Nova Scotia Organic Sector Profile
Survey Findings

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Introduction

The Organic Council of Nova Scotia entered into a partnership with the Nova Scotia Department of Agriculture and Kings Regional Development Authority to prepare a Strategic Plan for future growth of the province's organic sector. As part of this process, a survey questionnaire was developed to (a) solicit information on several major topics related to the issues affecting the organic sector and (b) develop a profile of the organic sector. This report presents the survey findings.

Methodology

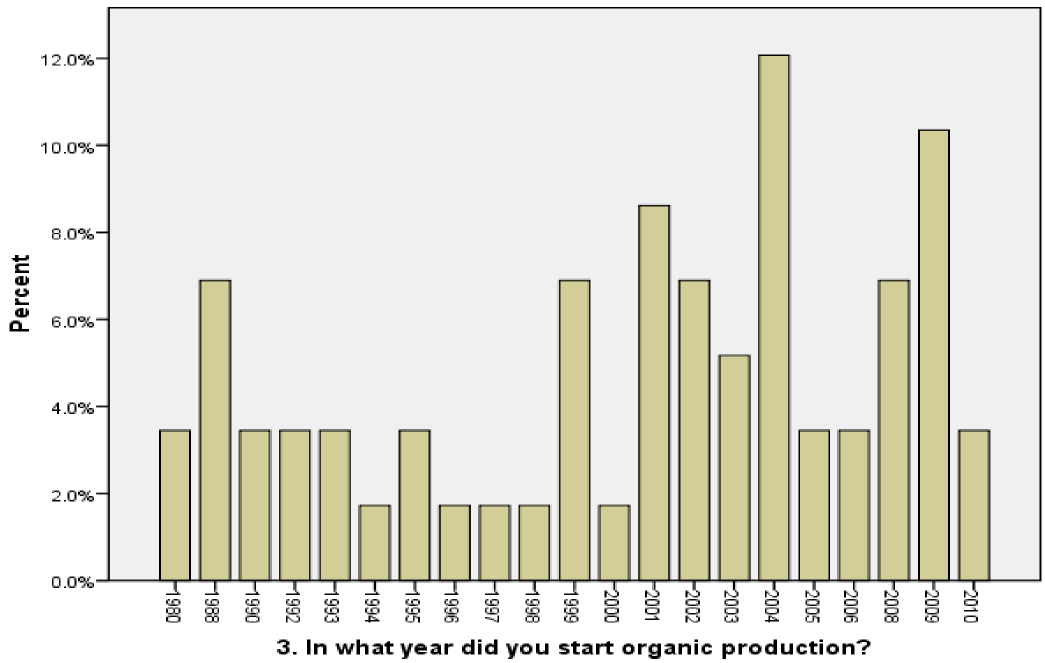
The survey questionnaire was designed by a committee representing organic producers and processors, organic associations/organizations, and the Nova Scotia Department of Agriculture. This committee was also tasked with compiling a list of producers and processors. To cast a wide net, the list included certified, non-certified, and transitional organic producers, as well as those who were no longer certified organic producers. Numerous strategies were utilized to contact potential respondents including farm market contacts, newsletters, mail and email. Respondents could return the survey via fax, mail, Internet or through a farm market contact. All responses were treated as confidential.

A total of 87 surveys were returned. Of these 87, 61 reported being either certified organic or in transition to become certified organic. For the purposes of this report, the findings will be limited to the 61 certified organic and in transition respondents. The goal for the strategic planning process was to achieve a cross section of respondents rather than to maximize the number of responses. The results show that a good cross-section of respondents was attained.

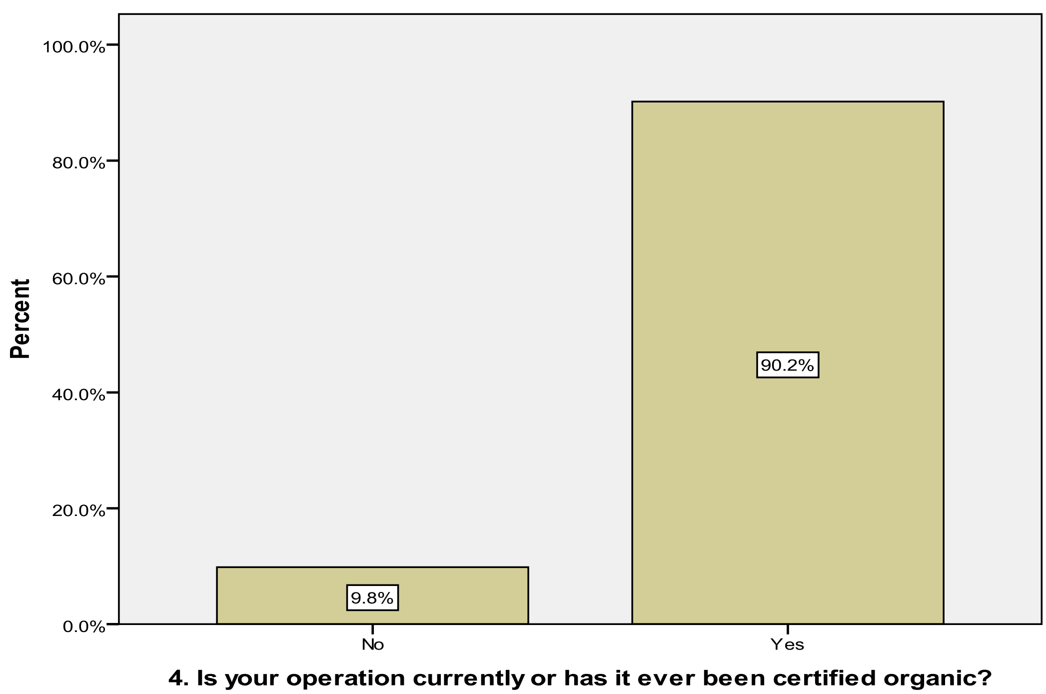
Overview of Survey Results

Only those questions that were deemed most relevant to the strategic planning process are presented in this section.

