



# The **STATE OF ORGANICS**

Federal - Provincial - Territorial  
Performance Report 2019

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**Canada Organic Trade Association**  
March 2020





## Acronyms

<b>AAFC</b>	Agriculture and Agri-Food Canada
<b>ACORN</b>	Atlantic Canada Organic Regional Network
<b>BC</b>	British Columbia
<b>CAP</b>	Canada Agricultural Partnership
<b>CARTV</b>	Conseil des appellations réservées et des termes valorisants
<b>CB</b>	Certification Body
<b>CFIA</b>	Canadian Food Inspection Agency
<b>CGSB</b>	Canadian General Standards Board
<b>COABC</b>	Certified Organic Association of British Columbia
<b>COR</b>	Canada Organic Regime
<b>COTA</b>	Canada Organic Trade Association
<b>CVB</b>	Conformity Verification Body
<b>EU</b>	European Union
<b>FPT</b>	Federal-Provincial-Territorial
<b>GDP</b>	Gross Domestic Product
<b>GoOFY</b>	Growers of Organic Food Yukon
<b>HS</b>	Harmonized System
<b>MPP</b>	Member of Provincial Parliament
<b>NDP</b>	New Democratic Party
<b>NOP</b>	National Organic Program
<b>NSDA</b>	Nova Scotia Department of Agriculture
<b>OACC</b>	Organic Agriculture Centre of Canada
<b>OAPA</b>	Ontario Agricultural Products Act
<b>OFC</b>	Organic Federation of Canada
<b>OMAFRA</b>	Ontario Ministry of Agriculture, Food and Rural Affairs
<b>OPR</b>	Organic Products Regulations
<b>OSDS</b>	Ontario Sector Development Specialist
<b>PEI</b>	Prince Edward Island
<b>SCC</b>	Standards Council of Canada
<b>SCIC</b>	Saskatchewan Crop Insurance Program
<b>SFCR</b>	Safe Food for Canadians Regulations
<b>STEP</b>	Saskatchewan Trade and Export Partnership
<b>US</b>	United States of America
<b>USDA</b>	United States Department of Agriculture



## EXECUTIVE SUMMARY

The report marks the third year that COTA has worked with provincial and territorial partners to produce the State of Organics Report. Following the initial publishing of the Canada Organic Trade Association's (COTA) first report in 2017, the 2018 The State of Organics: Federal-Provincial-Territorial Performance Report, provided key updates on the various supports for organics from the federal, and provincial/territorial (FPT) levels or government. Similar to COTA's 2017 and 2018 reports, this 2019 report describes the most current forms of support for the organic sector from FPT jurisdictions and provides a broad set of summary conclusions.

The organic sector continues to grow at a rate greater than the rest of agriculture. Premiums persist in the marketplace for the entire supply chain, from producers to manufacturers and exporters. Canada's international reputation and our domestic consumer demand continued to provide for sound sector growth.

In terms of advancing our government supports, the unfortunate reality this past year is that there has been little movement or progress in terms of support from provincial and territorial governments. While there is great consumer confidence in the COR, and recognition is growing for the Canadian Organic Legend (logo), the lack of complete coverage at the provincial/territorial level, leaves a patchwork of provincial responses in the application of a standard for intra-provincial trade. This inconsistent application of provincial/territorial standards on intra-provincial trade creates potential confusion in the marketplace, potential competitive disadvantages, and is not helpful in building consumer confidence overall in the organic sector nor its credibility.

Federally, work continues to seek better information on the organic sector. Specifically, data on production, imports and exports which could provide tremendous help and guidance to producers, processors and investors looking to make sound business decisions. This lack of information inhibits the sector's ability to tell an accurate story and dissuades investment. Internationally the lack of robust production information is also hampering mass-balance determinations and opening the doors to potential market deception and fraud opportunities. Our challenges in Canada around a robust data collection framework continue at the same time as our two biggest trading partners (US and EU) are both enacting new regulations to enhance their efforts against fraud in the sector.

Work also continues to renew and strengthen the various equivalency agreements that facilitate international recognition and trade of Canadian organic products, as well as the availability of greater choice in our Canadian organic marketplace for Canadian consumers. While working with federal departments, COTA continues to seek a more sustainable option for government to resource its obligations to maintenance of its organic standards.



With the re-election of a Liberal government in October there is an expectation that the federal government's focus on the environment will allow the organics sector to align our objectives with those of the federal government. As 2020 begins, it is expected that there will be opportunities to work with the federal departments to advance our sector at the same time as we help the government achieve some of its objectives. As an example, the federal Liberals have asked the Minister of Environment and Climate Change Canada to work towards making Canada a net-zero emitter by 2050. Organics should be able to leverage the benefits of our production systems to help the government achieve this.

With the lack of any real change from our government partners this past year, the report concludes with three recommendations to our partners:

- The remaining provinces and territories (Saskatchewan, Ontario, New Brunswick, Newfoundland/ Labrador, Yukon and Northwest Territories) that have not yet adopted an organic provincial regulation, do so to eliminate the existing loopholes.
- government to invest in expanded and improved organic data collection systems.
- permanent core funding from the government for the Canadian Organic Standards.

## INTRODUCTION

The global organic industry continues to grow and mature, now valued at \$144 billion globally (2018 statistics). What started as a group of pioneers over a hundred years ago, around the end of the 19th century and grew to be a bonafide agriculture production alternative in the late 1900's, is now poised to mature beyond being considered a niche production industry, but rather to be the agriculture sector's leading edge of production, delivering both environmental sustainability and economic resilience for producers and processors. The growth out of being considered a niche sector, into becoming a significant percentage of acres, of production and of consumption, is what the global movement to "Organic 3.0" is all about. The sector is growing. Faster than any other sector of agriculture and fuelled by a consumer that is looking to make purchasing decisions which are better for the environment and which help address global concerns over climate change. And this consumer is willing to pay a premium for these choices!

