

Organic Federation of Canada

Organic Products Regulations – How Do They Impact Your Activities

Survey Conducted
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Organic Federation of Canada – info@organicfederation.ca - www.organicfederation.ca

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I. Introduction

The Canadian Organic Products Regulations (OPR) came into force on June 30, 2009. In order to ensure an orderly implementation of the OPR, the Canadian Food Inspection Agency (CFIA) adopted a Stream of Commerce and Enforcement Policy. The objective of this policy is to provide some flexibility and time for the government and the industry to adapt to the new mandatory organic certification system. This policy with its “soft and educational” approach to enforcement is scheduled to end on June 30, 2011.

On October 21, 2010, the Organic Federation of Canada (OFC) circulated a survey to get input from the Canadian organic sector on regulatory and standards issues in preparation for the end of the Stream of Commerce and Enforcement Policy. This report presents the results of this survey.

II. Methodology

The OFC survey comprises 14 questions to:

- Establish the profile of the respondents.
- Get answers to specific questions related to the implementation of the OPR.
- Get information via open questions on the impact of the implementation of the OPR.

The survey was posted by OFC on the CanRegList - an email list of stakeholders that closely follow the implementation of the OPR. Email recipients, OFC member organisations, and a few other organisations also circulated the survey to their members. Data was collected from October 21 to December 13, 2010.

III. Main results of the survey

Detailed results and referenced figures and tables may be found in section IV of this report.

Respondents' profile

Results in figures 1.1 to 1.4, other statistical data and comments gathered throughout the survey indicate that the respondents' profile is sufficiently representative of the Canadian organic sector to provide useful input to the OFC and government representatives.

Certification to the Canadian Organic Standards (COS)

Results in figures 5.1, 6.1 and 7.1, as well as respondent comments, indicate that migration toward COS certification is in progress mainly for those who wish to market their products through interprovincial and international trade. However, this certification is not completed for some operators.

Figure 7.1 compiles responses to question 7, which asks whether there are any requirements in the COS that should be reviewed. Figure 7.1 indicates that 43% of the respondents said yes, 11% responded no, and 46% didn't know. Also, comments to questions 7, 12 and 14 provide information on standards issues which are summarized in the detailed results section of the report, notably under question 7 and in table 14.1.

It is mainly acknowledged that the revision of COS is, like with any other organic standards of our major trading partners, an on-going process. At this stage of the implementation of the regulations, it is critical to assess whether COS is sufficiently developed for full implementation of the Regulations, and whether the proposed time-frame of June 30, 2011 is realistic. Further discussion and analysis with various organic stakeholders will have to take place to that effect.

Regulation of intraprovincial trade

Figure 8.1 provides an update on where the Canadian organic sector stands in regards to the regulation of intraprovincial trade: 63% are in favour, 19% are opposed and 18% didn't know. Table 14.1 summarizes the comments that were provided to justify the various positions.

Compliance of organic products imported from the US, the EU and other countries

Results in figure 9.1 show a lack of readiness inside and outside of Canada regarding the assessment and documentation of the compliance to COS or to the CAN/US equivalency agreement. Comments from questions 9 and 11 underscore the need for a better understanding of the requirements of the OPR in regards to the compliance of imported products.

Comments from questions 12 and 14, summarized in table 14.1, highlight the necessity of having a level playing field between domestic and imported products and the need for an equivalency agreement with the EU.

Certification of organic products exported from Canada to the US, the EU and other countries

Results in figure 5.1 indicate that there are still a significant number of respondents (26%) that have maintained their certification to the NOP. 14% of the respondents indicated that their products were certified to the CAN/US Equivalency agreement. Results in figure 10.1 indicate that 12% of the respondents that export to the US use both the NOP and to the CAN/US equivalency agreement certifications, while 8% certify to the NOP only, and 2% use certification to the CAN/US equivalency agreement only.

Results and comments in Figure 5.1 confirm that respondents maintain their certification to export country standards (e.g. EU, JAS, Bio-Suisse), and comments, summarized in table 14.1, underline the need for establishing equivalency agreements to facilitate trade.

