



BIOFACH 2013

# NORTH AMERICA



DATE

FEBRUARY 14, 2013

PRESENTED BY

MATTHEW HOLMES

# OTA and COTA

Shared mission is to promote and protect the growth of organic trade to benefit the environment, farmers, the public and the economy.

OTA and COTA envision organic products becoming a significant part of everyday life, enhancing people's lives and the environment.

OTA leading voice for the organic trade in the United States, representing over 6,500 organic businesses across 49 states.

COTA represents the Canadian trade and supply chain

OTA and COTA have distinct Boards of Directors, democratically elected by membership, and a formal affiliation partnership.



# market overview





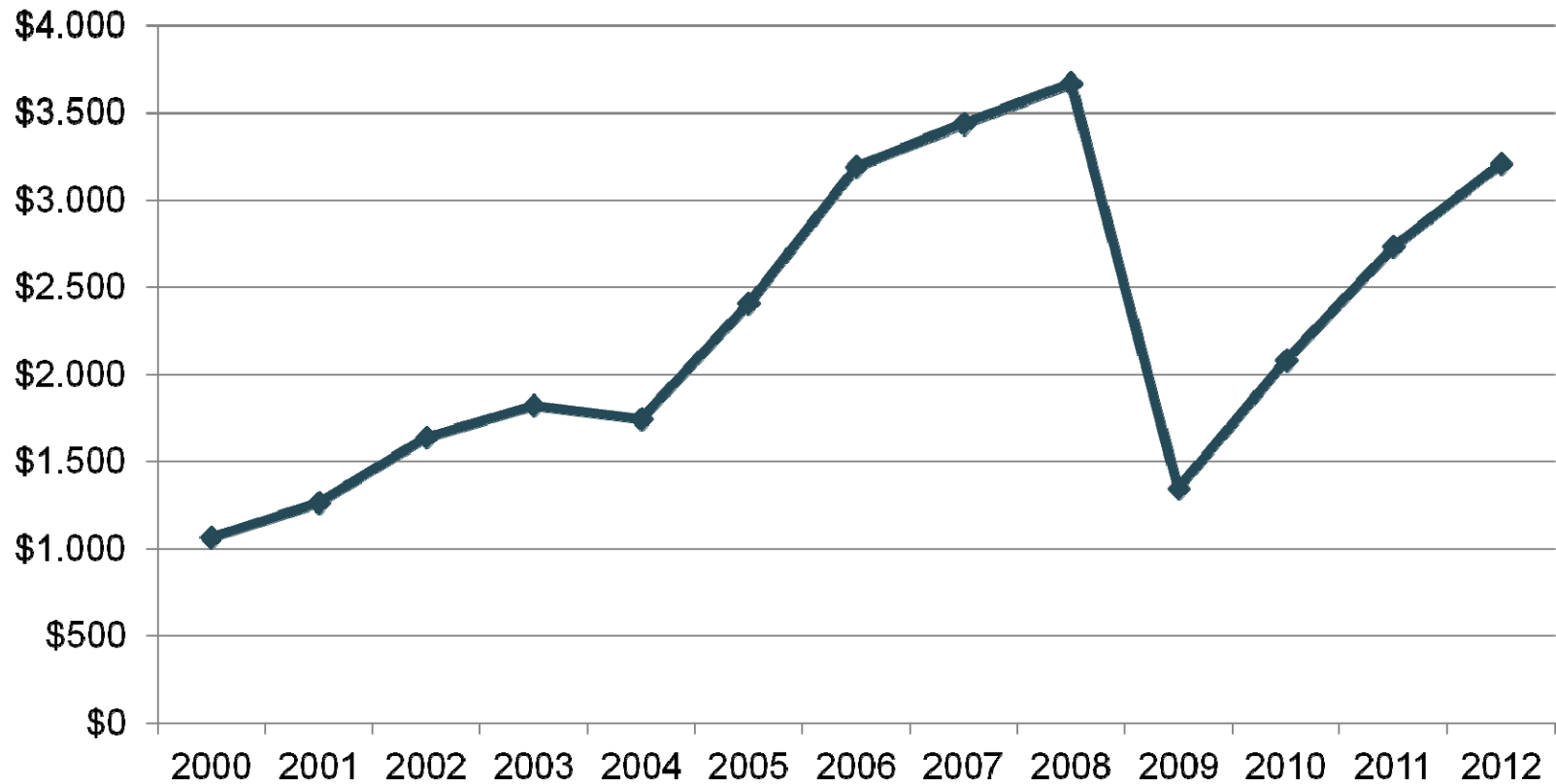
# market growth: 2012

- The *World of Organic Agriculture* shows us that in 2011, the North American market represented nearly half of the \$62.8 Billion in sales
- OTA is conducting its annual survey of the organic industry, with expected release in May 2013. At this time, the U.S. organic industry estimate is the **US market will be valued at \$35 billion, 10-11% growth**
- COTA is conducting the first full market assessment and consumer behaviours study of Canada since the Government regulated organic in 2009. COTA estimates the **Canadian market will be \$3 billion, 15% growth from 2010 (7.5% annual growth).**

