

Deputation to the Town of The Blue Mountains

Re: Advocating for a Reduced Provincial Tax Rate on Ontario-Made Craft Cider

Organization Name: Ontario Craft Cider Association

Representative Name: Janice Ruddock, Executive Director

The Ontario Craft Cider industry is defined by cideries located in Ontario that produce less than 3,000,000 litres per year of alcoholic cider made with 100% Ontario apples. Currently there are approximately 100 production points in Ontario of 100% Ontario Craft Cider with an Economic Impact of \$56 million per year. Furthermore there are over 15 production points within The Town of the Blue Mountains area. For reference on the potential for Ontario, New York State only four hours away has a Cider industry worth close to a billion dollars.

Truthfully, that's our goal for Ontario and we know at least 10x our current economic impact is entirely possible!

However to reach that goal we need the Ontario government to appreciate and rectify the current barrier to expansion which is the perplexing tax structure Ontario Craft Cider operates under. Currently Ontario Craft Cider is taxed as an imported domestically blended wine where we should be taxed as a 100% Ontario product. Ontario Craft Cider producers take home on average 25% less per unit sale than Ontario Craft Wine or Craft Beer. Why would a product made with 100% Ontario product be at a tax disadvantage against other Ontario Craft Beverages (ie Ontario Craft Beer) that is consumed in the same manner as Ontario Craft Cider but uses minimal Ontario ingredients?

We know Ontario is open for business, we can see it everyday however by keeping the current Ontario Craft Cider derailing tax regime Ontario is abandoning enormous potential to grow the Ontario Cider industry to the levels of New York State. For restaurant sales, the situation is even worse and with delivery charges Ontario Craft Cideries lose money when they sell to restaurants. Frankly the rebuttals we have encountered when bringing this issue to the current government is ... "well if we do this for you, what do we have to do for Ontario Craft Beer and Ontario Craft Wine." Many Ontario wineries and breweries produce Cider as a service to their consumers (certainly not to make money), it is doubtful they would have much objection to have Ontario Craft Cider to operate

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under the same taxation regime Ontario Craft Wineries and Ontario Craft Breweries currently have.

Ontario Craft Cider makes award winning cider. In recent competitions, Thornbury Craft Cider won the North American Cider of the Year!! Yes we make better cider than New York State! Ontario Craft Cider is also a truly province wide industry with quality apples being grown all around the province with some of the best product grown right in the region of the Town of The Blue Mountains.

This motion being put forth by the Town of The Blue Mountains is crucial in supporting the potential growth and development of the Ontario Craft Cider industry. The Ontario Craft Cider Association has been advocating for fair taxation (please note not tax breaks) for over a decade so now to have the support of the municipality of where the majority of processing apples for Cider Juice is being done and several key production sites of Ontario Craft Cider, is welcomed and valued. Already as part of this process, the Ontario Craft Cider Association was invited to do a 6 minute segment on CBC Ontario Morning, on Thursday May 8th to discuss the growth inhibiting tax structure of Ontario Craft Cider.

In summary, I Janice Ruddock, Executive Director of the Ontario Craft Cider Association representing over 40 Ontario Craft Cider producers, strongly supports and advocates for the motion being put forth on Tuesday May 13th 2025 at the Special Meeting of The Town of The Blue Mountains - **Re: Advocating for a Reduced Provincial Tax Rate on Ontario-Made Craft Cider.**

We sincerely appreciate the support of the Town of The Blue Mountains in taking the time and resources to pursue the perplexing Provincial tax disparity for the Ontario Craft Cider industry.



**Executive Director
Ontario Craft Cider Association**

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