Impact of the OPR

Results in figure 12.1 indicate that there is no consensus from respondents that the OPR had either a positive or a negative impact on the trade of their products. Detailed comments, summarized in table 14.1, provide some guidance on what should be done to generate positive impact or to mitigate negative impact.

Sources of information

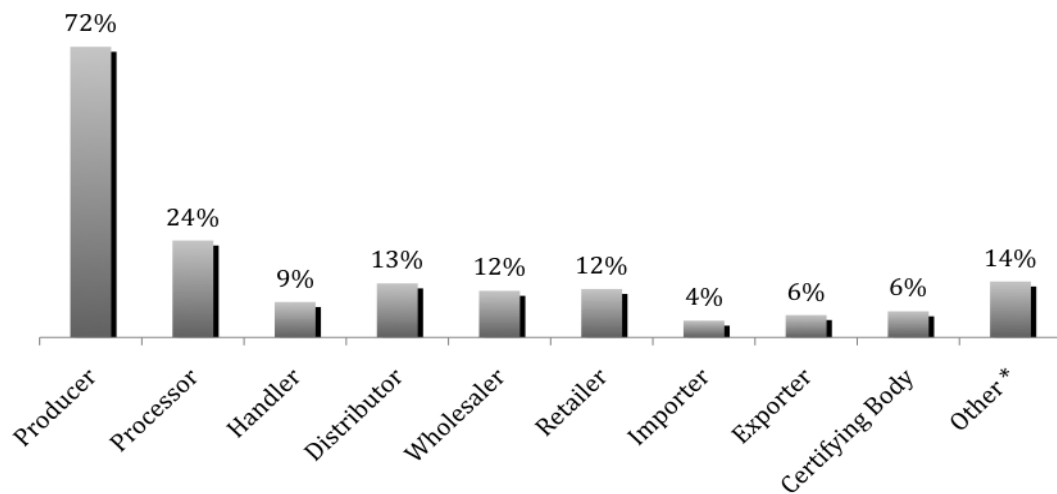
Figure 13.1 and table 13.1 provide data on where respondents get information about the OPR. Moreover, several results and comments throughout the survey underline the need for better communication on standards and regulatory issues. This information should be used to determine the most efficient way to better inform the people involved in the organic sector.

IV. Detailed results of the survey

Question 1 – Your activity

217 people responded to question 1. It was possible to select more than one activity. Figure 1.1 summarizes the activity profile of the respondents.

Figure 1.1 Activity

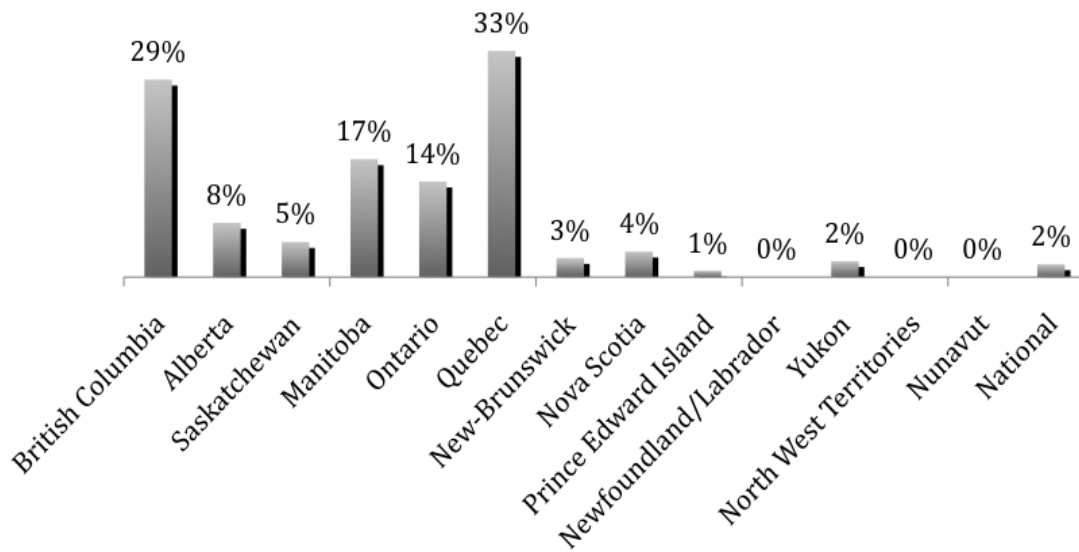


* Other includes consultants, information service providers, inspectors, organisations, direct sales (farmers' markets, mail orders, restaurants), researchers, students

