

Organic Certification in Ontario

About Organic Certification

The use of the term “organic” is governed federally by the Organic Products Regulation. This regulation was developed by the organic sector through a democratic process. The organic standards are a consensus of growers, traders, processors, retailers and consumers on what is “best practice”.

The standards are based on these international principles:

- Protect the environment, minimize soil degradation and erosion, decrease pollution, optimize biological productivity and promote a sound state of health.
- Maintain long-term soil fertility by optimizing conditions for biological activity within the soil.
- Maintain biological diversity within the system.
- Recycle materials and resources to the greatest extent possible within the enterprise.
- Provide attentive care that promotes the health and meets the behavioural needs of livestock.
- Prepare organic products, emphasizing careful processing, and handling methods in order to maintain the organic integrity and vital qualities of the products at all stages of production.
- Rely on renewable resources in locally organized agricultural systems.



“Greenwashing is the greatest threat to the organic sector. People are attracting market share by confusing the consumer. I used to be supportive of the term ‘natural’... but now I see how it is used to mislead people, and I want to distinguish myself from that, so I certified.”



We can't all have a direct and trusted connection with every single person along the chain that delivers our food from farm to table. When a product is certified and labeled “organic”, it is the consumers' assurance that the product was grown and processed in accordance with these values. If these are your values too - then don't panic, choose organic!

Certification in Ontario's Organic Sector

Consumer confusion about what exactly “organic” means is a significant challenge in Ontario’s organic sector. Seven in ten businesses in the sector have certified as a way of addressing this challenge. But some businesses are more likely to certify than others.

- Processors and packers are most likely to certify followed by producers and growers. Handlersⁱ and retailers are least likely to certify their operations.
- Only 7% of operators told us they are in transition to become certified, and they are all producers.
- Size Matters! Larger businesses are more likely to certify than smallerⁱⁱ - 81% of business with annual sales over \$1 M are certified. But small businesses that certify are more likely to be exclusively organic.
- Over half (57%) of small organic businesses certify – even though they are likely selling within Ontario where certification is not mandatory and they list certification cost as a significant business challenge.
- Location Matters. Firms and farms in Western Ontario are most likely to certify, 88% with postal codes starting with ‘N’ are certified versus 62 % everywhere else in the province.

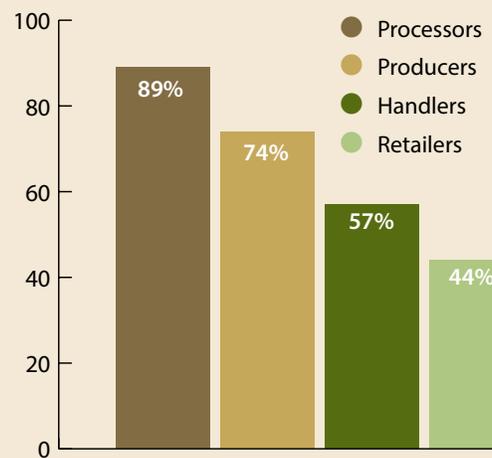
Length of Time Certified

There is strong commitment to certification in the sector.

- On average, certified operations have maintained their designation for 8.7 years.
- Among certified businesses, half (51%) have been certified for over ten years, and an additional 43% have been certified for between 3 and 10 years.
- Processors/packers and producers are our longest certified business types - 58% of processors/packers have been certified for over 10 years, compared with 49% of producers, 50% of handlers and 14% of retailers.
- There seems to be a trailing off in certification in recent years - only 6% of businesses active in the sector have certified in the last 2 years.

