Canada / U.S. Organic Equivalence

12:15 - 1:30 P.M.

Moderator: MATTHEW HOLMES  Executive Director, Canada OTA

DANIEL MILLER  Executive Director, Food/Import Export and Consumer Protection Directorate, Canadian Food Inspection Agency

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All Things Organic Conference  presented by
Canada’s perspective on Canada/U.S. Organic Equivalence Arrangement

Presented by Daniel Miller, Executive Director
Food Import/Export and Consumer Protection Directorate

September 16, 2014 - Expo East / All Things Organic
Overview

• Background on Canada’s regulatory environment
• Canada Organic Regime
• Canada/US Equivalency arrangement
• Benefits of Equivalency determination
• Lessons learned with implementation of the USCOEA
• Opportunities
• CFIA Transformation
• Next Steps
Background

• In June 2009, the Governments of Canada and the United States signed an organics equivalence arrangement recognizing each other’s organic certification program.

• Since 2009 CFIA has take steps to further strengthen Canada's food safety system,

• In 2012, the Safe Food for Canadians Act (SFCA) received Royal Assent

• The SFCA will apply to all food imported, exported and prepared for inter-provincial trade.

• The Organic Products Regulations will become part of the SFCA
Canada Organic Regime

• The Canada Organic Regime provides a regulated oversight of organic agricultural products.
• It has been developed to:
  • Protect consumers against misleading or deceptive labelling practices;
  • Reduce consumer confusion about the definition of organic;
  • Facilitate the access of Canadian organic products to foreign markets that require regulatory oversight;
  • Support further development of the domestic market.
The **Organic Products Regulations (OPR)** provide the framework for the Canada Organic Regime by:

- Incorporating by reference the Canadian Organic Standards, ISO/IEC 17011 & ISO/IEC 17065
- Prescribing labelling claims
- Providing the authority for 3rd party delivery through conformity verification bodies and certification bodies with CFIA as the competent authority
- Allowing for CFIA to negotiate equivalency arrangements regarding the trade of organic products

As competent authority, the CFIA oversees the certification system and enforces the OPR.
In June 2009, the Governments of Canada and the United States signed an organic equivalence arrangement recognizing each other’s organic certification program.

A high level policy Steering Committee was established to oversee implementation of the Arrangement and to guide the activities of the Technical Working Group (TWG).

The TWG was established to develop procedures to deliver, verify, report and document the elements of the US/Canada Organic Equivalence Arrangement. The TWG also provides recommendations to the US/Canada Steering Committee for approval.

From Canada’s perspective, the TWG has been an excellent forum for both countries to work collaboratively to manage the equivalency arrangement.
Canada/US Organic Equivalency Arrangement

In the process of assessing both systems, critical variance (element(s) from the organic systems of the two countries which are determined to be different) were identified:

- **US organic products imported to Canada:**
  1. Agricultural products produced with the use of sodium nitrate shall not be sold or marketed as organic in Canada.
  2. Agricultural products produced by hydroponic or aeroponic production methods shall not be sold or marketed as organic in Canada.
  3. Agricultural products derived from animals must be produced according to livestock stocking rates as set out in CAN/CGSB-32.310-2006 (amended October 2008).

- **Canada organic products imported to US:**
  1. Agricultural products derived from animals treated with antibiotics shall not be marketed as organic in the United States.
Benefits of Equivalency Arrangements

• Increased access to imported ingredients; especially fruits and vegetables not grown in Canada

• Market access to various countries

• Less costs for organic producers as the need for multiple certifications is reduced

• Strengthening the oversight of imports /exports in terms of collaboration between US and Canada
Lessons Learned with Implementation of the USCOEA

• Arrangement implementation is complex and requires highly technical expertise
• Resources required for ongoing surveillance (annual reports and/or peer reviews)
• Working relationships between countries should be established to facilitate common understanding (working groups and committees)
• Communication and education on both sides are critical (organic producers, exporters, importers and consumers)
• Ensuring that certification bodies and producers comply with the critical variances
Opportunities

- Continue to harmonize US and Canadian Organic standards
- Continuous improvement of the organic regime as a result of peer reviews
- Continue to build strong working relations with the National Organic Program
In response to Government of Canada’s plan, the CFIA is working on a comprehensive agenda to strengthen its legislative foundation, regulatory programs and inspection delivery.

CFIA’s transformation agenda is focussed on the four interconnected pillars of the Safe Food for Canadians Action Plan:

- stronger safety rules;
- more effective inspection;
- commitment to service; and
- more information for consumers
1. The Safe Food for Canadians Act (SFCA) provides the legislative base to simplify and consolidate the CFIA inspection regulations currently administered under the following four Acts into one overarching law:

1. **Canada Agricultural Products Act**
   - Organic Products Regulations (OPR) would be updated to cover aquaculture and to address other non-substantive issues, such as unclear wording in some places.

2. **Fish Inspection Act**

3. **Meat Inspection Act**

4. **Consumer Packaging and Labelling Act (Food provision only)**

- The Food and Drugs Act (FDA) continues to apply to all food sold in Canada, as do other CFIA statutes related to plant and animal health.
- The SCFA will enable the CFIA to apply consistent regulatory requirements and inspection approaches across all regulated food commodities.
Tentative timelines for regulatory changes

**January 2015** – Proposed regulations published for public consultation in *Canada Gazette*, Part I.

**June 2015** – Final regulations published in *Canada Gazette*, Part II.

**Summer 2015**- Complete the revisions of the Canadian Organic Standards which is incorporated by reference in the OPR.
Next steps

• The OPR rewrite in the proposed *Safe Food for Canadians Regulations*.