Question 2 – Location of your business

217 people responded to question 2. It was possible to select more than one province, territory and/or select “national”. Figure 2.1 summarizes the location profile of the respondents. If we compare the percentages, some provinces’ responding rates are higher (e.g. BC, MB, QC) and lower (e.g. SK, ON) than expected.

Figure 2.1 Location of your business



Question 3 – Your market territory

217 people responded to question 3. It was possible to select more than one market territory. Table 3.1 summarizes the results.

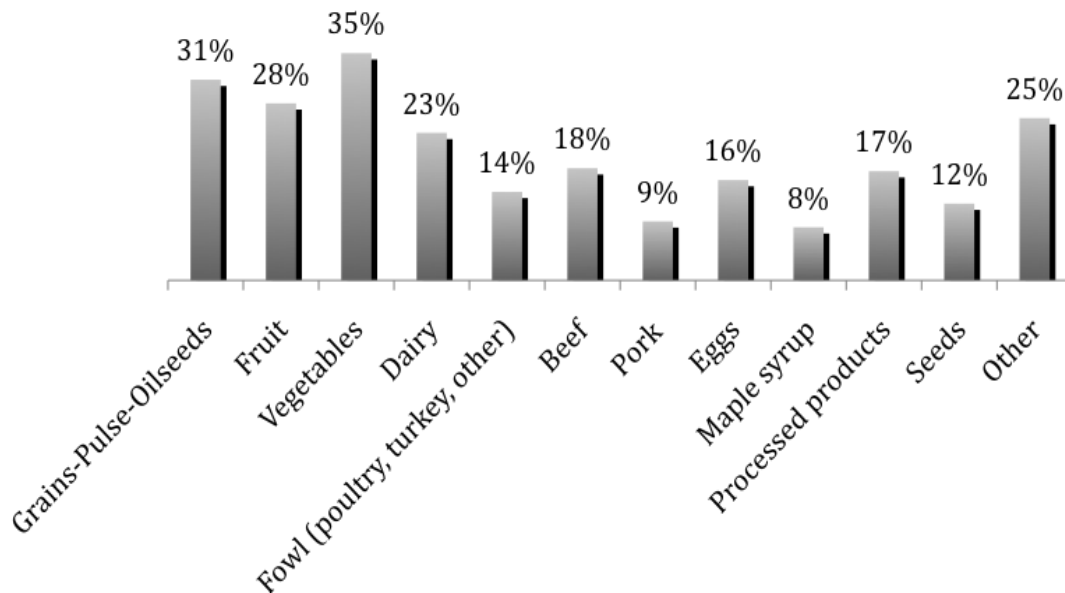
Table 3.1 Percentage of respondents involved in intraprovincial, interprovincial and international organic trade

Market territory	%
Intraprovincial (produced and sold within one province or territory)	69 %
Interprovincial (produced in one province or territory and sold in another province or territory)	44 %
International	25 %

Question 4 – Your products

217 people responded to question 4. It was possible to select more than one type of product. Figure 4.1 summarizes the product profile of the respondents.

