

# *Is Organic Redefining Agriculture?*



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# Outline

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- What is agriculture (including organic)
- Why do farmers choose to go organic
- Who is the organic consumer?
- The organic market



# Organic production:

diversified rotations, soil building, livestock access to outdoors  
approved inputs (no synthetic fertilizers or pesticides)

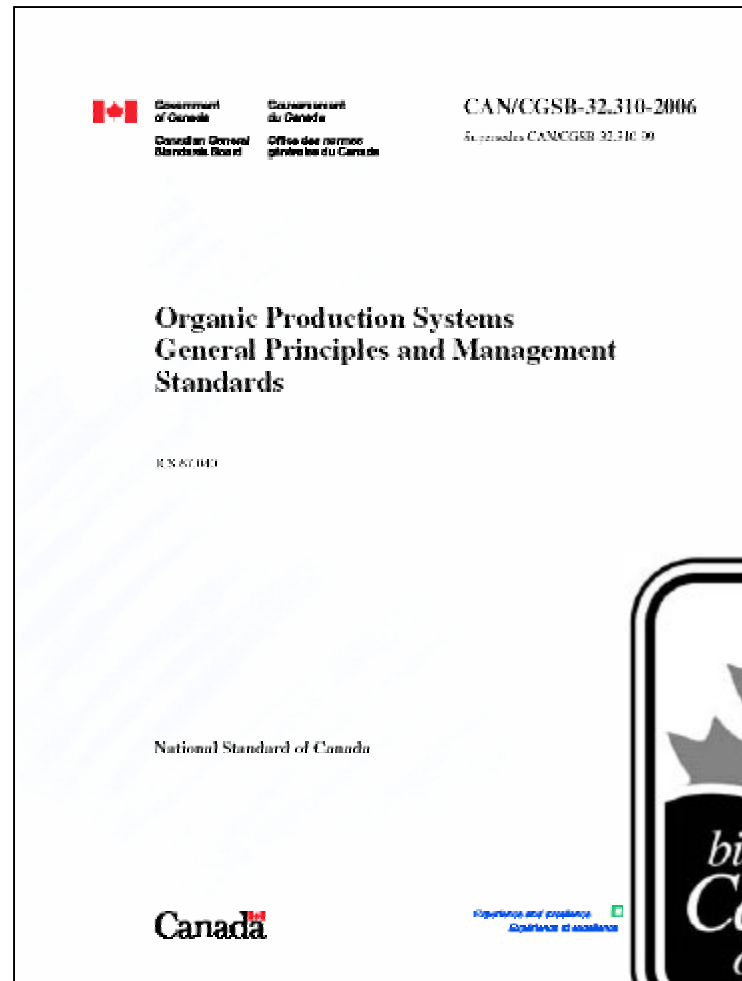
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# Regulatory Framework

New National Standards  
New Federal Regulations

- On-site inspections
- Accreditation of certifying bodies
- Audit trail
- Product labeling



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# Why Farm Organically?



# Why farm organically?

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- **Why respondents choose to farm organically**
  - Land stewardship and ecological sustainability.
  - Chemical avoidance
    - family & farm worker health
    - environmental health
  - Organic represents good farming practices
  - Ecological principles: view farm as ecological system.
- **How respondents began farming organically**
  - 51% transitioned from conventional
  - 49% began farming as organic farmers.
- *Survey published by: Organic Farming Research Foundation*

# The Economic Pull

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- Premiums: up to 300%
- Reduced input costs
- Less dependent on off-farm sources
- Improved market access
- Niche marketing
- Crop diversification & rotations to reduce risk
- Yield stability



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# Why Buy Organic?



