

# INVESTING IN ORGANIC AGRICULTURE: A PATH TO CLEAN, INCLUSIVE, ECONOMIC GROWTH

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# In the Next Agricultural Policy Framework

We recommend that Canada **makes significant investments to support organic agriculture** and the adoption of more sustainable farming practices to drive clean economic growth and as an essential element of climate change mitigation and adaptation strategies.



# Organics in Canada

- In 2015, there were **5605 certified operators** in CAN
- The latest IPSOS poll shows that **56% of Canadians buy organic weekly** (COTA, 2016)
- **Canada is the 5th largest organic market** in the world at \$4.7B/yr
- Canada has **equivalency agreements with 90%** of trade partners
- Trade deficit is estimated at **\$1.5 billion CAD**





# Organics in Canada

- **Represents, 1.3% of Canadian agriculture, employs 3.75% of the agricultural workforce**
- **CDN demand for organics is growing at a rate of 16%/yr, domestic supply is not keeping pace**
- **Canadian value-added organic food processors rely on imports** and have difficulty finding domestic sources of ingredients.

# Organic Innovation Benefits the Entire Agricultural Sector

Science that is consistent with the organic principles and standards is inherently **sustainable, responds to consumer demand & captures international market opportunities.**



# NPF Priority Areas For Organics

Environment &  
Climate Change

Science, Research  
and Innovation


Business Risk  
Management

Markets & Trade

Public Trust

7th Pillar: Farm  
Renewal

ENVIRONMENTAL  
SUSTAINABILITY  
and CLIMATE  
CHANGE



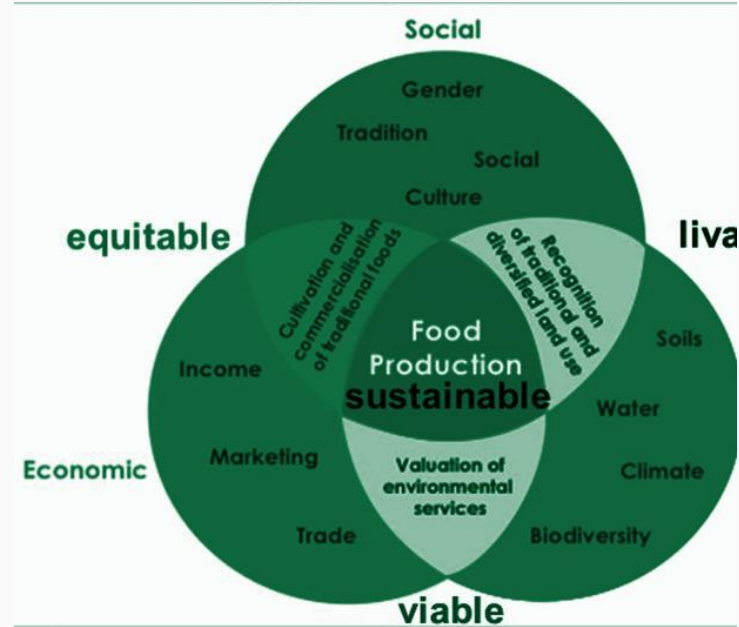
Canada can stimulate **clean and  
inclusive economic growth**  
&  
take immediate action on  
**climate change** through  
strategic investments in organic  
agriculture.



# ENVIRONMENTAL SUSTAINABILITY and CLIMATE CHANGE

## Env. Benefits of Organic Farming

- Sequesters soil carbon
- Builds soil fertility
- Prevents soil erosion
- Increases biodiversity
- Creates wildlife habitat
- Reduces pest outbreaks
- Reduces nutrient leaching
- Conserves water
- Uses energy efficiently



## ORGANICS is multifunctional



# ENVIRONMENTAL SUSTAINABILITY and CLIMATE CHANGE

## We Recommend:

- Performing a **life cycle assessment and energy audit** of Canada's agriculture and agri-food system.
- Investing in programs that **support entry and transition** into organic production, provide extension services and knowledge transfer, and support market development and consumer.

# ENVIRONMENTAL SUSTAINABILITY and CLIMATE CHANGE

## We Recommend:

- Creating programs to **reward and incentivize the adoption of best environmental & climate resilient practices** on farms through various means: tax credits, rebates on agronomic services, top-ups for AgrilInvest, etc.
- A **revenue neutral system for carbon pricing** that re-invests revenues back in agriculture.

