

Innovation and Growth with Organic Agriculture



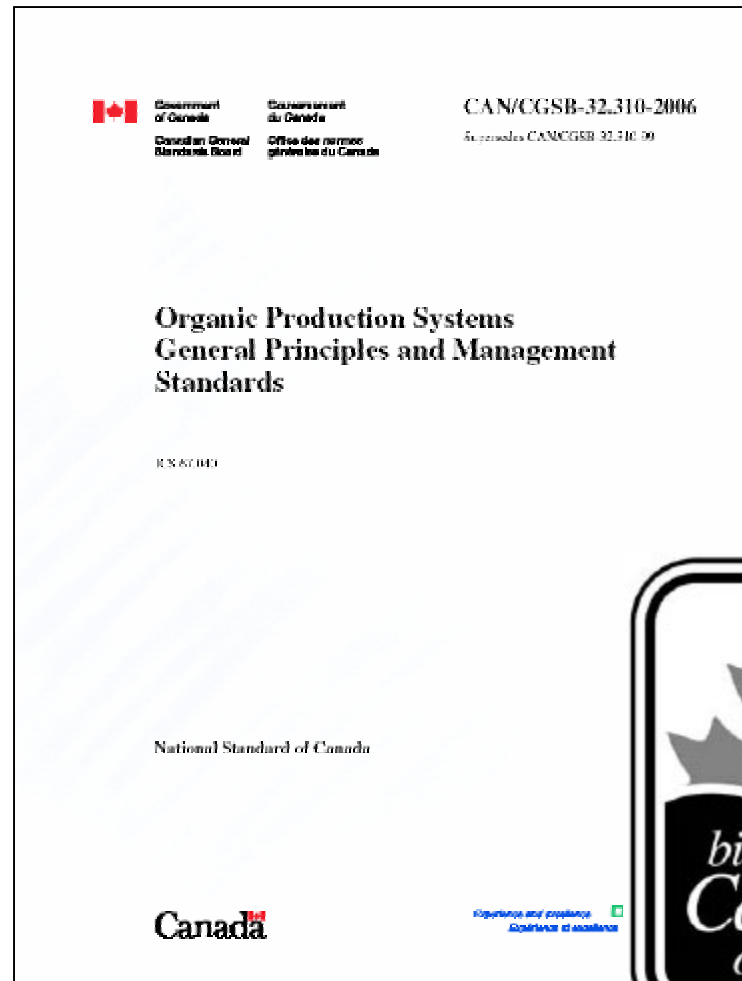
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Organic is Value Added!



Regulatory Framework

New National Standards
and proposed federal
regulatory regime



The Fastest Growing Sector Of Canadian Agriculture

- Annual growth rate of retail market 20%
- >\$800 million in 2003 (difficult to estimate)
 - \$3.1 billion in Retail sales in Canada expected in 2005
- 1.3% of total food purchases, projected to be
 - 5% by 2011
 - 10% by 2016
- 15% of Canadians bought organic in the last 7 days
(RTS Canada survey results. 64k resp.)



From: "Certified Organic" The Status of the Canadian Organic Market in 2003. Prepared for Agriculture & Agri-food Canada by Anne Macey. March 2004. Revised May 2004 & July 2004.

Export Statistics (COG, 2003)

(Some companies not reporting, % only of reported data)

Type	Value (mil \$)	EU (%)	US (%)	Japan (%)	Other (%)	? (%)
Grain/seeds/ flour	39.9	52	40	5	2	1
Apples	3.2	4	96			
Fruits	0.9		100			
Vegetables	2.0		100			
Maple syrup	7.0	30	57	13		
Food & Bev	\$10.0					100
Total		36	41	5	1	17

Origin of Organic Products Sold in Canada (2003)

	Canadian	US Imports	Other Imports
Produce	22%	62%	16%
Grocery	10%	60-85%	5-30%
Dairy	90%	10%	

(A. Macey, "Certified Organic", The status of the Canadian Organic Market in 2003)

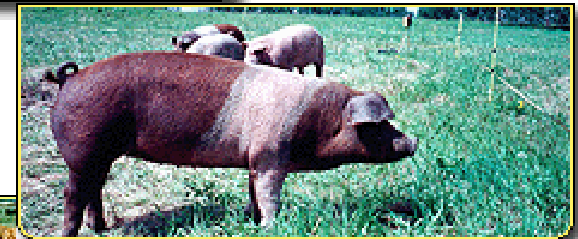
The Canadian Organic Question

- We assume there is a \$1.3 billion+ market for organic products in Canada, and only 15% of that is grown and processed in Canada.