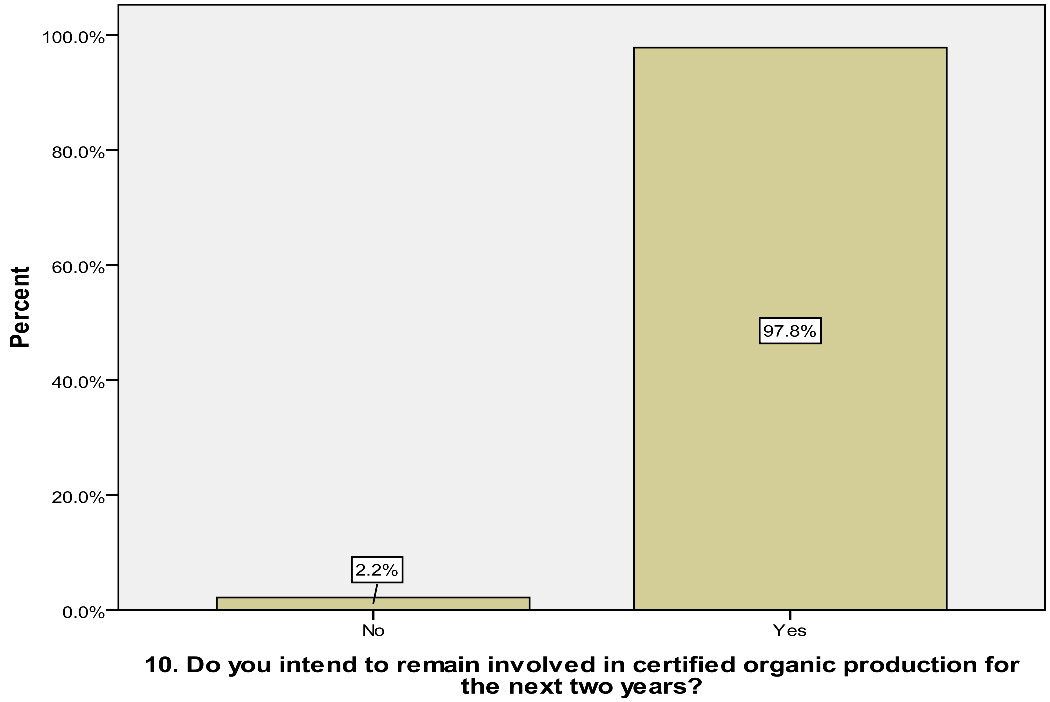
When asked what year did you start organic production, there was a wide range of responses dating from 1960.



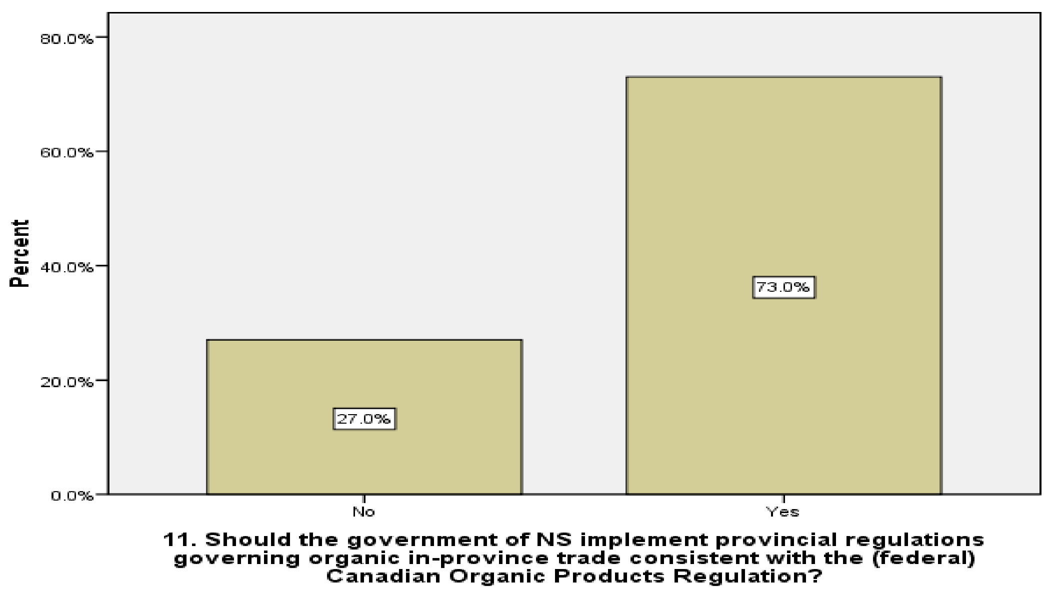
About 90 percent of the respondents are currently or were certified organic at some point in the past. The remainder is in transition to certification.