# Who does the shopping?

*(With the organic consumer in mind)*

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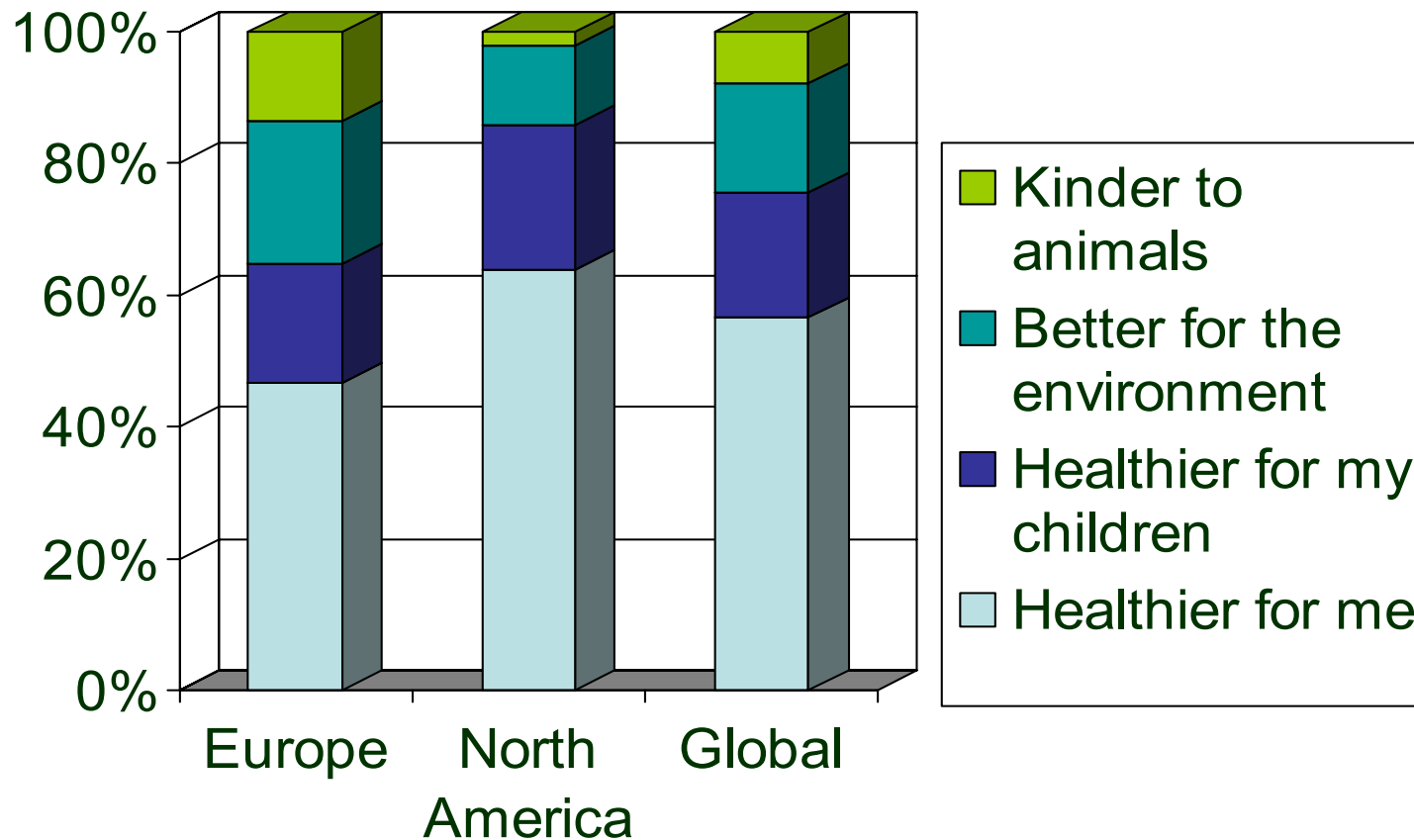
- Women
  - Holistic thinkers
  - Well educated
  - Children
  - Long-lived
  - Higher disposable income
- Risk averse!

## Health = Envir. + Food

- Want control over their food
- Want a healthy envir.
- Seek link with farmer



# Reasons for purchasing organic



# Trust Marks

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- ConAgra Foods survey (2006):
- 95% of Americans say they would consider “trust marks” when shopping
- 4x as many said more likely to consider buying foods based on trust marks in 2006 than in 2005
- Trust marks:
  - **organic**
  - whole grains
  - heart-healthy
  - zero grams trans-fat
  - low sodium
  - natural
  - dietary guidelines
  - kosher



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# The Organic Market



# The Fastest Growing Sector Of Canadian Agriculture

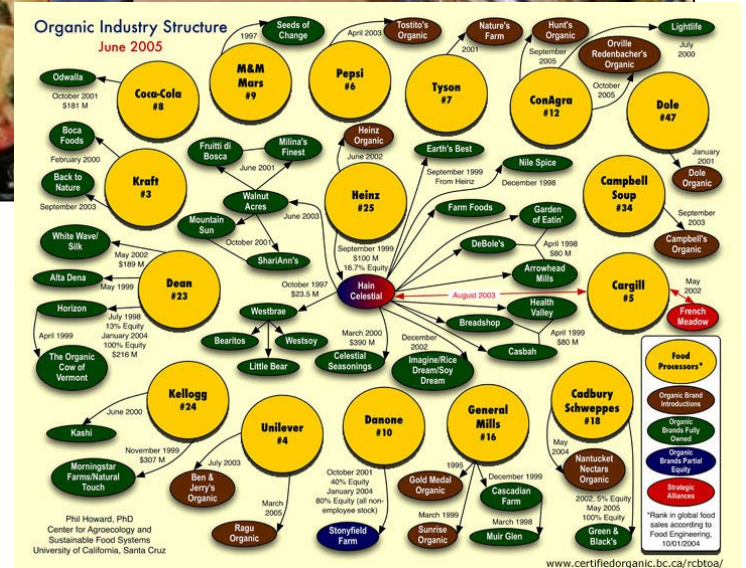
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- Annual growth rate of retail market 20%
- >\$800 million in 2003 (difficult to estimate)
  - \$3.1 billion in Retail sales in Canada expected in 2005
- 1.3% of total food purchases
  - 5% by 2011
  - 10% by 2016
- 15% of Canadians bought organic 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.