Consumers have choices today. Increasingly they are looking to feel good about their food choices and looking to for products that respond to their social conscience. Organic is one of several marketing claims that might attract consumers looking to feel good about the environmental impact of their food choices but what sets organic apart from ALL the other environmental claims, is that Organic is the only claim that is backed up by a federal government-owned standard, codified into the Safe Food for Canadian Act and Regulations. Organic, and the Canada Organic Regime's (COR) logo can



provide the consumer confidence and credibility that no other environmental claim can provide. With the COR, organic is established, holistic in scope, defined by the standard, globally certified and is the only environmental claim which can demand a premium in the market, and deliver the premium all way through the value chain back to the farm-gate.

Canada's organic industry continues to show impressive growth across the sector, including grocery market sales, food service sales, value-added goods manufacturing and primary production acreage. In 2018, the organic market share reached 3.2% of the market, an increase over 2017, and up significantly from the 1.7% recorded in 2012. In 2018, fully two-thirds of Canadian retail shoppers purchased organic as part of their weekly shopping.

The objective of this report is to evaluate the FPT governments' support for organics and highlight key recommendations for improvement. By evaluating existing programs and levels of support, the report serves as a resource for those encouraging organic sector development in their provinces and territories, and for those encouraging such development federally. This report is the third pan-Canadian assessment of government support of the organic sector in Canada. COTA will annually release an updated State of Organics report, providing the sector and government with a gauge of how the FPT governments are supporting, or creating barriers for, the organic sector's growth, and with key recommendations on solutions to assist the sector's continued growth.

## METHODOLOGY

Again, this year, as has been the case in the past two editions of the State of Organics Performance Report, COTA has worked with its provincial/territorial partners to provide the perspectives from each of the provincial/territorial jurisdictions as well as providing the federal perspective itself. Provincial/territorial partners were asked to provide an update regarding the government supports provided by their provincial/territorial governments. We thank our provincial and territorial partners for their efforts to assist in tracking how progress is being made regarding the regulatory frameworks available in the provinces and territories.

## FINDINGS

### Federal Government

While federally the Canadian Organic Regime (COR) is built around the Canadian General Standards Board (CGSB) standards and is incorporated by reference into the *Safe Food for Canadians Act*, it applies only to inter-provincial and international trade.



Provinces and territories still maintain legal jurisdiction over intra-provincial trade; thus, it is critical to establish equivalent frameworks in each province/territory.

What differentiates organic from the countless other claims found in the Canadian retail market focussing consumers on various product/production attributes, is the strength of federal law that defines and brings rigor and credibility to the production methods. The claim of organic dates back to the *Organic Products Regulations (OPR)*, which were regulations pursuant to the *Canada Agricultural Products Act* (repealed in 2012). The OPR applied to food, feed and seed that has an organic claim and is being sold interprovincially, is being imported or exported, or is displaying the federally owned and regulated Canada Organic logo. ***The Safe Food for Canadians Regulations (SFCR)***, adopted under the Safe Food for Canadians Act (SFCA) which passed in 2012, came into force on January 15, 2020. These regulations incorporate the Canadian Organic Standards by reference, as the OPR did, and have replaced the OPR.

Chapter 13 of the SFCR, much like the OPR, requires organic products to be certified according to the Canadian Organic Standards. All standards are established with industry input through the Canadian General Standards Board (CGSB), in accordance with the Standards Council of Canada (SCC) procedures. Under the old OPR, the standards which were incorporated by reference included two national standards: CAN/CGSB 32.310, *Principles and Management Standards*, and CAN/CGSB 32.311, *Permitted Substances List*. Under the SFCR, these two standards are included alongside a third organic standard which is also incorporated by reference: CAN/CGSB 32.312, *Organic production systems, Aquaculture – General principles, management standards and permitted substances lists*.

The inclusion of the aquaculture standards enables products adhering to these standards — which were originally developed in 2012 but have since been revised in 2018 — permission to use the Canada Organic logo and be federally regulated by the CFIA. The aquaculture standards were incorporated with a phase-in period of two years. With the incorporation by reference of CAN/CGSB 32.312 into the SFCR, seafood as well as some fruits and vegetables grown in an aquaponic system and certified in accordance with the standards will be allowed to be sold and marketed with the Canada Organic logo. This standard comes into force 1st January 2021. Products certified in accordance with the US Canada Equivalency Arrangement under the US aquaponic production standards can enter Canada after this date as the equivalency permits this.

The incorporation into the SFCR of organics, and the inclusion of a specific division (Division 13) within the SFCR certainly provides a strong framework for the regulating of organics and provides for the strength of the SFCA as an assurance to consumers and industry stakeholders alike. It sets any claim of organic content apart from other product claims that don't have the strength of law to assist with defining the claim. It also allows for the use of the Canada Organic logo. While the organic sector applauds the federal government for its recognition of the organic sector in the SFCR, the regulatory



framework continues to limit Canadian organic products within the narrow scope of food, feed and seed for human consumption. This limits the Canadian organic sector as compared to other jurisdictions which regulate a broader spectrum of products which are certified to the organic standards, and allows for unregulated consumer products to enter the Canadian market with unsubstantiated organic claims, leading to consumer confusion and deception and to the erosion of the credibility of the Canada Organic Regime (COR).

