# INVESTING IN ORGANIC AGRICULTURE

## A Path To Clean, Inclusive, Economic Growth

### Recommendations for the Next Agricultural Policy Framework

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**Submitted to**: Agriculture & Agri-Food Canada

**Submitted by:** Canadian Organic Growers, Canada Organic Trade Association, USC Canada & Organic Federation of Canada

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

**In the Next Agricultural Policy Framework, we recommend that Canada make 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.**

The principal goal of organic production is to develop agricultural operations that are sustainable and harmonious with the environment. Defined by national standards, organic agriculture combines tradition, innovation, and science to benefit the environment and our economy. There is a growing- and largely untapped- demand for organic commodities by consumers and by the broader agricultural and food industry. **Organic agriculture is a business risk management tool in itself** that can help all farmers. Organic agricultural practices mitigate climate change, reduce energy use, and build public trust while providing farmers the economic opportunity to command a higher premium for their commodities.

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

**Current status of the Canadian Organic Sector:**

- In 2015, there were **5605 operators with organic certification in Canada** – this includes producers, handlers and manufacturers.
- The latest Canada Organic Trade Association consumer IPSOS poll shows that **56% of Canadians buy organics weekly**, and that 86% of these consumers have maintained or increased their organic purchases in the last year.
- **Canada has the 5th largest organic market in the world valued at $4.7B** a year, this is up from $3.7B in 2013.
- **Canada has negotiated organic equivalency agreements with 90% of our major trading partners**. This includes: the US, the European Union, Switzerland, Costa Rica, and Japan. Agreements with Mexico and South Korea are currently being negotiated.
- **Organics in Canada** is a burgeoning sector representing less than 2.7% of Canadian agriculture but **employing 3.75% of the agricultural workforce**.
- The **demand for organics in Canada is increasing at a rate of 16% per year** and domestic supply is not keeping pace.
- Canadian **value-added organic food processors** are relying on imports and **have difficulty finding reliable and consistent source of ingredients**.

*Statistical values provided by the Canada Organic Trade Association*

Investing in organic agriculture benefits the environment and provides Canadian organic growers, processors, handlers, and manufacturers access to new domestic and international market opportunities. The organic market is the fastest growing agricultural market in the world. The global organic market has double-digit rate annual growth-rate and is now valued at $80 billion dollars (USD). Although Canada has the 10th largest area of organic land, we remain a significant net importer of value-added organic products, commodities and produce. Our trade deficit is estimated at $1.5 billion CAD annually in a market valued at $4.7 billion. There are significant opportunities for domestic organic producers, processors, handlers, and manufacturers to fill this growing domestic gap and continue supplying exports to the international market.

***Organic innovation provides benefits across the agricultural system***

*The innovative technologies and techniques used in organic agriculture can be applied to benefit the wider Canadian agricultural sector. Science that is consistent with the organic principles and standards is inherently supporting goals of sustainability as well as responding to consumer demand and capturing international market opportunities.*

The Next Agricultural Policy Framework should address the needs of organic farmers and be more inclusive of all sectors, scales, methods of production and market channels. Now, more than ever, we need more farmers to adopt ecological and climate-resilient practices in agriculture.

## We recommend that Canada's investments in Organic Agriculture in the Next Agricultural Policy Framework focus on the recommendations below.

**Support Organic system integrity to ensure market access and trade**: International organic trade hinges on the integrity of the Canadian Organic Standards and on government capacity to develop and maintain multilateral and bilateral equivalency agreements that benefit the entire Canadian Organic Sector. The integrity of the Canada Organic Brand is at risk because there is currently no guaranteed funding mechanism for maintenance of the Canadian Organic Standards. Without the timely maintenance of these standards and government support for its enforcement and integrity, Canadian organic operators are at a competitive disadvantage to operators in the US and EU which have their organic standards fully funded by government. Our international organic equivalency agreements also rely on Canada having updated and compliant organic standards – without them our agreements will be voided. The Next Agricultural Policy Framework should include comprehensive federal funding for the review and maintenance of the Canadian Organic Standards in perpetuity. This should also include continuous technical review of organic practices and inputs allowed in the Canadian Organic Standard.

**Improve data on organics to support sector growth and business risk management:** Currently, information on the organic sector is fragmented and incomplete. Routine, consistent and reliable data on organic production is required to make better business, policy, trade and program related decisions. Investments should be made to improve the quantity and quality of questions related to organics in the next Census of Agriculture; to increase the number of export and import Harmonized System codes for organic; and to develop a national data collection strategy in partnership with the organic industry.

**Invest in Organic Research and Innovation**: Research in organic agriculture has led to innovation in technologies and techniques that result in greater productivity, more efficient resource use, and improved sustainability of agro-ecosystems. This research helps to design agricultural systems that are resilient to climate climate, mitigate greenhouse gas emissions, counter the loss of biodiversity in agricultural landscapes, minimize contamination of the environment, and efficiently use and recycle resources. Funding should be expanded to foster innovation in organic and agro-ecological methods and to enhance research programs conducted through the Organic Science Cluster. It should also include more provisions for long-term research (greater than 5 years) and take into account the nature of the research (commercial intellectual property versus public good) when there is a requirement for industry matching funds.

**Support on farm and peer-to peer knowledge transfer**: Innovation will only be effective if the knowledge gained through research is transferred, applied, and utilized. Therefore, program funding for knowledge translation and transfer should be expanded. Notably, the Agri-Science Cluster program should have a mandatory knowledge transfer component. Knowledge transfer programs for organic growers, especially new entrants, should focus on; on-farm training and research, mentorships and farmer-to-farmer training. It should also create critical linkages between farmers, farmer organizations and farmer cooperatives.

**Incentivize and reward best environmental and climate resilient practices**: Programs should incentivize the use of techniques that reduce energy use, increase soil carbon, improve watershed health, enhance biodiversity, and reward producers, like organic growers, who carry out those practices as a fundamental part of their operations. These practices include:

- cultivation of more legumes and perennial crops;
- long term crop rotation and intercropping;
- biodiversity and habitat creation;
- soil health and watershed conservation;
- rotational grazing; and
- use of locally adapted organic seed.

**Adapt Business Risk Management (BRM) programs to be inclusive of producers of all scales, types of production and market channels:** BRMs should be adapted to serve all types of farming, including low-input and diversified farms. The AgriInsurance suite also needs to be expanded to include production insurance that is suitable for organic and transitioning producers.

**Add a 7th pillar on Farm Renewal, Business Development and Labour:** in the Next Agricultural Policy Framework to outline a national strategy that guides provincial programming. This pillar would focus on the following core components: recognition of the diversity of new entrants to farming; farmland protection and transfer; seed capital and financing; training; business planning and management, as well as on-farm labour development.

***The Next Agricultural Policy Framework should strive to be more inclusive overall***

*The organic sector strongly believes that federally funded programs under the Next Agricultural Policy Framework should be more inclusive of all sectors, scales, methods of production and market channels. In order to be inclusive, the framework must include a review of: industry program cost-sharing, the application process (red tape), funding eligibility criteria, and the budgetary allowance of core funding for associations.*

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