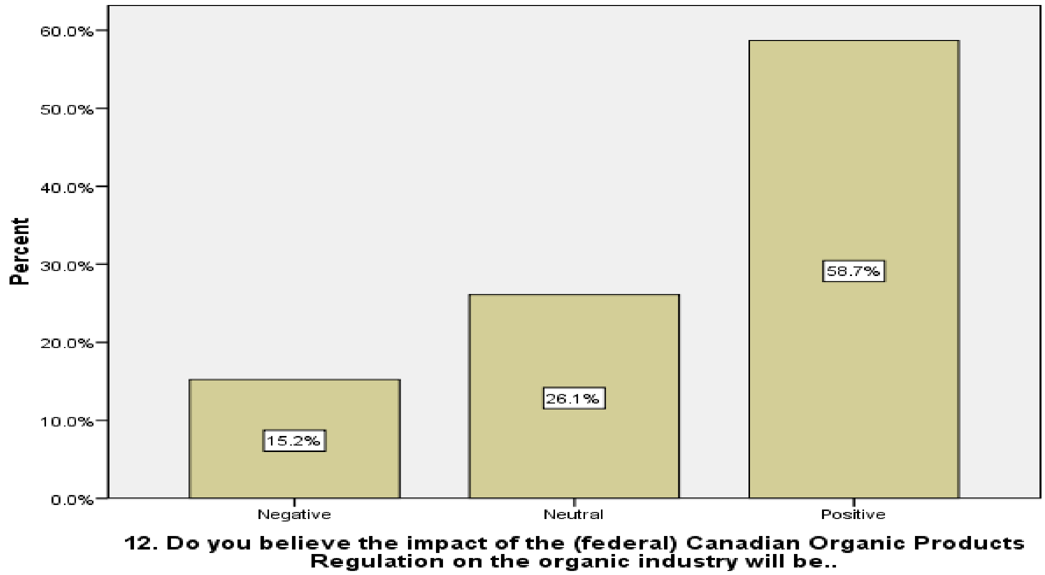
Almost all of the respondents indicated that they plan to remain involved in certified organic production for the next two years.



Almost three quarters of respondents stated that the government of Nova Scotia should implement provincial regulations consistent with federal organic regulations.



Almost three fifths of respondents stated that the Canadian Organic Products Regulations will have a positive effect on the organic industry.



The three most cited concerns with current organic certification regulations were cost of certification, misrepresentation of organic products and lack of enforcement. Respondents were able to provide more than one response to this question. A total of 169 responses were supplied.

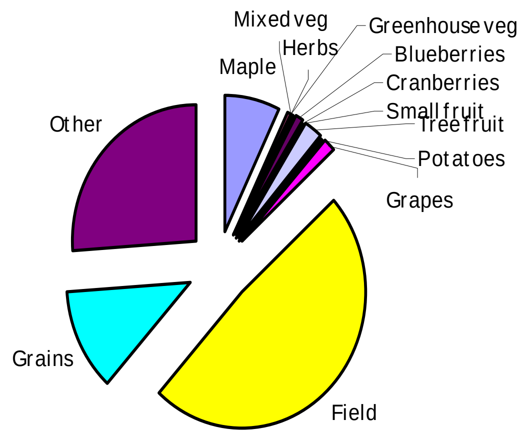
13. Do you have any of the following concerns with the current organic certification system?

		Responses		Percent of
		Number of responses	Percent	Cases
$multq13 Concerns with current organic certificat[a]	No significant concerns	4	2.4%	6.9%
	No need for certification to service existing market	12	7.1%	20.7%
	Cost of certification	39	23.1%	67.2%
	Misrepresentation of organic products	28	16.6%	48.3%
	Too much red tape, bureaucracy, government involvement	10	5.9%	17.2%
	Certification system inefficiency	12	7.1%	20.7%
	Lack of enforcement	25	14.8%	43.1%
	Too much record keeping	16	9.5%	27.6%
	No financial incentive	16	9.5%	27.6%
	Other	7	4.1%	12.1%
Total		169	100.0%	291.4%

a. Group

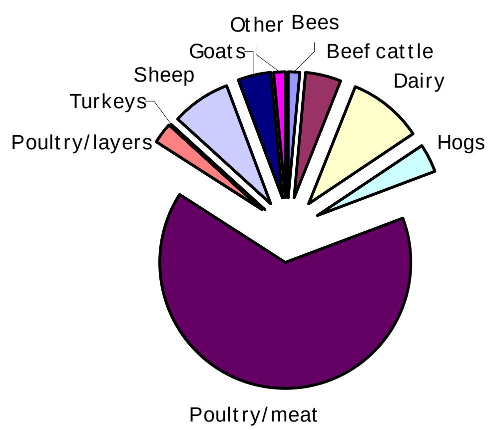
A diversity of crops was grown by certified organic producers in 2009. Field crops represented the highest percentage of crops produced.

18. What certified organic crops did you produce in 2009?

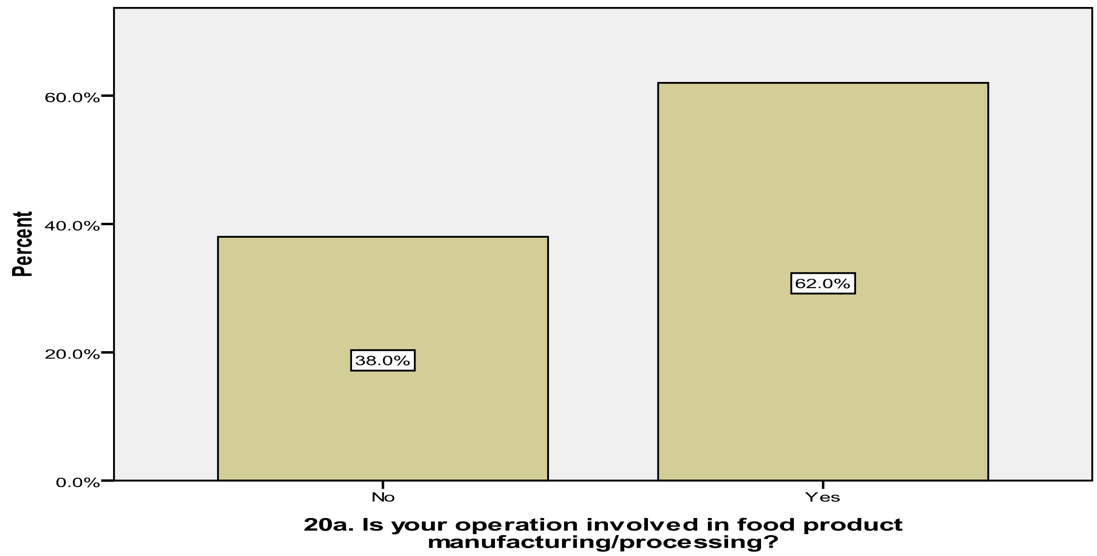


Similar to field crops, a variety of organic livestock was produced with poultry meat representing the largest percentage of livestock produced.