Figure 4.1 Products



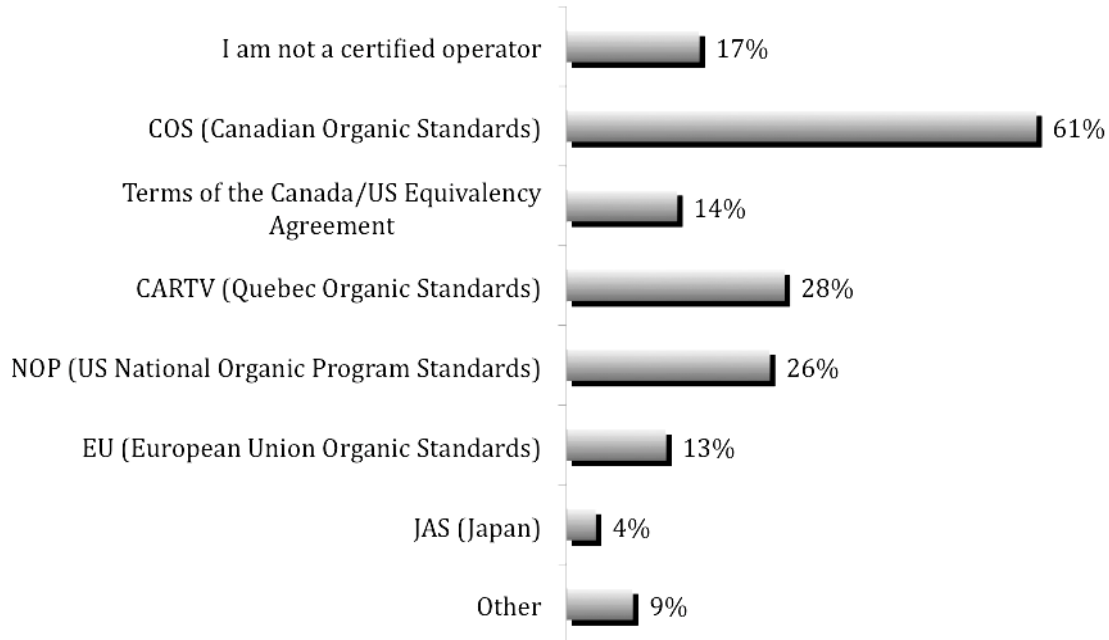
Respondents who selected “Other” were asked to provide details. The following summarizes the responses:

- Other crops (hay, forage, herbs, mushrooms, bulbs and bulbils, transplants, hops, cut flowers, Christmas trees, tobacco)
- Other livestock (sheep, goat, rabbit, honey, seafood)
- N/A (consultants, information service providers, inspectors, organizations, researchers, students)
- Full service (brokers, retailers)
- Personal care products
- Agricultural inputs

Question 5 – Which standards are your organic products certified to?

208 people responded to question 5. It was possible to select more than one type of certification. Figure 5.1 summarizes the results.

Figure 5.1 Which standards are your organic products certified to?



According to the above statistics and received comments, 61% of the respondents indicated that their products are certified to COS, and 17% of the respondents are not certified operators either because they do not need to (e.g. consultant) or they only sell on intraprovincial trade within a non-regulated province. The remaining 22%¹ of the respondents' products are primarily certified to one of the following standards:

- CARTV
- NOP
- Other standards such as
 - BC-provincial certification scheme (certification to COS, not ISO 65 compliant)
 - A standard for products not covered by COS
 - Export standards only

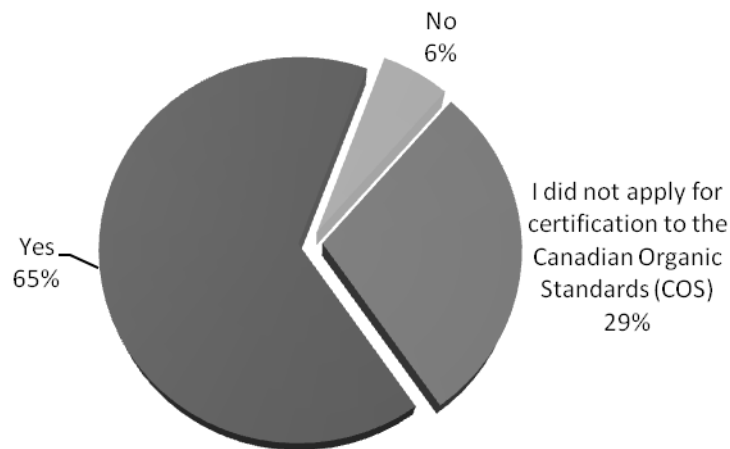
Results in figure 5.1 also indicate that operators seek certification to CARTV, NOP, EU and JAS in addition to certification to COS. A few comments indicated that some operators seek other additional certifications such as Bio-Suisse or Soil Association.

