



Wine Caught in a Flood?

If you live in Toronto, chances are you were affected in some way by the flash floods this summer. Cellars, typically being in basements, were hit quite hard and kept our staff very busy for a few months.

The common question from clients as well as insurance companies was “Is the wine salvageable?” Depending on your situation we’ll offer a few pieces of advice below:

- If the wine was completely submerged then there will most certainly be label damage. This impacts the resale value but not the wine itself. However, contaminated water could have come in contact with the cork even with a capsule covering. To be safe, cut the capsule off and spray the cork (the whole bottle actually) with Concrobium which is available at your local Home Depot. This will kill any bacteria or mold that the cork would have been exposed to for even a brief amount of time.

over...

In this issue

Bringing Wine **P.1**

Into Canada **P.2**

Temp Study **P.3**

News & Events **P.4**

Bringing Wine into Canada

What will I pay and how do I ship cheaply and safely?

On a weekly basis we’re called by collectors who own wine in the US or overseas and are considering bringing it to Canada. Tariffs and duties differ dramatically by province and circumstance leaving the average person confused about what is allowable and at what cost. Below are the most common scenarios we encounter (wine only, not spirits or beer).

Moving back or moving here

Whether you’re a Canadian citizen returning to Canada after having worked abroad, or you’re a foreign citizen moving to Canada, the least taxed way of bringing wine into our country is through a move as part of household goods.

If you are returning to Canada having been away for 5+ years you are allowed to bring in 1,200 bottles of wine providing you have bought it within the past 6 months (so keep as many receipts as you can). The provincial levy is \$1.00 per bottle of table wine and \$3.00 per bottle of sparkling plus the \$0.20 per bottle deposit.

Federally you are required to pay GST/HST on the value of the wine. Canada Customs has stated that they will accept a “reasonable” value on the shipment and will not be looking for professional appraisals.

Before you return make sure you have all the necessary paperwork from the provincial liquor board and a complete catalogue of your wine. You will physically have to go to Canada Customs to pay the fees before the shipping company is allowed to release it and will need to provide the liquor board paperwork as well as proof of payment.

Returning from a trip

Over and above the two bottle duty free limit, you are able to bring into Ontario up to 60 bottles of wine when returning from a trip with the following fees:

- Accompanied – 39.6% of value
- Unaccompanied – 102.2% of value

Make sure you keep receipts for Canada Customs. If the wine is unaccompanied there are very specific rules and forms, too detailed to go into here.

Difference by Province

Provincial fees vary greatly by province of entry. In BC for example the liquor board fee is 85% of the value but caps out at \$12.75 making expensive wine a reasonable import. In Alberta

cont...

Flood cont...

- The cooling system likely went off when the cellar flooded which could lead to damage as a result of heat (more on heat exposure in this edition). Unless the heat was greater than 24°C for over a week you should be fine.
- Most insurance policies will cover the damage if the water came up from pipes as opposed to in from a door or window. However, it is likely that an insurer will take the wine if a payout occurs so you may want to consider whether a wine is even replaceable before you give it up.

This brings up an interesting point. The transfer of title of wine in return for money is only permissible in Ontario through the LCBO. So technically the insurer may not legally be allowed to take the wine...but I'm no lawyer.



it's \$3.00 per bottle but a maximum of 12 bottles. In Manitoba its \$3.00 per bottle with no quantity limits. Below is a simple table for table wine, accompanied, for personal consumption only:

Province	Levy/btl	Max \$/btl	Max btl #
ON	39%	No max	60
BC	85%	\$12.75	12
MN	\$3.00	\$3.00	No max
AB	\$3.00	\$3.00	12

Safe Shipping

Based on the above, wine will either be on your person or coming as part of your household move in order to be economically viable. The goal now is to ensure that it arrives undamaged and without exposure to excessive heat or cold.

Whenever possible a case should be repacked into a Styrofoam carton specifically designed for wine. These can be found on Uline.com for about \$18 each and delivery can be the next day. 750's and magnum shippers are available immediately but larger sized containers can be difficult to find and expensive. If your cases are being "hand bombed" at any point in the transport then styro packaging is necessary. If you have sufficient quantity such that they'll be on their own pallet, it's less necessary for all but the most expensive bottles to be repacked. If the wine is in OWC we often recommend repackaging and shipping the wood separately.

