' markets in Toronto, and an additional six farmers' markets are held on property owned by City agencies. Under the new regulations, VQA wines could be available at these farmers' markets. City staff are closely monitoring the impact of the program on the markets and adjacent neighbourhoods, and will evaluate the program near the completion of the pilot.

**RECOMMENDATIONS**

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**The Executive Director, Strategic and Corporate Policy, recommends that:**

1. City Council receive this report for information.

**Financial Impact**

There are no financial implications resulting from the implementation of the recommendation in this report. The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## ISSUE BACKGROUND

### ***VQA Wines at Farmers' Markets Pilot Program***

On May 1, 2014, Regulation 720 under the *Liquor Licence Act* was amended to permit the sale of VQA wines at Ontario farmers' markets, and the Province of Ontario introduced a pilot program to permit the sale and sampling of VQA wines at eligible Ontario farmers' markets. The Alcohol and Gaming Commission of Ontario administers the new program.

Participating wineries must hold a manufacturer's licence to produce VQA wine and obtain authorization from the Registrar of Alcohol and Gaming for an occasional extension of their on-site winery retail store (hereafter referred to as an "Occasional Extension"). Authorized Occasional Extensions will only be permitted to operate within farmers' markets that meet the definition provided in Regulation 720. Further, wines sold at farmers' markets must be transported from the winery retail store on the day of the market, and any unsold wine must be returned to the winery store by the end of day, likely ensuring that the wine vendors are from the local area. The Regulation does not allow for any non-manufacturer licence classes to operate at a farmers' market nor does it allow for the sale of other types of alcohol at a farmers' market.

Under Regulation 720, wine at farmers' markets is optional for municipalities. A winery may only obtain an extension for a farmers' market if the municipality has not advised the AGCO in writing that it objects to the sale.

Further, municipalities retain their ability to establish conditions on the sale and service of wine within farmers' markets provided these do not contravene AGCO's regulatory framework. A letter to the City Clerk dated April 11, 2014 outlining the program is included in Attachment 1 of this report.

### ***Farmers' Markets in Toronto***

There are thirty nine regular farmers' markets known to be operating within Toronto, fifteen of which currently include authorized wine vendors under the pilot program as of June 17, 2014. These markets are members of either the Toronto Farmers' Market Network (TFMN) or the Farmers' Market Ontario (FMO) not-for-profit organizations. The table below provides a summary of the properties on which farmers' markets take place in Toronto. A full inventory of these farmers' markets, including the markets with currently authorized wine vendors, is included in Attachment 2 of this report.

| <b>Summary of Toronto Farmers' Markets</b> |                         |                            |
|--|-------------------------|----------------------------|
| <b><i>Property Type</i></b>                | <b><i># Markets</i></b> | <b><i>Pilot Sites*</i></b> |
| City Park                                  | 13                      | 8                          |
| City Facility                              | 7                       | 1                          |
| City Agency                                | 5                       | 3                          |
| Other Public Property                      | 7                       | 2                          |
| Private Property                           | 7                       | 1                          |
| <b><i>Total</i></b>                        | <b><i>39</i></b>        | <b><i>15</i></b>           |

\*\*\* As of June 17, 2014

## ***City Involvement in Farmers' Markets***

A number of City divisions and agencies are involved in the permitting, organizing, and regulation of farmers' market in Toronto.

- Parks, Forestry and Recreation (PFR) permit thirteen farmers' markets in City parks. PFR also directly organize markets at City facilities, such as the markets at Etobicoke and East York Civic Centres.
- Facilities Management permit five farmers' markets on City-managed properties. In some cases, Facilities directly organize the markets, such as the one on David Pecaut Square.
- Economic Development and Culture (EDC) permit two farmers' markets on property managed by Facilities Management, including Nathan Phillips Square.
- Toronto Public Health (TPH) recommends policy and implements programs related to alcohol use and harm reduction, such as raising awareness of the Low-Risk Alcohol Drinking Guidelines. TPH also has a mandate under the *Health Promotion and Protection Act* to inspect some farmers' markets for food safety considerations.
- Municipal Licensing and Standards (MLS) is responsible for enforcing Section 8 of Toronto Municipal Code Chapter 608, Parks, related to the unauthorized consumption, serving or selling liquor in a park outside of a designated area (which in this case would be a farmers' market). However, MLS does not enforce permit conditions for events such as farmers' markets or other events on City property, or other liquor related laws or regulation.
- City Clerk's Office receives notice from AGCO regarding farmers' markets where wineries are authorized to sell their products.
- Insurance and Risk Management determines insurance requirements for permitted events including farmers' markets.
- Toronto Parking Authority, Toronto Transit Commission, and Toronto Region Conservation Authority authorize farmers' markets on properties they manage.
- Toronto Police Service has the authority to enforce legislation, regulation or by-law related unauthorized alcohol consumption, service or sale.

## **COMMENTS**

### ***Overview***

Farmers' markets provide an economic link between local food producers and urban consumers, educate the public on food production, offer healthy food products, contribute to the local economy, and foster a sense of community and solidarity among farmers. As VQA wines permitted to be sold under the program are locally produced, their availability at farmers' markets is consistent with the intent of these markets. Wine is one of many new locally produced consumable items sold at farmers' markets across the city. Other new non-alcoholic items include sauces, mustards, soups, cured meats, meat pies, cheeses and juices. Market organizers suggest that offering a range of quality agricultural products contributes to a strong customer base and the economic viability of individual farmers' markets.

