



MEMBERSHIP BENEFITS



WHAT DOES THE OCB DO FOR ITS MEMBERS?

The OCB works on many fronts to ensure the interests of its members are put forward to, first and foremost, reclaim and retain their rightful place in the Canadian brewing industry. As many members are now located in both urban and rural areas all across Ontario, it is critical to always be conscious of the many factors that can impact those operating in these diverse markets. In order to do this, and as our members have told us, the highest priority of the OCB is to work with all levels of Government to establish and maintain a viable and sustainable operating infrastructure along with access to affordable distribution channels to set a solid foundation, making Ontario a centre of excellence in brewing.

Key benefits to OCB members include:

- Government relations
- Market opportunities
- Communications support
- Technical and education programs
- Retail channel advocacy
- Annual conference management

THE OCB STORY

The origins of the Ontario Craft Brewers Association (OCB) began when the first generation of what were then known as “micro-brewers” assembled to form the Ontario Small Brewers Association in 1992. One of the first orders of business was the successful lobbying effort to have federal excise tax lowered for brewers producing less than 50,000 hl of beer per year.

With the implementation of the North American Free Trade Agreement and the General Agreement on Trade and Tariffs in the mid-1990s, the business models of many Ontario “micro-brewers” were negatively impacted. By 1997, many closed their doors or were sold. By the year 2003, it had become evident that the second generation of micro-brewers – now commonly known as “craft” brewers – would need a new and more professionally operated association to represent the industry.

As such, 12 “craft” brewers came together and worked with the Ontario Government to develop a new Marketing Strategy, obtain significant Ontario tax incentives and soon greatly reduced Federal Excise Taxes.

These 12 brewers then moved to incorporate the Ontario Small Brewers Association, which shortly thereafter operated as the Ontario Craft Brewers Association, OCB.

The OCB then partnered with the LCBO to develop a long-term strategic plan to support the new craft brewery models of the time. This led to a significant 5-year grant program to be used for marketing, sales, brand building and quality, among other things. Following that, the OCB was successful in having different forms of grants renewed up to the 2018 fiscal.

The Association is a not-for-profit organization and is currently funded by membership dues, government grants and self-sustaining, revenue generating programs. The OCB currently represents more than 90 craft brewers in Ontario that make over 500 brands of beer.

The OCB is governed by a Board of Directors representing four distinct volume producing categories of member breweries to ensure the interests of large and small members are always considered. OCB members have also formed and sit on committees that include Membership, Finance, LCBO, TBS, Grocery and Technical. The Articles of Incorporation, By-Laws, Board policies and Code of Conduct are available to members. For a list of OCB members, visit www.ontariocraftbrewers.com

DEFINITION OF AN ONTARIO CRAFT BREWER

ONTARIO CRAFT BREWERS (OCB) ARE LOCAL AND DEFINED AS:

SMALL: Most Ontario Craft Brewers are small and many are family-owned. The current maximum size of an Ontario Craft Brewer is 400,000 hectolitres of annual worldwide beer production.

INDEPENDENT: Independently owned and is not significantly controlled by a beer company who does not qualify as an Ontario Craft Brewer.

TRADITIONAL: Pledge to brew traditional and innovative beers according to the Ontario Craft Brewers’ Brewing Philosophy. The original Philosophy was signed on April 12, 2006 and was updated in September 2013:

“Ontario Craft Brewers must produce at least 80% of their Ontario sales in their Ontario brewery, close to the markets and the communities they serve. The breweries are open to the public, other brewers and beer enthusiasts.”

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1: GOVERNMENT RELATIONS

The OCB works with Federal, Provincial and Municipal levels of Government to ensure the voice and issues of the Ontario Craft Brewing Industry is heard and understood.