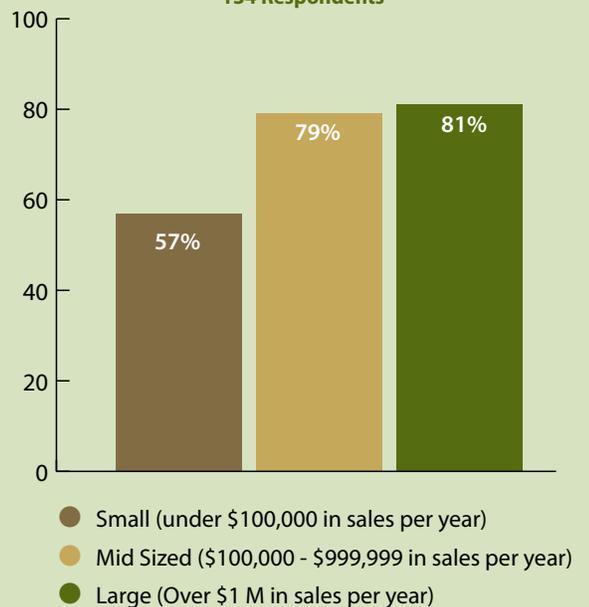
Who certifies?

134 Respondents



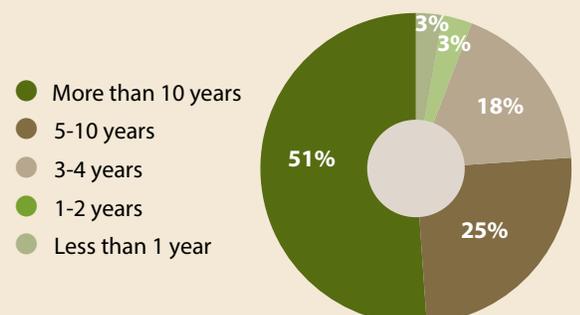
Certification by Business Size

134 Respondents



Length of Time Certified

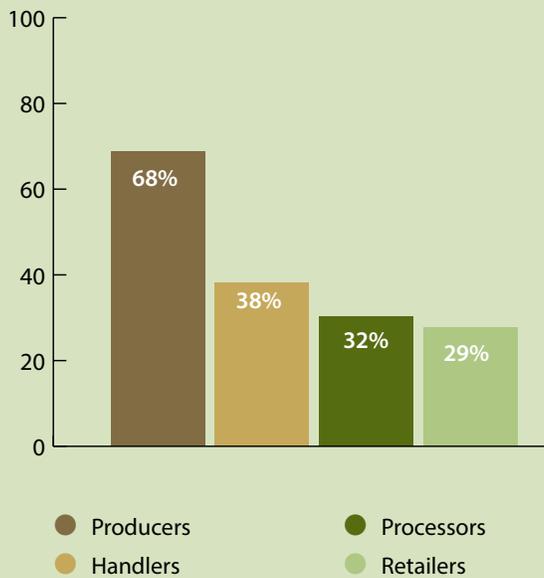
96 respondents



Exclusively Organic – Business Type and Size Matter

96 respondents

Percentage of certified businesses who deal with organic products exclusively (100%).

