

ONTARIO ORGANIC PRODUCTS ACT

BACKGROUND



- The *Canadian Organic Products Regulations* were created by the Harper administration in 2009 **to facilitate trade**.
- Federal regulations only cover products that cross provincial or national borders, and bear the Canada Organic Logo.
- **Without provincial regulation, businesses can call their products organic even if they are not certified.**
- In 2018, MPP Jim McDonnell introduced Bill 54, (Organic Products Act, 2018), which passed second reading in late 2018 and is currently at committee.

TO DATE, 6 OTHER PROVINCES HAVE ADOPTED ORGANIC REGULATION.

WHY IT MATTERS



Organic regulation will level the playing field for Ontario organic businesses.

- At farmers' markets, **only 10% of the 33% of farms making organic claims are certified.**
- Organic businesses who invest in certification in good faith operate at a financial disadvantage.



Organic standards and regulation are good for economic development.

- Without regulation, some retailers trust and choose non-local organic products over Ontario products.
- Organic regulation levels the playing field for businesses investing in the Ontario organic sector.
- Regulations demonstrate the province's commitment to supporting this economic opportunity.



Organic regulation will protect consumers from false organic claims.

- Consumer confusion around the lack of provincial regulation puts Ontario's growing organic sector at risk. A lack of consistency weakens the organic brand and impacts the organic premium.

BROAD SUPPORT

- The Ontario Auditor General's Annual Report 2019 recommended that OMAFRA "consider having organic food produced and consumed in Ontario certified to the federal Canadian Organic Standards."
- Passed second reading with support from all parties.
- Received endorsement from all three general farm organizations, **representing over 70,000 farmers.**
- **81% of small-scale producers** surveyed by the Organic Council of Ontario support regulation in principle.



Ontario
Tender Fruit
Growers



WE LOOK FORWARD TO WORKING WITH THE PROVINCE TO FULFILL THEIR COMMITMENT TO AN ONTARIO ORGANIC REGULATION.

ONTARIO ORGANIC: AN ECONOMIC OPPORTUNITY

ONTARIO IS CANADA'S LARGEST ORGANIC MARKET



\$81.6 billion

Global organic sales, with **50% of the market in North America.**



\$5.4 billion

Annual retail sales of organic product in Canada in 2017. **Almost 1/3 of those sales occur in Ontario.**



10%

Average year-over-year growth of Ontario organic retail market since 2012.



ORGANIC IS A VALUABLE INVESTMENT IN ONTARIO'S COMMUNITIES

Organic farms earn higher profits

Among farms with gross revenue over \$1 million, organic farms have 18.9% higher operating incomes on average.

Organic farms employ more people

23.5% of organic farms employ one or more year-round employees, compared to 17% of non-organic farms.

Organic agriculture attracts new farmers

We are facing a farm succession crisis. Organic agriculture is a lucrative opportunity for new and young aspiring farmers.



Growing local organic supply

An investment in organic agriculture would reduce reliance on organic imports, growing Ontario's economy.



Global export opportunities

Organic is a growing global market, valued at \$81.6 billion in sales globally and growing at 8.4% year over year.



Organic increases financial resilience

Organic farming practices that combat climate change can also increase resilience to agricultural business risks.

ONTARIANS WANT ORGANIC

66%

of Canadians are buying organic products weekly.



Households with children are more likely to buy organic.



83%

of millennials are buying organic products weekly.



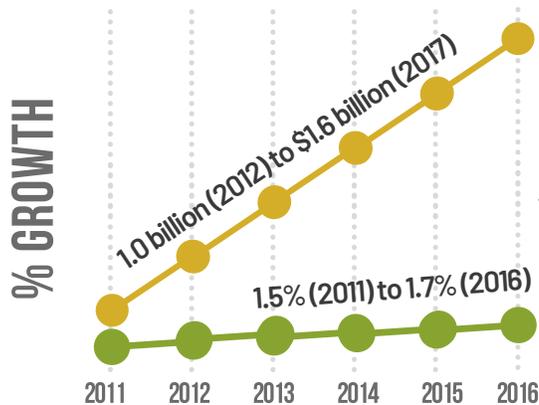
Canadians across all income levels purchase organics



National demand for organic products is increasing by 8.4 percent annually, with some products such as vegetables, meat and poultry seeing double digit growth.