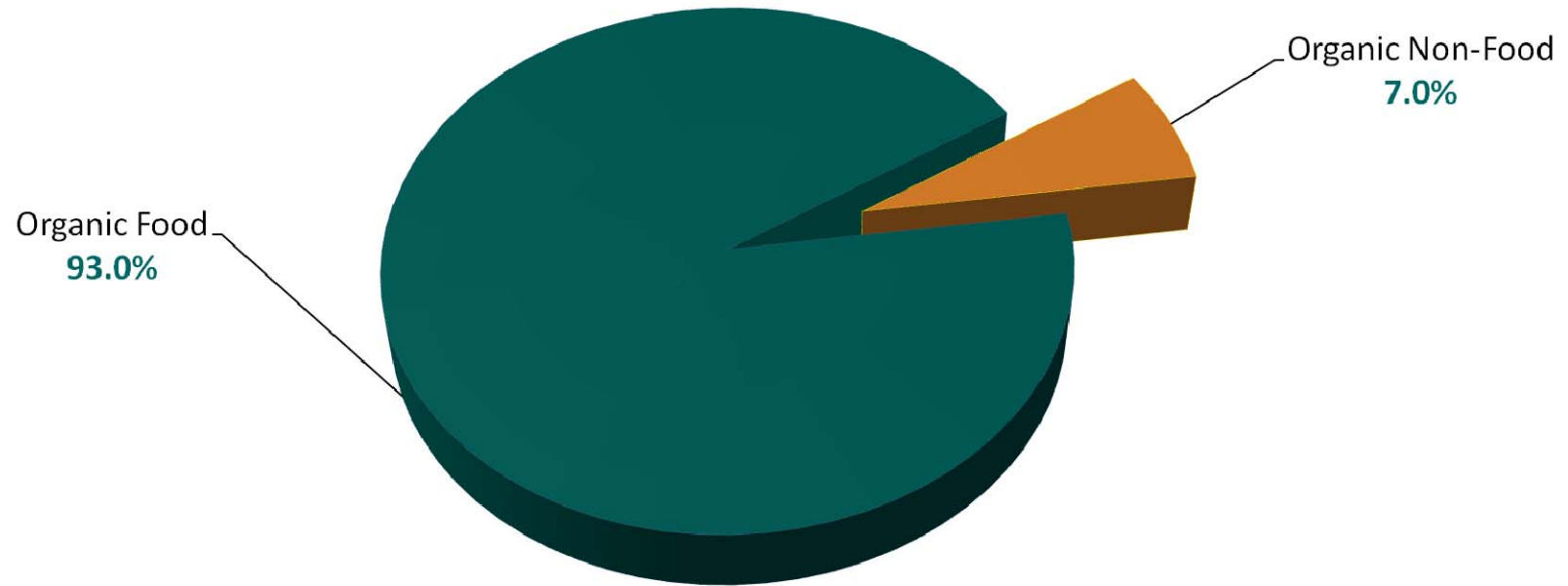


# 2012 U.S. Organic Industry

Annual New Sales Dollars Added

