



**Ontario Organic Strategic Plan
2008-2011**



Forward:

The Organic Council of Ontario is a membership-based non-profit association representing the organic sector in Ontario. OCO's membership consists of farmers, processors, marketers, distributors, certifiers, retailers and others within the organic sector in Ontario. This Council's mission is:

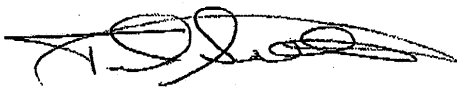
*To champion the development and growth of organics in Ontario and
To represent and advocate on behalf of stakeholders to government, NGOs and academia*

The Organic Council of Ontario's vision is to see *all stakeholders united in meeting the demand for organics in Ontario.*

Ontario has incredible potential to be a leader in organics. The organic market is one of the fastest growing food sectors in Canada, with an estimated retail growth of 15-25% per annum. Consumers are becoming increasingly aware of the environmental and health impacts of food production systems, making this evident through the massive growth in demand for organic products. Only one percent of Ontario's agricultural acreage is in organic production and with approximately 600 certified growers captures only 15% of the organic marketplace.

Overcoming the present obstacles is achievable. Closing the gap in terms of primary production extension services, processing and distribution infrastructure, research and development and marketing support will lead the way towards an increase in domestic market share. With a partnered approach, we believe reaching a targeted two-fold market share increase for Ontario organic production by 2013 can be met. We feel that the organic sector should be supported as an important aspect of sustainable agricultural policy.

On behalf of the Organic Council of Ontario, I would like to thank all of the stakeholders who have lent their support to the development of the Ontario Organic Strategy 2008-2011.



Ted Soudant
Chair, Organic Council of Ontario
March 2008

Acknowledgements:

In preparing this document, the Council drew on the suggestions and recommendations received from stakeholders in the industry and government. In particular, the Council wishes to acknowledge and express appreciation for two industry submissions received by the Council: *Ontario Goes Organic: How to Access Canada's Growing Billion Dollar Market for Organic Food* from the World Wildlife Fund Canada and the Organic Agriculture Centre of Canada, and *Grow Local Organic: Food Strategy for Ontario Value-added Processing* from the World Wildlife Fund Canada. OCO also wishes to acknowledge the excellent recommendations for organic markets in the OMAFRA 2007 Minister's Strategic Advisory Committee report.

Executive Summary

Organic farming has a positive role to play in the future of Ontario agriculture. The statistics that are available indicate that the organic market is currently the strongest growth category in the food industry, with 15-25% annual growth. The organic market accounts for about 1% of the retail food market, with \$1.1-1.3 billion in Canadian retail sales. ACNielsen reported growth in the organic sector in Ontario was 24% from 2005 to 2006.

The 2006 Canadian census reported 593 certified organic farms, 150 farms in transition to certified status and almost 3000 uncertified organic producers in Ontario. Ontario ranks third in the country for certified operations and ranks first for the number of farms reporting any organic category, certified, transitional or uncertified. Anne Macey reported for Canadian Organic Growers that in 2005 Ontario had 155 certified organic processors and handlers, 21.5% of the total organic processors in Canada.

The Ontario Organic strategic plan 2008-2011 sets out priorities to help Ontario farmers supply over 30% of Ontario's organic consumption by 2013, up from the currently estimated 15%. This measured approach is designed to allow for gradual but sustained growth that coordinates supply and demand expansion so that infrastructure is effectively built and farm gate prices do not swing wildly. This approach anticipates that most growth will occur in small to medium sized farms and processing operations. Within 3 years, progress would be made toward the following 5-year targets:

- move from 15% of consumption met by domestic production to 30%
- represent double its percentage of the total food and beverage market, from roughly 1% to nearly 2%
- experience a doubling of crop acres in organic
- experience a doubling of animals in organic production
- witness a doubling of processing capacity

Supply increases would come from a combination of new organic farms and expansion of scale among existing organic operations. On the processing side, increased capacity would come largely from conventional processors being certified to operate limited organic lines. Regarding new organic operations, many farms are already organic but not certified, or in the process of transition, and many companies are working with conventional producers to gradually bring them into their organic supply chain. Additionally, some new entrants to farming would enter organic production directly.