19. What certified organic livestock did you produce in 2009?

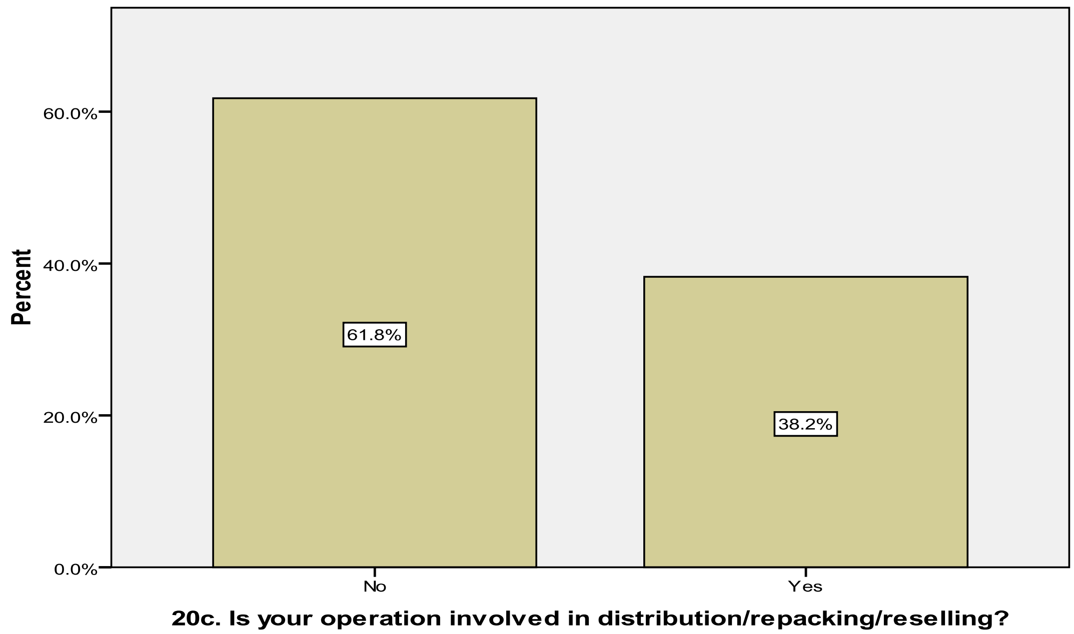


Just over three-fifths of respondents stated that they are involved in food product manufacturing/processing.

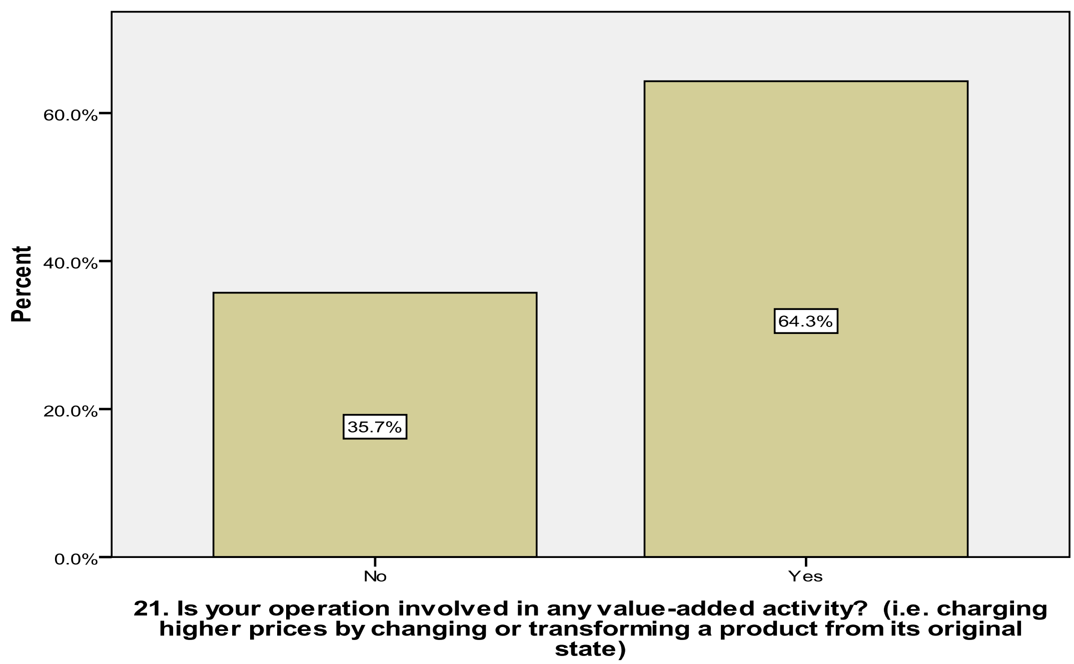


Less than one-third claimed to be involved in non-food product manufacturing/processing.

Close to forty percent were involved in distribution/repacking/reselling.



Almost two-thirds reported being involved in some value-added activity.