This includes issues of tax, licensing, fair levels of representation in distribution channels, export opportunities, marketing programs, shipping, second store licenses and more. Most recently the OCB was instrumental in influencing the decision to open the Grocery store channel for beer. This new distribution channel has greatly benefited the Ontario Craft Brewing industry. In addition, the OCB is always vigilant in monitoring and advancing various tax treatments to protect and benefit the industry.

The OCB has made great strides with government. Below is just a sampling of that work, done on behalf of the membership and the entire industry:

- 1992** Federal Excise Tax reduction less than 50,000 HL
- 2003** Provincial Fee Restructure
- 2004** Provincial Grant Funding (new LCBO Merchandising programs)
- 2006** Revised Federal Excise Tax Restructure
- 2010** Start of Annual Speakers events at Queen's Park
- 2012** Provincial Grant Funding
- 2014** Licensing AGCO: Second Store (with production) Location
- 2015** Master Beer Framework (leading to Grocery Channel with minimum of 20% shelf space for Craft and no inducements, TBS shares availability, 7 free store listings, & minimum shelf space and inclusion in TBS in-store displays)
- 2018** A significant restructuring of the Ontario tax structure to improve the ability of Ontario Craft Brewers to continue to grow profitably and continue to create full time jobs.

The OCB has also led numerous defenses of tax incentives, various special projects such as tax audits, Toronto alcohol taxing, menu labeling, Alcohol & Gaming Commission policy changes and issues, as well as LCBO projects.

OCB members consider Government Relations the most important function of the Association.





2: COMMUNICATIONS // WEBSITE

Our primary communications vehicle is the OCB website. The site is filled with relevant information that consumers and members can use to educate themselves. Each member brewer has their own dedicated page where they are able to feature their beers, offer up food pairings, announce events, and identify where to buy their beers. Each member is also entitled access to proprietary industry information, to self-manage their own profile and adjust brands it has available for sale. Consumers can search for beers by brewery, location, style or by awards. The web site is refreshed every month and by using timely themes it keeps consumers engaged.

JUST A FEW OF THE FEATURES THAT ARE ALWAYS ON THE SITE INCLUDE:

Beer Listings

List of all OCB beers, by brewery, region, style, and awards. Includes additional listing of seasonal brews.

OCB MARKETPLACE

1. Classified Ads

Introduced in 2015 as a web-based revenue generating tool, the Classified Ads cater to businesses and individuals that want to reach the OCB target market. The Ads are completely automated to set up – both monitored and approved by a member of the OCB OPS Team to ensure the ads uphold OCB standards.

2. Supplier Directory

This web-based revenue generating feature was developed to help suppliers, who are focused on the craft beer industry, list their product or service. Fully automated, it is monitored and approved by a member of the OCB OPS Team to ensure the ads uphold OCB standards.

3. Video Library

A library of short videos that is regularly updated featuring interesting stories, achievements and the impact of Craft Brewing in Ontario.



LET'S
CONNECT



13,621
FOLLOWERS



23,160
FOLLOWERS



2,972
FOLLOWERS



36,000
FOLLOWERS

3: COMMUNICATIONS // PUBLIC RELATIONS

The OCB maintains an active, ongoing, multifaceted public relations program, which consists of communications, media relations, social media and events. As a key industry resource for all things craft beer related, OCB receives multiple requests for industry data, information, and spokespersons from media, business and the public. The PR team regularly issues releases regarding OCB news and activities, industry information and seasonal events. An archive of previous releases can be found on the OCB web site. All brewery members are included in releases whenever possible and print coverage is monitored internally with online news circulated regularly to members by email.

4: COMMUNICATIONS // SOCIAL MEDIA

OCB maintains a thriving social media presence on Facebook (13,621 followers as of August 2018), Twitter (23,160 followers as of August 2018) and most recently, Instagram (2,972 followers as of August 2018), as well as YouTube (36,000 views as of August 2018). Our social media feeds are a central source of information on all things related to our members, craft brewing, local eating, shopping and living. We post items of education, interest and perspective, sharing news from our member breweries and articles/info from other organizations

5: EXPORT CONSULTATION

For those members interested in developing markets outside Ontario, the OCB offers consultation. Currently the most prominent programs include export to provinces outside Ontario, the USA and Europe. In addition, on behalf of members, the OCB works collaboratively with the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA) regarding export programs and funding opportunities.



