

CANADA

People have been making wine in Canada for more than two centuries. But Canada's modern day success in producing high-quality wines goes back only three decades.

Canadian grape production is concentrated in only four provinces: Ontario, British Columbia, Quebec and Nova Scotia. The two leading wine grape regions in Canada are the Niagara Peninsula in Ontario and the Okanagan Valley in British Columbia.

1 AREA UNDER VINES

Grapes for winemaking are grown primarily in two provinces, Ontario and British Columbia, where 98 per cent of the volume of premium wine is produced. There are seven designated Viticultural Areas (VA) located in the southern areas of the provinces of Ontario and British Columbia. Although the provinces of Québec and Nova Scotia have areas in which grapes are grown, these are not as yet officially designated as Viticultural Areas.

	Total area under vines (Hectares)
1994	7 000
1995	7 000
1996	7 000
1997	7 000
1998	7 000
1999	8 000
2000	8 000
2001	11 000
2002	11 000
2003	11 000
2004	11 000
2005	11 000

Source: OIV

2 PRODUCTION

Initially, in the 1970s and 1980s, cool climate grape varieties such as Riesling, Chardonnay, Gamay Noir, Pinot Noir and Cabernet Franc were chosen. Emerging varieties that are starting to show merit are Shiraz, Gewürztraminer, Sauvignon Blanc and Viognier.

After a poor harvest in 2003, national wine production reached a substantial 52,2 million litres in 2004. In 2005, however, wine production decreased by 3.4 per cent to 50,4 million litres.

	Total wine production (Litres)
1995	30 000 000
1996	30 000 000
1997	34 300 000
1998	37 100 000
1999	51 200 000
2000	42 800 000
2001	44 500 000
2002	46 900 000
2003	35 900 000
2004	52 200 000
2005	50 400 000

Source: OIV

3 CONSUMPTION

The provinces of Quebec and Ontario accounts for almost 70 per cent of Canadian wine sales. National wine consumption have increased steadily over the past decade and in 2005 it reached 371,9 million litres (+3.1% from 2004).

3.1 TOTAL CONSUMPTION

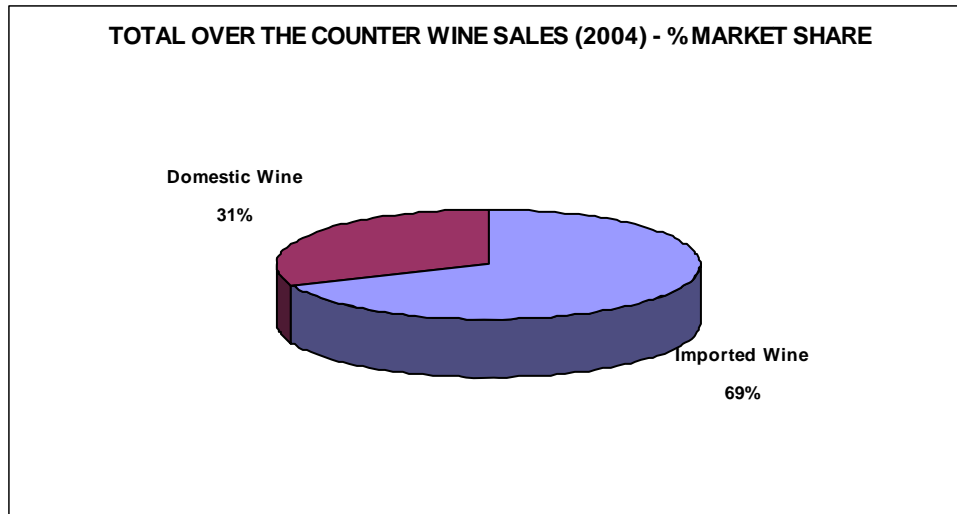
	Total wine consumption (Litres)
1995	177 500 000
1996	201 600 000
1997	209 900 000
1998	235 500 000
1999	268 800 000
2000	275 600 000
2001	280 000 000
2002	288 400 000
2003	344 000 000
2004	360 700 000
2005	371 900 000

Source: OIV

3.2 PER CAPITA CONSUMPTION

	Wine	Beer	Spirits	Total alcohol
	Litres		LAA	
1993	8.1	69.6	1.79	6.2
1994	8.0	69.2	1.74	6.2
1995	8.1	69.4	1.71	6.2
1996	8.3	69.2	1.71	6.2
1997	8.6	67.8	1.71	6.1
1998	8.8	68.3	1.79	6.3
1999	9.2	68.3	1.87	6.4
2000	9.6	68.7	1.95	6.5
2001	10.2	67.5	1.99	6.7
2002	10.7	68.4	2.18	6.9
2003	11.0	67.8	2.24	7.0