However, alcohol for sale or consumption (through the provision of wine samples) at farmers' markets is a new concept for Toronto. TPH staff note that alcohol is not a typical commodity at farmers' markets because of its potential relationship to short and long-term health harms. The pilot program increases access to alcohol, which research shows can contribute to increased consumption, high-risk drinking and alcohol-related harms. Similar to the sale of wine at retail outlets, the sale of wine at farmers' markets could facilitate alcohol consumption in nearby public areas, in contravention of municipal by-laws. The sampling of wine is viewed by wineries as a key marketing tool. However, TPH advises that a lack of proper controls could result in public intoxication and related impacts such as injuries, trauma and vehicle accidents. As such adequate safeguards must be in place to prevent possible harm, any possible risks associated with the program need to be assessed, and the program's impacts should be closely monitored.

At present, farmers' markets in Toronto do not require City approval to participate in the pilot program. Section 8 of Toronto Municipal Code Chapter 608, Parks, allows for alcohol in parks in a designated area, authorized by permit and approved by the AGCO. The Municipal Alcohol Policy only applies to events with Special Occasion Permits from AGCO. Current permit conditions for farmers' markets on City property do not prohibit the sales and service of alcohol authorized by the AGCO. Farmers' markets on non-City property are governed by owner policies which may or may not provide for participation in the program. However, City Council can prevent any and all farmers' markets, on City and non-City property, from participating in the program through a Notice of Objection under Regulation 720 of the *Act*, as indicated above.

### ***Program Safeguards***

A number of safeguards related to the sale and sampling of wine at farmers' markets have been put in place by the Ministry of the Attorney General and the AGCO. In addition, the Toronto Farmers' Market Network, the Wine Council of Ontario, farmers' market organizers, VQA wineries at farmers' markets, and City divisions have proposed guidelines to mitigate potential risk.

Under Regulation 720 of the *Liquor Licence Act*, sales and service of wine under the pilot program is prohibited to persons less than nineteen years of age or who appear intoxicated, and must be performed by a winery employee with SmartServe<sup>R</sup> training. The Regulation stipulates that the proportion of winery vendors at any farmers' market must not be significant. Further, AGCO guidelines advise that samples must be provided and consumed at the winery's stall, and fees can be charged for samples. The AGCO are inspecting wineries at farmers' markets to ensure compliance.

Sampling guidelines from the Wine Council of Ontario are being promoted to vintners participating in the program. These guidelines advise that samples are not pre-poured or left on a table/tasting bar, the sample size is one ounce, no more than four samples should be provided per person, and spittoons are available for people who do not wish to consume the sample.

The TPMN is actively promoting the Provincial Regulations and the various proposed guidelines among individual farmers' markets. The TFMN has consolidated the Regulations and guidelines related to sampling in Attachment 3, and circulated it to all members. Individual farmers' market organizers, which include City staff in some cases, are deciding whether to include wineries in their farmers' markets. A number of market organizers have informed staff that they are enforcing the use of the guidelines and limiting the number of wineries at their markets to one or two at a time. Participating vintners are motivated to comply with the Regulation and AGCO sampling guidelines, or risk losing their retail on-site licence or ability to participate in farmers' markets.

City divisions are working with farmers' market networks and market organizers to ensure participating markets and wineries are aware of the applicable Regulations and guidelines, providing consistent signage and Low-Risk Alcohol Drinking Guidelines for participating wineries to display, and working on a case by case basis to mitigate any potentially negative impacts. PFR, Facilities and EDC will inform Members of Council if farmers' markets in their Wards choose to participate in the program.

### ***Risk Assessment***

Staff have assessed additional risk to the municipality and Toronto residents from the program as likely to be minimal at this time, given that the sale of wine is in closed containers, wine consumption will be limited, and other safeguards are in place to appropriately limit access to wine through farmers' markets. City Insurance and Risk Management has not recommended a change in insurance coverage for farmers' markets as a result of the program at this juncture.

### ***Monitoring and Evaluation***

The AGCO has communicated that the pilot program is intended to run to the end of 2015. City staff are closely monitoring the impact of the program. Should issues arise that require Council's attention and intervention, staff will report back to Council on the impact of the program and recommend the necessary amendments to by-law, policy and/or permitting to mitigate issues. At the completion of the pilot phase, City staff will review the challenges and benefits of the program with stakeholders that include market organizers, participating wineries, market patrons, adjacent neighbours and local Councillors.

## **CONCLUSION**

The VQA Wine at Farmers' Markets pilot program is a relatively novel approach that may bring benefits to farmers' markets but carries potential risk associated with the sale and sampling of alcohol in public areas. Safeguards appear to be in place to restrict access to wine by minors and intoxicated persons and to mitigate many potential issues. Staff have assessed the additional risk to the City and residents as a result of the program as likely to be minimal at this time. Staff are monitoring closely the implementation of the program. If required, staff will report to Council on the impact of the program and recommend necessary amendments to policy, by-law or permitting conditions. Further, Council has the ability under applicable regulation to prohibit the program at any or all farmers' markets in the City at any time.

## **CONTACT**

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## **SIGNATURE**

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Lynda Taschereau  
Executive Director, Strategic and Corporate Policy

## **ATTACHMENTS**

Attachment 1: Correspondence from the Alcohol and Gaming Commission to the City Clerk (April 11, 2014)

Attachment 2: Inventory of Toronto Farmers' Markets (June 17, 2014)

Attachment 3: Toronto Farmers' Market Network - Guidelines for Product Sampling by Wineries at Farmers' Markets