As examples, the United States (US) - Canada's largest trading partner for organics, and the European Union (EU) - Canada's second-largest trading partner for organics - regulate products beyond the scope of the SFCA and SFCR, and also regulate organic claims on personal care and cosmetic products as well as on fibre and fabrics/hides. Expanding the scope would lead to more uniform application of the COR in the marketplace, would improve consumer confidence and would allow for expanded equivalency agreements allowing Canadian exports greater access to export markets.

At the very heart of the COR and market opportunities for the organic sector, is the SFCA and SFCR and the incorporation by reference of the three Canadian Organic Standards (CAN/CGSB 32.310, CAN/CGSB 32.311, and CAN/CGSB 32.312). These are clearly "government standards" and are owned and maintained by Canadian General Standards Board (CGSB), under the oversight of the Standards Council of Canada (SCC). This ownership and force-of-law establishes the clear authority of federal government with regard to its regulatory oversight of the COR, and gives assurances to Canadian and foreign consumers regarding the credibility of Canada's organic production and processing, and the Canadian Organic legend (logo). It is imperative that the government assume its ownership and responsibility for the maintenance of the COR with the same priority that it gives to supporting any of its other regulatory frameworks. According to the government's SCC, every five years, federal standards require a technical review to remain current. It has been the federal government's position that they will not provide on-going, full funding of the technical reviews of the Canadian Organic Standards required as part of their fiduciary responsibility to the maintenance of the standards. Industry continues to look for solutions where it can partner with government and bring industry expert resources to support the government's obligations in this regard, and count on the government's on-going recognition of its ownership of the standards. For industry to fund standards reviews of a federal standard would entail significant resources, beyond the industry's capacity. Keeping the standards renewed, relevant and credible is critical to the sector, and industry agrees it has an important role in bringing industry expertise and counsel to the mandated review process, but also believes that this process is unquestionably a government regulatory update, and thus must be funded by government.

With the technical review being required to be completed for 2020, and after extensive lobbying from industry throughout 2017, in January 2018, the federal government committed \$250,000 towards the organic standards review process, and in September



2018 committed an additional \$292,555 towards the review. The sentiment expressed by government that this was a one-time payment and that the organic industry must find a way to fund the 2025 review. While the sector is grateful for the federal government's contributions, it is critical for the government to commit to permanent core funding for the standards reviews, in order for the sector to remain competitive with our largest trading partners, whose respective governments ALL fund their organic standards reviews.

The organic sector is represented at the national level by three separate organizations that work collaboratively to support the sector. First, the Canadian Organic Trade Association (COTA) with a mandate to be the leading voice for organics in Canada through advocacy, data & research, consumer education, and market access opportunities. Secondly, the Canadian Organic Growers (COG), a charity who focuses on provision of workshops and advocacy tools in support of organic growers and consumers, and finally the Organic Federation of Canada (OFC), who's work focusses on organic standards development and the Organic Science Cluster.

A key challenge for the organic sector as it continues to mature and move out of "niche" status to become a bigger and bigger segment of the overall agriculture industry in Canada, has been its ability to tell its story in an accurate and meaningful way. Data is critical to the sector and its ability to grow. Individual producers, companies and governments all rely on data to inform decisions and to make plans. Organic production is no different than conventional production and requires huge investments and a keen sense of markets. Without data investment becomes riskier and this slows the growth of the sector. Without data, the industry is not able to tell its story in a credible manner. Without data the industry struggles to get its share of government program support and get changes made to policies to support its competitiveness.

The organic sector has had no data available to it from federal sources since the last 2016 Census. Both Census data and import/export data via the Harmonized System (HS) codes are currently not available in sufficient detail to provide the required support. The sector still struggles to summarize production data and to track sales, import, and export data. The industry continues to discuss this issue with all levels of government with little or no movement to-date.

Organic production offers an incredible opportunity to the overall agricultural sector and to Canadian governments but needs improved data to allow sound investing and business decision-making, and better policies and program design. Our industry cannot properly plan our businesses without key data, nor can government departments have the tools necessary to evaluate our success and/or trade barriers that need to be addressed.

As the 6th largest organic consumer market in the world, and the fastest growing sector of agriculture (now with 3% of Canadian farms), it is time to have a more robust support system from the Federal government in order to ensure the sector continues to grow.



The current federal government has made the environment and climate change a significant part of their platform and organic production aligns very well to support the governments initiatives. It reduces synthetic inputs, improves carbon sequestration, reduces soil erosion and enhances biodiversity. It is also a key economic driver for the country, improves the Canada brand internationally due to its built-in sustainable assurance system, and helps meet the Canadian government's commitments to 13 of the UN's Sustainable Development Goals. Organic in Canada has grown from \$1 Billion in sales in 2012 to \$6.6 Billion in 2019 sales.

- In 2018, Canadian organic imports were valued at **CAN\$724.4 million** (approx. **226 million kgs**).



- In 2018, organic exports were valued at **CAN\$384 million** (approx. **490 million kgs**).

The growth and opportunity for domestic farmers to be a part of organic's upward trajectory, while addressing climate change, pollution, food access and mitigating currency fluctuation and carbon by having a more robust Canadian food system instead of being reliant on imports is in the public interest. The suite of business risk management (BRM) programs continue to not serve organic producers or those transitioning to organic. Further, the organic sector is under-funded in terms of research and variety development and did exponentially worse than conventional plant agriculture with the federal government's withdrawal from public funded variety development.

