

June 11, 2021

To: Hon. Ernie Hardeman Minister of Agriculture Food and Rural Affairs

Dear Minister Hardeman,

On behalf of the Organic Council of Ontario (OCO) we would like to thank you for the opportunity to provide input into the next Agricultural Policy Framework. As Ontario's only organization representing the full organic value chain, we bring an important perspective to the conversation. The next Agricultural Policy Framework is critical to the continued growth of the Ontario organic sector and our ability to meet the global and domestic demands for organic products.

We thank Minister Hardeman for supporting MPP MacDonnell's Private Members bill -Organic Products Act and for investing \$82,170 in OCO projects during your time in office.

We hope that through this next Agricultural Policy Framework your government will continue to recognize the importance and potential of organic production as the sector seeks to rapidly meet ever expanding consumer demand for organic products while simultaneously leading innovation in climate-friendly and resilient production practises. To this end the Organic Council of Ontario has prepared the following recommendations in order to realise this potential.

We thank you for your time and consideration and look forward to exploring our recommendations with you further in the weeks to come.

Sincerely,



Carolyn Young

Executive Director

Organic Council of Ontario



Rob Wallbridge

President

Organic Council of Ontario

In the next Agricultural Policy Framework, we ask the government to:

- 1. Reward farmers for climate solutions**
- 2. Invest in organic integrity**
- 3. Ensure all programs and funding streams are accessible for organic farmers**

A Snapshot of the Organic Landscape:

Organic is big and getting bigger

- Organic food and beverage products are one of the fastest growing agri-food industries with \$81.6 billion in sales globally, over half of which are in North America.
- Canada is the fifth largest organic market in the world with \$5.4 billion in estimated retail sales, and 2.6% of market share.
- Canadian sales are growing fast with an average rate of 8.4%, but with some products such as organic poultry growing at 33% annually.
- Two thirds of Canadians buy organic products weekly. Organic product purchases are increasing in all income brackets and among all ethnicities. 88% of Millennials buy organic products weekly.

But Ontario is missing the organic opportunity.

- Only 1.6% of agricultural lands in Ontario are under organic production, compared to Quebec at 3% and the US at 4%; we are falling behind.
- One quarter of all Canada's farmers are in Ontario, but only 19% of all organic farmers grow in Ontario.
- In Quebec this trend is reversed: 30% of Canada's organic farms are located there, while only 15% of all farmers reside there.
- Ontario is currently the largest importer of organic products in the country, with an estimated \$297 million in tracked imports and only \$56 million in tracked exports. That's a significant trade deficit.

Organic agriculture is a business risk management tool in itself that can help all farmers. Organic agricultural practices mitigate climate change, reduce energy use, and build public trust while providing farmers the economic opportunity to command a higher premium for their commodities. Canada can stimulate clean and inclusive economic growth and take immediate action on climate change through strategic investments in organic agriculture.

Priority 1: Reward farmers for climate solutions

As a member of Farmers for Climate Solutions, we believe that climate change is the single biggest threat to Canadian agriculture today. Yet Canadian agriculture, which accounts for 7.4% of GDP and over 14% of national GHG emissions, has fallen behind in addressing the climate crisis. Other sectors of the Canadian economy have taken far more aggressive action to reduce emissions, and other countries have made agriculture central to their climate action plans. Canada cannot afford to leave farmers behind; the health of our economy and food systems depend on this. We need the APF to set us on a new course to climate adaptation and mitigation.

Farmers throughout the province are seeing the devastating effects caused by climate change as instances of severe weather are increasing in frequency and severity. Canadian agriculture will continue to pay the price of these devastating events, in 2018 alone Canadian farmers experienced **\$2 billion in damages as a result of severe climate impacts**. We believe that doing nothing is more expensive than proactively working to reduce emissions and increase adaptation.

Despite the ill effects of the climate crisis, there are significant opportunities for farmers to provide solutions. Increasingly, international and domestic buyers are looking to purchase farm products that reduce their climate impact. In other jurisdictions, governments support producers to adopt “climate-friendly” practices that reduce farm emissions, improve resilience, and increase market access. This environment is creating an unequal playing field for Canadian producers seeking to meet this global market demand. International food companies have publicly committed to reducing greenhouse gas emissions in their supply chain and Canadian farmers need to be ready to meet that demand. We recommend adopting the following climate oriented priorities in order to meet these opportunities and overcome the challenges presented by climate change.