This strategy contains the initiatives recommended by OCO to be undertaken over 3 years by both industry and public sector organizations. The individual initiatives of this strategic plan are organized under 5 themes. These themes are a reflection of a value-chain approach to development by supporting and developing all components of this chain concurrently. These elements are deemed equally important, and are thus not laid out in any order of priority.

(a) Sector Analysis of the Ontario Organic Sector

The organic sector in Ontario has been challenged by a shortage of reliable data on organic markets. The Canadian Organic Growers and more recently ACNielsen and the Canadian census have provided some statistics, however a comprehensive picture of the Ontario organic sector is not readily available. This strategic plan addresses this issue with a recommendation for sector analysis to continue to build an understanding of the state of the organic industry in Ontario

(b) Increasing Organic Production in Ontario

Knowledge transfer programs, extension of business risk management programmes, identification of barriers to organic production, access to transition advisory services and inclusion under

environmental goods and services programmes will encourage the growth of existing organic farming operations and provide additional supports for transitioning farms.

(c) Increasing Organic Processing Capacity in Ontario

This plan identifies the need for data on Ontario organic ingredients and sourcing information to facilitate sourcing for new products. To ensure support for processors interested in offering organic co-packing services, this plan includes recommendations for the development of knowledge transfer programmes and transitional grant programmes for processors.

(d) Marketing Ontario Organics

As consumer demand currently outstrips supply, it is crucial that consumers are able to identify local, Ontario organic products in the marketplace. Building an organic component into the existing Foodland Ontario program would enable Ontario organic products to take advantage of this Ontario food marketing strategy. Additionally, the new federal organic regulations add a new layer in building consumers confidence in the organic brand. A promotion and awareness campaign will ensure that consumers understand the new organic regulations and accompanying Canada Organic logo.

(e) Research and Development of the Organic Sector

Research and Development spans across all of the priority areas. Access to timely, state of the art research is essential in order for the Ontario organic sector to stay competitive. New funding for organic research is a necessary component of strategic development for the organic industry in Ontario.

The development of the organic sector should reflect the current market demands. Facilitating the growth of the Ontario organic industry to meet this demand is an incredible economic, environmental and agricultural opportunity. This Ontario Organic Strategic Plan focuses on barriers to the growth of the Ontario organic sector, to enable high-quality, competitive Ontario products access to this excellent market opportunity.

Elements

1. Sector Analysis of the Ontario Organic Sector

1.1 Build a structural understanding of the organic sector in Ontario to support new value-chain development and business opportunities

Objective:

To have a sector analysis begun in 2008 and updated over 3 years

Description:

The Ontario organic sector is without any comprehensive sector profile analysis. This lack of knowledge limits the opportunities to build alliances and develop value-chains within Ontario by Ontario agri-food businesses. Other competitor jurisdictions such as California have centralized information resources that assist producers and processors in partnering and forging new business relationships in an efficient and timely manner. Noted in the Strategic Advisory Committee Report is a recommendation to build a structural understanding of the organic sector in Ontario to support new value chain development and business opportunities.

Budget:

\$250,000 over 3 years for Farm to Fork sector analysis

Outcome:

Completion of a Ontario organic sector profile report

Potential Partners:

Organic Council of Ontario, OMAFRA, Canadian Organic Growers, Organic Trade Association, Canadian Health Food Association, Organic Agriculture Centre of Canada

2. Increasing Organic Production in Ontario

2.1 Knowledge Transfer programs

Objective:

To increase production by increasing the availability and accessibility of knowledge transfer programs

2.1.1 Producer production clubs

Description:

Producer production clubs are composed of organic producers in a region who come together periodically to share their production experiences and learn about new developments. Also referred to as Study Clubs, these groups enable experienced organic producers to transfer knowledge to new entrants, and provide a needed support system for organic producers. This system of ongoing farmer-to-farmer communication has proven highly successful in other jurisdictions, and is noted as a recommendation from the Minister's Strategic Advisory Committee in 2007. The Ontario model would be designed to meet the specific needs of regional participants. To function effectively, production clubs require significant coordination, communication and farmer outreach.