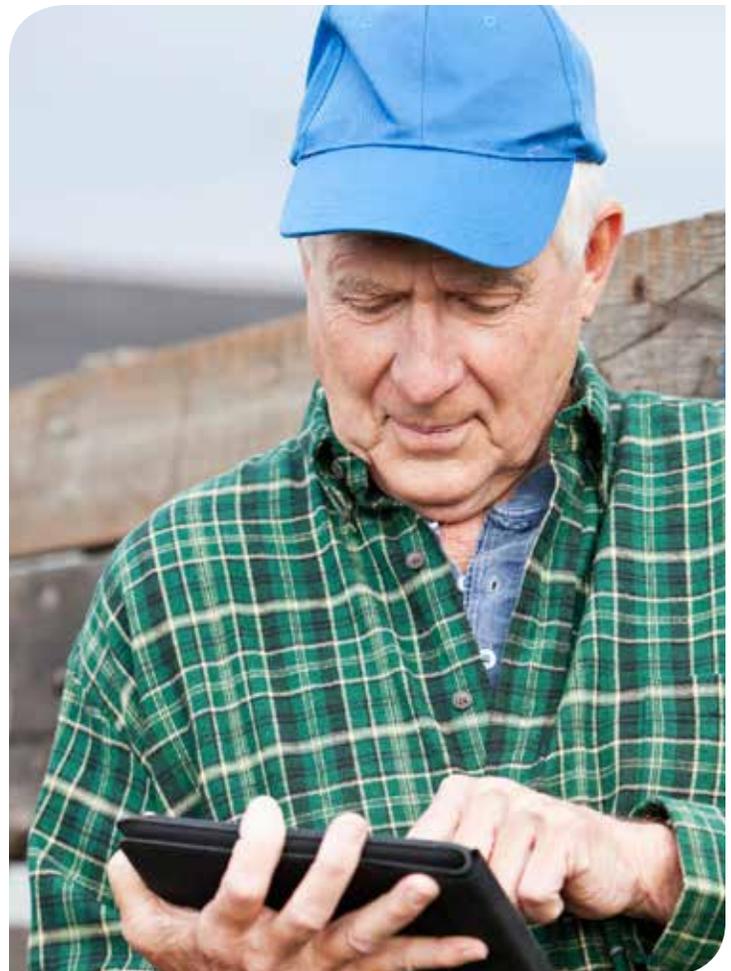


Exclusively Organic?

- 52% of all certified businesses produce or handle ONLY certified organic products, but this masks differences across business types and sizes.
 - Certified producers are more than twice as likely to be exclusively organic than handlers, processors or retailers
 - Certified small businesses are three times more likely as large businesses to be exclusively organic

Sourcing and Handling Organic Product

- Even if they have decided not to certify their own operation, handling certified organic products sourced from elsewhere is common across all business types, regardless of business size.
- 82% of producers, 100% of handlers, 94% of processors and 88% of retailers are moving certified organic products they have sourced from elsewhere through the value chain, illustrating the importance of a full traceability system that can ensure integrity of these products.
- Organic value chain operators are highly experienced at handling organic products. While retailers are not likely to certify their own operations for example, 86% have been handling organic goods for more than 10 years.



Take Away Messages....

- Regulating intra-provincial organic trade would encourage certification and help address consumer confusion in the marketplace. Already half of businesses with under \$100,000 per year in sales (who are likely selling intra-provincially) are working to ensure organic integrity by certifying voluntarily. These firms and farms represent future growth in the sector. We need to level their playing field and make certification more affordable.
- The small number of transitioning businesses is a concern, but we have strong commitment to certification among established firms and farms in the sector to leverage. There is an opportunity for peer support and mentorship programs for new entrants around certification.
- A significant number of firms after the farm gate are benefiting in the organic sector but are not certified and are handling relatively small amounts of organic product. We have a growth opportunity in deepening their organic commitment and increasing the proportion of organic products in their mix.



About OCO

The Organic Council of Ontario (OCO) is a non profit association representing all members throughout the value chain including producers, processors, marketers, distributors, suppliers, certifiers, retailers, restaurants and others to provide leadership and support the continued growth of Ontario's organic sector.

Theresa Schumilas
Lead Researcher
Ontario's Diverse Organic Food System
c/o tschumilas@organiccouncil.ca

Support for this project provided through the OMAFRA
New Directions program.



“The organic certification is not like other industry standards... it’s about solidarity among producers, not about rules imposed by the powerful. We, Canada’s organic sector, own this standard.”



This information comes from a third party survey conducted for OCO by Informa Market Research in 2012. Respondents include 134 small and large scaled producers, processors/packers, traders, and retailers. For more details – see the full report at www.organiccouncil.ca

- i. We use the term handler to refer to firms that add value to products as they move through the value chain such as: traders, brokers, marketers and distributors. Processors and packers are separated if noted.
- ii. “Small” firms/farms are those with less than \$100,000 in annual gross sales, “large” as those with over \$1 M in annual gross sales, and “mid-sized” firms/farms are those in between.