• Comments will be sought on proposed regulations when published in *Canada Gazette*, Part I, in January 2015.

• Anticipate final regulations and standards in Summer 2015
  - These changes would have prompted discussions about the requirements of current arrangement still being met, independently of the end date of the arrangement.

• On-going work of the Technical Working Group and the Steering Committee

• Review of the current Canada/US Organic Equivalency Arrangement
United States – Canada Organic Equivalency Arrangement
U.S. – Canada Organic Equivalency Arrangement

- Historically Significance – led to many additional arrangements
- Equivalent outcomes not identical standards or processes
- Standards, Accreditation, Certification and Enforcement all determined to be equivalent
- Established Critical Variances
- Peer Assessments to ensure continued compliance with terms of the arrangement
U.S. – Canada Organic Equivalency Arrangement

• Agricultural products produced and handled in accordance with the USDA organic certification system are eligible for shipment to Canada as “organic” – and vice versa

• Labels must meet the requirements of the destination country (e.g. Canada does not have “made with organic” labeling category)

• This is a global arrangement: product produced to USDA organic regulations around the world can be sold or shipped to Canada as organic and vice versa
• Products traded under the terms of the arrangement may be labeled with the US and/or Canadian organic logos
• Certifying agent must be stated on product label
Implementation

• Technical Working Group established in 2009
  – Consists of technical experts from the Canadian Organic Office and US National Organic Program

• Steering Committee established in 2010
  – Consists of Canadian and US officials from agriculture and trade offices
  – Review and approve recommendations from the Technical Working Group

• Attestation requirements established in November 2010
Attestation requirements

Agricultural products being sold or shipped to Canada or U.S. under the arrangement must be accompanied by an attestation statement, per NOP Policy Memo 10-3

• Statement is not required to be signed by a certifying agent

• Certified operation may provide attestation

• All products that are produced under the terms of the arrangement must be accompanied by documentation stating the following:
  – “Certified in compliance with the terms of the US-Canada Organic Equivalency Arrangement”
Implementation

- USDA implemented organic ruminant livestock requirements (the pasture rule) in 2010.
- USDA provided documentation that the pasture rule ensuring equivalent standards with Canadian Organic Standards for ruminant livestock.
- In January 2012, Canada recognized USDA’s organic ruminant livestock requirements as equivalent.
Critical Variances:

- **Products from U.S. to Canada:**
  - Agricultural products must not be produced with the use of sodium nitrate
  - Agricultural products must not be produced by hydroponic or aeroponic production methods
  - Agricultural products derived from non-ruminant livestock must be produced according to Canadian livestock stocking rates

- **Products from Canada to U.S.:**
  - Agricultural products cannot be derived from animals treated with antibiotics
Organic Import Certificate

- Required under EU, Japan, and Korean equivalency arrangements.
- Provides clear audit trail and verification of all organic imports/exports.
- Additional paperwork for certifiers, importers and exporters
- US-Canada Technical Working Group has recommended requiring import certificates.
- Currently under discussion by US-Canada Steering Committee.
Certifiers and Compliance

• Certifiers must verify certified operations’ compliance to US-Canadian Organic Equivalency Arrangement during certification process, including during onsite inspections

Compliance

• NOP audits of accredited certifiers includes review of compliance with international arrangements
Canada / U.S. Organic Equivalency

Bob Anderson | Senior Trade Advisor
Organic Trade Association

All Things Organic 2014
• 42% Greater than ALL US Exports to EU
• Bilateral Agricultural Trade
  - Exceeds $50M/Day
• 7,000 Trucks Every Day
• One Truck Every 2 Minutes - 24/7
If Provinces were Countries

# 1 CANADA
# 4 Ontario
# 7 British Columbia
# 16 Alberta
Dynamic Time for Organic Trade
US CANADA Organic Equivalency Agreement
DYNAMIC TIME FOR ORGANIC TRADE

US/Canada Equivalency heightened demand for North American trade agreements

CANADA Agreements:
- U. S.
- European Union
- Switzerland
- Brazil

U.S. Agreements:
- Canada
- European Union
- Japan
- Korea
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<th>Category</th>
<th>Total Estimated Cdn. Share ($M)</th>
<th>Estimated % Share</th>
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<tr>
<td>Mainstream Pre-Packaged/Grocery</td>
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<td>Mainstream Fresh Meat</td>
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<td>100%</td>
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<td>Mainstream Fresh Fruit</td>
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<td>Mainstream Fresh Vegetables</td>
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<td>Total Natural Health</td>
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<td>Total Direct Marketing</td>
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<td>Total Coops</td>
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<td>Total Domestic Product Value</td>
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Equivalency - A Great Investment

CANADA

U.S. organic exports to Canada are up 14%
ORGANIC - Great Investment

U.S. GLOBAL ORGANIC
EXPORTS

20%
Canada / U.S. Organic Equivalence

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Questions?

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