

Submission to the Standing Committee on Agriculture – November 18, 2011

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Background on the Organic Food Sector in Canada

As the Committee is well aware, the Organic Food Sector is one of the fastest growing opportunities in agriculture at this time. Organic Meadow Cooperative is a pioneer and leader in this sector, and represents over 100 medium size organic farms, selling products from coast to coast under our own brand, and supplying ingredients for other brands, including a small export business. In 2010 we invested in our own dairy processing facility in Guelph, Ontario, to better service the domestic market. So with over 20 years experience in cooperation with our farmer-owners, brand development on the national level, innovation toward meeting an emerging consumer demand, and now manufacturing, we are well positioned to comment on the GF 2 Policy Proposal and welcome the opportunity.

Organic Farmers approach the production challenge from a perspective which is radically different from their mainstream neighbours. I can speak to this from personal experience since I began my farming career using the technologies that were available in 1977 and switched to organic production in 1983, when organic methodology was still in its infancy, and the market for organic foods confined to a very small “health food” niche. We had very little organization at that time, no regulation or legal definition of organic, and marketing channels such as Organic Meadow did not exist. The organic milk from my farm could not be designated and sold as organic until 1995 when we finally broke through the restrictions imposed by the Ontario Milk Marketing Board, and received permission to segregate the milk from 6 organic farms including my own. That was the beginning of the organic dairy industry in Canada, which is now estimated at \$100,000,000 in annual sales. We now have well established marketing organizations across the country in practically all commodities, resulting in a total industry revenue of over \$2 billion. We have a national standard for organic production, bilateral trade agreements with the US and EU, and our own Organic Science Cluster to research organic production methodology. While the commercial opportunities for organic farmers have expanded tremendously in 30 years, the underlying approach to farming is constant. Organic farmers still rely mainly on the resources from within their own farm, striving to establish a self-sufficient, sustainable ecosystem. The health of the soil is paramount, and is maintained using complex, diverse crop rotations, composted animal manures, cover crops and plow-downs to enrich soil biology. Organic farmers manage weeds and pests without agricultural chemicals. They avoid antibiotic and hormone therapies in livestock husbandry, and focus on prevention of disease by optimizing housing and nutrition according to the natural preference of the animal. Organic farms tend to be smaller, more management and labour intensive, and often more directly linked to the market through individual initiatives or collectives like Organic Meadow. They use far less energy per unit of production than conventional agricultural, largely due to the absence of imported nitrogen fertilizers. As a farmer who has lived within both paradigms, I

can tell you that organic farming is much more complicated and is more difficult to scale up. We need more people to produce organic food – more farmers. We see that as a good thing and wonder why government policies seem to be intent on making farms bigger and farmers fewer to the detriment of rural communities. The Mission of Organic Meadow Cooperative is to provide a link to the market that will sustain those family farms who are swimming against the stream of larger scale, input dependent industrial agri-business. We hold a vision for the future of a diverse, resilient farming sector, primarily responsive to the needs of our own people.

Having given this general introduction, I will move on to specific ways in which we believe government could assist;

- 1) GF 2 policy proposal has identified as a key driver;

Institutional and Physical Infrastructure: Effective rules, regulations, standards, organizations, and physical infrastructure allow firms to operate and markets to function efficiently for a profitable sector and the well-being of Canadians

While there has been significant cooperation between the organic sector and government in establishing a regulatory framework, I draw the committee's attention to the following urgent needs.

- a) There is no funding mechanism for maintenance of the Canadian Organic Standard, resulting in a situation where we are unable to fulfill commitments under Canadian General Standards Board policies, and could see the Standard lapse, threatening our trade agreements, and rendering us helpless to act on necessary revisions . This matter has been raised repeatedly with officials at both AAFC and CFIA over the past two years but remains unresolved.
- b) The approval of GE alfalfa (awaiting commercialization) poses a serious threat to organic operators' ability to comply with the standard. We have argued very reasonably to this committee during the special hearings on biotechnology in favour of a suspension of this approval, but have received no assurances. The Organic Sector has worked cooperatively with our mainstream neighbours to accomplish, at great expense to our farmers, the needed segregation to comply with the Canadian Organic Standard, and prevent contamination with GE materials in organic Corn and Soybeans. But it is widely accepted that the biology of alfalfa will make managing a GE variety in the same way impossible. The commercialization of Roundup Ready alfalfa will eventually make it impossible to grow organic crops. We plead with the committee to assist us in this matter.
- c) The ability of organic producers to serve local and regional markets is dependent upon a small to medium scale processing infrastructure which is sadly lacking, especially in the area of livestock products, in most parts of the country. The large scale processing facilities that dominate the industry are not generally adaptable to innovation needed for diversification into specialties such as organic foods, functional foods or ethnic cuisine. We believe that

Government dollars to assist in the flourishing of smaller scale, local processing infrastructure, pays off in stimulating a vibrant, sustainable regional economy.

- d) Regulatory burdens imposed in a “one size fits all” manner often discriminate against smaller processors. Regulations must be appropriate to the scale of operation. An example of regulatory excess resulting in the disappearance of processing capacity is the local abattoir situation across Canada. As example of successful encouragement of small scale processing is the artisan cheese industry in Quebec. Government should learn from these examples.
 - e) Funding of agricultural organizations in Canada is accomplished mainly through commodity checkoffs, with some voluntary General Farm Organization memberships often tied to tax incentives or other government programs. Organic farmers find themselves overtaxed and underrepresented through the existing system. The cooperation of FPT governments is required to extract a portion of the funding already collected from producers and channel it back to meet the specific needs of our federal and provincial organic organizations which are presently volunteer driven and not sustainable.
- 2) In general, we believe that meeting the food needs of our own population should have a higher priority in the policy. Our experience in the market indicates that Canadians want to eat food that is grown here. They are ready to support Canadian agriculture, but find the supermarket shelves full of imported product. Government policy focused on the lowering production cost to compete in the export market, without sufficient attention to the desires of our own consumers, is at least partly responsible for this outcome. We would advocate as a goal of GF 2, the reduction of imports to half their current levels by 2020.
- 3) We applaud the current investment in research undertaken by the Government through the Organic Science Cluster, in partnership with industry partners and under the direction of The Organic Federation of Canada. As the second round of Science Cluster projects in now being planned, we encourage you to continue to support this activity which is so essential to the longer term development of methodology.
- 4) As a successful farmer’s Cooperative, and considering that we are only a few weeks away from entering 2012, which the United Nations has designated as the International Year of the Cooperative, we urge the Government to consider support for the formation and development of Cooperatives, which have played such a vital part in the development of agriculture in Canada, and will again be essential in responding to the challenges that face us in the future.