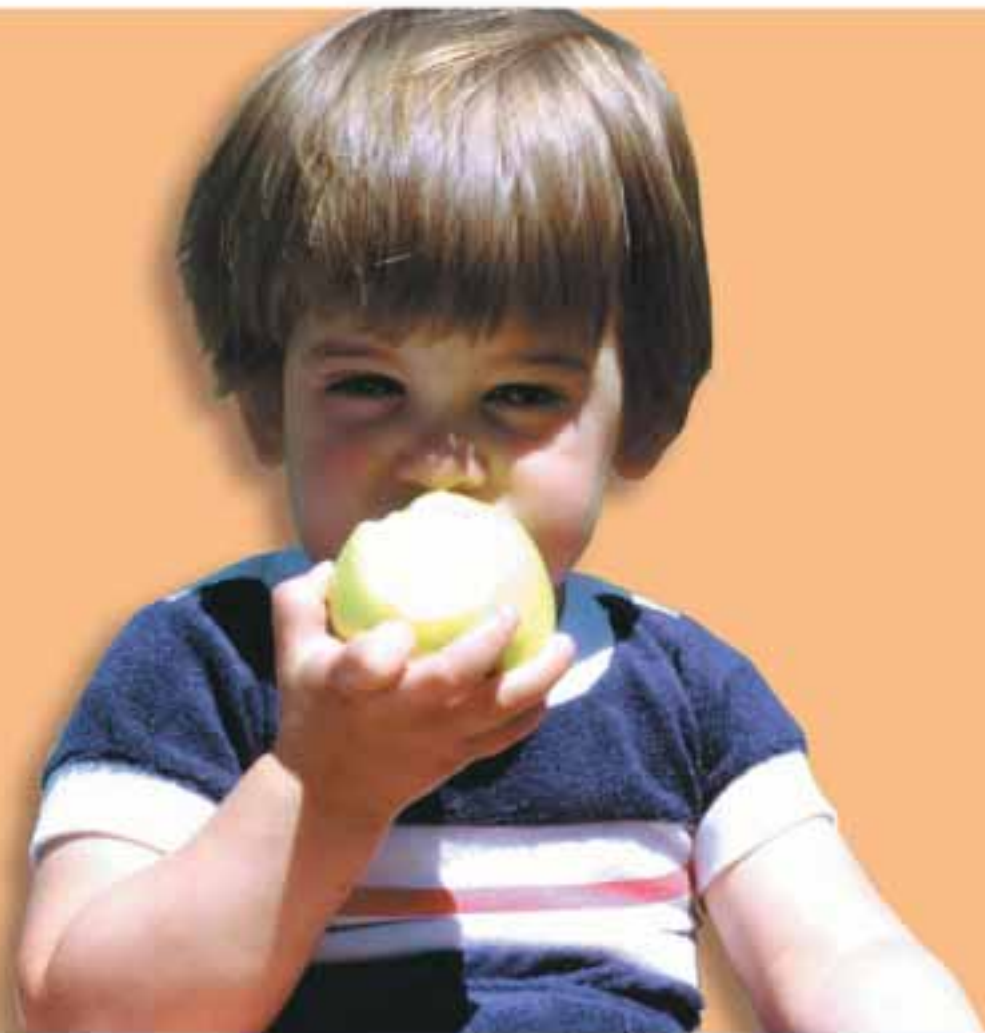




STRATEGIC PLAN FOR QUÉBEC ORGANIC FOOD SECTOR

2004-2009



Filière biologique du Québec

This strategic plan is the result of a concerted effort made by heads of companies in the organic foods sector in Quebec and representatives of ministries and organisations working actively on the development of this sector.

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FOREWORD

The Filière biologique du Québec promotes the development and expansion of Quebec's organic food sector in a spirit of cooperation and joint action. Part of its mandate is to ensure that the sector has access to strategic planning that reflects its members' needs and aspirations.

The planning process that led to the formulation of the second strategic plan for the sector was a great opportunity for us to pool our knowledge and share our needs. It resulted in the establishment of priorities for the sector over the next five years, taking account of the international and provincial contexts. It has also given representatives of each link in the organic food system an opportunity to exchange ideas on development objectives and constraints for each link. Such exchanges were based on the standards and values that are the foundation of sector development.

A consensus was reached on concrete measures in the five development directions retained (regulatory framework, organization of marketing, professional and technical support, financial support and genetically modified organisms). The application of regulations requires, more than ever, the greater participation of all the links in the system. A review of the business links between Quebec stakeholders is needed to ensure that marketing is organized properly. Professional and technical support is essential to increase market sourcing by Quebec products. Lastly, in a context in which organic food firms in many countries benefit from significant development subsidies, financial support must be increased to maintain the competitiveness of Quebec organic products on the world stage. Regarding the threat of genetically modified organisms to the development of Quebec's organic food sector, participants were unanimous in emphasizing the need for realistic short-term solutions.

As chair of the Filière, I am proud to present this second strategic plan, the primary objective of which is to significantly increase the production, processing and marketing of organic products from Quebec. I believe that the participation of all the partners in the sector is essential to make the plan into an effective collective development tool. The cooperative efforts that went into producing the plan demonstrate that the sector has acquired the maturity required to implement the plan.

The organic designation is the first reserved designation to be instituted in Quebec. In many respects, the organic sector is a pioneer in this area. Quebec society as a whole has a responsibility to support the successful development of the organic sector, so that the experience gained paves the way for other reserved designations. The support given will also help the organic food sector to fully assume its responsibilities to consumers, who are increasingly open to products with a reserved designation.

I, myself, am convinced that the second strategic planning exercise for the sector will help to mobilize all individuals interested in supporting the development of Quebec organic foods. By working together, we will be able to successfully implement the strategies mapped out in this new plan.



Robert Beauchemin, président

1 INTRODUCTION



Organic foods are a product of organic agriculture. Organic agriculture is based on agricultural planning and management practices that aim to create healthy ecosystems and ensure sustainable productivity.

Weeds and pests are controlled without using synthetic pesticides and herbicides but by maintaining a diversity of interdependent life forms that ensure a balanced ecosystem. Insects and diseases can be controlled by promoting balanced host-predator relations, increasing populations of beneficial insects, using biological controls and crop control agents, and carrying out the mechanical elimination of pests and damaged portions of plants.

In organic farming, soil fertility is maintained and improved through a system that maximizes biological activity in the soil, in order to provide plants and animals with essential nutrients as well as to conserve soil resources. The use of chemical fertilizers is prohibited because it usually disturbs biological soil activity. Crop selection and rotation, water management and the recycling of crop and livestock residues are basic practices in organic farming. Owing to a combination of all these elements, organic products are generally recognized as healthy food produced in a healthy environment.

Polls in Quebec and elsewhere show that consumers are more and more aware of food quality and increasingly link their health to the food they eat. This is why many consumers now chose to buy organic products. The fact that organic production is associated with environmental sustainability is also increasing consumer interest in organic products. As a result, in Quebec, the organic food sector is recognized as a well-differentiated and promising market niche that should be developed further.

Worldwide, the current demand for a number of organic products is outstripping supply. In Quebec, the strong demand is bringing new players into the market, accentuating the need to reconsider support and funding for the sector. In a business environment favourable to its growth, the organic sector must be ready to overcome the significant challenges posed by greater market sourcing.

Quebec certainly has a number of strengths that it can draw on to face the new market realities. The sector now has everything it needs to accelerate its development, due to extensive know-how acquired over more than three decades by organic producers and processors, a certification system recognized in a number of markets and the ability of all the major players in the system to work together successfully.

Polls in Quebec and elsewhere show that consumers are more and more aware of food quality and increasingly link their health to the food they eat.

The first strategic plan for Quebec's organic sector dates back to 1994. The numerous changes that have occurred since then prompted the updating and renewal of the strategic plan. Consequently, the Filière biologique du Québec initiated the process to review the plan, which resulted in the 2004-2009 strategic plan. The new plan should provide the sector with a better overall vision of its development and greater cohesion in its actions.





