



Hi ,

Did you notice Premier Ford pouring one out this week?



How ‘Canadian’ IS Crown Royal? The brand is British-owned and some bottling is moving to the United States, but the product’s label still reads ‘Canadian whisky.’ That gap between what the label says and where the value goes underscores our country’s sovereignty problem in a nutshell.

Diageo, the UK company that owns Crown Royal, just announced plans to shut down its bottling facility in Amherstburg, Ontario, slashing 200 jobs. The firm intends to shift much of its bottling capacity to the U.S. and cites supply chain efficiency as the reason for the move. Diageo says only U.S.-bound bottling is moving stateside, while bottling destined for the Canadian market will be absorbed by Crown Royal’s Quebec location.

Regardless, one of our most iconic whisky brands is about to become even less Canadian.

We actually lost ownership over Crown Royal a while ago. The brand originated in Gimli, Man. in 1939, but fell into the hands of British multinational Diageo back in 2001. Crown Royal is now just one piece of an empire of over 200 alcohol brands — including big names like Guinness and Smirnoff — owned by Diageo.

Foreign ownership of formerly Canadian whisky brands built and scaled at home has become too common. Forty Creek is owned by Italy’s Campari Group and Black Velvet is owned by U.S.-based Heaven Hill. French multinational Pernault Ricard owns JP Wisers and Gooderham & Worts, along with the Hiram Walker distillery in Windsor, out of which many other ‘Canadian’ whisky brands, like Lot40 and Pike Creek, are produced.

Perhaps most damningly, two ‘Canadian’ whisky brands with their heritage right in their names, Canadian Club and Alberta Premium, are owned by Japanese multinational Suntory.

But these brands haven’t been boycotted in the ‘Buy Canadian’ mania. When provinces took U.S. booze off the shelves earlier this year, Canadian-branded whiskies like these were mostly left alone, no matter who is at the top of their ownership chart.

Instead, Canadian whisky is enjoying a revival as consumers pull back from American bourbons to the alternatives that feel much more Canadian.

Often, that Canadianness is not much more than a feeling. Whisky has simply become another place where foreign-owned companies can capitalize on our reignited preference for Canadian products while siphoning most of the benefits.

Sure, when these whisky brands keep the majority of their processing capacity in Canada, they continue to create valuable jobs here. But the profit gets recorded elsewhere. That tension was well captured on X through this tweet from Suzanne Sexton (below).



Meanwhile, Canadian whisky has relatively weaker branding when compared to Bourbon or Scotch whisky. A controversial rule allows for up to 9.09 percent of Canadian whisky to be made from other wines or spirits. That means that ‘Canadian’ whisky does not even have to be entirely whisky, let alone entirely Canadian.

While this creates room for creativity from master whisky blenders, big companies can also capitalize on this rule to avoid high export taxes (Canadian whisky is already sold at much lower prices in the U.S. than comparable blends from other countries). We also do a poor job protecting our national brands in the export market: some Canadian whisky is shipped to the U.S. to be aged and then passed off as American rye. We are leaving value on the table.