Budget:

\$300,000 (\$20,000 per club for program development and club operation)

Funding would be required for program coordinators, facilitators, travel expenses, guest speakers and other administrative services

Outcome:

15 regional production clubs with a total membership of 150 over 3 years

2.1.2 Development and delivery of organic production courses

Description:

Currently, a number of short courses targeted to farmers are offered by several sector associations. These courses are essential as a resource to new and existing organic farmers. Delivery of existing courses should be expanded to better service farmers across the province. Additionally, new courses should be developed to address the current needs of organic farmers, including courses addressing transition to organic production and more advanced production issues.

Budget:

\$50,000

Courses would be offered on a cost-sharing basis, with participants contributing to the cost of delivery. Funding would be required for new courses development and to offset the cost of program delivery

Outcome:

225 farmers participating in organic production courses over 3 years

2.1.3 Producer mentorship training and program delivery

Description:

A mentorship program involves local, knowledgeable farmers who provide support to other farmers on production issues. This occurs through on-farm visits and by telephone on an as-needed basis. This program will financially assist mentors to work one-on-one with farmers.

Budget:

\$50,000

Outcomes:

50 mentors trained with 200 mentor training days
Mentors will be available for telephone support and on-farm visits

Potential Partners on Knowledge Transfer Programs (2.1.1 through 2.1.3):

Organic Council of Ontario, OMAFRA, Ecological Farmers Association of Ontario, Canadian Organic Growers, Collaborative Regional Alliance for Farmer Training in Ontario (CRAFT), FarmStart and others including industry partners

2.2 Extending government business risk management to organic production

Objective:

A full organic production insurance programme, with relatively equivalent coverage to that available for organic producers.

Description:

Ontario is developing a production insurance programme for organic producers, which offers higher payments for insured claims based on organic premium prices and requires higher insurance premiums from growers as a result of added risk for the insurer. Ontario currently offers an organic crop option for soybeans, winter wheat, winter spelt, processing sweet corn, fresh carrots, summer cabbage, and winter cabbage. Agricorp should continue to expand the organic production insurance programme to include all major organic commodities. This recommendation has also been made by the Minister's Strategic Advisory Committee.

Budget:

This is a Farmer/Federal/Provincial shared cost program. We are assuming no net increased costs for Agricorp relative to conventional producers.

Outcome:

A full organic production insurance programme completed by 2011

Potential Partners:

OMAFRA, Agricorp

2.3 Study to identify barriers to transitioning to organic production

Objective:

To identify the barriers for farmers transitioning to organic production

Description:

In order to address potential barriers of transitioning an operation to organic production, it is essential that these barriers be better understood within the Ontario organic framework. A review of the potential systemic, economic and technical barriers should be reviewed to provide information for future areas of program development.

Budget:

\$25,000

Outcome:

Report identifying the barriers to transition to organic production

Potential Partners:

Organic Council of Ontario, OMAFRA, Ecological Farmers Association of Ontario, Canadian Organic Growers, general farm organizations

2.4 Transition Advisory Services

Objective:

To ensure a comprehensive program of transition supports are available throughout the province of Ontario

Description:

Transition services encompass numerous elements which require coordination, communication and outreach to ensure successful delivery. As a component of the organic sector analysis (section 1.1), areas of the province not adequately serviced through existing support programmes would be identified to ensure that areas of need would be addressed. The sector analysis would first determine the supports available for transition in the province and identify gaps where additional supports are required. De-centralized transition support centres would provide coordination for transition services, link to mentorship and training programmes and provide access to resources and support for transitioning farmers as a go-to source for information.

