

Domestic wine sales soft, vintners say numbers are skewed

By KATYA DIAKOW
Special to The Standard

The Liquor Control Board of Ontario is banking record profits this year, but says domestic wine sales haven't been meeting expectations. Local wineries, however, claim their sales have actually increased.

At \$2.53 billion, net sales for the LCBO between April 2001 and February 2002 are \$210 million higher than the same period last year.

"Generally speaking, we've been seeing record sales year after year," Chris Layton of the LCBO said Friday.

"There's been an explosion of interest in buying alcoholic beverages."

Although LCBO store sales have been strong overall, there has been some "softening" in domestic wine sales, Layton said.

Recent data shows imported wine

sales in Ontario grew by 7.6 per cent in the last year, while domestic sales only increased by two per cent.

"Statistics are a very dangerous thing," said Paul Speck, chair of Ontario's wine council and president of Henry of Pelham Winery. "In fact, we've out-performed our expectations. And we're a small winery in a big world."

The LCBO attributes the low rates to economic uncertainty and the impact of Sept. 11 on consumers.

People have been entertaining at home a lot more, rather than going out," Layton said. "This trend is reflected by the fact that our store sales have remained steady, but sales to restaurants were low."

"If that's their excuse, it's a pretty lame one," said Charles Pillitteri, vice-president of sales at Pillitteri Estates winery. "I think the liquor board should be doing a better job of

selling more Ontario wines."

While some local vintners say the LCBO's numbers are skewed, they remain optimistic that local consumers are picking better quality wines.

"Everyone I've talked to," said John Howard, president of Vineland Estates Winery, "has said sales have been on a steady incline, not decline. I think that as people become more knowledgeable about wines, they are drinking premium quality products."

Layton agrees. In the past year, LCBO stores sold seven per cent more Ontario VQA-approved premium wines.

"We've started to see a move toward buying higher-quality products," Layton said. "As people's tastes become more sophisticated, they aren't as afraid to be a little more adventurous in purchasing better wines."