**Workshop Title:** Opening Plenary: Organic Sector Development and Analysis, A Canadian Perspective
**Presenter:** Adam Cull, Organic Sector Specialist, Agriculture & Agri-Food Canada

**Executive Summary:** There is lots of research being done and round tables and working groups efforts underway to respond to demands of the organic agriculture sector. 2016 census of agriculture data shows a strong sector that is not keeping up with market demand. There is currently a diversion of growth of retail sales and production, and international equivalency agreements are in place or being negotiated alongside domestic strategies to improve the landscape.

Adam opened by announcing that he was "all organic 100% of the time." In surveying the room, the audience was made up of roughly:

- 30 producers
- 2 processors
- 15 'government etc.'

**An overview of sector development:**

- Food Value chain: Input > Farm > Processor > Distributor > Retailer > Consumer.
- There is currently a task force in play to increase supply capacity.
- There has been a 4-fold increase in retail sales; market demand is accelerating at a rapid rate, but Canadian production is lagging a bit.
- Identifying barriers to growth; a focus on transition support.
- Research: economic and environmental performance of the sector and improvements.
    - The Chair of this working group is Ashley St Hilaire (Canadian Organic Growers - ashley@cog.ca).
- Research has been done on the economic and environmental performance of sector - there have been improvements.
    - Andrew.Hammermeister@Dal.Ca
- Organic data; quality and availability - limited; taskforce members include industry, AAFC, Stats Can.
    - jguerra@ota.com
- Priority areas: domestic production > farm info pricing > trade > market size > consumers.
    - Success story: organic export codes.
- Public Trust - new task force:

    - Observer on national public trust forum.
    - Development of public trust statement.
    - ID and engage with amplifier groups.
    - Ashley St Hilaire (ashley@cog.ca).
- Carbon Pricing and Sequestration:
    - Brand new (understanding phase).
    - Understand impact of carbon pricing.
    - Organic systems contribution to carbon sequestration.
    - DFalck@naturespath.com
- Strategic Plan task Force (2018-2023).
    - Develop direction for roundtable.
    - mlevert@usc-canada.org

**Organic trade arrangements:**

Organic Product Regulation provides CFIA the authority to import-export "equivalency arrangements" with other countries. Those currently in place include:

- US
- EU
- Switzerland
- Costa Rica
- Japan

Current negotiations:

- Mexico
- South Korea

Programs & Policy:

- Agri-Innovation
- Organic Science Cluster
- Agri-Marketing ($1.5M through GF2)
- Business Risk Management (AgriRisk, AgriStability, AgriIinvestment, etc)
- Loan Guarantee

Federal Policy initiatives:

- Canadian Agriculture partnerships
- Canadian Food Policy
    - Long term visions for social, environmental health, as it relates to food.
    - Draft - all Canadians to have access to good, adequate, and culturally appropriate food.

    - Key themes: food security, safe nutritious food , safety, environment, economic growth, enabling food system to act as vector of economic growth.

**Canadian Agriculture Partnership:**

Policy framework partners committed to seamless transition to GF3 - launched late 2017/early 2018:

- Better alignment between levels of government.
- Improved collaboration with environment and climate change.
- Value added sector.
- Tools and resources to support public trust.
- Support for producers through severe [weather] events.

Ag Pal - brings together federal & provincial services into one platform: www.agpal.ca

Q - 'A Food Policy for Canada' questions were leading, ie "do you want Canadian foods to be safer?". No one would say no, but domestic food is already safe. There is indication of this across the board. This framing encourages government to lead us away from supporting our food sovereignty, farmers, and domestic markets.
A - Adam doesn't represent Food Secure Canada (who presented the survey), but he will bring these comments back to his colleagues.

Q - When do you expect strategic plans results?
A - The current plans lapses at the end of 2018. Early sessions, surveys, completion by end of 2018.