On-farm processing and commercial kitchens were the top answers provided when asked about which support/resources would be of most use. An abattoir was the third most requested support or resource, followed by business counselling.

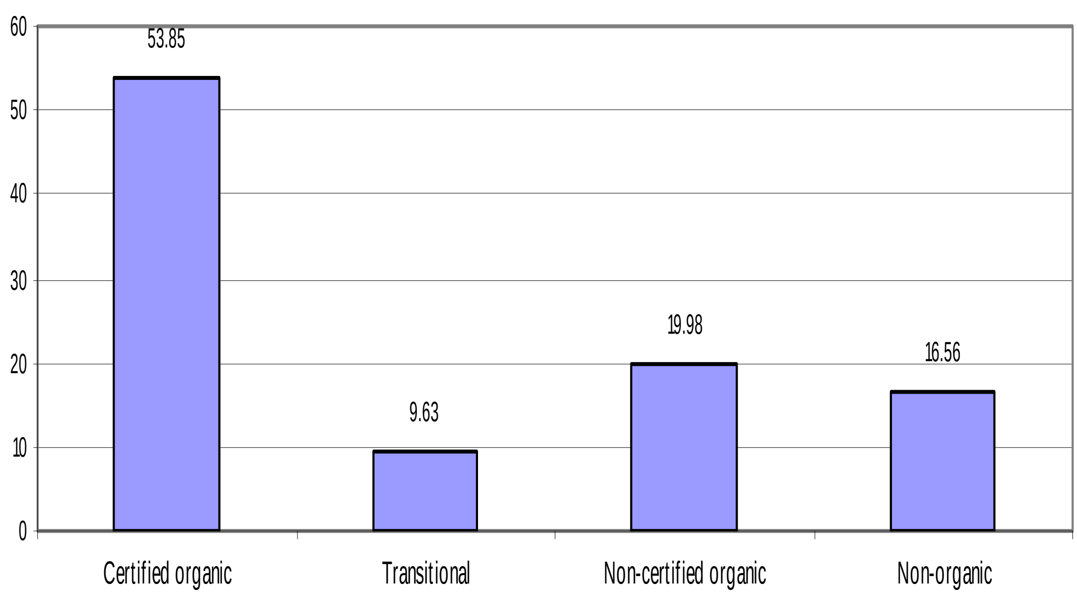
22. What type of support/resources would be of most use for processing your organic products?

		Responses		Percent of Cases
		Number of responses	Percent	
$multq22 support/resources[a]	Abattoir	18	15.5%	40.0%
	Canning/bottling facility	9	7.8%	20.0%
	Commercial ktichen	24	20.7%	53.3%
	Food tech centre	5	4.3%	11.1%
	Other	8	6.9%	17.8%
	Juicing facility	5	4.3%	11.1%
	Freezing facility	11	9.5%	24.4%
	On-farm processing	24	20.7%	53.3%
	Business counselling/development	12	10.3%	26.7%
Total		116	100.0%	257.8%

a. Group

While a majority of certified organic farm sales were derived from certified organic products, over a third of their sales also came from non-certified organic and non-organic products.

24. Please identify the percentage of your operation's sales by production estimate



Organic producers were most likely to rely on direct sales to market their products. They were also likely to employ a diverse marketing strategy as their products are sold in multiple markets.

25. Where do you sell your products?

		Responses		Percent of
		Number of responses	Percent	Cases
$multq25 Where sell products[a]	On farm	39	23.8%	69.6%
	To a wholesaler	16	9.8%	28.6%
	Farmers' market	44	26.8%	78.6%
	Community supported agriculture	14	8.5%	25.0%
	To a retailer	31	18.9%	55.4%
	Other	20	12.2%	35.7%
Total		164	100.0%	292.9%

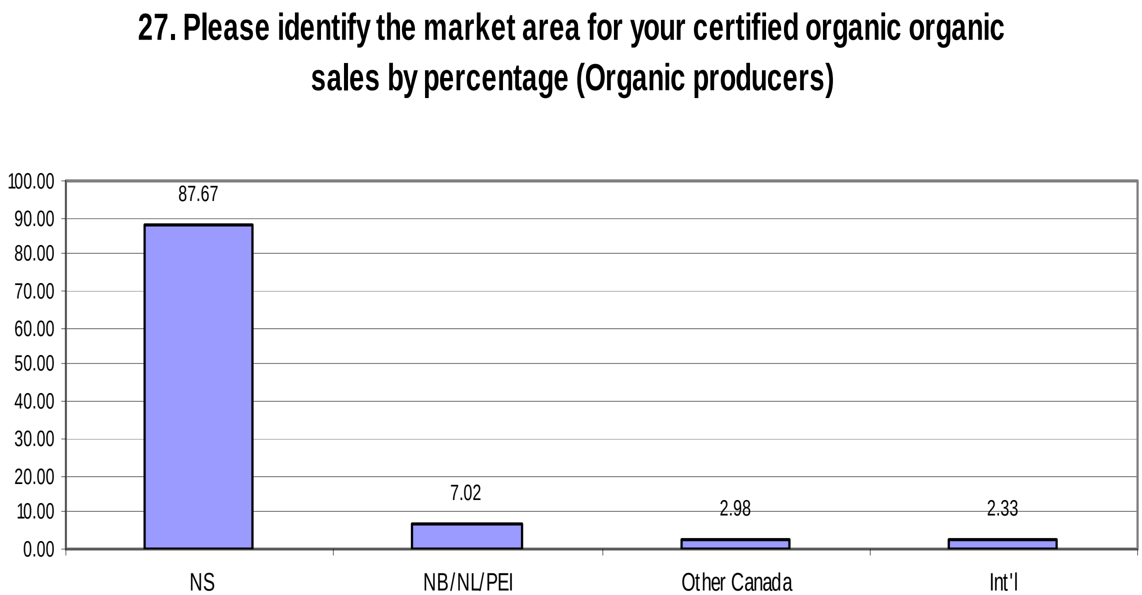
a. Group

Respondents were asked to rate how their customers perceive numerous factors when buying their products. The three most important factors were no pesticides/hormones/antibiotics, followed by local and knowing/meeting the producer.