JUNE 8-17, 2018



6: SIGNATURE EVENTS

Ontario Craft Beer Week

Ontario Craft Beer Week is a week-long, province-wide festival that celebrates the thriving locally-based craft beer industry in Ontario and exposes consumers to the premium quality and culture of Ontario Craft Beer. Ontario Craft Beer Week was first launched in June 2010, with 25 craft brewers and their licensee partners hosting 110 events across the province. Now in its eighth year, OCB Week featured 80+ craft brewers producing hundreds of events in 110 communities throughout Ontario.

OCB Week events are hosted at breweries, pubs, restaurants and event venues across Ontario in cities such as Toronto, Guelph, London, Ottawa and communities from Cambridge to Vankleek Hill and from Thunder Bay to Niagara.

Participation in Ontario Craft Beer Week is exclusive to OCB members and member events can be easily accessed on the OCB website or at www.ocbweek.ca. Increased membership continues to make OCB week bigger and better every year.

In fact, Royal Assent was recently granted to Bill 107 – Ontario Craft Beer Week Act by the Ontario Government as put forward as a Private Members bill by MPP Lou Rinaldi of Northumberland-Quinte West. This states that the week commencing the second Sunday in June is officially Ontario Craft Beer Week. This “helps to officially recognize the incredible growth in the local craft beer industry in the past decade, and encourage Ontarians to discover local craft beer made by independently-owned craft breweries, right in their own communities.”

Ontario Craft Beer Conference

For the past five years, each fall, the Ontario Craft Brewers have hosted the Ontario Craft Brewers Conference & Suppliers Marketplace. From its inception conference, attendance has grown significantly. An attendance record was set in 2017 for this one-day event attracting over 1,100 guests. This included the Craft Brewing industry’s top brewers, decision-makers, thought leaders and supporters who gathered for education sessions, networking, breakout workshops, craft beer and food. As a testament to the value created by the OCB Conference, the Suppliers Marketplace continues to grow each year. This past year, over 140 suppliers invested to participate in the conference and take advantage of the opportunity to make their services known to interested brewers.





7. RETAIL CHANNEL INITIATIVES

LCBO

For several years now, the OCB has met consistently with the LCBO to provide ongoing support for members. This support has been beneficial for large and small members as we are able to provide key updates, including those on all member conference calls. Key responsibilities that are managed include:

Merchandising and Tasting Programs

The LCBO Merchandising and Tasting programs have been very successful programs that have provided opted-in members with measurable, on-going increases in aggregate sales year after year. With the increasing popularity of Ontario Craft Beer, most LCBO stores now have highly visible ONTARIO CRAFT BEER bulk head signage. This provides for what is now a separate and distinct Ontario Craft Beer section in the LCBO store system. Proof of the effectiveness of these programs for the past three years is that Ontario Craft beer continues to be the fastest growing segment within the LCBO's beer category, growing at +20% per year.

Key Components of the Merchandising Program include a mix of:

- Destination End Aisle Displays
- Shelf Extenders
- Tastings
- Mini-thematic Displays
- Special Ad Hoc Displays

LCBO Seminars

- OCB has facilitated participation in Beer Ambassador Training with LCBO staff
- OCB has facilitated other seminars with LCBO to train members (i.e. Warehouse, Electronic Systems, Working Effectively with Retail and Category Management)
- OCB has coordinated and hosted seminars on Key LCBO Topics for members – NISS, MPTS, Tastings to name but a few

THE BEER STORE

As a result of continued efforts to increase presence and visibility in The Beer Store (TBS) and as a result of the new Master Beer Framework, Ontario Craft Brewers now enjoy the ability to own shares in TBS, have access to seven free store listings, and have a right to minimum shelf space in TBS stores and in TBS store displays. These TBS changes also included a new TBS Governance Model. If members feel more changes are needed, the OCB and TBS Members Team will continue efforts to improve and advance the cause. The OCB TBS members committee has regular meetings, where all members are invited to participate.