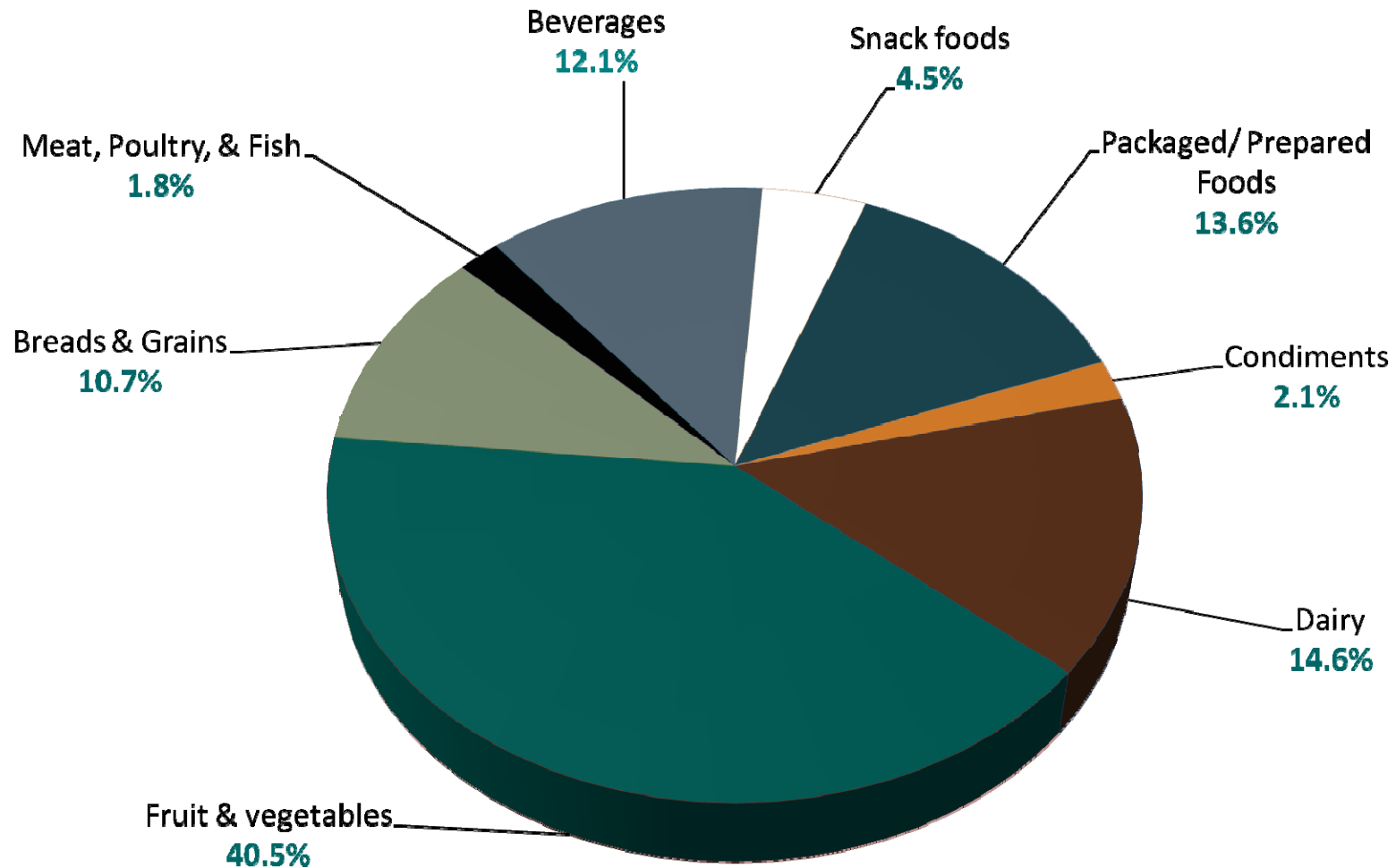


# 2011 U.S. total sales

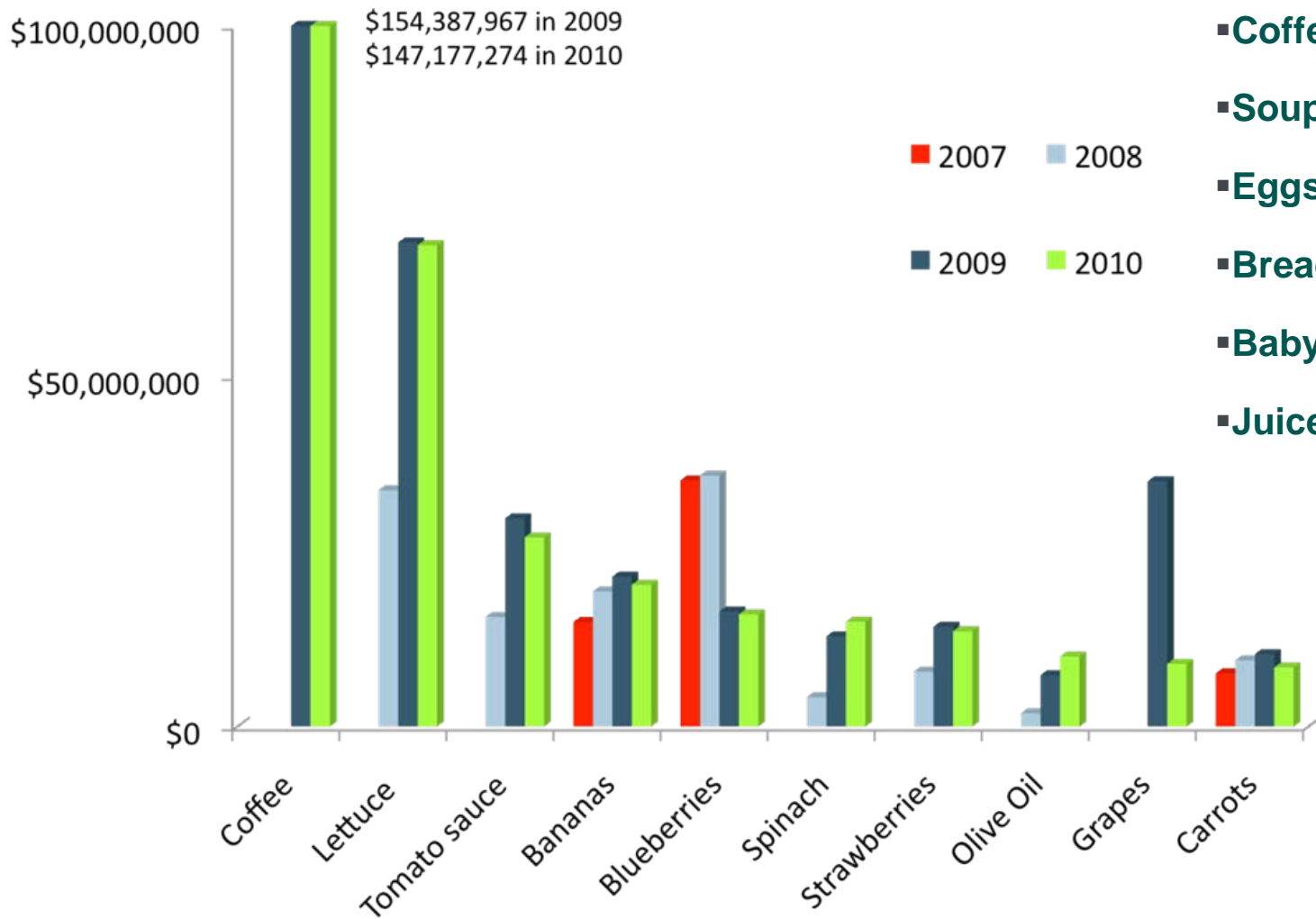


Category	2011 Sales	2011 Growth
Organic Food	29,220	9.4%
Organic Non-Food	2,195	11.2%
<b>Total Organic</b>	<b>31,415</b>	<b>9.5%</b>