Organic production in Canada has the same reliance on exports that conventional agriculture has in Canada. While it must adhere to all the same sanitary and phyto-sanitary scrutiny that conventional agriculture has, the organic sector also relies on equivalence recognition with trading partners who have domestic organic regimes. The work to develop and maintain these equivalency arrangements is resource intense and requires an on-going priority from the Canadian Food Inspection Agency (CFIA), who is the recognized Canadian competent authority. Canada has equivalency arrangements with the US, the EU, Switzerland, Japan and Costa Rica. CFIA is engaged the development of future arrangements with Taiwan, and South Korea and an expansion of the Japanese arrangement to include livestock. We also look forward to including aquaculture within the scope of these arrangements post January 2021 (when the standard is enforced).

One of our key international export markets is the European Union (EU). Changes to EU organic regulations, intended to improve enforcement and reduce fraud are also impacting all the equivalency arrangements currently in-place and will require that the arrangements all be renewed as "trade agreements" prior to the current arrangements sunset in 2025. This is a critical market for Canadian organics, and it will be critical



that CFIA works to ensure there isn't any gap in access. Further, with the United Kingdom (UK) exiting the EU, it will create uncertainty on access to this market after December 31, 2020 and thus will be a drag on exports until there is certainty.

Organic sector specialists exist at Agriculture and Agri-Food Canada (AAFC) and the Canadian Food Inspection Agency (CFIA) has staff dedicated to the organic enforcement file. However, an identifiable inter-departmental team continues to be needed to keep pace with the industry's growth and to eliminate regulatory burdens. There appears to be no federal strategy or policy for organics due to this lack of coordination at a federal level.

In Canada, at the federal level, the CFIA has responsibility for the Canada Organic Regime (COR) under the Safe Food for Canadians Act and Regulations. CFIA designates Certification Verification Bodies (CVBs), who in-turn accredit the Certification Bodies (CB), and in this way the CBs come under the purview of the CFIA. The CFIA monitors operations whose organic certification have been cancelled, posting a list of de-certified operations on the [CFIA's website](#). COTA continues to hold up the US Organic INTEGRITY Database as the hallmark of CB transparency and encourages the Federal government to look at improvements to its public reporting in this regard.

Within CFIA's administration of the COR, it also regulates the use of the Canada Organic Legend (logo). It is permitted to be used on products that meet the organic standards and that have been certified according to the COR by an accredited CB. The logo can only be applied to the packaging of products that fall within the scope of the COR (food for human consumption, feed and seed). Unfortunately, products outside of this scope with an organic claim — such as body care products, natural health products, flowers, supplements, cosmetics, pet foods and textiles — are outside the scope of the COR. Meanwhile, consumers will find US product carrying the NOP logo on these products categories in Canada. This limitation in scope allows for confusion in the marketplace, allows for deceptive practices, places Canadian organic operators at a competitive disadvantage and erodes consumer confidence in the organic sector



Funding and resourcing of organic sector supports within government departments continues to be a struggle – competing against shrinking budgets and competing priorities. In the case of the provinces and territories much of their direct investment into production and market support is funded through the federal-provincial/territorial (FPT) Canadian Agricultural Partnership (CAP). CAP is the 5-year \$3 billion FPT commitment to Canadian agriculture and agri-food. The program operates under a 60:40 (60% federal, 40% provincial/territorial) funding arrangement. Many of the programs mentioned in the following sections are made possible by federal funding.

Nationally, government support for research in the organic sector is funded primarily through the CAP federal-only *Organic Science Cluster III: Connecting Environmental*



*Sustainability with the Science of Organic Production* – 2018-2023. This commitment of \$8.3 million is administered by the Organic Federation of Canada (OFC) in collaboration with the Organic Agriculture Centre of Canada (OACC) and provides funding to 28 separate science activities across Canada. For full details of the Organic Science Cluster III, [click here](#).

## British Columbia

Since the enactment of the BC Organic Product Regulation in 2018, the provincial government has worked closely with COABC to set up enforcement and address other regulatory issues. As an initial reporting mechanism, the province has created a 1-800 reporting line to facilitate the reporting of organic mislabelling claims. The complaints are then handled by the new Organic enforcement agent. The provincial enforcement agent works with operators to ensure compliance with the regulation and has the authority to issue fines for continued non-compliance.

The regulation requires operators to certify products through a certifier that is a member of the Certified Organic Associations of British Columbia (COABC) or through one of the federally-accredited certification bodies, in order to make an organic claim within the province of BC. After a year of enforcement, government and industry have discovered the need to clarify and tighten some aspects of the regulation. The Ministry of Agriculture will address these issues in 2020.



To continue the strong support of the industry moving to the new regulation, the Provincial government signed a multi-year funding agreement, in April 2019, to ensure the online application and database pilot project becomes a functional program for all BC certification bodies. This database will provide the foundation for collecting data for BC organic operations and will enable more accurate data to be available for the BC organic sector.

The BC Organic sector is also supported by the Organic Specialist. This is a full-time position within the Ministry of Agriculture and provides valuable support for the sector in collaboration with national, provincial, and local organizations along the organic value chain to support the growth of organics in BC. The Organic Specialist provides some extension and help for operations wishing to transition to organic, but the position mainly addresses broader organic issues. The Ministry of Agriculture has also hosted discussions regarding the possibility of creating a sustainable extension program within the province supported by many entities.

The establishment of the BC organic logo has been a successful marketing tool and has gained recognition province-wide with support from the 'Buy BC' program. The program is funded by the provincial government and administered by the Investment Agriculture Foundation and can be leveraged by organic organizations and operations for



marketing purposes. However, the Buy BC program is not specific to organics. The provincial government is responsive and participates in discussions about helping grow the organic market in BC.

Organic crop insurance is available for some sub-sectors, such as organic tree fruit operators, but is not widespread and does not work well for small, mixed operations.