A STRATEGIC PLAN EMPHASIZING GROWTH



2.1 The strategic planning process

To ensure that the 2004-2009 strategic plan accurately reflects the needs of the sector, the Filière biologique du Québec decided to get a number of representatives of the different links in the system involved in the planning process. The four phases of the process consisted of a context analysis phase, consultation phase (involving roughly 550 people), strategic reflection phase (involving roughly 60 people) and a decision-making phase involving the members of the Table filière biologique. Participants in the planning process emphasized the importance of never losing sight of the cornerstone of organic farming, which is to produce high-quality food in an environmentally sustainable way.

2.2 Vision

The consultations and exchanges that took place during the strategic planning exercise revealed a number of common elements on which the vision of the sector's future would be based.

Process participants clearly expressed their desire to have Québec's organic food sector recognized for:

- its positive contribution to the environment and health;
- the integrity of the organic designation;
- the wide variety of its products and the accessibility to products in the Québec market;
- the dynamism of its leaders in the Canadian and export markets.

2.3 Growth objectives

In accordance with the sector's vision for its future, five major objectives were set for growth:

- increase to 80%, by 2009, the degree of consumer confidence in the organic designation in Québec;
- triple, in five years, the number of organic farms and transitional farms in Québec;
- increase fivefold, by 2009, the value of organic products processed in Québec;
- increase fivefold, in five years, the value of Québec organic food products sold in domestic markets;
- triple, by 2009, the value of exports of Québec organic products.

These growth objectives are collective in nature and do not involve in any way an individual commitment from partners or firms. Given the growth of the organic sector in recent years, it is realistic to expect the sector as a whole to achieve these objectives.

To be able to measure the progress made in achieving these objectives, indicators must be identified for each growth objective by the beginning of the implementation phase.



2.4 Development directions

The Filière biologique du Québec conducted a survey of 550 people representing each of the links in the organic food system to determine their primary concerns and take them into account in strategic planning for 2004-2009. A total of 495 responses on development issues were received, 44% of which referred to the organization of marketing; 26%, professional and technical support; 14%, financial support and 10%, the regulatory framework. An additional issue was central to the concerns expressed by the representatives of all the links in the system: the widespread use of transgenic crops, which represents a significant threat to the development of the organic sector.

The five major challenges identified in the consultations were translated into the following development directions:

- improve the implementation of the regulatory framework for the organic designation in Quebec;
- develop local and regional marketing structures and facilitate access to international markets;
- increase professional and technical support to established and transitional organic firms;
- improve financial support to the organic food sector;
- mitigate the potential negative impacts of GMOs on the quality of, and trade in, organic food.

Partners must translate their involvement into an implementation plan, which will determine who is responsible for each strategy and set deadlines for each.

2.5 Implementation of the plan

The Filière biologique du Québec is responsible for coordinating the implementation of the 2004-2009 strategic plan for the organic food industry. The Filière must ensure that the strategies enumerated in the plan are implemented by the partners who are in the best position to carry them out. Consequently, it will interview representatives of the organic farming community, governments and organizations that could potentially be involved in implementing the plan. In addition, the new strategic plan should be used to guide financial support provided to the industry.

Partners must translate their involvement into an implementation plan, which will determine who is responsible for each strategy and set deadlines for each. In addition, the plan must include indicators for monitoring the progress made in achieving growth and strategic objectives. The results achieved under the plan will be described in an annual report to be submitted to the Filière biologique du Québec. The report will be disseminated as widely as possible to partners associated with the development of the sector, eventually allowing the strategic plan to be updated if required.

By adopting this method of implementing the plan, partners have chosen to pool their efforts and resources for the greater good of the entire sector. The plan will be implemented in a spirit of cooperation and joint action.





REGULATORY FRAMEWORK FOR THE ORGANIC DESIGNATION



3.1 Context

In recent years, the increasing quantity of organic products from around the world and particularly the increased number of points of sale has made consumers much more demanding in terms of the integrity of organic labelling. This is why the control of the organic designation is so important to ensure the credibility of organic foods.

Internationally, the Codex Alimentarius Commission has adopted a set of guidelines, entitled Guidelines for the Production, Processing, Labelling and Marketing of Organically Produced Foods. These guidelines outline the minimum standards that must be met for a food product to be considered organic in most countries of the world. However, the Codex Alimentarius Commission has not yet set standards for organic maple syrup production, which complicates the regulatory framework for this type of production, so important in Quebec.

Between 50 and 60 countries have regulations on certification requirements for organic agricultural and food products or are in the process of adopting such regulations. In December 2002, the United States adopted its National Organic Program, under which certification is mandatory. In the European Union, regulations stipulate that minimum standards must be met, and each country has its own standards which must be at least as strict as the general rules and accompanied by provisions for mandatory certification. In Asia, regulations have traditionally been few and far between, although the situation is changing rapidly. In Japan, regulations effective April 2001 set strict national standards for the organic food industry, reducing the size of the organic food market from \$3 billion US in 2000 to \$250 million US in 2001. The upgrading of Japanese standards to bring them in line with international ones has meant increased differentiation of organic and nonorganic products. China is in the process of adopting its own regulations for the organic food sector.

The Canadian government has not yet adopted regulations to make certification mandatory. A voluntary Canadian standard for organic agriculture was established in June 1999, which is administered by the Standards Council of Canada. Certification bodies are not required to be accredited but should, in principle, meet or exceed the voluntary Canadian standard, which is currently being updated.

Between 50 and 60 countries have regulations on certification requirements for organic agricultural and food products or are in the process of adopting such regulations.

In terms of product labelling, there are no Canadian standards that specifically cover organic food. Organic labelling standards therefore vary depending on the individual certification body but always involve the organic food content. In addition, all food sold in Canada is subject to the provisions of the Food and Drugs Act, Consumer Packaging and Labelling Act and regulations on specific products under the Canada Agricultural Products Act. These laws and regulations have provisions forbidding the mislabelling of food. For organic food, authority over labelling under these laws and regulations is fairly limited in actual fact. The Canadian Food Inspection Agency (CFIA) does very little verification of the labelling of organic foods and the degree of action taken varies depending on the province. For example, in Quebec, the CFIA does not act to control the labelling of organic foods while, in other provinces, it has initiated proceedings in several cases. The role of the Canadian government and its agencies with respect to compliance monitoring of organic food is therefore very limited. This can be explained in part by the regulatory vacuum.

3.2 Situation in Quebec

3.2.1 Accreditation system

An Act respecting reserved designations creates a framework in Quebec for the recognition and protection of designations given to agricultural and food products, including organic products. Under the Act, the Quebec Accreditation Board (QAB) has a mission to provide accreditation to certification bodies, make recommendations to the Minister regarding the recognition of designations and monitor how the latter are used.

In December 1999, the QAB was specifically mandated to control the use of the organic designation, which became a reserved designation in February 2000.

Quebec's regulatory framework for organic agriculture is more advanced than those in the other provinces. The QAB adopted the Quebec Organic Reference Standards, which are equivalent to, if not stricter than, those adopted by the Codex Alimentarius Commission. The QAB reviews and updates these standards every year. It is responsible for accrediting various certification bodies based on these standards and ISO Guide 65 on requirements for product certification.



QAB accreditation gives certification bodies the right to grant in Quebec certificates of organic conformity to firms that produce, process or package agricultural and food products to be sold with the organic designation.

Up to now, the QAB has accredited six certification bodies for Quebec products. Over 20 other agencies have been recognized by the QAB as being qualified to certify products imported into Quebec. Certification ensures consumers that the food they buy was produced and certified according to international standards.

The granting of a certificate of conformity to a firm involves five steps. If a firm wants to obtain organic certification, it must first request from the certification body of its choice the latter's standards concerning production and processing principles and methods. Applicants must then submit their own production and processing specifications to the certification body. If the specifications meet the standards, the certification body will conduct an on-site audit to ensure that the firm's production system actually conforms to the approved specifications and whether the organic standards are being met. The certification body will then render its decision based on the audit results.