## SCIENCE, RESEARCH & INNOVATION

Canadian agriculture faces growing challenges due to climate change and increasing global competitiveness. These challenges also apply to organic agriculture. Global competitors such as the U.S. and the E.U. have invested significantly in organic agricultural research and extension, and Canada is falling behind.



SCIENCE,  
RESEARCH &  
INNOVATION

**SCIENCE**

**We recommend:**

- **Expanding funding for the Agri-Science Cluster** program.
- Recognizing that agricultural research takes place over a long period of time - often greater than five years.
- **Incentivizing research related to sustainable and organic agriculture** that delivers a public good by reducing the industry cost-share ratio even further.



SCIENCE,  
RESEARCH &  
INNOVATION

**SCIENCE**

**We recommend:**

- **Ensuring that requirements for industry matching funds in organic projects do not exceed 25%, and reflect the nature of the research as opposed to having a fixed cost-share ratio.**

SCIENCE,  
RESEARCH &  
INNOVATION

KNOWLEDGE  
TRANSFER

## We Recommend:

- **Investing in organic extension and knowledge transfer** activities that support transition and which help producers increase productivity.



SCIENCE,  
RESEARCH &  
INNOVATION

KNOWLEDGE  
TRANSFER

## We Recommend:

- **Establishing programs that foster innovation, R&D, and knowledge transfer.** Include on-farm training, research, mentorships and farmer-to-farmer training.
- **Providing funding without an industry cost-share requirement** for language translation of research, training, and knowledge transfer resources.

SCIENCE,  
RESEARCH &  
INNOVATION

R&D IN  
ORGANIC SEED

## We Recommend:

- Significant **funding for participatory varietal selection (PVS) and participatory plant breeding (PPB) of organic, climate resilient, locally adapted seeds.**

Recognition of the key roles of of farmers, researchers, and civil society partners in the participatory research process including coordination and communication of results.





# RISK MANAGEMENT

## BUSINESS RISK MANAGEMENT TOOLS

BRM tools are a key policy instrument meant to enhance the ability of agricultural producers to manage risks.

The current suite of **BRM tools** under Growing Forward 2 are ill-suited to address the risks facing farms who have adopted organic production methods with either **substantial bias against low-input, diversified farms**



# RISK MANAGEMENT

## BUSINESS RISK MANAGEMENT TOOLS

### We recommend:

- **Adapting business risk management tools** so that they are inclusive of producers of all scales, types of production, and marketing channels and that they also recognize the risk mitigation benefits of diversified operations.
- **Replacing AgriStability** with a program to better serve diversified operations and which incentivizes practices that minimize risk

# RISK MANAGEMENT

## BUSINESS RISK MANAGEMENT TOOLS

### We recommend:

- Offering **organic production insurance within all regions & expanding coverage** to include a wider variety of commodities
- Developing an **organic transition insurance program**
- **Expanding the AgriInvest & AgriRecovery** programs which serve a broad audience.

## RISK MANAGEMENT

## DATA ON ORGANICS

### We recommend:

- **Improving the questions about organics in the Census of Agriculture and other national annual agricultural surveys.**
- **100 new import and export HS codes** in order to better understand trade-flows in the country.
- Developing, in partnership with the organic industry, **a national organic data collection strategy**



## Markets and Trade

# ORGANIC INTEGRITY

International organic trade hinges on the integrity of the Canadian Organic Standards and on the government's capacity to **develop and maintain multilateral and bilateral equivalency agreements** that benefit the Canadian organic sector.



Markets and Trade

## ORGANIC INTEGRITY

### Canadian Organic Standards at Risk

- Canadian Organic Standards need to be reviewed every five years
- The cost of the 2013- 2015 review was over \$1M
- Necessary to maintain organic equivalency agreements and to ensure integrity of COS
- Unlike Canada, the maintenance of organic standards in the US and EU is fully funded by government

Markets and Trade

## ORGANIC INTEGRITY

### We recommend:

- Comprehensive federal **funding for Canadian Organic Standards** in perpetuity.
- This should include **continuous technical review of organic practices and inputs allowed** in the Canadian Organic Standards and training.