The other consideration would be a thermal blanket (also available from Uline for about \$175) which covers the entire pallet and offers further protection from the temperature changes.

Bringing Wine into Canada cont...

To Reefer or not to Reefer

Certainly the best means of transportation is through a refrigerated vehicle from end to end but this can be prohibitively expensive for all but the most expensive collection. Ask your shipper for a quote on this as well as regular shipping. If your choice is to ship without a refrigerated vehicle we recommend strongly that you ONLY ship when the ambient temperature outside is as close to 13°C as possible, so fall and spring. This of course is more difficult for longer distances so discuss all options with a shipper who specializes in wine transportation.

Specialized shipping companies are very important because alcohol can be held at international borders for extended periods, or even returned, if the exact paperwork and even individual bottle labelling is not completed properly.

"A shipper is going to pay special attention to a shipment when they know that it's being monitored in real time"

Lastly, you should consider a temperature monitor for the case(s) or pallet. These can provide a detailed report after the fact or, in the best scenario, can track via cell towers in real time allowing you to see exactly where your shipment is and current conditions. In this way, should you see a temperature spike outside the acceptable limit you may be able to call your shipper allowing the situation to be rectified before the wine experiences any permanent damage. We also feel that a shipper is going to pay special attention to a shipment when they know that it's being monitored, real time, end to end.

If you have any questions or require recommendations to shippers, products or websites, please feel free to call us.

Temperature Effects on Wine

This summer saw its share of adverse weather conditions that prompted a lot of inquiry about optimal temperatures for wine and at what point damage would occur. As a result we did a lot of investigation into the effect that extreme temperature in either direction has on fine wine.

We all know that the optimal temperature to hold wine at is approximately 13°C but what happens if a cooling system breaks down or something occurs in transit?

According to the World Food Logistics Organization, and supported by extensive research conducted in 2011, the chemical composition of wine is significantly affected by temperatures listed below:

Temperature	Acceptable Duration
>30°C	Never
24°C - 29°C	30 mins or less
17°C - 23°C	1 – 4 weeks
10°C - 16°C	Optimal
9°C - 0°C	1 – 4 weeks
0°C - -5°C	30 mins or less
< -5°C	Never

When a wine is heated it will often take on the characteristics of accelerated aging. We have had clients return from vacation to a “cooked” cellar only to open the wine and believe it to be fine. While it may appear to be fine at the moment, the longevity and how it will age has been significantly impacted. In other words, it might seem OK now but it will be gone well before its time, the degree of course based on the time and temperature it experienced

But what about the time a wine has spent in transit before from the winery to the retailer? Sadly, the answer may not be good.

Robin Grumman-Vogt of wine shipment monitoring company eProvenance said “Based upon the 650,000 temperature measurements we have taken so far, we can profile the world of wine shipments. For example, over the past three years, 41.2 percent of monitored fine wine shipments from France were exposed to temperatures above 25 degrees. 11.5 percent of shipments were exposed to temperatures above 30 degrees. And 3.2 percent of shipments were “cooked” producing a wine that lacks aromas, lacks the sulfur dioxide for long-term storage, and generally tastes “off.”

Many wineries as well as collectors have taken to installing monitoring devices that can affix to a case not only during transport but also through the life of the wine. Consider the increased value of investment wines such as the '09 and '10 Bordeaux. If 20 - 30 years from now a collector considers selling the case at auction the return would be dramatically increased if they can verify through a third party reporting system that the wine has remained at optimal temperatures for its entire life.

Chateau Margaux for example is now using this relatively inexpensive technology to ensure that the quality of their product is protected end to end. Cain Five offers clients the ability to mail back a tracking device when they receive their wine. If it ever exceeded a certain threshold the wine will be replaced. Hopefully the advances in these technologies will lessen the old adage that “there are no great wines, just great bottles”



Eye On It Ontario Wine News

Kathleen Wynne has recently hinted about some positive changes to Ontario's wine industry but these are marginal at best. Citing things like wine sales in farmers markets and new “boutique stores” (right in the winery neighbourhoods where they're not necessary) will have little to no impact on the industry as a whole.

The Toronto Star finally noted that the “dividend” to the province from the LCBO, at \$1.6B, is \$132/person/year as opposed to privatized provinces returning upwards of \$182-\$197. It's time to be critical of this magical \$1.6B number that keeps getting trotted out.