LCBO



BEER
STORE



GROCERY

The OCB and members played a key role and invested literally hundreds of hours and significant financial resources to successfully influence the decision of the Ontario Government to allow beer to be sold in grocery stores.

During the discussions that lead up to the new Master Beer Framework Agreement, once it became clear that beer in grocery stores was going to be considered by Government, the OCB asked for four key conditions to be built into the policy:

- Guaranteed minimum of 20% shelf space for Ontario Craft Brewers
- A strict prohibition against any incentive or inducement programs for listings
- A legislated mark-up
- Right to self-deliver

These conditions are largely responsible for the success that Ontario Craft Brewers are having in this channel. This new avenue has, like the LCBO, demonstrated that when Ontario Craft Beer enthusiasts get to “shop the store,” Ontario Craft beers more than warrant the shelf space they are guaranteed. Ontario Craft Beer is now sold in over 200 grocery stores and, soon, 450 stores right across the province.

One final point about Retail Channel initiatives that needs to be pointed out is that larger OCB members put extensive amounts of time, effort and resources into these lobbying efforts on behalf of the whole Craft Brewing industry. This is yet another example of the OCB tradition and collaborative efforts on the part of its members to do not just what is expected, but what is needed on behalf of the whole industry. Changes like these never happen by themselves and this is why it is so important for all new Ontario Craft Brewers to join the OCB to continue to do their part, as they are already enjoying the benefits of their fellow brewers before them.





8: TECHNICAL SUPPORT

For several years the OCB Technical team was fortunate to be headed by Mark Benzaquen, who is now a founding partner of Henderson Brewery and Chair of the OCB member Technical team. Further, Mr. Bill White, a well-known and respected Master Brewer and craft brewery innovator continues to be available to members.

In addition to its culture of collaboration, OCB members have always understood the importance of producing great tasting, high quality fresh beer. To that end and to continue to assist fellow members in that endeavor, the OCB Technical team is now headed by Dr. Dirk Bendiak. Dirk holds a PHD in Molecular Genetics and has a long and distinguished career in the brewing industry. He also teaches at the Niagara College School of Brewing.

Tech Talks

These seminars cover a variety of topics, which are valuable to new brewers. Tech Talks are recorded and are available to OCB members at no cost.

Government Compliance Issues

The OCB team also assists to resolve Government compliance issues. An example of this is the current issue related to Ministry of the Environment that mostly affects smaller sized members.

Brewer Reference Manuals

Dr. Bendiak, Master Brewer Bill White and the OCB team have also recently produced a series of technical manuals available at no cost for OCB Members. These include:

- Shelf Life Reference Manual
- Quality Management Systems Manual
- Health & Safety Manual
- Environmental Program Manual



9: INDUSTRY RETAIL DATA AND MODELS

Included in OCB membership is access to summary retail data of the LCBO, TBS and On-Premise Licensees. This data provides valuable insight into store level craft beer rankings to assist members with identifying distribution opportunities within these most important systems.

The data is used to build a series of excellent models and analysis to which all members have access. These models have been developed through significant investment, do not exist anywhere else, and are proprietary to the OCB. They include a monthly channel craft volume report (LCBO/TBS/Grocery) including pack types and sizes, a retail forecasting model, and an extensive report identifying all craft volumes sold at TBS and LCBO stores down to the individual store level, ranking of stores that sell the most craft beer by volume and as a share of total beer sold, and a map of where all these stores are in the province of Ontario.