Markets and Trade

## ORGANIC INTEGRITY

### We recommend:

- **Market development programs** that support the tools developed by the industry **to maintain the integrity of the Canadian Organic Standards** and facilitate trade through international organic equivalency agreements.

Markets and Trade

**INTERNATIONAL  
MARKET ACCESS  
PROGRAMS**

Organic sector has accessed the GF2, AgriMarketing program (Market Development Stream) to promote the Canada Organic Brand abroad, and to create export opportunities.





Markets and Trade

**INTERNATIONAL  
MARKET ACCESS  
PROGRAMS**

**We recommend:**

- **AgriMarketing programs that are flexible** and correspond to the market priorities of each agricultural sector, and, if needed, to include the US market.

## Markets and Trade

## GROWTH OF CANADIAN ORGANIC DOMESTIC MARKET

Dramatic increase in consumer demand for raw and value-added organics in Canada exceeds the domestic supply of organic products.

These new market opportunities are driving employment growth in agriculture, increasing entrepreneurship in rural communities, and expanding food access and choice.

There is a significant need to expand the capacity of farmers and businesses to serve this growing market.



## Markets and Trade

### GROWTH OF CANADIAN ORGANIC DOMESTIC MARKET

#### We recommend:

- **Developing a National Organic Certification Cost Share Program** (see example of the USDA program).
- **Collecting and disseminating data on organic commodities** to be used by producers in preparing their business case for organic production.

## Markets and Trade

### GROWTH OF CANADIAN ORGANIC DOMESTIC MARKET

#### We recommend:

- Introducing programming to promote **Made-in-Canada products & to develop domestic markets**
- Programs that assist producers with **investment funding** for farming and food production infrastructure
- Investing in **scale-appropriate assurance systems** to support regional food development

Public Trust

**ORGANIC  
INTEGRITY VITAL  
FOR PUBLIC  
TRUST**

Public Trust in the Canada Organic Brand is critical for continued growth of the organic sector.

The organic sector has implemented rigorous standards and partnered with government to develop assurance systems so that Canadians can trust products that make organic claims and bear the Canada Organic logo.





Public Trust

**ORGANIC  
INTEGRITY VITAL  
FOR PUBLIC  
TRUST**

## **We recommend:**

- Programs that **support industry in exploring & understanding their unique public trust issues**
- Programs should **assist industries in adopting new production methods** to better meet the expectations of Canadians
- **Programs to develop assurance systems and standards** which include long-term maintenance plans

Public Trust

**ORGANIC  
INTEGRITY VITAL  
FOR PUBLIC  
TRUST**

**We recommend:**

- FPT collaboration to **develop missing prov. organic regulations**
- **Programs to develop transparency tools** that can be used by the public to verify claims made by industry
- Communication funding exclusively for initiatives that **create transparency**

Public Trust

**ORGANIC  
INTEGRITY VITAL  
FOR PUBLIC  
TRUST**

**We recommend:**

- **Expand the AgriMarketing-Assurance stream** as this already serves many of the public trust initiatives that industry should be undertaking
- **Grant free public access** to all agricultural and agri-food standards

7th PILLAR:

FARM RENEWAL,  
BUSINESS  
DEVELOPMENT,  
AND LABOUR



The Canadian government needs to take **proactive steps to encourage new entrants and viable farm succession**, and help farmers overcome challenges that compromise their entry and success in farming.

## 7th PILLAR:

# FARM RENEWAL, BUSINESS DEVELOPMENT, AND LABOUR

## We recommend:

- The creation of a **Farm Renewal, Business Development and Labour Pillar** in the Next Agricultural Policy Framework to outline a national strategy that guides provincial programming, especially in terms of access to:





# Other recommendations for the APF

1. **Increased transparency** about programs.

2. Offer bilingual **web-based training & info sessions** on the next APF.

3. **Harmonization of program application procedures.**

4. **Allowance of operating costs as eligible** program expenses

5. **Flexible cost-share ratios** that reflect the financial resources of applying industries

# ORGANIC

Organic food and farming fuels jobs, rural economies, and consumer choice



Thank You!  
Questions & Discussion  
to Follow