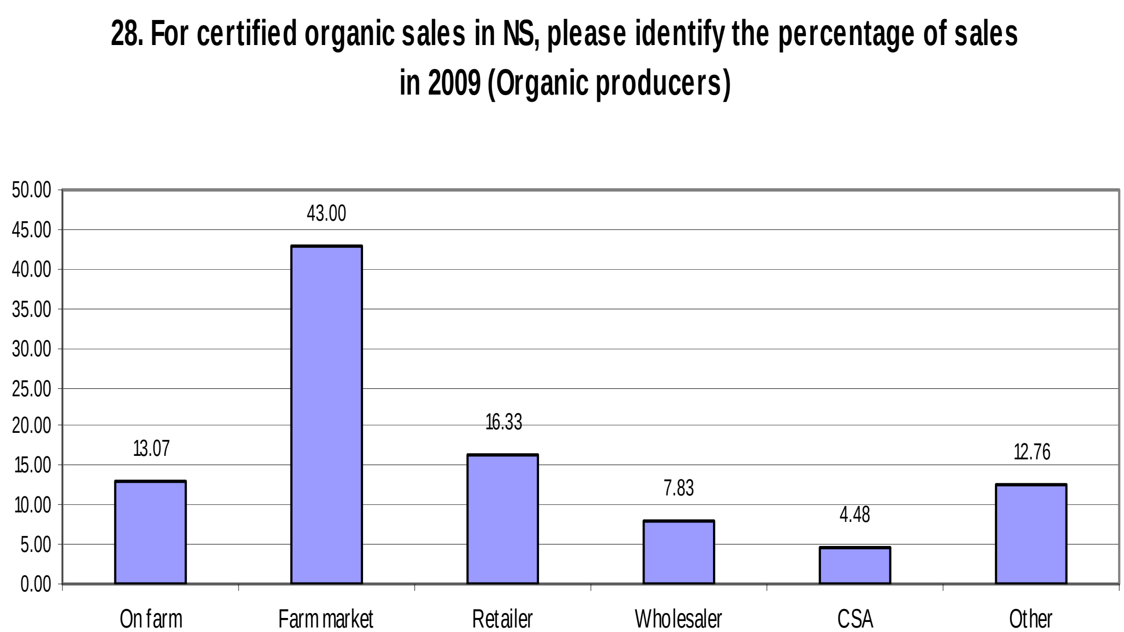
26. How important would you say each of the following is to your customers when they are buying products?

	Number of responses	Mean
No pesticides/hormones/antibiotics	47	3.62
Local	50	3.58
Knowing/meeting producer	49	3.57
Natural	45	3.09
Sustainable	48	3.08
Animal welfare	43	3.05
Certified organic	52	2.90
Price	50	2.88
Non-certified organic	35	2.54
Fair trade	41	2.24

Over 85 percent of respondents reported selling their products exclusively in Nova Scotia.

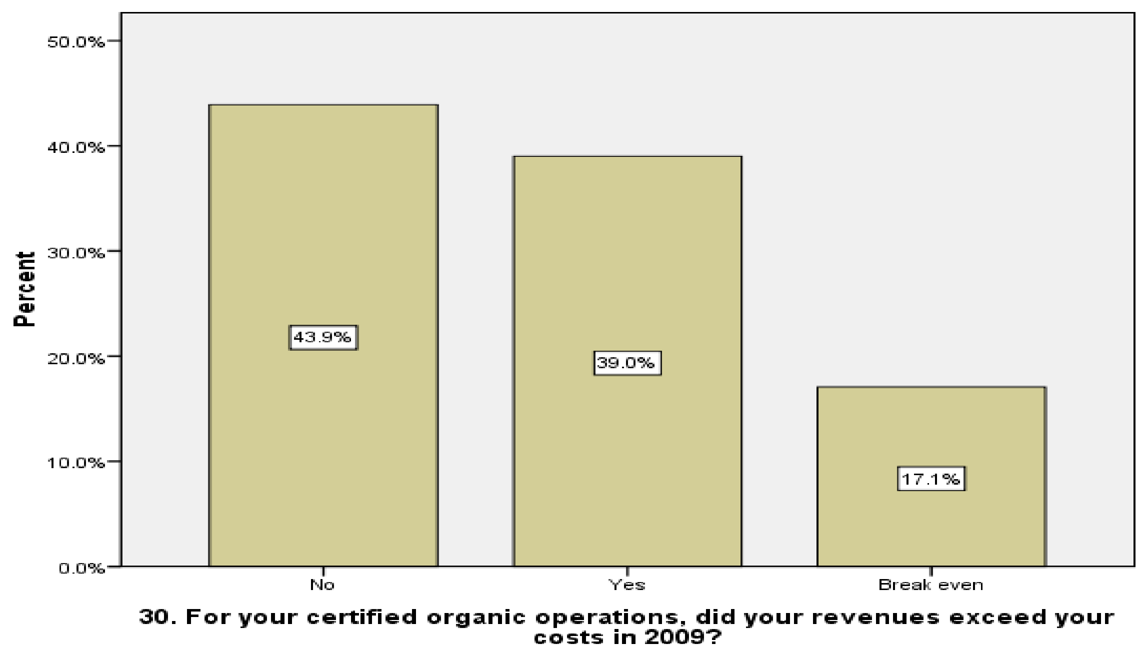


Direct sales represented the majority of sales. The other category is predominately sales to restaurants.