Source: World Drink Trends 2005



Source: USDA

3.3 TOTAL WINE SALES BY PROVINCE (2004)

Province	Million C\$	Share % of Total	Stores
Quebec	1 432	35.6	380
Ontario	1 349	33.5	598 (+181 agencies)
British Columbia	570	14.2	212
Alberta	320	8.0	925
Manitoba	185	4.6	45
Nova Scotia	77	1.9	101
New Brunswick	50	1.2	49
Saskatchewan	39	1.0	81

Source: USDA

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4. CONSUMER EXPENDITURE ON ALCOHOLIC DRINKS

5 ALCOHOLIC DRINKS

5.1 SALES OF ALCOHOLIC DRINKS BY SECTOR – TOTAL VOLUME

5.2 SALES OF ALCOHOLIC DRINKS BY SECTOR – TOTAL VALUE

5.3 FORECAST SALES OF ALCOHOLIC DRINKS BY SECTOR – TOTAL VOLUME

5.4 FORECAST SALES OF ALCOHOLIC DRINKS BY SECTOR – TOTAL VALUE

6 SALES OF WINE BY SUBSECTOR

6.1 TOTAL VOLUME

6.2 TOTAL VALUE

7 FORECAST SALES OF WINE BY SUBSECTOR

7.1 TOTAL VOLUME

7.2 TOTAL VALUE

8 SALES OF WINE BY PRICE SEGMENT

8.1 RED WINE

8.2 WHITE WINE

8.3 ROSÉ WINE

9 SALES OF WINE BY GRAPE VARIETAL TYPE

9.1 RED WINE

9.2 WHITE WINE

9.3 ROSÉ WINE

10 DISTRIBUTION

10.1 ON-TRADE VS OFF-TRADE SALES OF WINE – TOTAL VOLUME

10.2 ON-TRADE VS OFF-TRADE SALES OF WINE – TOTAL VALUE

10.3 OFF-TRADE SALES OF WINE BY DISTRIBUTION FORMAT

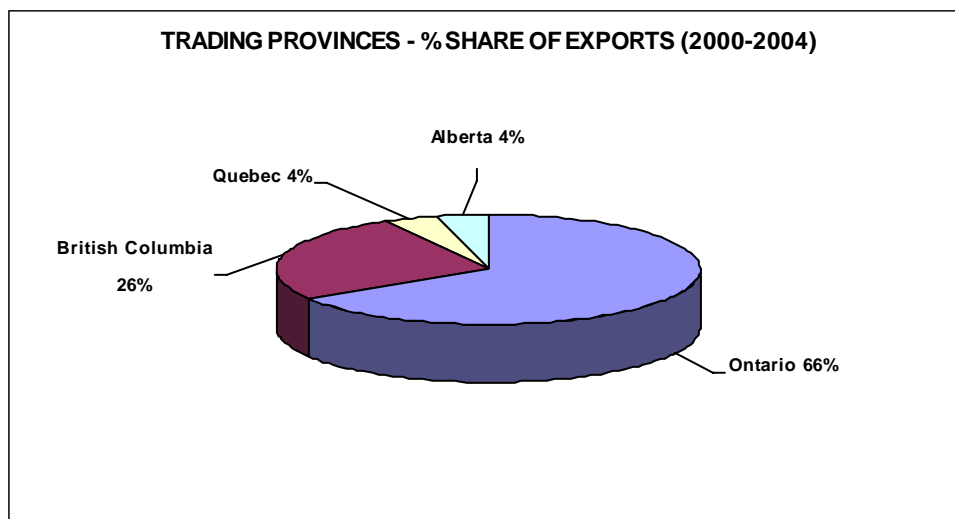
11 INTERNATIONAL TRADE

11.1 TOTAL WINE EXPORTS

Total wine exports reached an impressive 3 100 000 litres in 2003, but then experienced two consecutive decreases and in 2005 it amounted to 1 900 000 litres (-24% on 2004). This was mostly due to illegal ice wine imitations in Taiwan and Japan resulting in both countries importing less than half the wine that they had imported in 2003.