**An overview of Sector Analysis:**

Diversion of growth of retail sales and production. A globalization of standards means that we can import products that are certified to the same standard as those being produced domestically.

Global production and sales:

- Canada is the 4$^{th}$ largest market.
- Supply is more evenly distributed among nations/regions.
- North America represents 51% of organic retail sales, but only 6% of organic land.

Value Added sales (2005-17):

- Doubling over review period.
- United States represents the largest market.
- Beverages: $4.5B.

Canadian Market:

- $1.3B dairy, coffee, ready meals, bread, produce…etc. - this represents a relatively low market share of companies within the organic sector.
- Canadian processed food report, hopefully completed in 2018; it will provide an extensive overview of the value added market in Canada.

New product development:

- Global organic products:
  - sauces, bakery, dairy, snack food.
  - Top claims; no/low allergens, gluten free, ethic, environmental packaging, kosher, vegan.
- Canadian organic products:
  - snack good, hot beverages, bakery, sauces, dairy.
  - top claims: kosher, no/low allergens, gluten free, ethic/environmental packaging, no additives, no preservatives, GMO-free, ethic/environmentally friendly.

**Imports**: small decline Nationally in 2016; steady decline in Atlantic Canada (50-60% of total imports could be produced in Canada - $255-375M; this represents $150M domestic market opportunity).
The #1 organic import: coffee.

**Canadian Exports**: Jan - Aug 2017 $291M - Saskatchewan, Quebec, Ontario, and British Columbia are the nation's biggest exporters.
Top exports: Lentils, wheat, maple, coffee (roasted), peas, soy, oats, tomatoes, barley, seeds.

**Organic census overview:**

- 2.2% of all farms in Canada.
- Distribution of farms: relative to conventional farms - most in Quebec, Saskatchewan, and British Columbia; Atlantic Canada has a relatively equal distribution of organic vs non-organic number of farms *the graphs were highlighted by the audience as being misleading graphs as to their non-inclusion of uncertified organic, and those offering both conventional and organic products.
- Organic - larger % of produce production vs livestock production.
- Most organic farms showed a revenue of $10k - $250k.
- Organic farms generally have a higher average net operating income compared to conventional farms within the same revenue class.
- Labour - organic farms are more labour intensive compared to conventional operations: 32.2% hired seasonal or part time labour.
- Sales methods: tendency to sell direct to consumer.

Q - Is there any data on per capita exports by region? Eastern Canada - focusing on reducing import rather than expanding exports.
A - There is a demand from Canadian products for domestic food, but a lack of trade data; anecdotal comparable import/export stats.

Q - Will that trade data show up in next 5 years?
A - Hoping that the next policy framework will deliver - data tells the story to develop appropriate policy and programs.

Q - Data presents picture with good demand, shows demand; if it were to be overlaid health positive effects, the government would have to fund organics; how do we leverage the government to pull money away from destructive activities and behaviours?
A - National promotion campaigns, identify the key benefits and focus on irrefutable messages; public and government.

Q - Health is now involved in National Food Policy; any sense of how Agriculture & Health departments are communicating and relating to each other?
A - Working closely to release late in 2018, not many details. Public health can be correlated to farming practices.

Q - Are farmers that follow and practice organic standards without certification represented as “conventional” in all data, graphs?
A - Yes. Looking for solutions to minimizing costs for small producers.

Q - Cosco bought 2000 acres of land in Mexico to product organic products as they can’t keep up with organic demand. Without trade equivalency, how do we ensure standards?
A - Products need to certify to Canadian organic standards.

Q - Carbon sequestration working groups - is there a potential revenue stream for organic farmers?
A - Initial conversations are underway to determine the impacts of carbon pricing. Pulling research to assess different models. Round tables are the industry’s opportunity to engage - membership at roundtable; fair representation of geography and sector. Pathways: engage in task force > join as observer > chairs decide on membership > work with roundtable members in your region to report/represent. Minutes available on AAFC website.