¹ $100 - (61 + 17) = 22$

Question 6 – The last time you applied for certification to the Canadian Organic Standards (COS), did you get your organic certificate?

191 people responded to question 6. Figure 6.1 summarizes the results.

Figure 6.1 The last time you applied for certification to the Canada Organic Standards (COS), did you get your organic certificate?



Some people skipped the question, and this contributes to the slightly higher percentage for “certification to COS” in figure 6.1 (65%) vs percentage in figure 5.1 (61%). Among the 6% of respondents that did not get their certification to COS, a few provided comments that are categorized as follows:

- Don’t know yet, first application (6 comments)
- Not compliant to COS and transitioning (3 comments)

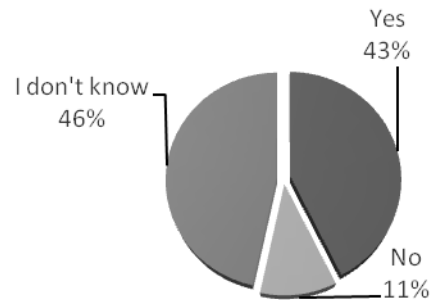
Among the 29% of respondents that didn’t apply for certification to COS, a number of comments indicate that:

- Some respondents do not need certification, e.g. consultant (8 comments)
- Respondent is certified to a private standard (1 comment)

Question 7 – Are there any requirements in the Canadian Organic Standards (COS) that should be reviewed by the Canadian General Standards Board (CGSB) Committee on Organic Agriculture?

176 people responded to question 7. Figure 7.1 summarizes the results.

Figure 7.1 Are there any requirements in the Canada Organic Standards that should be reviewed by the Canadian General Standards Board Committee on Organic Agriculture?



Question 7 generated several comments that are categorized as follows:

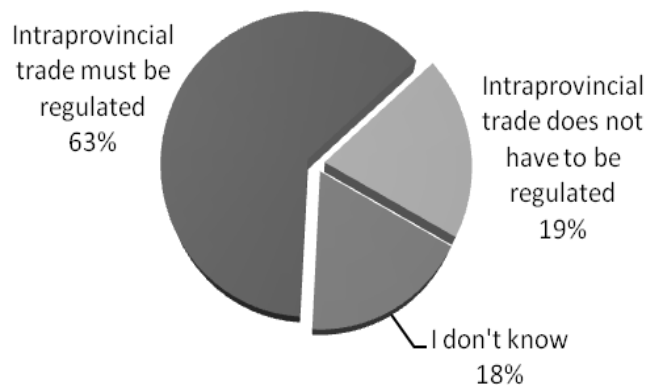
- Standards issues previously discussed by the CGSB Committee on organic agriculture and not resolved to the satisfaction of the commenter (may still be or not be on the CGSB work list), or issues already identified on the CGSB work list and not addressed yet, or new issues to be added to the CGSB work list (43 comments)
- General comments that underline the need for ongoing standards revision and clarification (4 comments) or interpretation issues (3 comments)
- Regulatory issues related to labelling ("certified" organic, use of logo for imports), interprovincial requirements near provincial borders; equivalency issues (e.g. missing variances in CAN/US agreement, equivalency among provinces); and other issues (e.g. approval of agricultural inputs, handling of disputes, costs, too short of a period to adapt to new rules) (21 comments)

A few comments also indicated that some people understand the Canadian Organic Standards revision process very well and other people do not.

Question 8 – The Canada Organic Products Regulations do not apply to products that are traded intraprovincially (produced and sold within one province or territory) unless they bear the Canada Organic logo. Which statement best describes your position with respect to products marketed as organic on intraprovincial trade?

174 people responded to question 8. Results are summarized in figure 8.1.

Figure 8.1 Which statement best describes your position with respect to products marketed as organic on intraprovincial trade?