When a firm is issued a certificate of conformity, it obtains the right to use the certification body's trademark. The name of the certification body must appear on the product label, while the certification body's logo is optional.

3.2.2 controlling the use of the reserved designation

To perform its mandate of controlling the use of the organic designation in the province of Quebec, the QAB administers a monitoring program which, since 2000, has targeted mainly Quebec products. Until recently, requirements for products from outside Quebec have been

limited to including the certification body's name on the label. Beginning on July 1, 2003, products from outside Quebec must meet the requirements of the new Quebec product entry acceptance program and therefore be certified by an organization accredited or recognized by the QAB. Regardless of the origin of the product, the party ultimately responsible for marketing the product in Quebec is required to comply with QAB requirements.

Offenders are identified through a complaint management system. To follow up on a complaint, QAB representatives must visit the retailer and file a report, identifying the party ultimately responsible for marketing the product targeted by the complaint. Generally, this party is the one considered to be in violation of the Act.

QAB accreditation gives certification bodies the right to grant in Quebec certificates of organic conformity to firms that produce, process or package agricultural and food products to be sold with the organic designation.

If the QAB representative deems the complaint to be well founded, he or she will communicate with the offender to require that steps be taken to correct the situation. If the problem is not corrected, the QAB will transfer the case to the Quebec Attorney-General for legal action. In the case of legal action, the process may be long as in any other judicial proceedings. In 2002, over 40 complaints were filed against offenders. In most cases, offenders corrected the situation after having been notified by the QAB.

Despite these positive results, the complaint-management based control system has a few weak areas. In three years, the context has evolved to the extent that changes must be made to the current system to increase the rate of compliance among products sold to consumers. The number of retail outlets has also increased from a few hundred in 2000 to several thousand in 2003, resulting in increased monitoring requirements. The QAB does not have the resources required to respond to these growing needs.

Furthermore, the Act does not give the QAB the inspection authority it needs to enter infraction sites closed to the public (processors that export products or wholesalers that repackage products). In these cases, the QAB is forced to transfer the case to the Quebec Department of Agriculture, Fisheries and Food (MAPAQ) for investigation. If the results of the investigation are conclusive, MAPAQ will transfer the case to the Attorney-General for legal action. The fact that legal action leading to possible conviction is a fairly long process has led a number of organic sector stakeholders to question the deterrent effect that such a system can have in the short term.

However, despite problems with the monitoring system, almost twice as many Quebecers have confidence in organic labelling (organic designation) (51%) as Canadians in the rest of the country, according to a Leger Marketing survey carried out among 1,500 adult Canadians from June 4 to 9, 2002. The mandatory enforcement of the Act respecting reserved designations (compared with the voluntary nature of federal standards) could explain in part these results. Up to now, the willingness of most players in the Quebec organic market to comply with the current regulatory control system has no doubt helped to strengthen the confidence of Quebec consumers.

3.3 Elements of strategic reflection

The regulatory framework is essential to the development of organic agriculture since the future of this type of agriculture depends on consumer choices on one hand and, on the other, the ability of the different links in the chain to maintain a system in which consumers have confidence.

The consultation and reflection phases revealed the fact that representatives of the production, processing, distribution and retail sectors all shared the same concern over the degree of control provided by the regulatory framework. The current regulations are the cornerstone of the sector's development.

In Quebec, MAPAQ has supported the development of the QAB and its programs during the last three years through direct funding arrangements and the organic agricultural support program. The organic sector now has the structure required to control the use of the organic designation. However, due to the rapid growth of the sector and the entry of new firms at all links in the system, even greater coordination efforts are required to ensure that those enforcing the regulations are able to perform their roles properly. Changes are required in the monitoring system, which currently is based on a complaint management system, so that it responds better to the current situation and the needs of industry and the public.

In three years, the context has evolved to the extent that changes must be made to the current system to increase the rate of compliance among products sold to consumers.

The growing interest of firms and consumers in organic foods, along with the diversity and quantity of these foods on grocery shelves, means that consumers need to know more about their nature and characteristics, and certification and labelling methods. A number of stakeholders have cited the lack of information available in these areas. Action must be taken quickly to ensure that the paucity of information does not generate mistrust in the integrity of organic food.

Sector representatives have also highlighted small producers' and processors' needs for financial support to obtain certification. Currently, firms bear the entire financial burden of certification and it would be beneficial to develop cost-sharing methods to allow these firms to compete with their counterparts in other countries.

Regarding certification bodies, two serious problems have been raised. The first is the wide range of existing standards, which slows down the annual administrative process of recognizing standards. Certification bodies believe that they have to invest far too much effort to obtain recognition and would like uniform standards to facilitate their work. The second problem is the difficulty that certification bodies have in retaining experienced auditors, given the seasonal nature of the work and the poor pay. Again, solutions will have to be found for this in the near future.

3.4

Direction, objectives and strategies

Direction no. 1- Improve the implementation of the regulatory framework for the organic designation in quebec

STRATEGIC OBJECTIVE NO. 1

Increase knowledge among all the players in the organic food system on the implementation of the regulatory framework by:

- 1 establishing a communications strategy for consumers and the system in general on controlling the use of the designation and the responsibility of each link in the system in this area;
- 2 identifying and training those responsible for carrying the organic issue forward in each organization that is involved in implementing the regulatory framework.

STRATEGIC OBJECTIVE NO. 2

Ensure the integrity of the use of the organic designation by:

- 1 clarifying the mandate and responsibilities of the QAB, MAPAQ and CFIA in monitoring products with an organic designation;
- 2 increasing government support to ensure a system for controlling the use of the organic designation that is better adapted to the realities of the Quebec market;
- 3 finding ways for each link in the system to assume responsibility for compliance and the traceability of organic food sold in Quebec;
- 4 asking MAPAQ to ensure that the Filière biologique du Québec becomes a party to the development plan for reserved designations;
- 5 strengthening, if required, directives and regulations arising under the Act respecting reserved designations.

STRATEGIC OBJECTIVE NO. 3

Facilitate production and processing firms' access to organic certification by:

- 1 studying existing cost-sharing arrangements in Europe and the United States and taking account of the impact they have had, in the medium term, on the organic food sector;
- 2 developing a formula adapted to Quebec's needs that is competitive with existing formulas in the US and Europe;
- 3 making organic certification standards uniform in Quebec;
- 4 developing tools or systems for tracing organic products to help firms manage certification.

STRATEGIC OBJECTIVE NO. 4

To achieve more consistent audit quality, increase auditors' expertise and better retain their know-how by:

- 1 giving auditors access to affordable training that takes account of the complexity of their task;
- 2 helping to find and implement ways to improve auditors' working conditions based on the needs they have expressed.



ORGANIZATION OF MARKETING



4.1 Context

A significant increase in the demand for organic food products worldwide coincides in part with concerns raised by the public over the problems linked to mad cow disease in Europe and the increased use of genetically modified organisms (GMOs) in food. These issues, which have been reported widely in the media, have helped increase consumers' awareness of the links between health, the environment and food quality.

Although the demand for organic food has matured in Europe, it is only at the beginning of its growth cycle in North America. Although organic food has been available on North American markets for 40 years, it was of limited importance until the late 1990s.

During the past decade, North American consumers' concerns with food safety and security have substantially increased. As environmental concerns have come to the fore, this has created a situation conducive to strongly stimulating the demand for organic food in North America.

The international context has therefore favoured the sustained growth of markets for the past ten years in the organic food sector (over 20% annually). Currently, the forecast is for roughly 30% annual growth in North America in the next few years, while the net growth for the food industry should be less than 2%. Indeed, rapid sustained growth can be expected in a number of organic production sectors. This situation is of increasing interest to new players, opening the door to new business opportunities and requiring the better organization of marketing.