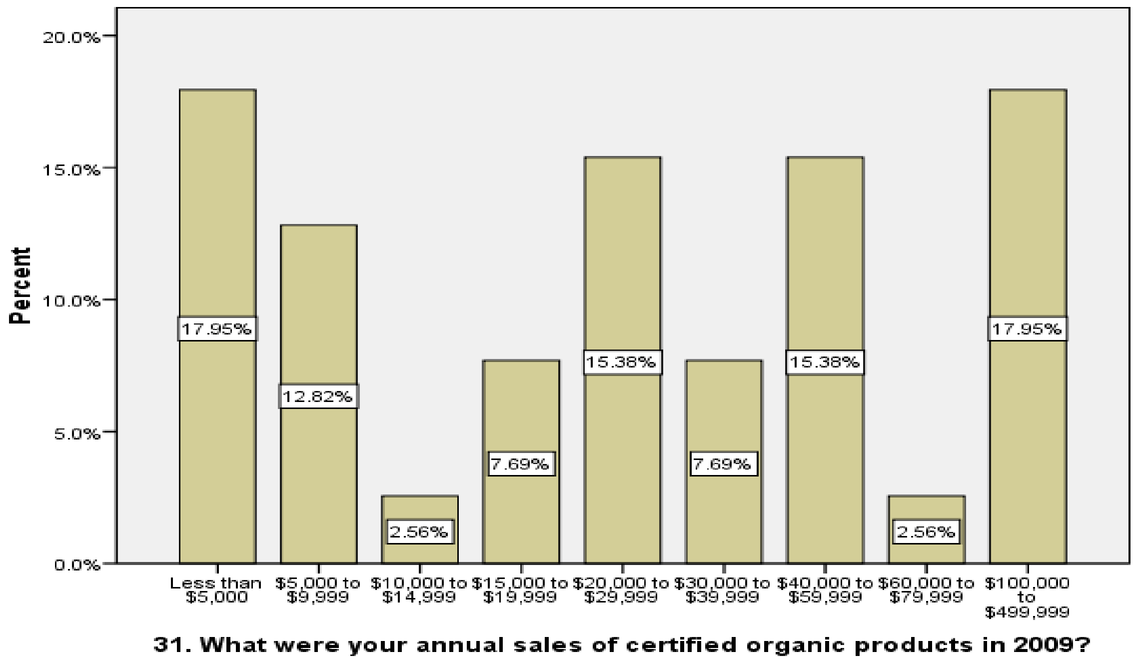


Just over two-thirds of respondents reported that they received a premium for their certified organic products in 2009.

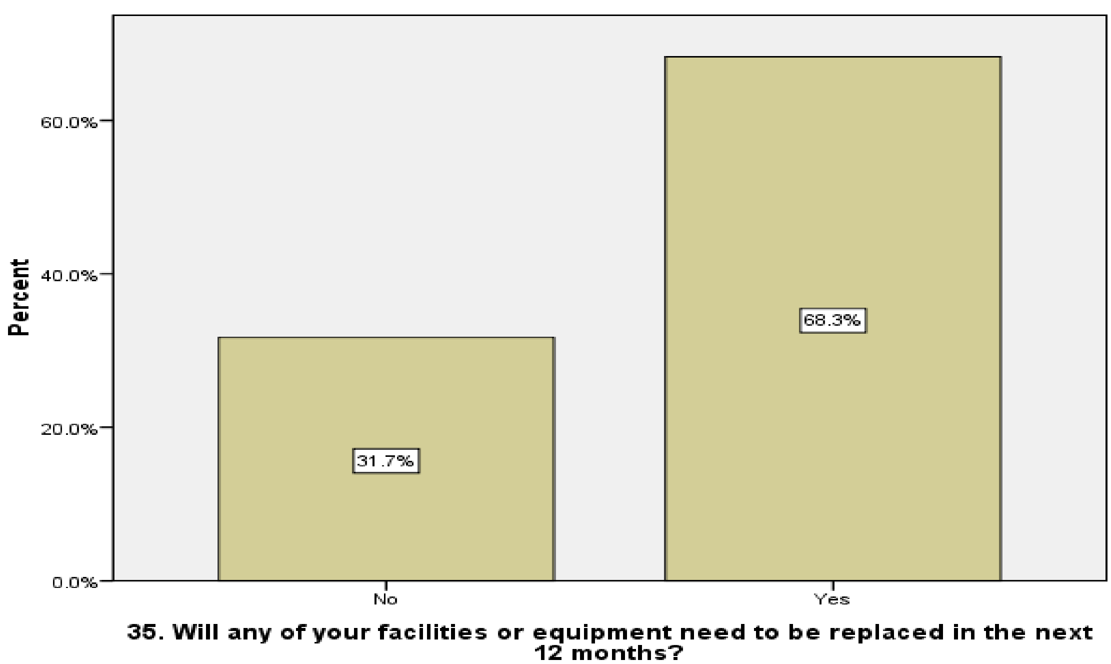
Just over two-fifths of organic producers stated that their certified organic operations lost money in 2009, while almost two-fifths indicated that their operations made a profit.