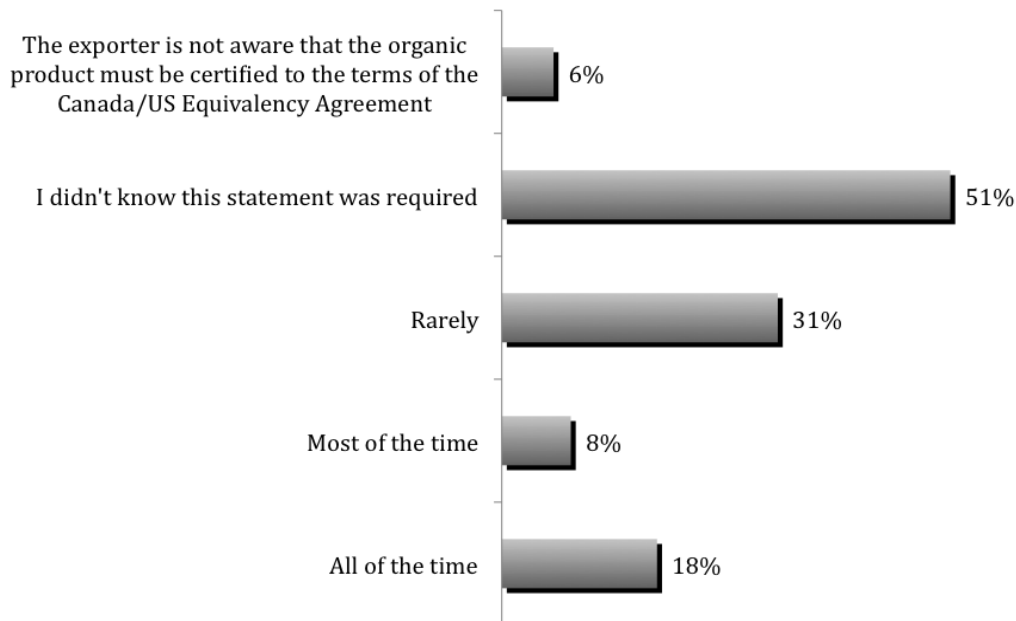
Question 8 generated comments that are categorized as follows:

- Intraprovincial trade should be regulated to simplify message to the consumer, improve confidence, simplify enforcement of intra and interprovincial trade (30 comments)
- Local small scale farmers should be allowed to use the term organic without certification or without all the requirements of the COR (e.g. ISO 65) (7 comments)
- Need to reduce costs for smaller producers, new entrants into farming (2 comments)

Question 9 – When you import an organic product from the US (raw or processed product, feed, ingredient, etc) is there a statement on the organic certificate or a separate certificate stating that the product is certified to the terms of the Canada-US Equivalency Agreement?

171 people responded to question 9. It was possible to select more than one proposed answer. If we exclude 70% of the respondents who indicated that they do not import organic products from the US, figure 9.1 summarizes the respondents' assessment of how compliance to the CAN/US Agreement is documented.

Figure 9.1 When you import an organic product from the US, is there a statement on the organic certificate or a separate certificate stating that the product is certified to the terms of the Canada-US Equivalency Agreement?



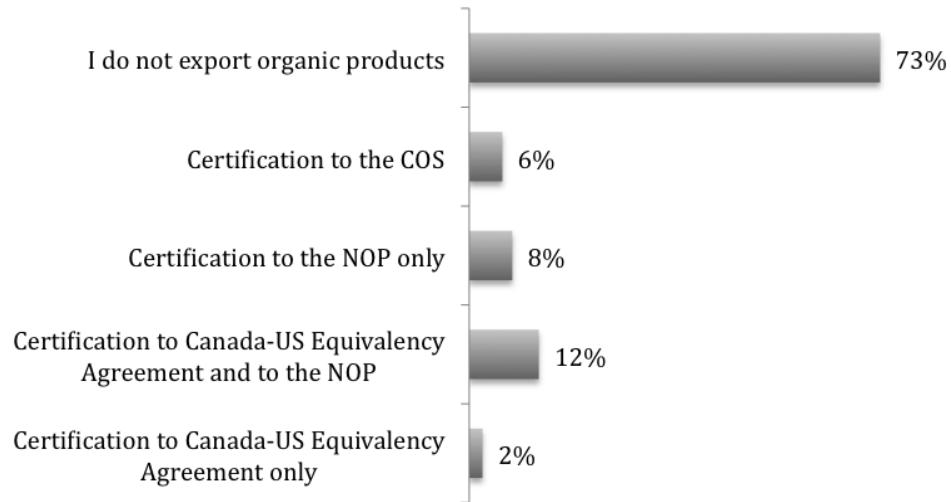
Question 9 generated a number of comments that concur with the above statistics and a few other comments that provide the following additional information:

- I have seen certification to COS issued in the US (1 comment)
- I import products non-compliant to the CAN/US agreement under the Stream of Commerce Policy (1 comment)
- I import products based on USDA logo (1 comment)
- No knowledge or misunderstanding of the CAN/US equivalency agreement, need for education of suppliers (3 comments)

Question 10 – If you export organic products to the US, what kind of certification are you using?

169 people responded to question 10. It was possible to select more than one proposed answer. Figure 10.1 summarizes the kinds of certification being used when organic products are exported from Canada to the US.

Figure 10.1 If you export organic products to the US, what kind of certification are you using?



Question 10 generated a few comments that are categorized as follows:

- Lack of trust in the equivalency agreement to access export markets (2 comments)
- Would prefer to only work with COS (1 comment)
- Confusion about what paperwork is required or what they should do (2 comments)

Question 11 – When you import an organic product from a country other than the US, what organic standards are the products certified to?

57 people responded to this question which is a significantly lower response rate. Also, it is unlikely that 15 people out of 57 could say that imported products are certified to COS “All the time”. These results indicate that the question was not clear enough. Table 11.1 summarizes the results, but the reader should use them with caution.

Table 11.1 When you import an organic product from a country other than the US, what organic standards are the products certified to?

	All of the time	Most of the time	Half of the time	Rarely	Never
Canada Organic Standards (COS)	15	4	0	2	20
Canada/US Equivalency Agreement	9	6	0	0	17
NOP (US)	9	7	3	3	14
EU Standards	5	5	0	4	13
Standards of the exporting country	8	8	1	3	13

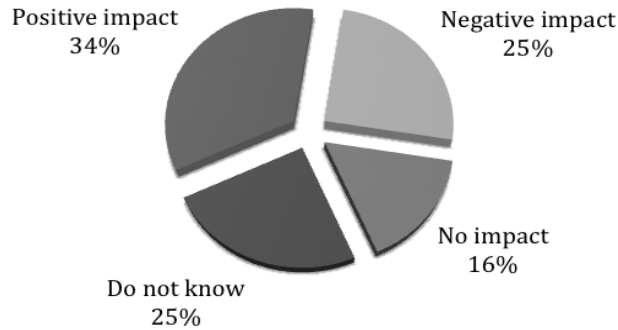
Question 11 generated several comments that are categorized as follows:

- Do not import from other countries than the US or N/A (52 comments)
- Should require certification to COS for all imported products (5 comments)
- Should accept products certified to the EU standards (2 comments)
- Confusion about what kind of certification to look for (3 comments)

Question 12 – How would you qualify the impact of the Organic Products Regulations on the production and trade of your products?

163 people responded to question 12. Results are summarized in figure 12.1.

Figure 12.1 How would you qualify the impact of the Organic Products Regulations on the production and trade of your products?

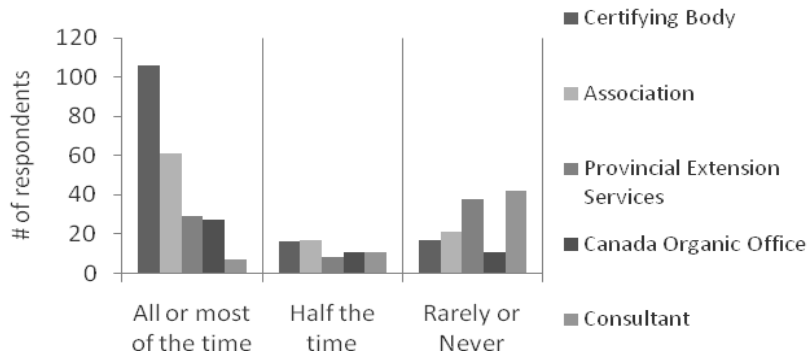


Question 12 generated comments from 60 respondents. They are compiled along with the comments for question 14.