The cornerstone of international trade in organic products is the recognition of certification programs, which is done on a reciprocal country-to-country or government-to-government basis, based on mandatory standards. However, in Canada, organic labelling is based on a voluntary standard, which hinders recognition by other countries. This situation is causing problems for Quebec exporters of organic products, who operate under rigorous mandatory standards.

Nevertheless, Quebec exports are faring relatively well, due to the recognition of Quebec certification programs by importing nations' certification bodies.

Although Quebec organic products technically meet the requirements of importing countries, changes expected in 2005 could have serious repercussions on Quebec exports. At that time, exporting countries will be required to be on a list of third countries operating under mandatory standards in order to export to Europe or Asia.

4.2 Situation in Quebec

Thanks to the pioneering work done by Quebec's organic sector, the province has developed a level of expertise that can sustain significant development in the sector. These pioneers gradually succeeded in positioning their organic products with retailers specializing in natural products and health foods. These retailers have expanded over the years and are taking advantage of the growing demand for organic products in Quebec.

In 2002, Quebec's three main retail food chains adopted market development plans for organic food in their super-markets. Organic food is no longer considered a fad but rather a legitimate market niche with a promising future. Loblaws is planning to double, in 2003, the number of organic products offered in its grocery stores, from 150 to 300 products. Metro is also working to introduce or widen the range of organic products in its stores, while Sobeys has been continually increasing the shelf space devoted to organic products.

Even though these major distribution networks are taking on growing importance in organic markets, some producers still prefer formulas involving shorter distribution networks. Sales of organic food baskets through the community supported agriculture (CSA) network, the Réseau de l'agriculture soutenue par la communauté, are a good example. In 2002, this network, which comprises over 40 farms, accounted for 3% of the market for organic products. According to the organization Équiterre, the CSA system provides farmers with sales revenues that are 25% greater than those from other distribution networks. For consumers, this system ensures access to healthy, locally produced food at competitive prices.

In recent years, supply management initiatives have also been introduced in Quebec and appear to provide good results. They are paving the way for an examination of new ways of supplying markets.

The international context has therefore favoured the sustained growth of markets for the past ten years in the organic food sector (over 20% annually).

It is important to remember that exports account for most organic food sales in Quebec, while domestic demand is met mainly through imports.

4.3 Elements of strategic reflection

Until very recently, most organic foods produced in Quebec were exported due to the lack of accessible distribution networks domestically. Except for direct sales (from producer to consumer), individual organic producers are often unable to meet the requirements of Quebec's domestic market. When a strong interest arises in developing the Quebec market, it will be imperative to create networks to rapidly disseminate information and to create regional structures to be able to supply greater volumes to Quebec markets.

In addition, many producers would clearly like to sell more of their products for processing, to avoid being overdependent on seasonal markets. Processors, for their part, would like to have consistent access to Quebec products. The time seems ripe, therefore, for establishing new commercial links benefiting both parties.

In recent years, Quebec consumers have been warned about the importance of eating high-quality food. Now they are trying to become better informed about food production. Similarly, the mass arrival of organic products on grocery store shelves has prompted consumer interest in organic farming. They want to know more about the difference between organic and other types of food.

Representatives of various links in the organic food system, who have contacts with the public, have confirmed consumers' need for more information and

their own inability to respond to this need as individuals. In addition, Quebec consumers appear to be increasingly interested in finding out the origin of the food products they buy: this information is reassuring to them. This is why some stakeholders are lobbying for a logo indicating that organic products come from Quebec. They believe that the logo must contain a reference to the reserved designation and should not exclude certification marks, which guarantee compliance with standards. In addition, although the logo could have a local connotation, it should not preclude exports.

Internationally, the recognition of QAB-accredited certification bodies by the U.S. National Organic Program (NOP) is facilitating trade with the United States. The same flexibility does not exist, however, with European and Asian countries. By 2005, a country will have to be on the list of third countries to be able to export to Europe and Japan. To be included on the list, the competent authority-i.e., the government of the country in question-must request official recognition. The fact that, up to now, the Canadian approach has been based on voluntary standards and therefore does not meet international criteria has made it difficult to position Canadian organic products in European and Japanese export markets. This situation could worsen in 2005 if solutions are not found soon.

By 2005, a country will have to be on the list of third countries to be able to export to Europe and Japan.

The Canadian Organic Coalition, formed in 2002, is lobbying for a mandatory certification system for Canadian organic products. This change in direction in the industry in the rest of Canada could modify the Canadian negotiating position with the European Union.

4.4

Direction, objectives and strategies

Direction no. 2 – Develop local and regional marketing structures and facilitate access to international markets

STRATEGIC OBJECTIVE NO. 1

Increase the supply of Quebec organic products on local and regional markets by:

- 1 proposing structured business get-togethers for the different links in the organic system at strategic points in the year, in cooperation with organizations such as Aliments Québec and the Quebec Agri-Food Export Club;
- 2 when supplying distribution networks, putting a priority on those that favour Quebec organic foods in their purchasing and sales strategies;
- 3 supporting producers' groups and promoting regional organizations, so that they can become points of convergence for supplying markets and disposing of surpluses;
- 4 evaluating the possibility of establishing an organization to market Quebec organic food;
- 5 creating a specific place for organic products in existing marketing agreements whenever possible;
- 6 establishing joint strategies for transporting organic products that benefit both producers and retailers.

STRATEGIC OBJECTIVE NO.2

Increase processing of organic products in Quebec by:

- 1 disseminating more information to Quebec processors on the potential of the processed organic food market, along with information that could facilitate their transition to the organic sector;
- 2 targeting products in which Quebec already has recognized expertise and for which the cost-benefit ratio of processing in Quebec would be advantageous;
- 3 establishing, at fixed times of the year, a list of the needs of Quebec processors along with the prices they offer, as well as a list of available products and prices by production sector;
- 4 establishing arrangements that will ensure a regular supply to certain processing plants.

STRATEGIC OBJECTIVE NO. 3

Develop a concerted strategy to promote Quebec organic foods on both domestic and export markets by:

- 1 developing a communications campaign to differentiate Quebec organic products;
- 2 carrying out a concerted campaign of promotional and public relations activities to better position Quebec organic products on the different markets;
- 3 evaluating the impact and usefulness of a unique logo or signature with a significance to Quebec consumers;
- 4 providing, if appropriate, Quebec organic products with a unique logo or signature.

STRATEGIC OBJECTIVE NO. 4

Facilitate access by Quebec organic firms to export markets through Canadian regulations that comply better with international requirements by:

- 1 intensifying pressure by the Filière biologique du Québec on the Canadian government, to encourage it to develop a regulatory tool that harmonizes with provincial tools;
- 2 supporting, where appropriate, the work of the Canadian Organic Coalition, which is calling for mandatory Canadian regulations for the organic food sector.



5.1 Context

During the past decade, organic producers in Europe and the United States have received more technical and professional support than their Canadian (and Quebec) counterparts. Furthermore, these regions' support structures are better established than they are here, which is a factor that works against Quebec competitiveness.

Despite this, the low level of professional and technical support provided to the organic sector has not prevented Quebec producers and processors who are convinced of the soundness of organic farming methods from pursuing the organic option. Currently, there are over 700 organic producers and roughly 100 organic processors in Quebec. Current market signals, which point to a sustained growth in demand for organic products, bear out the perseverance and determination of these entrepreneurs. Due to the favourable context, organic firms can now hope to obtain better professional and technical support from governments and the rest of the community in coming years.

Currently, the demand for most organic products exceeds the supply. In addition, export prices are higher than domestic ones and the exchange rates are favourable to Quebec producers. Therefore, exports offer significant added value. In addition, due to the vagaries of the weather in 2002 in Europe and the United States, the competition from these two regions will be less intense over the short term. These factors will increase Quebec farmers' interest in organic agriculture and may also help encourage organic start-ups. However, three to five years from now, new organic producers will find it harder to get established, as markets expand and downward pressure on prices begins. In addition, more organic produce will begin arriving from emerging nations. China, for example, is currently attempting to break into the North American market with low-priced organic products of variable quality.