	Total wine exports (Litres)
1995	1 300 000
1996	1 200 000
1997	2 500 000
1998	1 400 000
1999	1 500 000
2000	2 500 000
2001	2 900 000
2002	1 800 000
2003	3 100 000
2004	2 500 000
2005	1 900 000

Source: OIV



Source: USDA

11.2 MAJOR EXPORT MARKETS

Country	2002		2003		2004	
	Volume '000 litres	Value '000 C\$	Volume '000 litres	Value '000 C\$	Volume '000 litres	Value '000 C\$
Australia	22 263	37 621	2 895	20 610	18 735	83 386
Bahamas	14 172	34 545	18 341	67 998	12 500	25 061
Belgium	39 518	168 739	10 360	76 620	13 029	249 240
China	50 481	334 912	102 288	347 220	164 979	918 964
Cuba	93 922	274 456	80 264	122 359	-	-
Denmark	1 680	8 411	2 102	6 486	40 893	252 816
France	3 863	37 824	21 073	146 237	21 454	240 558
Germany	19 983	91 507	8 147	42 071	9 688	68 117
Israel	-	-	23 400	136 476	-	-
Italy	1 422	76 387	3 961	61 490	14 766	130 354
Japan	141 153	721 329	301 625	1 700 480	134 380	1 519 097
Korea	5 016	33 387	15 848	141 771	14 180	454 812
Singapore	76 119	459 845	34 196	495 048	22 643	1 159 148
Taiwan	766 047	1 479 107	884 319	2 219 135	319 969	2 273 187
UK	76 313	264 811	24 263	200 759	36 500	347 700
USA	483 965	6 117 493	1 210 611	7 250 370	1 644 552	7 701 771

Source: <http://www.canadianvintners.com/>

11.3 TOTAL IMPORTS

38% of the wine imported from 2000 to 2004, were sent to Quebec, followed by Ontario (34%) and Alberta (10%). In 2005, total wine imports reached 280,9 million litres (+5.3% from 2004), the highest level over the past decade.

	Total wine imports (Litres)
1995	147 700 000
1996	169 800 000
1997	178 400 000
1998	203 000 000
1999	219 500 000
2000	235 800 000
2001	238 800 000
2002	243 700 000
2003	269 700 000
2004	266 800 000
2005	280 900 000

Source: OIV

11.4 MAJOR IMPORT MARKETS

Country	2002		2003		2004	
	Volume '000 litres	Value '000 C\$	Volume '000 litres	Value '000 C\$	Volume '000 litres	Value '000 C\$
Algeria	178 320	601 929	187 110	632 206	145 746	520 264
Argentina	2 422 760	9 365 225	4 517 352	12 070 187	6 708 478	18 706 577
Australia	25 176 229	139 402 338	31 519 782	188 601 870	39 282 193	231 742 007
Austria	107 933	486 629	149 703	749 687	102 372	625 369
Bulgaria	794 515	2 164 029	531 562	1 289 328	506 463	1 412 321
Chile	28 748 131	58 453 253	27 415 878	61 246 927	30 941 160	66 675 057
France	67 678 322	323 018 089	73 476 273	374 206 344	62 388 132	341 513 263
Germany	5 245 116	21 231 248	5 690 731	22 530 060	5 965 517	22 916 052
Greece	1 278 693	3 840 881	1 243 790	4 025 045	1 087 882	3 756 850
Hungary	1 029 230	2 632 443	1 104 459	2 833 051	1 281 595	3 424 152
Israel	144 020	587 586	246 062	1 034 359	209 339	1 102 212
Italy	46 651 986	178 807 420	52 106 862	217 900 099	46 892 537	214 647 949
Mexico	84 110	348 916	68 278	285 314	160 311	686 098
New Zealand	1 180 426	6 403 830	1 629 045	8 969 902	1 415 045	10 770 265
Portugal	7 459 408	37 439 476	8 978 736	49 418 394	6 853 185	46 567 554
Romania	341 009	423 839	451 473	780 547	552 640	889 663
South Africa	7 920 918	17 207 885	6 357 611	19 299 894	7 495 242	25 419 790
Spain	8 084 267	31 485 769	11 395 189	43 853 109	13 424 128	45 032 853
UK	58 422	243 272	79 728	308 972	80 283	311 809
USA	39 032 349	125 401 831	41 815 627	133 242 649	40 695 122	140 078 148

Source: <http://www.canadianvintners.com/>