Question 13 – Where do you get information on organic regulations, standards revision and trade agreements?

162 people responded to question 13. Results are summarized in figure 13.1. Results indicate that certification bodies and associations are the main sources of information, followed by provincial extension services and the Canada Organic Office.

Figure 13.1 Where do you get information on organic regulations, standards revision and trade agreements?



Comments from question 13 provide additional data on where people get information. The collected data is summarized in table 13.1.

Table 13.1 Sources of information

Sources of information	Number of comments
CBs (Certification Bodies)	26
Organic inspectors	3
COO (Canada Organic Office) or CFIA website and presentations, SIC (Standards Interpretation Committee), CGSB (Canadian General Standards Board) website	8
COG (Canadian Organic Growers)	5
OFC (Organic Federation of Canada)	2
OTA (Organic Trade Association)	1
COABC (Certified Organic Association of British Columbia)	13 ²
SOD (Saskatchewan Organic Directorate)	1
OFCM (Organic Food Council of Manitoba)	2
MOA (Manitoba Organic Alliance)	1
OCO (Organic Council of Ontario)	1
FABQ (Fédération d'agriculture biologique du Québec) - UPA (Union des producteurs agricoles)	8
FBQ (Filière biologique du Québec)	2
ACORN (Atlantic Canada Organic Regional Network)	5
Various small, regional or specialized producers groups	16
Other extension services no listed above (mainly provincial extension agents)	8

² 2 of the 13 comments underlined the concern about the loss of the organic extension agent in BC.

Question 14 – In summary, what are the most serious problems that you are encountering in dealing with the Canadian Organic Regulatory system?

115 people provided comments. Table 14.1 summarizes the data as well as the comments from question 12.

Table 14.1 Impact and/or most serious problems with the OPR

Impact and/or most serious problems	Number of comments
Meeting consumer expectations and/or raising awareness about organic and certification	8
Most people not aware of the regulations and standards yet or what they mean. Lack of government support to develop the industry	6
Local is also important	2
Lack of regulations for intraprovincial trade. Haven't met the goal to control false claims yet (mostly intraprovincial)	16
Harmonisation (or lack of harmonisation) of standards across the country (interprovincial and intraprovincial trade)	3
Loss of access to interprovincial trade for small scale family farms not nationally certified	3
Lack of information on the Canadian standard process, lack of consultation with farmers, revision process too slow. Constant updates and revisions, delays in publishing info, lack of info on the Regulations and Standards and training.	16
Lack of clarity and consistent interpretation of the Regulations and Standards, and delays. Lack of funding to support the SIC and the standards revision process	8
Concerns about more stringent requirements in COS (stocking densities; manure; PSL; parallel production; stricter regulations for egg/poultry, dairy and beef production; etc.)	39
Concerns about less stringent requirements in COS	4
Regulations, standards, not concerned with lack of approved inputs and technical challenges	3
Lack of approved input list (brand name directory)	3
Difficulties related to the implementation of the Quality Management System (QMS) (e.g. inspection problems, lack of dispute mechanism)	4
Difficulties related to labelling rules	5
Costs	9
Too complex, too much paperwork	6
Lack of proper info and knowledgeable committed government staff. Lack of cross country extension	3
Haven't met the goal to work with only one certification yet	5

Positive impact when exporting	2
Concerns about the lack of level playing field between domestic and imported products.	14
Compliance of imported products and lack of equivalency agreement with the EU and other countries	5
Stream of commerce policy: unrealistic timeframe for implementation, concerns about lack of enforcement before June 30, 2011, concerns about enforcement after June 30, 2011	16
Paperwork in regard to equivalency agreement. Broad statement against the COR - should follow USDA rules.	4
Don't know or not well informed to know	7
No problems	7
No problems, local trade	3