Other countries, such as Brazil, India and Argentina, are doing the same, putting increased pressure on some Quebec products with a high growth potential such as protein crops.

5.2.1 Support to farming enterprises

Established organic firms need support to grow and are also highly sought after by new firms and transitional firms needing help. The growing needs of new and transitional firms are posing an increasing problem, both for the producers who are constantly asked for assistance and the firms needing help.

In the case of farming enterprises that are in the process of converting or plan to convert to organic farming, access to adequate support during the transition phase is a major challenge for the sector. Quebec standards universally require a transition period of three years. These three years are a critical time for firms, which risk having their income decrease without their products necessarily gaining added value.

In the case of farming enterprises that are in the process of converting or plan to convert to organic farming, access to adequate support during the transition phase is a major challenge for the sector.

The ideal process in Quebec to encourage farm producers to convert to organic agriculture consists of a fair amount of outreach, adequate training, customized professional and technical support and a number of trial runs allowing the firm to convert gradually to organic farming.

The Fédération d'agriculture biologique du Québec (FABQ) is the largest organization of organic producers in the province, with close to 200 members. Established in 1989, the FABQ joined the Union des producteurs agricoles (UPA) in 2001. Its mission is to represent

organic producers and act to promote organic farming in the agricultural community and among governments, consumers and various stakeholders.

The Quebec government, through the Department of Agriculture, Fisheries and Food (MAPAQ), provides professional and technical support to the organic sector, through a network of organic farming extension agents in 13 regions. The agents' role is to ensure the effective dissemination of information on organic farming and liaise with other partners in the sector. They also promote an awareness of organic agriculture among farm producers and provide technical information. However, the department's consulting services are still not oriented towards organic agriculture to any degree.

MAPAQ also supports the operations of 23 technical support clubs (clubs d'encadrement technique or CET). Along with the Conseil de développement de l'agriculture du Québec, it also provides financial support to 80 agri-environmental clubs (clubs agroenvironnementaux or CAE). Although the mandate of these clubs does not include a specific organic farming component, they have

In Quebec, the need for professional and technical help affects established organic firms, firms that want to convert to organic agriculture and new firms planning to engage in organic production.

assisted in facilitating the gradual transition of a number of farming enterprises to organic agriculture.

The cultural practices encouraged in these clubs allow producers to gain confidence in certain production methods similar to those advocated in organic farming. In 2002, the technical support and agri-environmental clubs provided support to roughly 200 of the province's 700 organic farms. Among the members of the agri-environmental clubs are 50 transitional farms, as well as 20 established organic farms. Two of these clubs specialize completely in supporting organic farms, while two technical support clubs involved in organic dairy farming provide support to 56 dairy farms. There is also an agri-environmental club specializing in maple sugar production, with 35 members who are established organic producers and 15 who are in transition. These clubs therefore provide very significant technical and professional support to organic producers and transitional farms.

5.2.2 Information on organic sector

Quebec's organic farming centre, the Centre d'agriculture biologique du Québec (CABQ), plays a key role in disseminating specialized information through its magazine

Bio-bulle and its Web site. It also produces La Rubrique biologique, a strategic watch bulleting focusing on the organic agriculture industry; the information gathered provides a real benefit to the sector by assisting in strategic planning. In addition, CABQ produces the RUAAB, a directory of firms and associations in Quebec's organic sector.

In terms of specialized references for the organic sector, the Agri-info bookstore in St. Hubert offers a wide variety of documents and a reference service for producers.

In February 2003, the FABQ produced the first general guide on converting to organic agriculture in Quebec, which was widely disseminated to firms and stakeholders. The guide meets very important basic needs. However, in the future, specialized guides targeting specific production sectors will be needed to meet more specific needs.

In terms of technical information, Quebec's reference centre on the agricultural and agri-food industry, the Centre de référence en agriculture et agroalimentaire du Québec (CRAAQ), has developed a Web site on organic farming, which is available through Quebec's agricultural web-ring, Agri-Réseau.

These worthwhile and promising initiatives should be followed closely and merit active participation.

5.2.3 Training

The current demand for agricultural training comes mainly from established producers wanting customized training. The network of agricultural trainers, funded by Emploi Québec and regional institutions, plays an important role in organizing courses to respond to these needs.

Since 1987, the Victoriaville CEGEP has offered a DCS program in the organic cultivation of fruits and vegetables under a program called Managing and Operating Farm Enterprises. The demand for courses specifically on organic livestock production is still very weak, which often hinders institutions from offering new courses in this area.

In 2002, the technical support and agri-environmental clubs provided support to roughly 200 of the province's 700 organic farms.

In addition, the Collège de Sherbrooke is working to develop a 400-hour Attestation of Collegial Studies program for firms wishing to convert to organic agriculture and for young people working on farms that are interested in the sector. This training could then be offered throughout Quebec through the Quebec Department of Education.

At the university level, the situation is slowly changing. No Quebec university currently offers formal courses in organic agriculture as part of its regular curricula. All too often, the degree to which future farmers become aware of organic methods depends on the professor's interest in organic farming.

In addition, there is an increasing need for training in management, trade, financing and marketing as they apply to the organic sector. Receiving training in these areas surely provides an excellent basis for firms' success.

5.2.4 Research

There is only one institution in Canada that has a mandate to carry out research in organic agriculture: the Organic Agriculture Centre of Canada, established in July 2001, at the Nova Scotia Agricultural College. In 2002, it received \$914,700 in federal funding. In Quebec, a committee formed recently by the organic agriculture committee of CRAAQ, is currently studying research and development avenues that will help meet the needs of Quebec firms. For the time being, Quebec firms rely on the results of US and European studies to demonstrate the credibility of organic foods in relation to conventional ones. In the short term, however, basic research on organic agriculture must be increased.

In addition, there is an increasing need for training in management, trade, financing and marketing as they apply to the organic sector.

5.3 Elements of strategic reflection

The lack of professional and technical support for the organic farming sector in Quebec has limited access to the sector and has forced producers to integrate the various facets of support directly into their own activities.

This lack of organized support has also forced established producers to shoulder much of the responsibility of responding to the needs of firms starting up or in transition. The substantial increase in these needs in recent years has resulted in corresponding pressures on experienced producers. It is imperative, therefore, to develop a formula that recognizes the contributions of these producers in the sector's development so that they are fairly remunerated, to ensure that their expertise can continue to be accessed. To supplement this expertise, tools must be developed to provide a structure for information needed by firms wishing to convert to organic farming.

The transition period, which usually takes three years, is a critical time for these firms. To reduce the risks to these firms and maximize their chances of success, all forms of professional and technical support must be increased.

Support in the form of consulting services is also critical to the sector's future. Producers currently use mostly group consulting services. Stakeholders would like to see better knowledge networking and to see the services offered and available resources complement each other better. They would also like to see ways to better disseminate information on the expertise developed up to now by consultants.

Training is also key in the development of organic production. Changing training needs, which have accompanied the growth of the sector, now require that the training offered be better coordinated and more widely accessible. In addition, management and marketing parameters that are indispensable to a firm's success must be included in training offerings.

In the area of technology transfer and research, sector representatives have stated clearly that there are weaknesses both in the organization of technology transfer and the development of basic research. They hope that the means to remedy these shortcomings will be put in place quickly.

5.4

Direction, objectives and strategies

Direction no. 3 – Increase professional and technical support to established and transitional organic firms

STRATEGIC OBJECTIVE NO. 1

Increase access by start-up and transitional firms to the expertise and knowledge of experienced organic producers by:

- 1 assessing model farm programs like those in Europe;
- 2 developing a model farm program adapted to the Quebec context;
- 3 ensuring funding for the model farm program, with full recognition for the contributions of participating firms;
- 4 ensuring that the network of model farms allows technical and economic data to be collected, particularly on production costs;
- 5 popularizing and disseminating the results from the model farm program;
- 6 ensuring that the model farm program has a system of organized tours (for which farms are remunerated);
- 7 establishing, where appropriate, a mentoring or sponsorship program.