## Alberta

In 2018, the Alberta government passed Bill 7, the “Supporting Alberta’s Local Food Sector Act”, which regulates organic products that are grown and sold within the province of Alberta. The regulation came into effect on April 1, 2019. The Act ensures that everyone who uses the term “organic” to sell products in Alberta is certified to the federal organic agricultural standards. Albertan consumers can now have complete confidence in the word “organic”, as the provincial regulation requires products to be certified to the Canadian

In 2019, Organic Alberta received federal and provincial Canadian Agricultural Partnership (CAP) funding to launch a two-year public trust campaign. The consumer educational campaign, called “Ready to get the Facts”, will educate consumers about organics. It consists of social media outreach, fact sheets, videos and other educational materials [on their website](#).

Data Collection continues to be a challenge for Organic Alberta as the province still does not have a data collection strategy for the organic sector.

The Alberta government has eliminated its full-time organic business development officer. Over the next two to three years, it is expected that the government will be reducing capacity across the board, including agronomic expertise. Organic Alberta has been working with the provincial government in developing/modifying Business Risk Management products available to producers. A new or revised program is expected to roll out soon.

Organic Alberta, with funding from the Alberta government’s CARES program, developed and launched the Mackenzie County Organic Success Program. The goal of the program is to support local agricultural and agri-food entrepreneurs as they diversify their production by pursuing an organic operation. The program supports new and transitioning organic farmers to increase production of organic crops in the region. [Learn more here.](#)

## Saskatchewan



The Government of Saskatchewan has not adopted organic provincial regulations, despite the province having the largest amount of organic acreage in the country. Without a regulation, there is the potential for false or misleading claims on local sales, which compromises the integrity of the Canadian organic brand. Saskatchewan is one of four remaining provinces that has not adopted any regulation for organics.

The Ministry of Agriculture's Crops and Irrigation Branch has one full-time specialist who provides technical advice to organic and transitioning producers regarding agronomic best practices to ensure they have access to the latest research, product information and Ministry services. This year, the Ministry's Crops and Irrigation Branch, in partnership with SaskOrganics (the provincial organic industry association), published a report entitled [Saskatchewan Provincial Survey Organic Research Priorities Report](#) (November 2019). The recommendations in this report will provide direction on how research and extension activities can be focused to meet the needs of organic and transitioning producers and to support organic agriculture in the province, one of SaskOrganics' strategic priorities.

The Ministry of Agriculture is the only provincial or territorial government in Canada to subscribe to Field Watch, a voluntary communication tool that enables crop producers, beekeepers, and pesticide applicators to work together to protect specialty crops and apiaries through use of mapping programs. One of their programs, the DriftWatch registry tool, helps pesticide applicators and organic and transitioning crop growers communicate more effectively to promote awareness and stewardship activities to help prevent and manage drift effects. This tool is an important part of organic and transitioning producers' contamination prevention strategies.

Saskatchewan stands out for its organic crop insurance program, offered through the Saskatchewan Crop Insurance Corporation (SCIC). This program covers 19 organic field crops, including wheat, oats, barley, pulses and oilseeds. The program is available to certified organic farmers and addresses the special risk and higher crop values associated with organic production. SCIC's organic insurance program is heralded as the best across the country for the extent of its coverage.

The Saskatchewan Trade and Export Partnership (STEP) is 75% funded by the provincial government. Agriculture is one of the export sectors supported by STEP. STEP regularly organizes an exhibit at BIOFACH and Natural Products Expo West, two of the largest organic trade shows in the world. This provides STEP members the opportunity to have a booth within the STEP pavilion, thereby building capacity in the organic sector, as well as promoting the sector in the global marketplace. STEP also provides its members with organic market intelligence reports and other services to promote and grow the organic export market. Currently, Saskatchewan does not have a data collection plan for the organic sector.



In 2006, the [Organic Agricultural Products Act](#) (OAPA) was passed in Manitoba, but only came into force in July 2013 when the Organic Agricultural Products Regulations came into effect. This made Manitoba the first province to pass a provincial organic law since the federal regulation was passed in 2009. The OAPA has increased the public credibility of organics by requiring that all organic claims be supported with organic certification.

The OAPA adopts the federal definition of “organic”, references federal standards and relies on the same system of federally-accredited Certification Bodies (CBs) to ensure that operators comply with organic standards. The OAPA applies to all food, feed and propagation products grown, processed and sold in Manitoba that claim to be organic. Similar to the federal system, Manitoba’s approach to enforcement is complaints-based. Manitoba has not yet updated its regulatory system to reflect the new Safe Foods for Canadians Act or to cover products of aquaculture, but the province has plans to remedy this deficiency in 2020.

The province has not yet made an enforcement under the Act, preferring to take a softer educational approach by training retailers about how to handle and label organic products. Manitoba’s organic sector specialist has done investigations when complaints have arisen. In all cases, this resulted in resolution of the complaint.

The Manitoba organic sector is supported by employment full time organic development specialist position and by a university-based organic research program at the University of Manitoba. There is a focus on understanding what it takes to build an organic sector. The Organic Sector Development Specialist’s (OSDS) primary role is to identify obstacles to sector growth and create programs to overcome these obstacles. Currently, the focus is developing extension programs and tools such as cost of production, capacity building for the Manitoba Organic Alliance (MOA), and building data tools to track the health of the industry with respect to organic production, processing, handling, etc.

Manitoba also deserves recognition for the implementation of an organic crop insurance program. The program underwent a substantial overhaul in 2019, adding many new crops and enhancing the payout. However, although the new program makes more economic sense than the old program, it is also more expensive. It has not been running long enough to determine whether the new program can attract more producers. The Manitoba Agricultural Services Corporation’s Organic Insurance Program is making an effort to reach out to organic producers and to MOA by sponsoring organic events and hiring an organic producer to do outreach with organic producers.