The LCBO recently went head to head against the Privacy Commissioner of Ontario in the Appeal Court of Ontario on September 12th. Counsel for the LCBO asked that the PC's order of February 27, 2013 be overturned. In the order the PC demanded that the LCBO cease collecting personal and private data on club members and destroy all information collected to date. This would include not only publically available clubs like Vin de Garde but also private clubs including the National Club, Granite Club and York Club.

In court the LCBO cited it didn't know that an “order” (as opposed to a “recommendation”) was a possible outcome and that this was too heavy handed of IPCO. The pending decision of the 3 judge panel will certainly impact the political power of IPCO going forward.

Worldwide Collector Briefs

HDH Sells over \$5M and 99.99% sell through at September Auction

Hart Davis Hart of Chicago continued the momentum into the fall auction season with a highly successful auction keeping them at the #1 spot for houses in the North America. Total sales so far this year have exceeded \$25M with 8,103 lots finding bidders. Highlights included a 1990 Clos St. Denis, Dujac with a new record of \$23,900 and a 1982 Latour selling for \$21,150 off a low estimate of \$12,000. Bidders were from 37 countries around the world. Next auction is October 26 and consignments from Canada for the December 14th auction will be leaving from Iron Gate's location no later than October 16th

Red Obsession Premieres at TIFF

A highly acclaimed documentary film about the Chinese desire for high end Bordeaux premiered at TIFF on Friday, September 27th. The film is beautifully shot and does a good job walking through the investment wine industry and the Chinese demand for wine as a luxury product. An entertaining film overall that can also easily be enjoyed by those without a significant interest in wine. Plus the TIFF theaters are always worth the trip.

Upcoming GTA Wine Events

LCBO Vintages Auction

Trump Tower will host the 2013 live auction beginning at 8:00pm on October 18th with the first 400 lots offered for sale. The following 1005 lots will be auctioned the following Saturday morning at Waddington's on King Street beginning at 10:00am. We will, as always, have a complete analysis of the solid lots immediately following the release of sale data.

TSO Annual Fine Wine Auction

A strong collection of wine donated from private collectors will put up for sale on Tuesday, November 12th at CIBC, Commerce Court West, 56th Floor. Reception starts at 5:30pm and auction at 6:30pm. Potential buyers should remember that purchases are NOT subject to premium or HST which, compared to the Vintages auction above, translates to a saving of over 33%. tsvc.ca/fine-wine-auction/

Heitz Cellars Cabernet Tasting

Winetasters Society will be holding a tasting of Trailside, Bella Oaks and Martha's Vineyard from 1999 – 2005 on October 9th. It will take place at North York Memorial Community Hall at 6:30 pm with a cost of \$84 to members and \$89 for guests

2013 Chilean Wine Festival

The Chilean Trade Commission presents their annual grand tasting at the ROM on October 8th. Doors open to the public at 7:00pm at a cost of \$75. Patrons can sample from 20 wineries and 120 wines.



Featured Wine Quarterly Pick

As the holiday season approaches we are often asked for a solid sparkling wine as an appetitif. This is one that we served at a recent event with Chubb and HDH that has incredible value and is sure to be popular with neophytes and oenophiles alike while maintaining your budget.

The 2010 J.M. Sohler Cremant d'Alsace Blanc de Blanc is a 100% Pinot Blanc made using the methode traditionnelle. The bottle ages for a minimum of 15 months on its yeast deposits, which deliver the wine's smoothness and the consistency of its bubbles. The nose shows beautiful aromas of fresh green apple and the palate is dry, crisp and refreshing, making it the perfect aperitif. 400 cases produced.

This wine is not available at the LCBO but can be acquired by contacting the importer directly and ordering on a case lot basis for \$24.80/bottle.

Contact Bernard Stramwasser at Le Sommelier 416-603-7026 or by email at bernard@lesommelier.com

Iron Gate - Private Wine Management

Warren Porter is President of Iron Gate – Private Wine Management, a storage and wine services provider based in Toronto, Canada. Iron Gate is operating the largest private provider of storage services in Canada. In addition, Iron Gate – Private Wine Management provides home cellar management and monitoring systems, professional buying and US and international selling services for collectors in Canada.

Iron Gate – Private Wine Management
51 Laird Drive, Toronto, Ontario M5V 3T4
T: 416-234-9500 | warren@irongatewine.com | www.irongatewine.com