STRATEGIC OBJECTIVE NO. 2

Develop tools to facilitate the transition to organic agriculture by:

- 1 establishing, for each region, a list of farms likely to convert to organic farming;
- 2 developing transition kits for the main types of crops and livestock produced, taking account of all phases from production to marketing;
- 3 producing, updating and making accessible documents containing economic data by production sector, to help producers better evaluate transition costs for their farm.

STRATEGIC OBJECTIVE NO. 3

In the area of technical and professional support to the organic sector, increase knowledge networking by:

- 1 producing and distributing a directory of organizations and individuals providing support to the organic sector, including their special areas of expertise and roles;
- 2 organizing formal discussions for the exchange of views between stakeholders, to improve their knowledge and skills;
- 3 providing more technical information on the Agri-Réseau Web site, to create a databank that organic farms can use as a reference tool;
- 4 establishing and widely disseminating a list of current and upcoming projects that could affect support to firms.

5.4

Direction, objectives and strategies (suite)

Direction no. 3 – Increase professional and technical support to established and transitional organic firms

STRATEGIC OBJECTIVE NO. 4

Increase group consulting services to established and transitional organic firms by:

- 1 asking for collaboration from leaders of agri-environmental and technical support clubs to serve organic firms better;
- 2 strengthening the network of extension agents (MAPAQ and Financière agricole) dealing with organic agriculture;
- 3 ensuring linkage between services offered by the different clubs, consulting groups and MAPAQ organic farming extension agents;
- 4 organizing, by region and production sector, clubs' consulting services to organic firms;
- 5 developing consulting services for organic firms in management, marketing and quality control of organic products.

STRATEGIC OBJECTIVE NO. 5

Increase the interest in training offerings in the organic sector by:

- 1 producing and widely disseminating a directory of the training programs available;
- 2 coordinating available training offerings so that they are more accessible;
- 3 developing training programs in management and marketing specifically concerning organic production;
- 4 encouraging educational institutions to integrate specialized courses in organic agriculture in post-secondary agricultural training programs;
- 5 discussing with organizations providing training in food-related areas (Ordre des diététistes, Association des détaillants alimentaires, etc.) the possibility of including sections on organic products in their programs.

STRATEGIC OBJECTIVE NO. 6

Organize technology transfer to farms and develop basic research in organic agriculture by:

- 1 mandating an organization or committee to define research and technology transfer priorities in close collaboration with producers;
- 2 informing producers and processors on the process for obtaining tax credits for research and providing support to them during the process;
- 3 initiating basic research conducted at certified organic sites where all interactions are present and are taken into account;
- 4 looking at the possibility of joining forces with an existing foundation or setting up a new foundation to raise funds for research in the organic sector;
- 5 creating a list of firms interested in technology transfer and determining methods for working with them;
- 6 setting up a watch program to monitor production techniques and the development and characteristics of organic foods;
- 7 disseminating the data collected and synthesizing the data by specific subject.



FINANCIAL SUPPORT



6.1 Context

During the last two decades, a number of European countries and several US states have become aware of the environmental and economic benefits of organic agriculture and have instituted policies to provide financial support for this type of farming.

On December 17, 2002, an action plan was submitted to the European Council of Ministers, consisting of activities to publicize organic products, information campaigns targeting the food service industry, the removal of obstacles to direct distribution, the improvement of the consulting services offered to producers' associations, funding for regional agricultural programs supporting organic agriculture, improvement of the EU's statistical databases on production and the improvement of the control and accreditation of organic certification bodies.

In the United States, the 2002 Farm Bill provides for substantial aid to the organic farming industry. Included in the Farm Bill are such programs as the National Organic Certification Cost-Share Program and many measures to encourage research, including a provision allowing the organic industry to establish a national voluntary research and promotion program. This program will allow organic farmers to redirect some of their income to research and promotion activities specifically involving the organic sector.

Although, before 2002, European organic farmers received more subsidies than their US counterparts, the new Farm Bill could reverse this trend in coming years.

Canada currently has no policies to support the development of the organic sector. Stakeholders in the organic community hope that the recent strategic planning for the organic agriculture and food sector will lead to the formulation of policies that include significant financial measures for the sector. In the summer of 2001, Agriculture and Agri-Food Canada announced \$1.4 million in funding to producers of organic products, through the Canadian Adaptation and Rural Development Fund and the Agri-Food Trade Program. This should provide Canadian organic firms with better market access and allow them to increase their knowledge of organic agriculture. The funding was used to produce handbooks on organic

agriculture, to organize the International Federation of Organic Agriculture Movements World Congress and to create the Organic Agriculture Centre of Canada at the Nova Scotia Agricultural College in Truro, Nova Scotia. In 2001, Quebec's organic sector received \$350,000 in funding under federal programs.

6.2 Situation in Quebec

In Quebec, as in other places around the world, pressure from citizens to mitigate the negative environmental impacts of traditional agriculture has prompted the government to adopt a sustainable agriculture policy. The policy has resulted in significant funding for various environmental issues and has also helped the government and agricultural community to become aware of the

benefits of both sustainable agriculture and organic farming. However, up to now, the recognition of organic agriculture has not led to a specific policy for the sector or to direct funding measures for organic firms.

Canada currently has no policies to support the development of the organic sector. Stakeholders in the organic community hope that the recent strategic planning for the organic agriculture and food sector will lead to the formulation of policies that include significant financial measures for the sector.

Sustained pressure from the Filière biologique du Québec, Union des producteurs agricoles (UPA) and the FABQ has prompted MAPAQ to establish, in cooperation with sector stakeholders, a program to support the development of organic agriculture, the *Programme de soutien au développement de l'agriculture biologique*. The program has three components, based on development thrusts defined by a working group established by the department. They consist of support for the certification system, for monitoring and control of the organic designation, for skills

transfers to firms and for marketing adapted to the organic sector. The MAPAQ program received \$1 million in funding for the 2002-2003 fiscal year. The program was renewed for \$1 million a year for the next two fiscal years. MAPAQ has several other programs which provide funding to the organic sector without targeting it specifically such as the joint action support program reserved for "Filière" organizations.

MAPAQ also funds access to consulting services through technical support and agri-environmental clubs. It pays 55% of the annual fees of technical support club members and 33% of the fees of agri-environmental club members; the latter receive matching funding from the Conseil de développement de l'agriculture du Québec.

The Financière agricole du Québec is currently establishing a network of 23 liaison offers who will be better able to deal with requests from the organic sector. Organic firms have access to funding, income stabilization, and crop insurance programs, as well as a net income stabilization account. Evaluation criteria used in funding programs still do not accurately reflect the needs of organic firms and insurance programs are not adapted to the organic sector.

In the area of farm insurance programs, the Financière agricole has decided to look at various avenues for dealing with the organic sector, which involve adapting existing insurance programs or creating a new program. The organic sector now includes a substantial number of firms, enough to envisage a separate program. Growth of the sector will therefore be a determining factor in the issue of financial support.

To deal with the lack of financial support, some organic producers have developed a system of direct access for consumers, which allows farms to finance part of the year's production costs in advance.

6.3 Elements of strategic reflection

The Quebec and federal governments are increasingly emphasizing health and environment issues. Surprisingly, the organic sector, which provides undisputed benefits to society in both areas, does not benefit from policies promoting its development or from more substantial funding programs.

The Financière agricole has decided to look at various avenues for dealing with the organic sector, which involve adapting existing insurance programs or creating a new program.

This seemingly contradictory situation suggests that the links between health, the environment and organic agriculture are still not obvious enough to governments to induce them to invest more in the sector's development. Therefore, it is crucial, in the short term, that the sector clearly demonstrates these links. This effort should also include demonstrating the benefits of organic production for economic development. The time is ripe for such a campaign, since market pressure has made the governments and the community more receptive to consideration of the sector's financial needs.