How can Canadian farmers and processors obtain a larger share of this market?



Certified Organic Free Range
CHICKEN * TURKEY * DUCK * GEESE * PORK * BEEF * EGGS



Success:

- Marketing
- Consumer connection to farm
- Engaging their kids in the farm





Success:

- Innovating & diversifying
- Responding to customer
- Organic community
- Building relationships with customers



(Organic Farmers' Agency for Relationship Marketing)

“The dawn of a new era in collective pricing, marketing & inventory by and for North America's organic farmers”



Success:

Organic
marketing
cooperatives
working
together

**Roger Rivest,
Great Lakes Organic**

OntarBio Organic Farmers Cooperative

“We, the members, envision strong sustainable family farms united in providing wholesome organic food.”

- Main pools: grains, dairy, eggs
- Over 50 products



ORGANIC MEADOW®

Success:

- **Balancing growth with member interests**
- **Mentorship and knowledge support**





Success:

- Relationship with Maritime farmers & processors
- Local emphasis
- Wide range of quality products

More cream please!





Harvest Sun Seed and Grain Company



Aarstiderne – a Danish example of a CSA

www.aarstiderne.com

- Started with 60 customers & a single farm
- 1.1 million boxes/yr
- > 30,000 customers
- Delivered to the door
- > 100 farms participating
- 100 employees (23 in a ‘Conversations Dept.’)
 - 6500 call, 10k emails / mo



“At AARSTIDERNE:

- Consideration,
- Quality,
- Creativity,
- Development,
- Growth,
- Transparency
- And organic farming



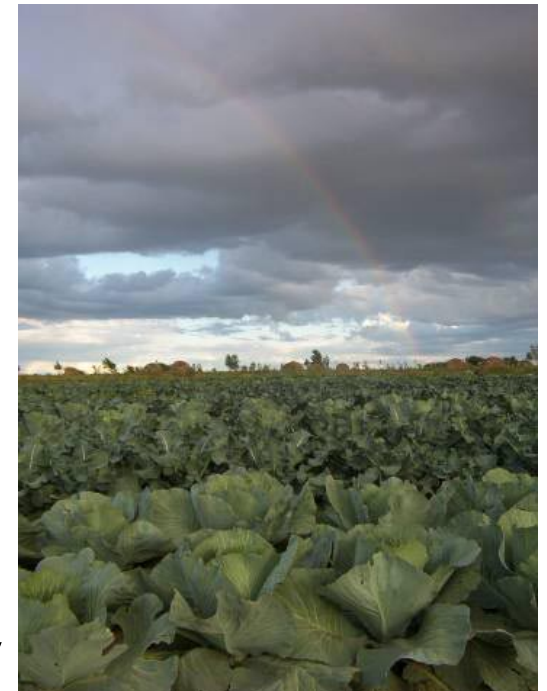
ARE ALL HOUSEHOLD WORDS”

Equiterre CSA in QC:

- coordinates CSA development on 90 farms
- 7500 families have subscribed in 14 regions

Key Attributes of Success

- Quality of life supported by a way of life
- Relationship building
- Knowing their market
- Cooperative marketing
 - Focus on serving their members
- Innovative marketing
- Focus on quality
- Always innovating
- Actively engaged in their community
- Mentoring