New work is currently underway to provide trends in the industry pertaining to containers, pack sizes and beer classifications to assist members in planning future packaging changes and products. Forecasts based on industry trends, developed by industry experts will assist in determining potential opportunities and risks facing the craft brewing industry.

Tools will be provided to assist members with manipulating the files received by their Beer Store and LCBO subscriptions. These files are often difficult to work with so OCB Membership will provide a service to assist in working with these files.

10. SUPPLIER & LICENSEE OPPORTUNITIES

The OCB is always looking for market opportunities for its members. As an example, the OCB recently became a member of Restaurants Canada. As a result, OCB members do not have to pay the Restaurants Canada non-member fee of \$500 when booking booth space at the annual Restaurants Canada Show.

Another example is the opportunity to participate in On Premise annual licensee menu and tap opportunities by companies like the Cara group. In this case, OCB members are offered exclusive features under the OCB logo within some of the concept banners (like Bier Markt) of Cara.

As the OCB is advised of these opportunities members are, in turn, advised to make contact with the accounts to apply.

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WHAT'S IN IT FOR YOU TO BECOME AN OCB MEMBER?

It is important to understand that while the examples above are the major components and focus of the OCB, and truly key to its success, there are many other tasks, roles and responsibilities that are factored into the success of the OCB Association.

One of the fundamental philosophical principles of the OCB is the collaborative nature of its members. Examples of this are the many collaborative beers that members produce for charity events, festivals and other celebrations. Another example is the member willingness to provide assistance, such as laboratory services, brewing consultation and a general sense of sharing of knowledge. This fact is so important to the OCB that all new members must sign the OCB Philosophy Statement committing to these principles before membership is granted.

On any given day the OCB team can receive any number of industry-related questions or requests from members, government and industry stakeholders. All must be dealt with in a timely and professional manner for the image of the OCB and its members to be upheld.

To that end, as an OCB member it is not only important to be aware of how the OCB can help you achieve your goals, it is also important to realize you play a part. Just as the early micro-brewers of the 1980's and 90's and second generation of Craft Brewers in Ontario set the stage for you, as a new member, it is your responsibility to now contribute in some way to your fellow Ontario Craft Brewers to keep the industry developing and growing.

Whether it is hosting industry meetings, being the first to install new sustainable water management systems, sitting on a committee or working on collaboration brews for charity events, there is a way for you to contribute.

Bottom line, when you ask **"what's in it for me"** when thinking about joining the OCB, the answer is all the hard work and investment others have made over the years and are making today. In fact, at this time, some of the larger members are once more investing to resolve the "Sell Valley" taxation issue and the "Triple Indexing" tax issue that will benefit the whole industry and make your opportunity to participate just a little bit easier. Remember, as an Ontario Craft Brewery you really are standing on the shoulders of those that came before you. So what do you get out of it? Our experience is, as the old saying goes: "You get out of it what you put into it and much more."

Bottom line here is if you want to have your voice heard, protect the hard fought for gains of the last quarter century, help grow your business, and assist in the struggle to rightfully reclaim our brewing heritage and make the future a better environment for craft brewers: It is time to fill out an application and join with your peers of small, independent craft brewers of Ontario and work to make it happen.

We know only so well that the efforts to take away our hard fought for gains in the Canadian brewing industry will never stop. Your fellow Ontario Craft Brewers need your passion and contributions to protect and grow the craft beer market in Ontario.

JOIN
TODAY!



WANT TO BECOME A MEMBER OF THE OCB?

The OCB offers membership types including Full Voting Rights Membership for Operating Breweries and Associate Memberships for Contract Brewers, Brewpubs and soon Suppliers and Craft Beer enthusiasts. If you are interested in more information please email the OCB Office at admin@ontariocraftbrewers.com for an Application kit or call us at **416-494-2766**.

We hope you will join your fellow Ontario Craft Brewers on this very exciting and fulfilling journey of recapturing our brewing heritage where **REAL PEOPLE BREW REAL CRAFT BEER.**

Cheers!

