



February 3, 2012

Communique to the Grape and Wine Industry:

Following two successful vintages using a new price structure, the Grape Growers of Ontario (GGO), Winery & Grower Alliance of Ontario (WGAO), and Wine Council of Ontario (WCO) are pleased to have reached an agreement on an additional 2-year pricing framework with an option to extend the agreement for a third year.

The pricing framework includes renewing the Plateau Pricing model as well as adding a fixed base Brix component. The next step will be to conclude grape pricing for all varieties for 2012.

The changes for the 2-year pricing framework are outlined as follows:

Plateau Pricing Model

The Plateau Pricing model for the four varieties: Chardonnay, Riesling, Cabernet Sauvignon and Cabernet Franc will remain in place for 2 years and will be reviewed annually.

Fixed Base Brix

The new Brix schedule (which recognizes the sugar content of grapes at harvest) will have base fixed at the nearest "half brix" (0.5) values. The Brix schedule remains unchanged at (0.1) Brix increments for all classes of grapes that follow a pricing schedule. The new Brix schedule will be reviewed after the vintage of the second year.

This agreement on the pricing framework may be extended for a third year if all parties agree.

This letter provides a preliminary overview of the 2012 and 2013 pricing framework agreement. If you require additional information, please contact:

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