In 2019, the Manitoba Organic Alliance hired a part-time coordinator and communications coordinator through grant funding from the province. They have been working to deliver extension including workshops, podcasts and making resources more



accessible on the website. MOA is currently working on internal and sector-wide strategic planning.

## Ontario

Ontario has yet to enact a provincial regulation for organic products, despite having the largest market for organics in Canada. Presently, any organic product made and sold within Ontario's borders is not subject to standards and enforcement, meaning that products can claim to be organic without having an organic certificate or being subject to inspection. This creates an unlevel playing field amongst local producers and weakens public trust and integrity of organics among consumers.

Under the previous provincial government, [Bill 153](#) was introduced by Ontario New Democratic Party (NDP) MPP Peter Tabuns (Toronto-Danforth) and by Progressive Conservative Party of Ontario MPP Sylvia Jones (Dufferin-Caledon). Bill 153 — An Act to regulate the labelling and certification of organic products — passed through first and second reading but did not progress further before the 2018 provincial elections were called. The previous government also held “listening sessions” with the organic industry in December 2017 to learn more about the barriers and opportunities for growth in the sector.

On November 12th, 2018, the same bill was introduced in Queen's Park as [Bill 54](#) by Conservative MPP Jim McDonnell (Stormont-Dundas-South Glengarry). Although introduced by an MPP from the governing party, the Bill is again a Private Member's Bill, so the chances of it passing are unknown. As of November 29th, 2018, Bill 54 has been ordered referred to the Committee of the Whole House.

Organic regulation also received mention in the Office of the Auditor General of Ontario's Annual Report 2019. [Section 3.06 of Chapter 3 of the report](#) recognizes that Ontario is an outlier with respect to regulation and recommends that the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) “consider having organic food produced and consumed in Ontario certified to the federal Canadian Organic Standards.”



OMAFRA divides its organic portfolio among several staff. There is no one staff specifically dedicated to supporting the organic sector, nor are there any financial incentives, extension services, or organic transition supports available. Between 2001 and 2017, OMAFRA contributed \$3.2 million to organic-related research. This amounts to approximately 0.3% of OMAFRA's total research budget. Though support organizations can still apply for Canada Agricultural Partnership cost-sharing funding, there is no longer any provincial funding earmarked for the organic sector.



Despite precarious public funding, Ontario's organic sector is still supported by donors, members, and non-profit organizations.

[Organic Council of Ontario \(OCO\)](#) acts on behalf of all operators in the organic value chain to provide resources and promote the integrity of organic practices. In 2019, OCO developed an organic data portal, supported the Standards review process, and concluded a feasibility study on a database for approved organic inputs. Similarly, the [Ecological Farming Association of Ontario \(EFAO\)](#) supports farmers to build resilient ecological farms and grow a strong knowledge-sharing community. In 2019, EFAO continued the development of farmer-to-farmer training, conducted farmer-led research, and hosted educational events. A number of other grassroots organizations include organic principles in their mandate.

In 2011, Foodland Ontario, OMAFRA's buy local program, introduced a marketing strategy for Ontario organic products including voluntary use of the Foodland Ontario Organic logo. It can be used where the product meets the Canadian Organic Standards and the Foodland Ontario Standards. According to OMAFRA's Business Development Branch, the program has been successful at securing licensing agreements as compared to the regular mark. However, additional work is required in promoting this brand.

Organic production and market data in Ontario are limited. In previous years, when Ontario had a dedicated organic specialist at the Ministry, organic data collection and analysis received limited provincial support through public funds and OMAFRA staff time. Limited data is available on organic field crops that are insured through [Agricorp](#), a government agency that delivers crop insurance and business risk management programs.

Agricorp offers specialized organic crop insurance plans for crops such as soybeans, corn, winter spelt, winter wheat, fresh market carrots and fresh market cabbage. The availability of these plans is encouraging, but there is still room for improvement. Plans are based on conventional prices, as accurate and reliable organic pricing data is not readily available. Therefore, these plans reimburse producers inadequately as organic crops have a higher premium. Only 30%-50% of eligible organic producers regularly participate in crop insurance programs. The federal and provincial Ministries of Agriculture have supported making plan changes to better support organic producers,



[announcing in 2019 that the corn salvage benefit](#) would be extended to organic corn producers affected by deoxynivalenol (DON). Under the previous organic corn insurance plan developed in 2011, a salvage benefit had been excluded due to the nature of the organic market at that time. It is important that these programs continue to be reviewed and expanded to ensure that the unique and evolving needs of organic producers are understood and addressed.

## Québec

Québec continues to have the strongest government support systems for the organic sector in the country. 2020 will celebrate the 20th anniversary of Québec's official legal recognition of the organic claim through the *Loi sur les appellations réservées (the Act Respecting Reserved Designations)*. The verification of standards is enforced by the Conseil des appellations réservées et des termes valorisants (CARTV), an independent public authority partially funded (55%) by the Québec Ministry of Agriculture. In 2012, Québec adopted the national organic standards, which are referred to in addition to Québec-specific requirements for regulating organics.



These new logos were released in 2019 (with the old blue-yellow-green logos below to be phased out by companies)

In 2013, CARTV, the Filière biologique du Québec and the Conseil de promotion de l'agroalimentaire québécois (Aliments du Québec) concluded a partnership to create a version of the Aliments du Québec logo for organic products. Food production and processing businesses can now clearly identify the geographical origin of their organic products. The use of the logo is voluntary.