The Quebec government provides different types of funding to the organic sector through various programs, including one dedicated to supporting organic agriculture. However, one program alone cannot meet the widely divergent needs in the sector. The current environment, in which the role of organic agriculture is being increasingly recognized, provides a powerful incentive for the sector to get organized and seek the additional funding it needs for its development from other government programs.

On the federal side, financial support is still very limited, if not bordering on inexistent. Industry representatives hope that significant trade pressures will prompt the government to establish a support structure competitive with that in other countries. Such support is vital for the sector's positioning on export markets. Under the new Agricultural Policy Framework, which will govern all future actions of Agriculture and Agri-Food Canada, no budget has been set aside for organic agriculture.

6.4

Direction, objectives and strategies

Direction no. 4 – Improve financial support to the organic food sector

STRATEGIC OBJECTIVE NO. 1

Increase the motivation of the Quebec government and the Union des producteurs agricoles to support the development of the organic sector by:

- 1 conducting a study that clearly demonstrates the social, economic and environmental benefits that will accrue from developing organic agriculture;
- 2 conducting a global market study to guide the development of support programs for the organic sector in Quebec;
- 3 improving statistical databases on Quebec's organic sector, particularly data on the attainment of growth objectives defined in the strategic plan;
- 4 ensuring that the organic sector's financial needs are recognized in the federal Agricultural Policy Framework.

STRATEGIC OBJECTIVE NO. 2

Develop measures by which the income security and crop insurance programs run by the Financière agricole can be better adapted to the needs of the organic sector by:

- 1 modifying eligibility requirements for existing programs by taking account of organic production methods and marketing methods for organic products;
- 2 carrying out studies on production costs for Quebec's main organic products;
- 3 ensuring that these study results are acknowledged and taken into account in the various support programs.

STRATEGIC OBJECTIVE NO. 3

Increase farm financing consultants' knowledge of the special features of organic agriculture by:

- 1 disseminating information on production costs to consultants;
- 2 organizing training programs for consultants on financing for organic firms.

STRATEGIC OBJECTIVE NO. 4

Provide financial support for the implementation of the 2004-2009 strategic plan for the organic food sector in Quebec by:

- 1 determining the priority of projects to be carried out;
- 2 setting up high priority projects;
- 3 determining the main funding sources for each project and submitting the projects to the funding programs in question;
- 4 increasing pressure on the Canadian government to establish financial support programs for the organic sector;
- 5 establishing a link between the priorities in the Filière biologique du Québec strategic plan and the strategic plan for the Canadian agriculture and agri-food sector in order to obtain financial support for joint needs, based on the Agricultural Policy Framework.

GENETICALLY MODIFIED ORGANISMS



7.1 Context

Genetically modified organisms (GMOs) can be defined as plants, animals or microorganisms in which the genetic material has been altered using biotechnology to confer characteristics that do not occur in nature.

The total area of cropland planted with transgenic crops around the world increased from 2.6 million hectares in 1996 to over 50 million in 2001. No fewer than 13 countries are involved in this type of production, with the largest producers consisting of the United States, Argentina, Canada and China. The transgenic production of these four countries represents 99% of the world's harvest of transgenic crops. The United States alone produces 69% of the world total.

Although the tilled area planted with GMO crops increased rapidly from 1996 to 1998, the rate slowed significantly after this. This is due to various factors, including the reluctance in some markets to buy these products and lower profitability for farmers than was originally predicted. Despite this slowdown, significant research is being carried out in this sector, which is dominated by a handful of large agri-food firms.

Assessing the environmental risks of GMOs is not easy. So many variables come into play that effects not seen in the laboratory may be observed in crops in the field and, conversely, problems observed in the lab may turn out to be inconsequential in the field. Many experts believe that, in all cases, not only must absolute risks be assessed, but a comparison must be made with other cultural methods that could be substituted to achieve the characteristics or improvements that appear to be caused by the use of GMO crops.

In North America, the contamination of nontransgenic organisms with GMOs through naturally occurring wind or insect pollination is threatening both crop and seed production as well as the grain trade, to the point of handicapping our farmers on international markets. North American products are losing ground abroad, because genetic contamination occurring through natural pollination is impossible to prevent. North American (US and Canada) exports to Europe and Asia have dropped significantly since consumers in those areas are reluctant to buy products containing GMOs.

In Canada, agencies that assess and license transgenic crops and new foods are under the jurisdiction of the federal government. Current laws and regulations on genetic engineering in Canada contain no limitations or restrictions to control genetic pollution, which is a growing threat, particularly to organic farming in Canada. This situation has already made it impossible to produce organic canola in Canada, and soybeans and wheat could soon suffer the same fate if action is not taken soon.

7.2 Situation in Quebec

7.2.1 Quebec's position

In general, Quebec consumers are worried about the introduction of GMOs in the environment and the food supply. The moratorium on GMOs in the European Union and the gradual implementation of European regulations on the labelling and traceability of foods containing GMOs has only increased Quebec consumers' mistrust in this respect. A number of organizations and experts in Quebec concerned by GMOs are demanding that the government provide reliable information on the impact of these crops on the environment. There are also demands that genetically modified food be specifically labelled.

In November 2000, Quebec was the first province in Canada to support the adoption of the Cartagena Protocol on Biosafety. The main objective of the protocol is to ensure that the transboundary movement of living modified organisms (LMOs) does not have an adverse effect on the conservation and sustainable use of biological diversity, given the risks to human health as well. The protocol aims to protect biodiversity and regulate the international trade in living modified organisms (LMOs).

In Quebec, the Department of the Environment has been given the mandate to propose measures to protect the environment from GMOs.

7.2.2 Issues in Quebec

According to Quebec's council on science and technology (Conseil de la science et de la technologie du Québec), the issues around the use of GMOs in Quebec fall under five major categories: scientific, social, economic, political and ethical issues.

North American products are losing ground abroad, because genetic contamination occurring through natural pollination is impossible to prevent.

Scientific issues around GMOs involve the need to develop expertise in Quebec in the scientific fields linked to GMOs and to develop other agricultural technologies that provide the same benefits as those originally targeted when developing GMOs but not the adverse effects. The environmental impacts of GMOs on Quebec ecosystems and their socio-economic impacts must also be taken into account by the scientific community.

Social issues around GMOs involve the need to provide the general public with basic information on GMOs that is up to date and impartial and to hold structured consultations to allow citizens to express their concerns regarding GMOs.

Economic issues include the importance of evaluating the economic advantages of currently grown GMO crops compared with other types of production. The Conseil believes it is essential to conduct business intelligence on an international scale to take advantage of potential opportunities to develop specific market channels in certain markets, both GMO and non-GMO.

Political issues involve recognizing the rights of all parties involved. According to the Conseil, Quebec must receive assurance from the federal government that agencies that are involved in licensing and controlling GMOs are carrying out their respective duties competently, transparently and rigorously. In addition, Quebec must have access to its own advisors providing guidance in strategic matters, hence the importance of building expertise and intelligence-gathering capability on the GMO issue within the Quebec government.

Lastly, ethical issues involve the legitimacy of human intervention on the foundations and resolution of the controversy, corporate concentration in the seed industry, the patentability of living organisms, the equitable sharing of costs and benefits and reconciling collective and individual interests.

Economic issues include the importance of evaluating the economic advantages of currently grown GMO crops compared with other types of production.

The Filière biologique du Québec plans to give priority to the GMO issue, to prevent our organic sector from losing its competitiveness.

7.3 Elements of strategic reflection

It has now become evident that large-scale genetic contamination has already affected non-transgenic production in Quebec. Transgenic crops have harmed not only trade but, in many cases, the ability of the North American agricultural sector to compete in foreign markets. Genetic contamination represents a major threat to organic agriculture since the use of genetic engineering is prohibited in organic farming.

