

Growing Ontario’s Diverse Organic Sector: Information Sources and Needs

Stakeholders in Ontario’s organic sector have diverse goals and they need different kinds of data and information to realize their dreams. This report summarises the ways that different organic stakeholders get information now, what new kinds of information will help them grow the sector and what kinds of information they are willing to share with others.

We draw on information from a third party survey conducted for OCO by Informa Market Research in 2012. Participants in this study were recruited through email invitations sent to a provincial list of 500 Ontario organic food system stakeholders compiled by OCO. These findings are based on responses from 134 stakeholders who either completed an on-line survey or telephone interview. Respondents include small and large scaled producers, processors/packers, handlers (traders, brokers, marketers, distributors and shippers) and retailers.

Most Helpful Information Sources

Overall, Ontario’s organic stakeholders find that the two most valuable information sources are:

- Internet – 89% of respondents say this is a helpful source and,
- Peers – 86% turn here for help

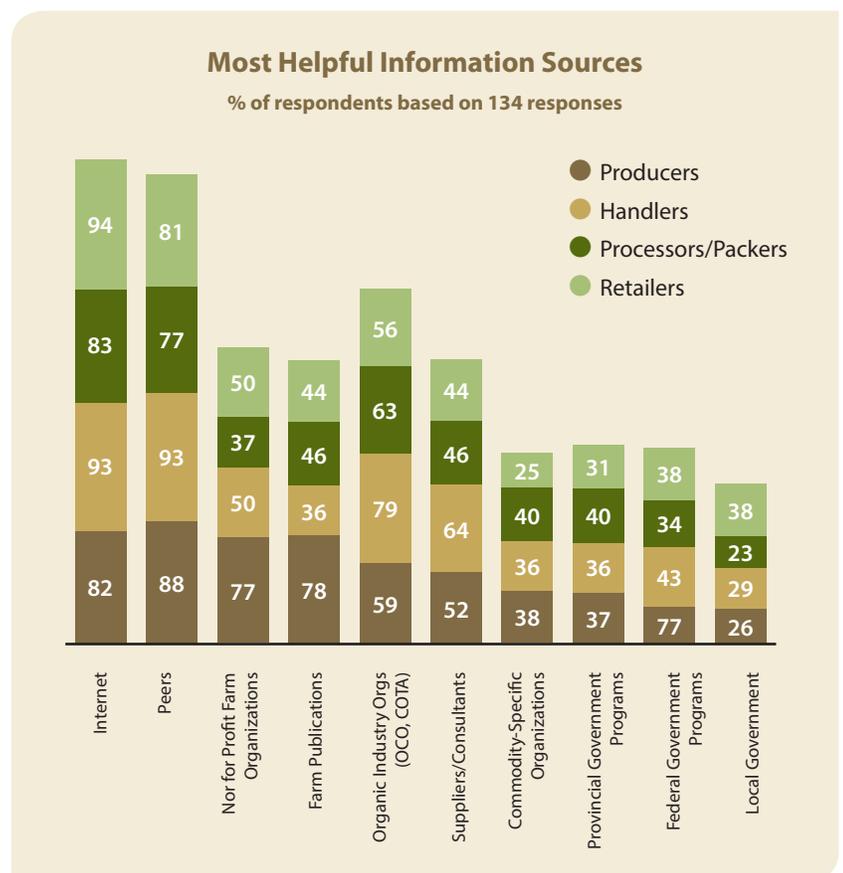
Additional helpful sources (in order of significance) are:

Not-for-Profit Organizations – Producers and smaller firms place higher value on information from non-profit farm organizations compared to other stakeholders. Whereas 77% of producers find these organizations to be helpful information sources, only 44% of large firms (with over \$1M in sales) concur.

Farm Publications – 78% of producers say they turn to farm magazines or newsletters for helpful information.

Organic Industry Associations – About six in ten (58%) organic stakeholders cite organizations

such as the Organic Council of Ontario or the Canadian Organic Trade Association as go-to information sources. Organic sector traders and processors/packers with higher sales are more likely to find these sources helpful. But overall – these sources could be under-utilized.