CARTV also has a [public directory](#) showing both certified and de-certified lists of all operation types, products, location and business name, as well as housing data on organic acreage. This system continues to serve as a role model for other regions in Canada looking to create stronger regulatory, enforcement and data tracking mechanisms.



Québec leads the way in government programming and financing for the organic sector. At the unveiling of [Agri-Food Policy Statement for 2018-2025](#), the provincial government aimed to double its organic acreage based on the province's total organic cultivated



area from 2015. This set a target of 98,000 hectares under organic management by 2025. Currently, 2,948 businesses are certified organic in Québec, 2,355 of these are farms. At the beginning of 2019, the number of hectares in organic management (crops and pastures) was 85,000 (almost twice as many as in 2010). This is not to mention the maple sector, where more than 40% of the production is organic. The significant increase in recent years has consequently led Québec's ministry of agriculture (MAPAQ) to revise the provincial target to 121,000 ha in its 2019-2023 Strategic Plan.

A key piece of direct governmental support is the *Programme d'appui pour la conversion à l'agriculture biologique*. Funding for this program is confirmed until 2022. It supports farmers in their transition to organic production. The program offers two forms of assistance (up to a maximum of \$40,000 per business):

- Grants of up to \$20,000 for the transition of vegetable, maple and apiculture operations; and
- Grants of up to \$20,000 to cover 50% of expenses related to construction or modification of livestock facilities that are required to meet organic standards.

Additional supports related to extension, crop insurance and research make Québec's organic farmers some of the most well-supported in the country. Québec takes a unique approach to extension services where organic farmers or those in transition can apply to have 85% of agrologist consultant fees reimbursed. The province has organic crop insurance programs in development (e.g., maple, grain and hay). Through other programming, governmental support is also available for equipment purchases specific to organic farm management.

2020 also marks the 10th anniversary of the *Centre d'expertise et de transfert en agriculture biologique et de proximité* (CETAB+), housed at the Cégep de Victoriaville. Two years ago, the Cégep founded the National Institute of Organic Agriculture (INAB), a \$16 million government investment, to consolidate its teaching, research, technology transfer and incubation activities in the field of agriculture. L'INAB is the largest organic farming training and research centre in Canada. Much research and knowledge transfer remains to be done to support producers and meet the challenges in plant protection and animal health for organic management.

In terms of market support, the Filière biologique du Québec [digital information campaign](#) for organic products originating within the province, which launched in 2016. The implementation of this campaign was made possible thanks to the support of the Government of Québec and private partners. In 2019, the Québec ministry of agriculture (MAPAQ) confirmed additional support to the campaign, announcing a budget of \$2.7 million over the next three years to implement a global strategy to promote québec made organic products to the québec consumer.

Since 2014, L'Union des producteurs Agricole has coordinated the Table de développement de la production biologique (Organic Production Development Roundtable), which gathers producers' associations and regional groups in partnership



with supporting organizations and government bodies. This group of leaders in organic production aims to optimize the efforts currently devoted to the development and marketing of organic products. A resolution adopted at the UPA General Congress in 2019 called for strict enforcement of Canadian organic standards (COR) and the regulations governing them, in order to ensure the added value of organic production to consumers. In order to achieve this, the organic stakeholders of Quebec have unanimously established that permanent funding for the review of the COR every five years must be provided by the federal government, which is responsible for overseeing its application.

## Atlantic Provinces

While the Atlantic Provinces may have smaller markets, they have a vibrant network of organic operations and organizations. The Atlantic Canada Organic Regional Network (ACORN) provides critical cross-jurisdictional support that is often funded by provincial governments.

Of the four maritime provinces, only New Brunswick (2014) and Nova Scotia (2015) have adopted provincial organic regulations which both reference the federal standards. New Brunswick has since implemented an operational complaints-based enforcement system, whereas in Nova Scotia implementation of the enforcement system is delayed as a result of shifting enforcement responsibilities from the Nova Scotia Department of Agriculture (NSDA) to the Department of Environment. However, the NSDA has developed a helpful [educational plan](#) for the enforcement of their regulation.

While the NSDA has removed organic-specific support, they started the [Small Farm Accelerator Program](#) for any farm with revenue between \$10,000 and \$60,000. To be eligible, the farm must submit a business plan, but they can use funds from this program for a wide variety of support, such as transition fees or mentoring fees, if that's what they feel is most necessary for their operation. They can also use this program for season extension infrastructure support, among other items. This program therefore suits the needs of many of the small organic mixed vegetable operations in Nova Scotia.

The number of certified organic producers on Prince Edward Island (PEI) seems to have temporarily reached a plateau with growth in the sector occurring mainly as incremental increases in acreage i.e. farm size is increasing versus the number of farms. The largest percentage of organic farms (approximately 75%) are export-oriented and these farms serve as the basis for formal strategies for sector expansion. The need for a regional organization to provide cross-jurisdictional support will be essential as these strategies begin to be implemented.

PEI government support continues to be strong with committed staff and programming. The Organic Industry Development Program (OIDP) offers financial support for organic-



specific activities, including technology purchases, advisory services, organic transition, research and implementation of strategic initiatives. As positive signal from government was an increase to the funding allocation to OIDP, in response to an abundance of high-quality projects from the Organic sector.

As well, in PEI, the Deputy Minister of Agriculture and Land has sponsored a project evaluating the merits and mechanics of provincial regulation of organic marketing claims. The department's policy team is taking lead on the research and working with an advisory group that includes organic farmers. They have completed a jurisdictional scan, a literature review is underway, and producers (Certified organic and others) are being surveyed and interviewed to collect their perspectives on how best to regulate organics on PEI. The department wants to ensure that any industry development program is well-situated to address concerns of those un-certified producers that may be required to become certified in order to keep using the term organic in intra-provincial trade

Each Maritime province has contributed some support to ACORN's consumer education projects, with the most recent support coming from ACORN's 2017-2018 Consumer Market Research project, which revealed a lack of consumer awareness and brand confusion related to "organic", "natural", and other similar labels.