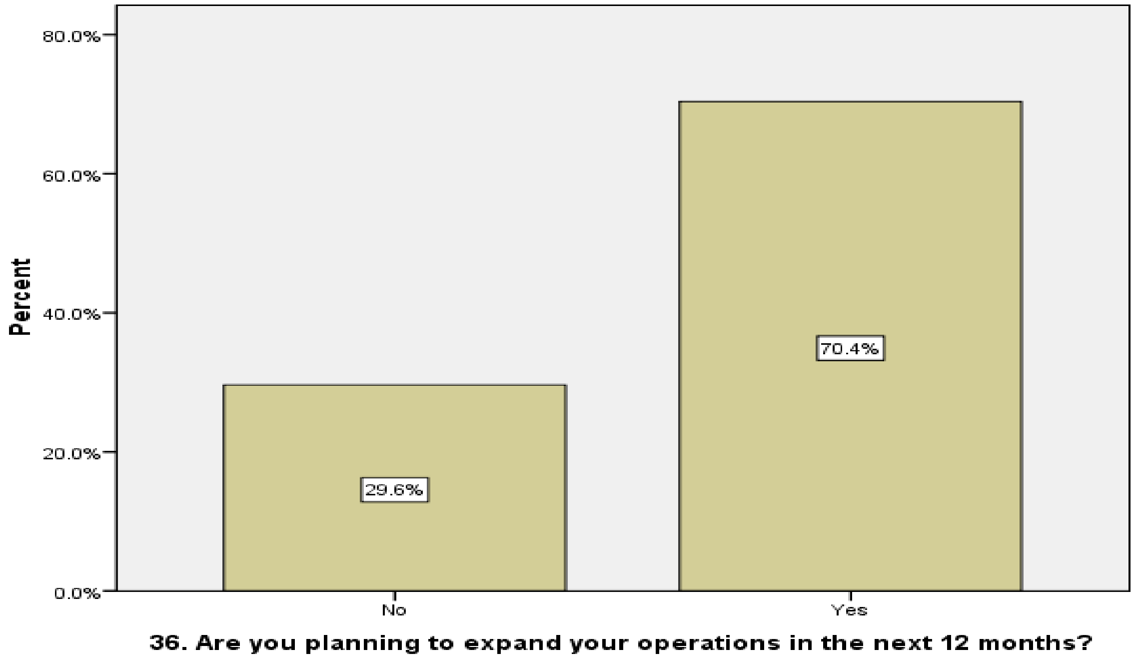
Certified organic producers are diverse as evidenced by the wide cross-section of annual sales ranging from less than $5,000 to greater than $100,000 but less than $499,999.



Just over two-thirds of respondents stated that their facilities or equipment will need to be replaced in the next 12 months.



About 70 percent of respondents stated they are planning to expand their operations in the next 12 months.



Most of the respondents who plan to increase their sales expect to do so within Nova Scotia.

37. In which market area(s) do you plan to increase sales? Check all that apply.

		Responses		Percent of
		Number of responses	Percent	Cases
$multq37 Market to increase sales[a]	Nova Scotia	36	73.5%	85.7%
	NB/NL/PEI	7	14.3%	16.7%
	Other Canadian provinces	3	6.1%	7.1%
	International	3	6.1%	7.1%
Total		49	100.0%	116.7%

a. Group

The top three information sources used by organic producers are their peers, followed by ACORN and the Internet.

39. Which information sources do you use when seeking or sharing information about the organic sector?

		Responses		Percent of Cases
		Number of responses	Percent	
$multq39 Info sources[a]	Certified organic producer/processors	47	15.9%	85.5%
	Non-certified organic producer/processors	15	5.1%	27.3%
	Non-organic producers/processors	10	3.4%	18.2%
	ACORN	42	14.2%	76.4%
	Canadian Organic Growers	26	8.8%	47.3%
	Organic Council of NS	13	4.4%	23.6%
	Other organic association/organization	9	3.0%	16.4%
	Internet	34	11.5%	61.8%
	Non-organic association/organization	7	2.4%	12.7%
	Agrapoint/extension service	31	10.5%	56.4%
	NS Department of Agriculture	23	7.8%	41.8%
	Other provincial government department/service	7	2.4%	12.7%
	Federal government department/services	8	2.7%	14.5%
	Universities/community colleges	12	4.1%	21.8%
	Private consultant/business	5	1.7%	9.1%
	Other	7	2.4%	12.7%
Total		296	100.0%	538.2%

a. Group

SWOT Analysis

Based on the survey responses a SWOT analysis was conducted. SWOT refers to an analysis that lists the strengths, weaknesses, opportunities, and threats of a particular industry. Strengths and weaknesses can be conceptualized as internal to the industry or within the producers/processors control. Threats are external or from other actors outside of Nova Scotia's organic industry. The SWOT analysis includes responses from open ended questions.

Strengths o **Matches consumer expectations** o **No synthetic chemical use** o **Environmental/natural/** o **sustainable farming practices** o **Healthy food** o **Ethical, care for soil** o **Access to niche markets** o **Premium price** o **Direct sales** o **Expansion planned** o **Growth sector** o **Diversity of producers** o **Local**	**Weaknesses** o **Consumer knowledge** o **Cost of certification** o **Paperwork associated with certification** o **Lack of certification knowledge** o **No financial incentive to become certified** o **Certified organic not primary concern for consumers** o **Costs exceeding revenues** o **Lack of capital or cash flow** o **Equipment needs to be replaced** o **Capital or infrastructure costs** o **Few have written business plans**
Opportunities o **Value added products** o **Consumer demand** o **Wholesaling** o **Agri-tourism** o **Organic feeds/seeds** o **Export markets**	**Threats** o **Misrepresentation of organic products by non-certified producers** o **Lack of organic regulations in NS** o **Little enforcement of organic standards** o **Shortage of dependable, skilled labour** o **Lack of processing infrastructure** o **Competition from corporate agriculture and large conventional farms** o **Competition from imported organic products** o **Competition from non-organic producers** o **Predatory pricing** o **Small, niche market** o **High start-up costs** o **Not enough land base** o **Few government programs** o **Access to capital**