GROW ONTARIO ORGANIC

ONTARIO IS FALLING BEHIND



- Ontario retail market growth for organic products
- Ontario supply of organic (% of all Ontario farm acreage)

Despite substantial growth potential in Ontario's organic sector, **supply has stagnated with only 1.7% of Ontario's agricultural land under organic management.** The gap between Ontario supply and demand is filled by both international and out-of-province imports.

AND THE COMPETITION FOR MARKET SHARE IS NOT HAPPENING ON LEVEL PLAYING GROUND...

ONTARIO: NO DEDICATED ORGANIC PROGRAMS



Quebec has committed over **\$9 million** to its organic growth strategy: up to \$20,000 per producer for transition. Quebec's agricultural production is at 6.4% organic, to Ontario's 1.7%.



In 2016, the USDA announced **\$21.4 million** in funding for organic research and transition supports to boost organic production.

SECTOR SUPPORTS ARE CRUCIAL FOR CONTINUED ECONOMIC GROWTH



Producers transitioning to organic are at a **competitive disadvantage** with other jurisdictions. Ontario organic producers cite major challenges in **access to affordable skilled labour, capital for expansion, and organic-specific advisors**



These challenges continue through the value chain, as handlers and processors cite **lack of consistent supply of ingredients, certification costs, and competition from imports** as the main barriers to growth.

WHAT THE SECTOR NEEDS



- Stable, dedicated and strategic funding supports for the organic sector in line with those of other provinces.
- Funding that matches the current scale of the sector (3-5% of all agri-food funding).
- An organic check-off, supported by legislative change, that would enable organic producers and other operators to contribute to a stable long-term funding mechanism for the sector.

Sources: Canada Organic Trade Association, Census of Agriculture, Organic Council of Ontario Sector-Wide Report.

THE PATH TO STABLE FUNDING

ESTABLISHING STABLE FUNDING

What OCO has done:

- Check-off feasibility report
- Organic sector-wide survey
- Grow Ontario Organic communication campaign
- Voluntary Collections Program / Leading Membership (in progress)

What we need to do:

- Producer engagement/education
- Farm Products Marketing Commission consultation
- Formulation of business plan
- Consultation and negotiations with marketing boards
- Bilateral agreements with marketing boards OR application for establishment of a new Organic Marketing Board

TAKE ACTION ON STABLE FUNDING FOR ORGANIC



Are you a certified organic producer?

- Review the grow.organiccouncil.ca website.
- Share your endorsement and/or feedback.
- Participate in upcoming meetings to formulate a business plan.
- Join OCO at meetings with your marketing board.



Are you a certified organic value chain operation?

- Become a Collector / Leading member of OCO.
- Review grow.organiccouncil.ca/take-action#become-a-collector to learn more.
- Tell OCO what kinds of resources, services, and programs would be supportive to your operation.



How can MPPs help?

- Help us pass Bill 54, Organic Products Act, 2018.
- Raise these issues in the legislature question period.
- Help us work with OMAFRA to institute an Ontario Organic Regulation.
- Include support for Ontario Organic in your next elections platform.

If you have any questions or want to learn more, contact rebecca@organiccouncil.ca.

THE VALUE OF STABLE FUNDING

Establishing a meaningful, long-term system for funding organic operations in Ontario is necessary if the sector is to compete with other jurisdictions or non-organic operations in the province. Revenue from this campaign will support programs like:



Research and Data



Marketing & Public Education



Transition Supports



Farmer Training & Advisory Services



Better Access to Inputs

LEARN MORE

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