Consequently, the Filière biologique du Québec plans to give priority to the GMO issue, to prevent our organic sector from losing its competitiveness. To do this, the Filière must formulate a clear position on protecting Quebec's organic sector from GMOs. The Filière also intends to find ways to protect the integrity of organic products and promote these methods to the Quebec and federal governments. The Filière would like both levels of government to acknowledge that GMOs pose a very serious threat to the development of organic agriculture and to act quickly to deal with the problem. Lastly, in

partnership with other organizations in Quebec and the rest of Canada, the organization plans to support demands to protect non-transgenic crops, particularly organic ones, from the negative impacts of GMOs.

7.4

Direction, objectives and strategies

Direction no. 5 – Mitigate the potential negative impacts of GMOs on the quality of, and trade in, organic food.

STRATEGIC OBJECTIVE NO. 1

Develop ways of maintaining the organic food sector's competitiveness on markets with respect to GMOs by:

- 1 documenting, for each link in Quebec's organic food system, the risks of organic products being contaminated with GMOs;
- 2 comparing the situation in Quebec with the situation in the countries that are our main competitors;
- 3 adopting a policy position agreed on by the entire sector;
- 4 bringing together representatives of each link of the organic system to define concrete ways of protecting organic products from contamination by transgenic crops;
- 5 promoting these methods with the federal and Quebec governments.

STRATEGIC OBJECTIVE NO. 2

Intensify demands to protect organic crops from the threat represented by GMOs by:

- 1 demanding that the Quebec government declare a moratorium on the use of transgenic crops in Quebec;
- 2 demanding that the Quebec government carry out an impact study on the effects of transgenic crops on the development of the organic sector in Quebec;
- 3 joining in Quebec and Canadian efforts to better control the use of GMOs.

STRATEGIC OBJECTIVE NO. 3

Adapt business practices to take account of the impact of genetic contamination on some products by:

- 1 promoting greater awareness among buyers of the effects of indirect genetic pollution on some crops;
- 2 bringing producers, processors, certification bodies, exporters and government representatives together to establish business practices that take account of the impacts of genetic contamination extrinsic to and independent of firms' operations;
- 3 requesting that the Codex Alimentarius Commission enact provisions that take account of the impacts of transgenic crops;
- 4 developing methods to reduce the financial risks faced by organic producers due to genetic contamination.

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APPENDIX 1

Participants et participantes à la phase de réflexion stratégique

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|--------------------------|--|
| 1. Beauchemin, Robert | La Meunerie Milanaise inc. |
| 2. Beaugerard, Pierre | La Grande Ruche |
| 3. Bédard, Josée | Provigo inc. |
| 4. Blain, Geneviève | Fédération d'agriculture biologique du Québec |
| 5. Blouin, Chantal | La Financière agricole du Québec |
| 6. Boudreau, Janick | Sobeys Québec |
| 7. Bouffard, Denis-Paul | Conseil d'accréditation du Québec |
| 8. Brault, Danielle | MAPAQ – Montérégie Est |
| 9. Brown, Robbie | Aliments naturels Tau |
| 10. Chabot, Christiane | Conseil canadien de la distribution alimentaire |
| 11. Champigny, Christian | Fédération d'agriculture biologique du Québec |
| 12. Chénier, Marc | Agriculture et Agroalimentaire Canada |
| 13. Cossette, Christiane | MAPAQ - Bas-Saint-Laurent, secrétaire d'atelier |
| 14. des Marchais, Sylvie | Agence canadienne d'inspection des aliments |
| 15. Deschênes, Benoit | Centre d'agriculture biologique du Québec |
| 16. Désilet, Germain | Fromagerie l'Ancêtre inc. |
| 17. Dewavrin, Thomas | Les Huiles d'Amérique |
| 18. Dion, Suzanne | Suzanne Dion inc., animatrice principale |
| 19. Dufour, Sylvain | Fruits d'Or |
| 20. Duhamel, Paul-Guy | Ordre professionnel des diététistes du Québec |
| 21. Éthier, Isabelle | Agronome et consultante, animatrice d'atelier |
| 22. Fontaine, Luc | MAPAQ - Estrie, secrétaire d'atelier |
| 23. Fortin, Carole | Association québécoise des fruits et légumes |
| 24. Fréchette, Julie | Certification Québec-Vrai |
| 25. Gaudet, Pierre | Fédération d'Agriculture biologique du Québec |
| 26. Gauthier, Guy | Syndicats des producteurs de grains biologiques |
| 27. Gélinau, Claude | ITA de La Pocatière |
| 28. Gionet, Lucie | Union des producteurs agricoles |
| 29. Girouard, Benoit | Union biologique paysanne |
| 30. Gravel, France | Garantie Bio – Ecocert |
| 31. Halde, Gilbert | Syndicat des producteurs de lait biologique |
| 32. Héту, Diane | Association des détaillants en alimentation du Québec |
| 33. Huot, Marie-France | Option consommateurs |
| 34. La France, Denis | CEGEP de Victoriaville |
| 35. Lambert, Francine | MAPAQ – Direction du développement de la transformation alimentaire et des marchés |
| 36. Laverdière, Doris | Notaire et m.f.a., animatrice d'atelier |
| 37. Legault, Christian | AgroExpert inc. |

38. Letarte, Francine	La Grande Ruche
39. Letellier, Hélène	Avocate et médiatrice, animatrice d'atelier
40. Levesque, France	Collège de Sherbrooke
41. Mailhot, Jean-Pierre	MAPAQ – Direction générale de l'alimentation, Direction des services à la clientèle
42. Marcoux, Arthur	MAPAQ - Secrétaire de la Table filière biologique
43. Marmen, Simon	Clubs conseils en agroenvironnement
44. Mimeault, Roger	Pro Organics
45. Mullier, Patrice	La Financière agricole du Québec
46. Nault, Serge	Syndicats des producteurs de grains biologiques
47. O'Breham, Richard	Mycoflor inc.
48. Paré, Frédéric	Équiterre
49. Périard, Marc	Aux mille et une saisons inc.
50. Romanoff, Robert	Aliments naturels Tau
51. Roy, Alain	MAPAQ – Estrie
52. Roy, Claire	MAPAQ – Mauricie, secrétaire d'atelier
53. Roy, Pierre	MAPAQ – Direction des politiques commerciales
54. Samson, Réal	Ferme Samson et fils
55. Semmelhaack, Richard	OCIA-Québec
56. St-Vincent, Yves	Syndicat des producteurs de viandes bovines biologiques
57. Turgeon, Nicolas	MAPAQ - Direction de l'innovation scientifique et technologique
58. Van Geenhoven, Jacques	Rachelle-Béry
59. Vary, Johanne	MAPAQ - Centre-du-Québec, secrétaire d'atelier
60. Verly, Pierre	Association Manger Santé, producteur agricole

APPENDIX 2

Membres de la Table filière biologique du Québec

- | | |
|-------------------------|---|
| 1. Robert Beauchemin | Président de la filière, La Meunerie Milanaise inc. |
| 2. Pierre Gaudet | Vice-président de la filière, président de la FABQ |
| 3. Arthur Marcoux | Secrétaire de la filière, MAPAQ |
| 4. Denis-Paul Bouffard | Conseil d'accréditation du Québec |
| 5. Christiane Chabot | Déléguée par le Conseil canadien de la distribution alimentaire |
| 6. Marc Chénier | Agriculture et Agroalimentaire Canada |
| 7. Benoit Deschênes | Centre d'agriculture biologique du Québec |
| 8. France Gravel | Garantie Bio - Ecocert |
| 9. Denis La France | CEGEP de Victoriaville |
| 10. Christian Legault | AgroExpert inc. |
| 11. Richard O'Breham | Mycoflor inc. |
| 12. Frédéric Paré | Équiterre |
| 13. Alain Roy | Représentant du MAPAQ |
| 14. Réal Samson | Ferme Samson et fils |
| 15. Richard Semmelhaack | OCIA-Québec |

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et Alimentation*

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