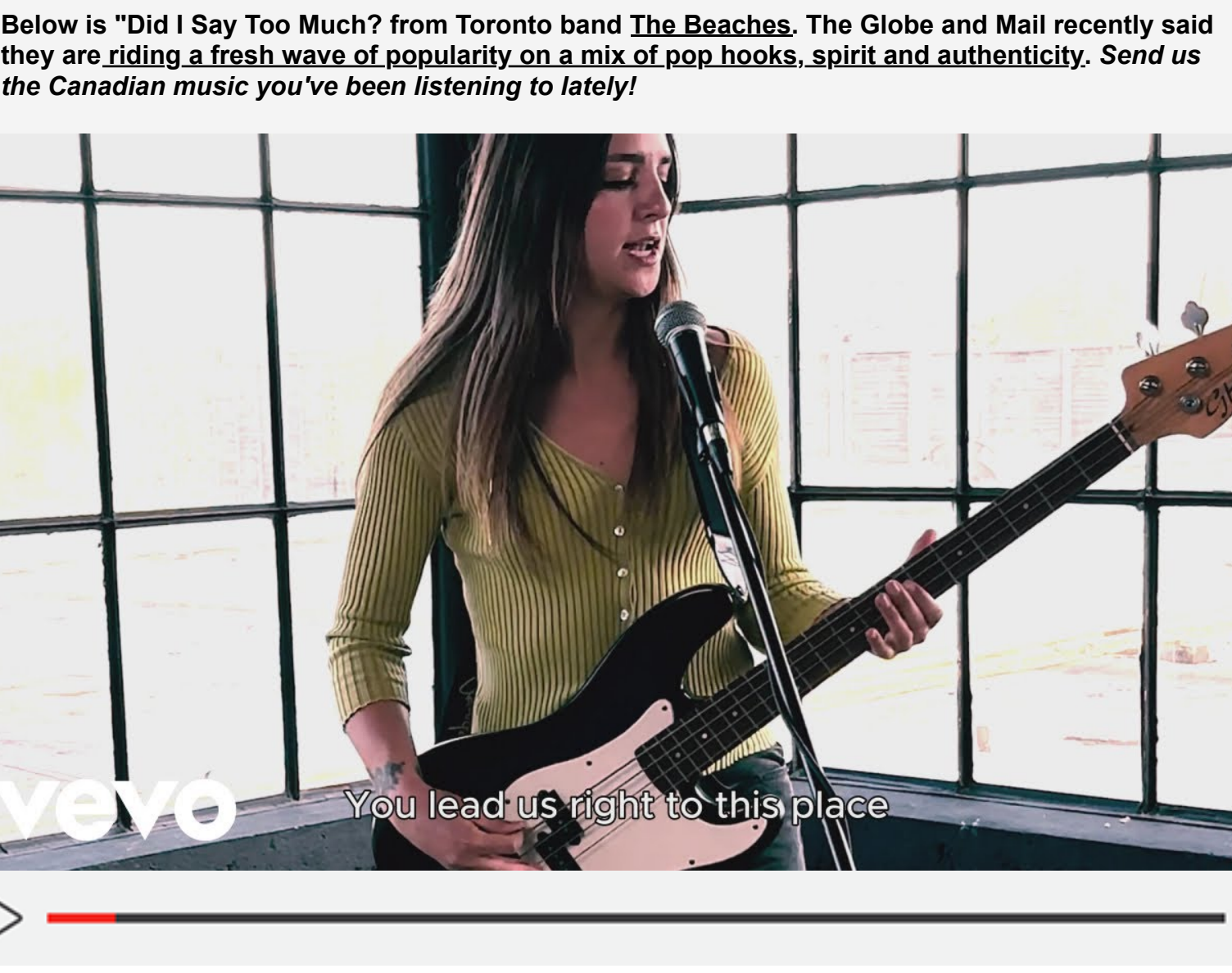
To support what is truly Canadian, we need to reclaim control over the nomenclature. In order to be called Canadian whisky under Canadian Food Compositional Standards, distilleries must meet specific requirements, like domestically ageing their product for at least three years.

Where is the requirement to label foreign company ownership? Labels based on where a product is assembled often mislead people into assuming that the company itself is Canadian.

The not-so Canadian whisky is only part of a larger story in which Canada has relinquished control of too many markets and products to foreign ownership.

The vulnerabilities this trend has created in our economy have been present for a long time, but current conditions have served them neat. If the word ‘Canadian’ on the label doesn’t mean Canadian-owned, Canadian-controlled or Canadian-benefitting, it is a designation that doesn’t actually mean much at all.

Diageo’s plan to shutter bottling in Amherstburg is a case study in how we quietly lose sovereignty over iconic products that can still claim to be ‘Canadian’ because of the carve outs we’ve allowed in public policy.



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