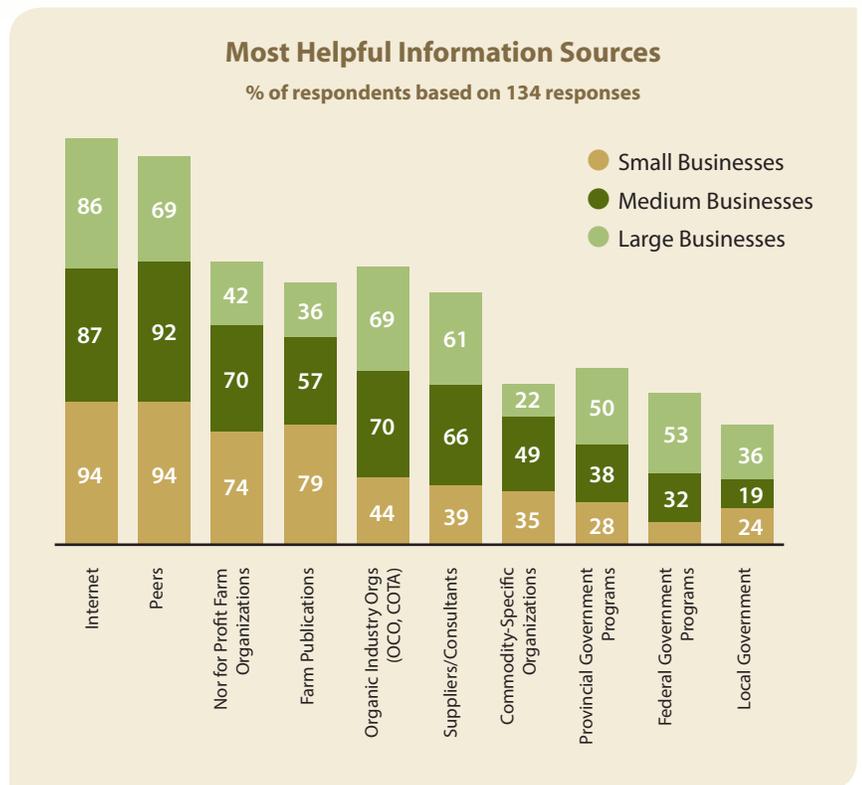
Across the value chain – over a quarter (26%) of respondents have never used information from industry associations – suggesting specific targeting and outreach would be useful.

Private Sector Suppliers/Consultants

Just over half (55%) of organic stakeholders obtain helpful information from consultants. This source is of particular assistance to larger firms.

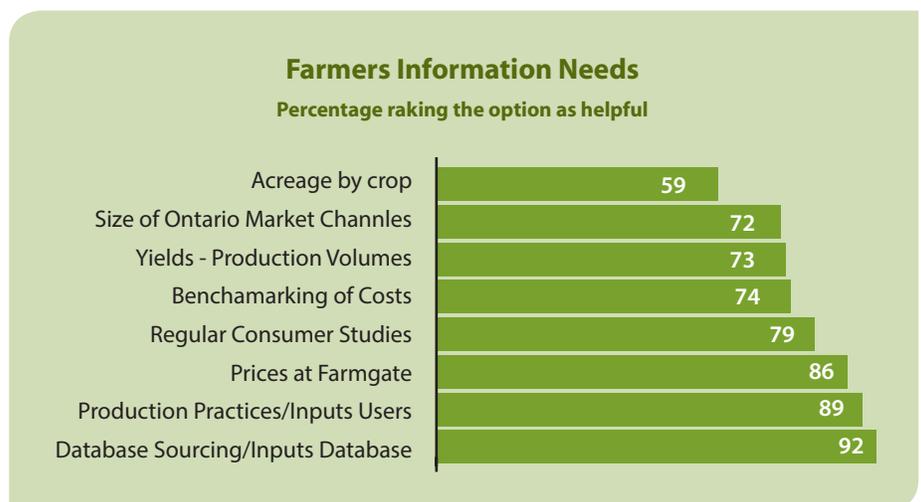
Commodity-Specific Organizations are not very helpful to organic stakeholders generally. Only one in three (37%) find that these organizations can provide useful information. However, it seems that these sources fill a niche for new business entrants (less than 10 years) in the middle sales bracket. It may be that transitioning firms and farms continue to turn to established information sources until they develop new networks within the organic sector.

Government – Overall, only about one in three organizations turn to government programs for information (provincial, federal and local in that order). However, the importance of public sector sources climbs dramatically for companies with higher sales. Half or more of larger organic businesses find that both federal and provincial governments have useful information. Conversely, farmers and small firms are least likely to have used information from any of the government sources. Almost two thirds of producers for example say they have found information provided by various levels of government to be not helpful.



What information do we need to grow Ontario's organic sector?

Organic stakeholders have told us that information prepared by and for conventional value chains is not very useful in the organic sector. Our needs are different. Hence we explored the potential benefit of and interest in creating an information system geared specifically to the needs of Ontario organic sector firms and farms. Not surprisingly different stakeholders are looking for different things.