Budget:

\$400,000 over 2 years, starting after one year of sector analysis

Outcome:

3 full-time transition support coordinators located in key areas of the province

Potential Partners:

Organic Council of Ontario, OMAFRA, Ecological Farmers Association of Ontario, Canadian Organic Growers, Industry partners

2.5 Extend Environmental Goods and Services Programmes to include Organic Production

Objective:

To ensure that organic production is included as a practice under the Environmental Farm Plan and other Environmental Goods and Services Programmes

Description:

There is a growing body of scientific data demonstrating the environmental benefits of organic farming, including biodiversity enhancement, reduction of greenhouse gas emissions, carbon sequestration, and water quality improvements. These benefits should be reflected by including organic production as a practice under Environmental Goods and Services Programmes such as the Environmental Farm Plan.

Budget:

This activity would not require additional funding, as funding would come from existing programmes.

Outcome:

Inclusion of organic production under Environmental Goods & Services Programmes

Potential Partners:

OCO, OMAFRA

3. Increasing organic processing capacity in Ontario

3.2 Development of ingredient and co-packer database

Objective:

To develop a comprehensive ingredient and co-packer database of Ontario organics

Description:

Information on Ontario sourcing for ingredients and co-packers is not readily available. In order to facilitate the accessibility of this data, a comprehensive database of Ontario ingredients, suppliers, co-packing facilities and other sourcing data should be created.

Budget:

\$25,000 for the development of a comprehensive database

Outcome:

To have the structure for an on-line database developed and populated by March 2009. Following that, the database will be updated continually as new information is received. At least once a year all recorded contacts will be contacted to verify their database content.

Potential Partners:

Organic Council of Ontario, OMAFRA, Alliance of Ontario Food Processors, Industry partners

3.2 Processor short course on transitioning to organic

Objective:

To increase availability and accessibility of knowledge transfer programs for new and existing organic processors

Description:

Some processors have been taking inspection courses as a substitute for a dedicated processor short course. We propose the development of a two-day short course for processors, that builds from existing HACCP style courses to integrate organic practices and record keeping. The course could be developed by an existing NGO or a certifier with extensive experience with processor certification and a willingness to train to general requirements of the industry (as opposed to the specific requirements of that agency). Other courses could be developed as required.

The course(s) could be offered in association with a processor association such as the Alliance of Ontario Food Processors or could be tailored to individual firms. Active outreach would be required to promote the availability of new courses to existing and potential organic processors.

Budget:

\$75,000 for course development and outreach
Course fees set to cover costs of delivery.

Outcome:

100 participants (processors, farmers, professionals and others)

3.3 Transitional Grant program for organic processors

Objective:

To develop the program in 2008/2009 and begin offering assistance as soon as available.

Description:

The program will provide assistance to processors who transition some or all of their processing to Canada Organic Standards. Funds would be available for processors making alterations to enable organic co-packing services, and would include technical assistance during the transition process.

Budget:

\$400,000 over 3 years

Outcome:

10-20 processors transitioning to organic

Potential Partners:

Organic Council of Ontario, OMAFRA

4. Marketing Ontario Organics

Objective:

To encourage consumers to choose Certified Organic products produced and processed in Ontario

4.1 Develop a marketing strategy that identifies Ontario organic product under the Foodland Ontario Banner

Description:

OCO offers its full support to the Buy Ontario/Foodland expansion initiative. We agree that promoting homegrown, locally-produced and processed products makes sense from an environmental, ecological and socio-economic perspective. Organic is a very specific product designation, and consumers focus on this element when purchasing organic products. Building an organic component into the Foodland Ontario program would enable Ontario organic products to take advantage of this Ontario food marketing strategy.

