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Canada

Organic Products

Financial Assistance for Organic Food Producers

2001

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Report Highlights: Canada's Agriculture and Agri-Food Minister has announced federal funding totaling C\$600,000 to support organic food production and help Canadian organic food producers increase domestic and international sales. Agriculture and Agri-Food Canada estimates retail sales of organic food in Canada at more than C\$1 billion. Canada adopted a national organic standard in 1999.

Includes PSD changes: No
Includes Trade Matrix: No
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Summary: Agriculture and Agri-Food Minister Lyle Vanclief announced federal funding totaling C\$600,000 (\$400,000) to help Canadian organic food producers increase domestic and international sales. The bulk of the federal assistance money will fund the Organic Accreditation Assistance Program, a plan to encourage certifying bodies to apply for accreditation under the National Organic Standard. The remainder will help offset publishing costs of an Organic Field Crop Handbook and support next year's International Federation of Organic Agriculture Movements World Congress in Victoria, British Columbia, which is expected to attract 1,000 delegates representing the organic movement from around the world. Agriculture and Agri-Food Canada believes Canadian retail sales of organic food exceeds C\$1 billion (\$660 million). Canada adopted a national organic standard in 1999 (see CA9053).

The text of the press release from Agriculture and Agri-Food Canada follows:

VANCOUVER, June 8, 2001 – New federal funding of more than \$600,000 will help Canadian organic food producers increase their share of the ever-growing international marketplace.

Agriculture and Agri-Food Minister Lyle Vanclief today announced funding for three complementary projects: a \$375,000 organic accreditation assistance program; \$130,000 to publish the Organic Field Crop Handbook, featuring information on growing organics according to Canadian standards; and \$100,000 to partially fund next year's International Federation of Organic Agriculture Movements World Congress in Victoria, British Columbia, which is expected to attract 1,000 delegates representing the organic movement from around the world.

The Organic Accreditation Assistance Program will encourage certifying bodies to apply for accreditation under the National Standard of Canada for Organic Agriculture. The program will reimburse certifying bodies 50 per cent of the cost of applying to the Standards Council of Canada (SCC), up to \$25,000 each. To be eligible for assistance, organizations must be successfully accredited by the SCC by Dec. 31, 2003.

National accreditation of Canadian certifying bodies is key to obtaining recognition by foreign markets of Canada's ability to produce quality organic products and will be used in negotiations to gain access to these markets.

"There is excellent market potential all over the world for organic products," said Mr. Vanclief. "Canada's organic sector produces top-notch products and is primed to seize emerging opportunities. That's why certification is so important. To really tap this huge potential, we need to ascertain products destined for the international market meet a national standard and establish a reputation for Canada as a supplier of the highest quality certified organic products."

Canada's small but booming organic sector is enjoying \$1 billion-a-year retail sales and a 20 per cent annual growth rate. The industry is predicting its market share will increase between five and 10 per cent by 2010.

Significant opportunities to take this growth even further exist in several major markets such as the United States, Europe and Japan. In order to fully capitalize on these markets, the organic industry is working to certify its growers according to a national standard approved in 1999. This voluntary standard – developed in consultation with the Canadian General Standards Board and approved by the SCC as a National Standard of Canada – outlines the production and processing of organic products and is in sync with international guidelines established by Codex Alimentarius, the United Nations food standards commission.

The funds will help certifying organizations cover a portion of the cost of being officially accredited by the SCC. Once these organizations are accredited, they can then certify producers against the national organic standard, and allow them to market their products around the world.

"The SCC's international recognition will greatly enhance the appeal of our organic products," said Mr. Vanclief. "Our goal is to have consumers around the world think 'quality' when they think of Canada."

End of Press Release Text.

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Report Number	Title of Report	Date
CA9053	National Organic Standard Announced	5/3/1999

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