Producers and Growers suggest that we need to develop an information system that includes:

- Inputs database to make sourcing organic inputs easier
- Database of production practices and inputs used
- Tracking prices at farm gate for various commodities
- Regular consumer research

Producers also told us that information on organic acreage by crop is the least helpful type of information to them.

Processors/Packers told us that our information system needs to include:

- Sourcing organic ingredients database
- Regular consumer research
- Data to benchmark costs

While this group is keenly interested in getting help in locating organic ingredients and inputs, they are less interested in tracking the amounts sourced. Respondents also told us that tracking processing or packaging capacity is not a priority.

Handlers showed strong agreement that an information system should track:

- Size of different Ontario retail channels
- Ontario imports and exports
- Regular consumer research

These stakeholders are less interested in sourcing databases. It could be that our respondents were mostly established firms and they are already well networked and connected to suppliers. Newer traders might have different needs.

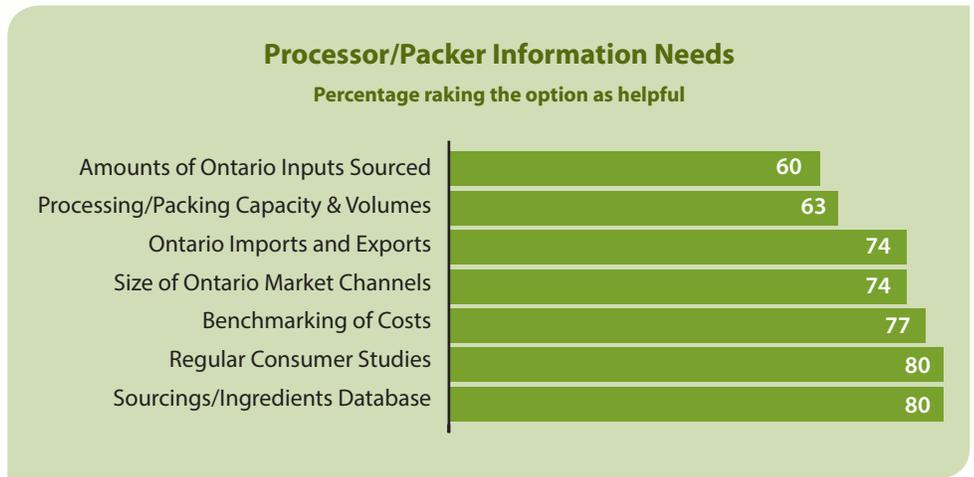
Retailers told us that an information system needs to include:

- Regular consumer research
- Data to benchmark sales
- Data to benchmark costs
- Size of different Ontario retail channels

Willingness to Provide Data

Of course information has to come from somewhere! Are organic stakeholders willing to provide data to an information system?

Producers/Growers – Overall, producers are the most willing to provide data into an information system and small-scale growers are generally more willing to share data than larger operations. In particular producers across all scales are very willing to provide information on inputs used and production practices. This is good news, since that type of information is also what they want to get from an information system. This contrasts with farm gate prices. While producers see this as highly needed information, only 69% told us they are willing to contribute price-related data. Another 20% are unsure, suggesting more discussion is needed.



Processors/Packers – These stakeholders are less enthusiastic about supplying information – up to 40% are not interested in providing some categories of data. Nonetheless, there seems to be willingness to provide two types of information: production volumes, and value of inputs sourced from Ontario and elsewhere. However, these stakeholders are less willing to share information about costs. This presents a conundrum since they also see data to benchmark their costs as a primary need.

Handlers are willing to provide information on the volume of organic goods sourced from and sold to Ontario and elsewhere; as well as the value of purchases made or brokered from Ontario and elsewhere. They are more tentative about providing the value of purchases through contracts and spot markets and their fixed and variable business costs.

Retailers tend to be more tentative and unsure about providing information than other stakeholders – especially when it comes to sales data and business cost data. More consultation is needed here.

Next Steps

One size does not fit all in Ontario’s organic sector. The diversity of the sector demands a wide variety of information sources and types. The information we need has to come from somewhere – and stakeholders vary significantly in their willingness to provide it.

Over the next months, the Organic Council of Ontario will be discussing these findings within the sector to try to reach consensus on the next steps we can take toward an organic sector information system. We will be pragmatic. We will look for the ‘low hanging (organic!) fruit’. We will play to our strengths and start with the stakeholders who are most keen.

We welcome your interest and participation in the discussion.



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.

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

For a more detailed information you can download the full “Organic Sector Survey” report from OCO’s website at <http://www.organiccouncil.ca/research/sector-reports>

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. We have separated out processors and packers.

“Small” firms/farms are those with less than \$100,000 in annual gross sales, “large” as those with over \$1M in annual gross sales, and “mid-sized” firms/farms are those in between.