- 1. Adopt a comprehensive agri-environmental strategy with clear emissions targets**
- 2. Support farmers to adopt practices to reduce emissions and build resilience**
- 3. Adapt risk management programs to reward climate-friendly agriculture**
- 4. Allocate additional funds to the APF to ensure appropriate investment for climate adaptation and mitigation**

Priority 2: Invest in organic integrity

Organic agriculture evolved from the principles of health, ecology, fairness and care; to minimize the use of synthetic chemicals and fertilizers, and to emulate nature as much as possible while producing food and reducing the negative impacts on animals and the environment. Defined by national standards, organic agriculture combines tradition, innovation, and science to benefit the environment and our economy. There is a growing - and largely untapped - demand for organic commodities by consumers and by the broader agricultural and food industry.

However, the Canadian organic brand is at risk because there is no guaranteed funding mechanism for maintenance of the Canadian Organic Standards. Without the timely maintenance of these standards and government support for its enforcement and integrity, Canadian organic operators are at a competitive disadvantage to operators elsewhere in the world that have their organic standards fully funded by government. Our international organic equivalency agreements also rely on Canada having updated and compliant organic standards. Funding for this process is long overdue and needed.

In the provincial jurisdiction the lack of organic regulation in Ontario, Canada's largest organic market, introduces more risk and uncertainty into the space as the lack of regulation means that products produced and sold within the province of Ontario can be marketed as organic without being in alignment with the federal standard, undermining public trust in organic certification.

Investment in better understanding of the sector is also important. Reliable data is essential for decision making and the data on the organic sector is currently fragmented and incomplete. Routine, consistent and reliable data on organic production is required to make effective business, policy, trade and program related decisions.

Research demonstrates that the organic sector generates incrementally higher levels of regional economic development. Investments in ensuring organic integrity and a stable, well-defined market for organic products will allow Ontario and Canadian communities to reap these benefits.

Priority 3: Create programs that support organic producers

Programs and funding in the Next Agricultural Policy Framework should be accessible to all farmers, no matter their scale or approach. Currently, many programs under the framework are maladaptive or actually disincentivize organic production. In order to remedy this, each program needs to be evaluated through an organic lens.

Research in organic agriculture has led to innovation in technologies and techniques that result in greater productivity, more efficient resource use, and improved sustainability of agro-ecosystems but more is needed in order to grow the sector to the level of our competitors.

Knowledge Transfer is an essential component to ensuring that research and experiential knowledge is properly disseminated to producers. Therefore, program funding for knowledge translation and transfer should be expanded as well.

Business Risk Management (BRM) tools are a key policy instrument meant to enhance the ability of agricultural producers to manage risks. However, the current suite of BRM tools are ill-suited to address the risks facing farms who have adopted organic production methods with either substantial bias against low-input, diversified farms (e.g., AgriStability) or limited accessibility (e.g., AgriInsurance). In the next APF these programs should work to develop mechanisms which acknowledge these barriers and include organic operators.

With growing interest in climate-resilient and regenerative agricultural practices, the value of the integrated, systems-based approaches that are the focus of organic production is being recognized by the broader agricultural community. Investments that have been traditionally viewed as organic-specific will continue to be increasingly recognized for their contribution to the agri-food sector as a whole.

We hope the outlined funding priorities can help to further strengthen the next APF. We'd be happy to follow up in the coming months with programs that can effectively support their implementation. We welcome any questions you may have on our submission.

About the Organic Council of Ontario

The Organic Council of Ontario (OCO) is the Voice for Organics in Ontario. It is the only full value chain association operating at the provincial level. OCO represents over 1300 certified organic operators, as well as the businesses, organizations, and individuals that bring food from farm to plate. OCO works to incite sector growth, support research, improve training, increase data collection, encourage market development, protect the integrity of organic claims, and inform the public of the benefits and requirements of organic agriculture.