Newfoundland and Labrador has a very small organic sector, reflective of its population size and agricultural production in general. However, it has some supports for transitioning to organic and for new farmers, which will hopefully enable the sector to continue growing. The Canadian Agricultural Partnership Agreement through the Agriculture Business Program and the Agriculture Land Development Program offer funding for organic certification, market development and organic land development.

## **The Territories**

Organic production is still in its infancy in the Yukon, Northwest Territories and Nunavut (collectively, the 'Territories'). While reporting here as a collective, there is recognition that there is very little in common (from an organics perspective) between the Territories. Collectively the Territories have a limited capacity for agricultural production because of their climate and because their geography limits the competitiveness of processing or manufacturing. As a result, there are no government regulations for organics in the Territories.

The Yukon is certainly the most mature in terms of their organic agriculture and has significant linkages to the province of British Columbia. Most operators will look to Certification Bodies in BC. The most recent data shows an estimated 10 organic operations in the Yukon in 2017. Of note, the Yukon has recently increased their



certified organic processing capacity to include two new processors (a meat shop and a bakery). The Yukon also added a new mixed farm and a berry producer.

In the past the [Growers of Organic Food Yukon](#) (GoOFY) have received funding to cover membership costs for the OFC. Members of GoOFY have received stipends for travel to organic-related events and conferences. The Yukon government has also supported organic training workshops, and marketing materials for farmers' markets and some of GoOFY's advocacy work. These contributions may appear small in comparison to other regional governments, but they reflect a growing relationship between the government and the relatively small organic farming community. The GoOFY are looking to the yet-to-be-published Yukon New Agriculture Policy to see what levels of support and what specific policy directions they might receive from the territorial government.

There are insufficient details to include an analysis of the Northwest Territories or Nunavut. In part, this is due to few (Northwest Territories) or no (Nunavut) certified organic operations within these territories. Progress will continue to be monitored in future reports.

## RECOMMENDATIONS

The key take-away from this report, as the third annual version of the State of Organics Performance Report in Canada, is that progress towards a healthy and sustainable organic sector in Canada has been slow on support from the FPT governments. In terms of organic lingo, "Organic 1.0" was the inception of the movement as a grass-roots movement to improve how we eat, live and farm, and "Organic 2.0" witnessed the legitimizing of the movement with the confirmation of the science and establishment of standards to bring structure, enforceability with government oversight and consumer confidence to the sector. Internationally, we are now on the cusp of "Organic 3.0", with the goal of enabling widespread uptake and of moving organics from niche to mainstream production. Unfortunately, in Canada, progress has been difficult, and governments have been slow to provide the same supports to organic that conventional production enjoys. The State of Organics 2019 unfortunately highlights how little progress has been made in terms of the key challenges facing the sector and its growth. Coming out of this report, the following are the three key recommendations to government and industry:

- **All provinces and territories adopt organic regulations.** Key to organic's credibility with domestic consumers and with international buyers is the strength of the of Canada's regulatory framework. To maintain confidence in the marketplace it is essential that organic means something and that consumers can make their purchasing decisions with confidence. It is critical to the organic sector that provincial jurisdictions are held to the same (or higher) requirements as interprovincial and international trade. As marketers continue to look for their



next marketing “edge” and we begin to see other label claims suggesting environmental benefits, it is even more critical that provinces and territories bring credibility and stability to the claim Organic.

- **Improve data collection on production, imports/exports and domestic consumption.** The importance of data cannot be over-stated! It is critical to making good business decisions, while it is important to the industry to show its value to the Canadian economy, and it is more important to governments to assist in making sound policy and program decisions. Information is also critical to individuals’ ability to make informed production decisions and to take advantage of marketing opportunities.

While the federal government has made minor investments in organic data collection since the 2017 report, progress has yet to be made toward financing an organic data collection plan federally, and several provinces lack any data collection system for organics.

- **Recognition of government’s ownership of the Canadian Organic Standards and our industry/government partnership in the Canadian Organic Regime.** The heart of the COR, and what allows for consumer confidence and international recognition (equivalencies) is the rigour of the Canadian Organic Standards. Maintenance of the standards is the non-negotiable foundation upon which the market has grown, continues to grow and thrive. Committing to government’s fiduciary obligation to fund the maintenance of the standards will enable Canada’s organic sector to remain current and relevant, maintain our trading relationships with our equivalency arrangement partners, and to stay competitive with our major trading partners – all of which provide full and ongoing funding for their respective organic standards technical reviews.

COTA, as the national voice of Canada’s organic sector, and on behalf of our broad and diverse membership representing stakeholders throughout the organic value chain will continue to work with FPT governments and monitor progress on support for the organic sector. COTA will continue to lobby for the sector’s priority concerns and will continue to publish a State of Organics report annually to document our findings and our progress. We thank the provincial collaborators who provided important details from each of their jurisdictions and hope these reports will be helpful for government officials, industry, and the general public to track developments within the sector.



By arguing for more recognition, and by holding governments and the sector to increasingly high standards, we can all continue to reap the economic, environmental and health benefits of organic production. The public conversation around the environment and climate change has never been louder, and the opportunity for organic production has never been clearer to be part of the solution. True, there are things the industry can do to be more cohesive and aligned, and with the support of FPT governments, the potential for greater growth is clear. Through closer industry and government collaboration, that potential can be realized.

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