# A Dichotomy Within Organic?



# Local Organic

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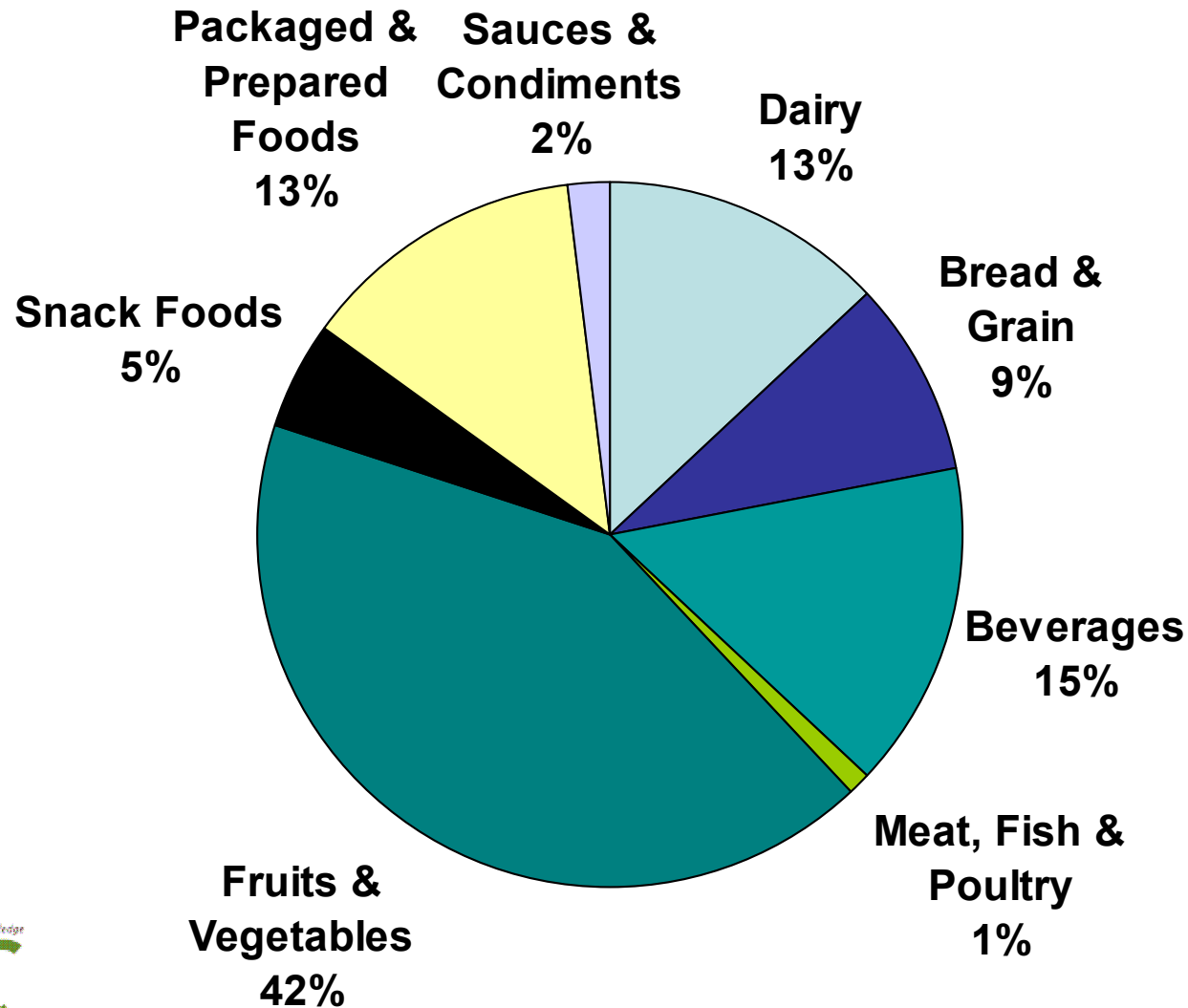


