

Equivalency for Organic Trade

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On the grocery shelf, a pineapple imported from Chile and certified to the “US Organic Standard” (NOP) bears the Canada organic logo. Welcome to the global organic market!

For several decades, countries have adopted measures to facilitate global trade and the organic sector has not escaped from this tendency. But, organic products are particular: they are produced according to regulated standards that can vary from one country to the other. The determination of equivalency and trade agreements should then take into account national ways of practicing organic agriculture.

After having met, compared regulatory and conformity assessment systems, audited one another, negotiated critical variances and considered international policies on trade, in June 2009, Canada and the United States signed the US-Canada Organic Equivalency Arrangement (USCOEA). An essential part of this negotiation was to establish “critical variances”, the list of significant differences between the two standards which would have to be met by products crossing the border. For a product certified to the NOP, the special requirements for entry into Canada are: 1) no use of chilean nitrate during production, 2) no hydroponic or aeroponic production methods and 3) compliance with Canadian livestock stocking rates. Canadian products moving South into the U.S. must meet the Canadian Organic Standards (COS) and one additional Critical Variance: no use of antibiotics for livestock products.

This trade agreement between Canada and the US allows products certified under NOP to be imported to Canada and bear the Canadian logo if the product respects the critical variances. The products are then **“Certified in compliance with the terms of the US-Canada Organic Equivalency Arrangement»**. This official statement must appear on documentation travelling with the shipment of the organic products crossing the border.

Canada is now negotiating equivalence with the EU; Australia, Korea and Costa Rica have also indicated their intention to negotiate with Canada. Americans are currently negotiating agreement on organic trade with India, EU, Taiwan and Korea. So, equivalency is trendy; if Canadian organic exporters want to stay competitive with the US, facilitating the trade between Canada and other trading countries could play an important role. Canadian producers can already export by complying with the standard of the importing country. But, a trade agreement between two countries makes it easier: producers can access both markets while only being certified to the COS and USCOEA system when exporting to US.

There will no longer be “Canadian NOP certification”. All products shipped to the United States will have to be certified to the USCOEA; so, Canadian certification bodies (CBs) will lose accreditation to certify products in Canada under NOP standards. Some CBs don’t feel comfortable about losing the NOP accreditation; some countries that import Canadian products are not familiar with the Canadian Organic Regime and would prefer to import Canadian products certified to NOP.

There is also some confusion with the use of the Canadian organic logo on the label of imported organic products. To consumers, at first glance, the logo means spontaneously that the product

is grown in Canada; so to see the logo affixed to the label of a Chilean pineapple is sometimes confusing. In fact, the logo means that the product complies with the Canadian organic rules and standards, wherever it comes from. If a CB accredited by NOP certifies bananas in Ecuador to the USCOEA, the bananas can be sold in Canada with the Canada logo.

Exported Canadian organic products may as well bear the USDA logo when they comply with the USCOEA. Or it can bear both logos: logos are shared on the global scene. They should play a vital role in the growth of the market when reassuring consumers about the authenticity of the product displayed on shelves.

Equivalency is sometimes considered as a double-edged sword: some stakeholders think that the organic sector will benefit from equivalency because it will facilitate the export of Canadian organic products; others are more skeptical: 70% of organic products are imported from other countries, mainly from US. Will equivalency promote a massive importation of US products that will stop the growth of the local organic production? The growing awareness of the "local" food and carbon footprint consciousness will surely support the growth local organic production. Organic greenhouse production is developing and Canadian standards are now mandatory, thus more credible. It creates great expectations for organic growers and traders!