Outcome:

To have a program in place for the 2008/09 season

4.2 Promote the new federal organic regulations in a provincial organic communication plan

Description:

The new Federal Organic Regulation will come into effect on December 14, 2008 on which date the Canada Organic Logo will be available for use by organic businesses. Communication to consumers on the new regulations and the logo are essential to raise consumer awareness about these changes. Ontario should incorporate promotion and awareness of the new federal organic regulation into a provincial communications plan.

Outcome:

A provincial promotion and awareness campaign for the new federal organic regulation and logo, following the December 14th, 2008 implementation date

Budget (4.1 and 4.2):

\$600,000 over 3 years to develop a marketing strategy to identify organic products under the Foodland banner and promote the Canada Organic Logo and Regulations

Potential Partners for Marketing Ontario Organics:

Organic Council of Ontario, Foodland Ontario, Organic Trade Association, Canadian Health Food Association, Canadian Organic Growers, Canadian Federation of Independent Grocers, Canadian Council of Grocery Distributors

5. Research and Development for the Organic Sector

5.1 Increasing funding for organic research

Objective:

Increase the number of organic research projects and dedicated organic research funding

Description:

As noted in the Strategic Advisory Committee Report, OMAFRA needs to enhance its organic research. This commitment compliments knowledge transfer program objectives to provide new entry farmers and current organic growers with timely, state of the art research to stay competitive. We recommend development of a strategy that defines organic research with its own defined priority setting process. OMAFRA

support is needed to include organic sector research needs in the next Canada Ontario Research and Development program and develop policy for inclusion of organic research in provincial research processes and structures. The sector will work with OMAFRA to develop organic research priorities.

Budget:

\$2,000,000 over 3 years for organic research

Outcome:

Increased availability of organic research necessary for organic producers and processors in Ontario

Potential Partners:

Organic Council of Ontario, OMAFRA, AAFC, Ontario Organic Research Advisory Committee, Industry partners

6. Additional Considerations

During the development of this strategic plan, several areas were identified as warranting additional information and consultation in order to identify issues and priorities. The additional considerations below require further consultation with stakeholders before priorities can be set.

6.1 Supports for new entrants to organic farming

The growth of the organic sector in Ontario requires that new entrants to organic farming have access to adequate support systems and programs. A review of the issues and barriers for new entrants is necessary to determine the priorities for supports to new entrants. Organizations such as CRAFT and FarmStart should be included as potential contributors to a consultation process to further develop this area in the Strategic Plan.

6.2 Animating Non-Retail Food Distribution Channels

There are numerous non-retail distribution channels that need to be better understood as potential market opportunities for organic producers and processors, including farmers' markets, buying groups, community-supported agriculture, U-pick operations, street-side food stands, farm shops and internet sales.

6.3 Processor Supports

The identification of processor supports requires further consultation to better understand issues and priorities for program development. A processing sub-committee for strategic planning is recommended, along with a consultation process to identify issues and recommendations for program development.

Conclusions

The Ontario Organic Strategic Plan 2008-2011 incorporates a value-chain approach to growing the organic sector in Ontario. To be successful, all segments of the value-chain must be addressed and a full package of initiatives must be implemented.

The priorities outlined in this strategy address 5 areas of strategic priority: increasing organic production in Ontario, increasing organic processing in Ontario, marketing Ontario organics to consumers, organic sector analysis and increasing organic research and development. Focusing on all of these elements ensures that even, consistent growth can be achieved within the organic sector in Ontario.

In implementing this 3-year strategy, progress would be made toward achieving the 5-year targets for Ontario: a two-fold market share increase for Ontario organic production, doubling the percentage of the total food and beverage market, doubling the number of organic crop acreage, doubling the number of animals in organic production and doubling the processing capacity in Ontario by 2013.

This Ontario Organic Strategic Plan focuses on barriers to the growth of the Ontario organic sector and recommendations to enable high-quality, competitive Ontario products access to this excellent market opportunity. Facilitating the growth of the Ontario organic industry to meet demand in Ontario is an incredible economic, environmental and agricultural opportunity that will lend strength to the broader infrastructure of Ontario agriculture and to rural farming communities.