# Retail Organic



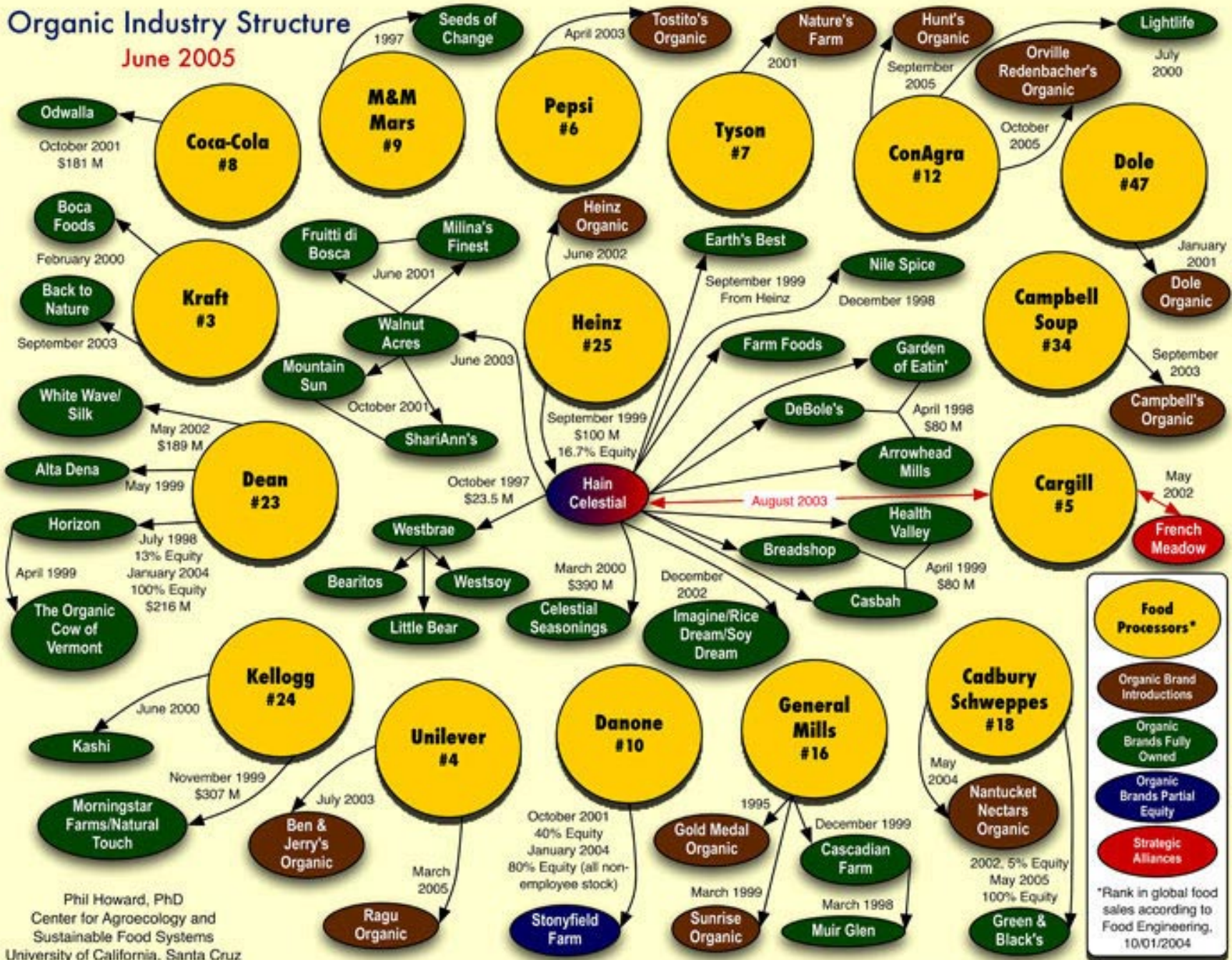
# USA Organic Commodity Groups

Adapted from: OTA's 2004 Manufacturer Survey Category



# Organic Industry Structure

June 2005



Phil Howard, PhD  
Center for Agroecology and Sustainable Food Systems  
University of California, Santa Cruz

**Food Processors\***

- Organic Brand Introductions
- Organic Brands Fully Owned
- Organic Brands Partial Equity
- Strategic Alliances

\*Rank in global food sales according to Food Engineering, 10/01/2004

# How do I measure the value of agriculture?

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- Market value of goods & services (GDP)
  - New technology drives growth
- Organic offers many intangible benefits
  - Reduction in resource utilization
  - Environmental risk reduction
  - Ecological goods and services
  - Social wellbeing
  - Fair deal with farmers
  - Local product?
  - Genuine Progress Index



# Has organic redefined agriculture? (production, marketing, trade)

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**Organic, a part of  
agriculture being redefined.**

For Information Visit:

**OACC.INFO**