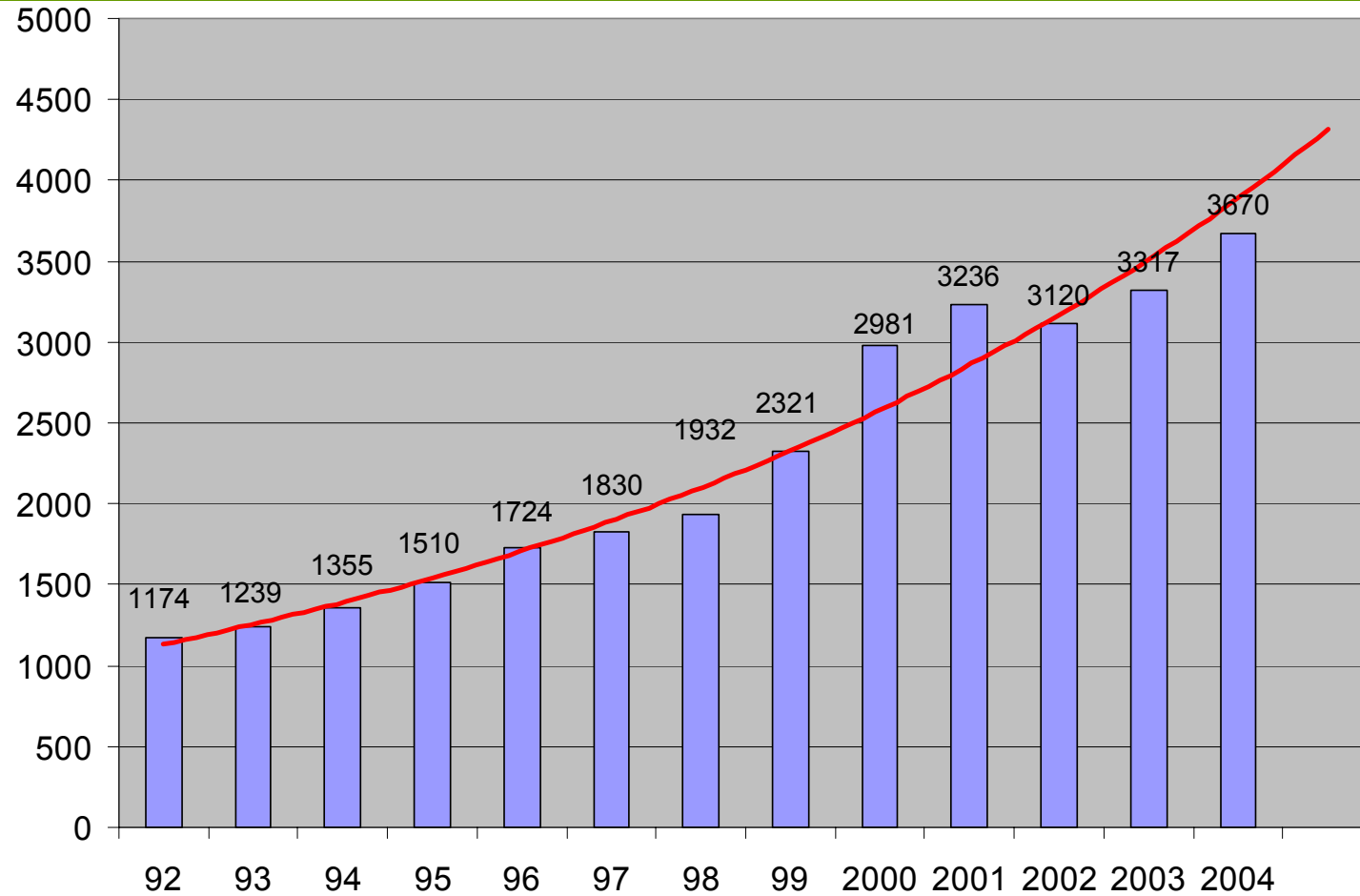


Visit **OACC.INFO** for

- **Virtual farm tours**
- **Organic award winners**
- **Production, Research and Market information**
- **Organic policy toolbox**
- **Monthly e-zine**



Canada-Certified Producers



National Statistics (COG, 2003)

Crop	Acres	Ha
Vegetables	6306	2552
Herbs	1451	587
Fruit & Nut	3630	1469
Grains & oilseeds	549,091	222,210
Wild Rice lakes	39,425	15955
Pasture/Hay (tame)*	222,072	89870
Forages/Green manure	158,812	64269

*Range, crown land & native pasture not included

National Statistics (COG, 2003)

Livestock Type	Head	Farms *
Beef cattle	15608	163
Bison	665	8
Dairy	7113	102
Sheep	5062	32
Goats	320	7
Pigs	3690	23
Deer/elk	220	2
Meat birds	305662	62
Layers	118347	89
Turkeys	5264	12

*Missing data - numbers of enterprises were not provided by all CBs

Linking Food Production To The Consumer

Organic



Who is the OACC?

- Formed in 2001
- Conduct, coordinate & facilitate research
- Coordinate university level education through web courses
- National centre
 - Head office: Nova Scotia Agricultural College
 - Director: Dr. Ralph Martin
 - Canada Research Chair in Organic: Dr. Derek Lynch
 - Research Associate: Dr. Andy Hammermeister
 - Web Coordinator: Jane Morrigan
 - Prairie Office in Saskatoon
 - Dr. Brenda Frick





What does “Certified or Verified Organic” mean?

- Three year **transition** period
- Inspected/verified by trained professionals
 - Compliant with organic standard
- Third party accreditation of certifying bodies
- Audit trail
- Product labeling



More cream please!