# 2011 U.S. categories



# Canadian leaders



- **Soya drinks** \$47.3M
- **Milk** \$37.2M
- **Yoghurt** \$35.4M
- **Cereals** \$32M
- **Coffee** \$27.2M
- **Soup** \$19.5M
- **Eggs** \$15.7M
- **Breads** \$13.1M
- **Baby Food** \$11.4M
- **Juices & Drinks** \$9.8M





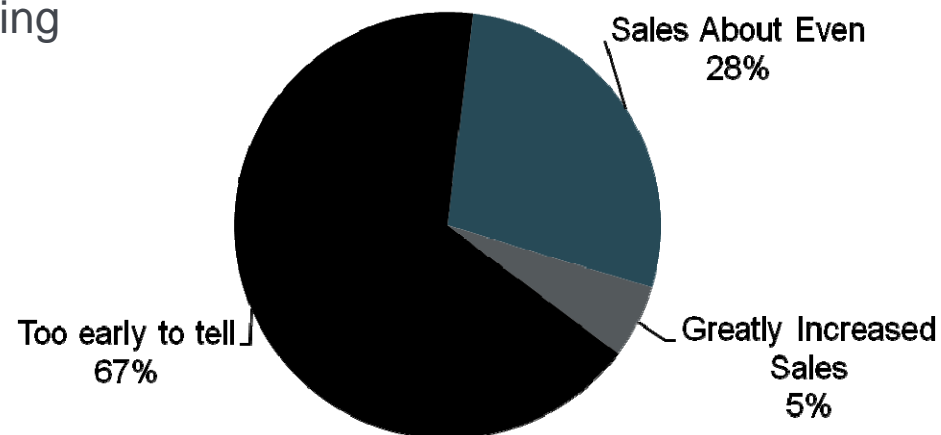
# equivalency



- Canada signed equivalencies with US, EU and Switzerland; US with Canada and EU
- US-Canada = system-to-system EA; EU-Canada = country-of-origin EA; US-EU country-of-departure EA — both streamlining and complex changes happening in global organic sector
- Canada-US most important customers
- Immediate impact seen in Canada following EU announcement: increased interest. However, processing sector is less likely to benefit or trade

US – EU impact

## Organic Equivalency



# Organic consumers



**78%** of U.S. families are buying organic foods, up from 73% in 2009. Consistently, the **number one motivator** cited by parents for choosing organic:

*“Healthier for me and my children”*

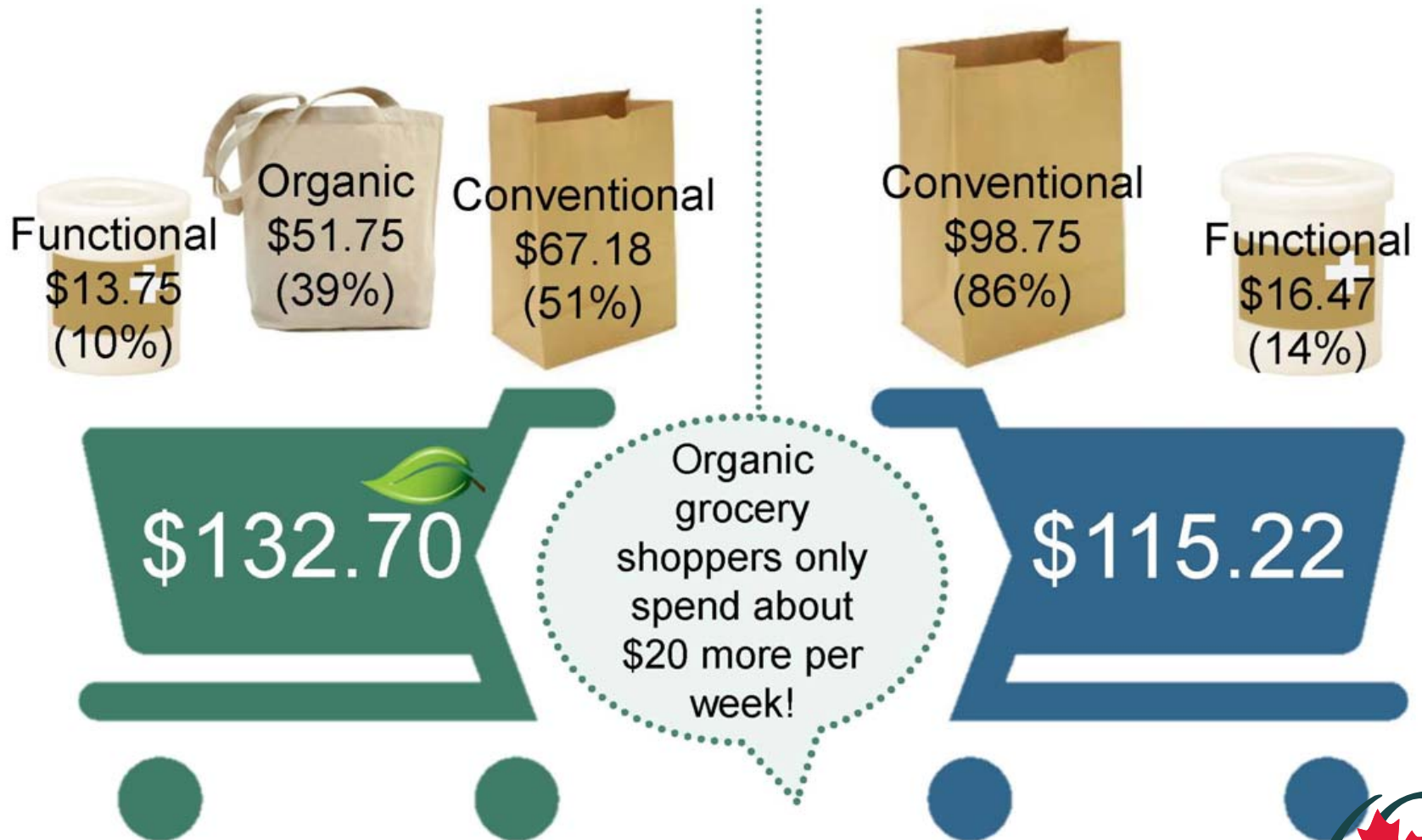
**58%** of Canadian households are buying organic products **weekly** in 2012 (60% of families with children and 62% of families with young children)

*“Better for the environment”*



# Canadian consumer

## Spending patterns: Organic vs. Conventional shoppers



# Major developments in 2013





# The Organic Center



The Organic Center has combined efforts with OTA and relocated its headquarters from Boulder, CO to Washington, D.C. The Center will remain an independent non-profit 501(c)(3), but now will be under the administrative auspices of OTA.





# GE & “LLP”

- GE Alfalfa has been approved in the US, not yet registered in Canada: the first perennial GE, and critical organic rotation
- There have been a number of GMO labelling campaigns with momentum in the US (March on Washington, CA ballot initiative 37 & “Just Label It” campaign)
- Canadian govt. recently concluded “Low Level Presence” threshold consultations with industry—COTA was heavily involved and continues to express concern
- Increased media scrutiny and “blow-back” since GMO fight heated up



# “natural”

- COTA has fielded a lot of member concern re: consumer confusion with competing or ambiguous claims...
- In 2010, half of Canadians believed it more important a food be labelled “natural”
- Recent CFIA consultations on “natural” meat indicate government may get involved (note: Globe and Mail and CBC Marketplace coverage)
- COTA has received word that CFIA will engage on a much broader stakeholder consultation re: “natural” claims in 2013



## ORGANIC No question about it

Organic claims are the only ones regulated by the Canadian government to meet all the requirements below



### How is your food grown?

	Organic Products	“Natural”	Local
Grown without toxic and persistent synthetic pesticides, herbicides, fungicides or fertilizers	✓	✗	✗
Grown without synthetic growth hormones or antibiotics <sup>1</sup>	✓	✗	✗
Grown under humane animal standards, including outdoor access	✓	✗	✗
Grown without fossil fuel fertilizers (nitrogen) or sewage sludge	✓	✗	✗
Grown without GMOs (genetically modified organisms) or nanotechnology	✓	✗	✗

1- Antibiotics are only allowed as a last resort when an animal's life is in danger; milk is discarded for a minimum of 30 days; meat can never be sold as organic

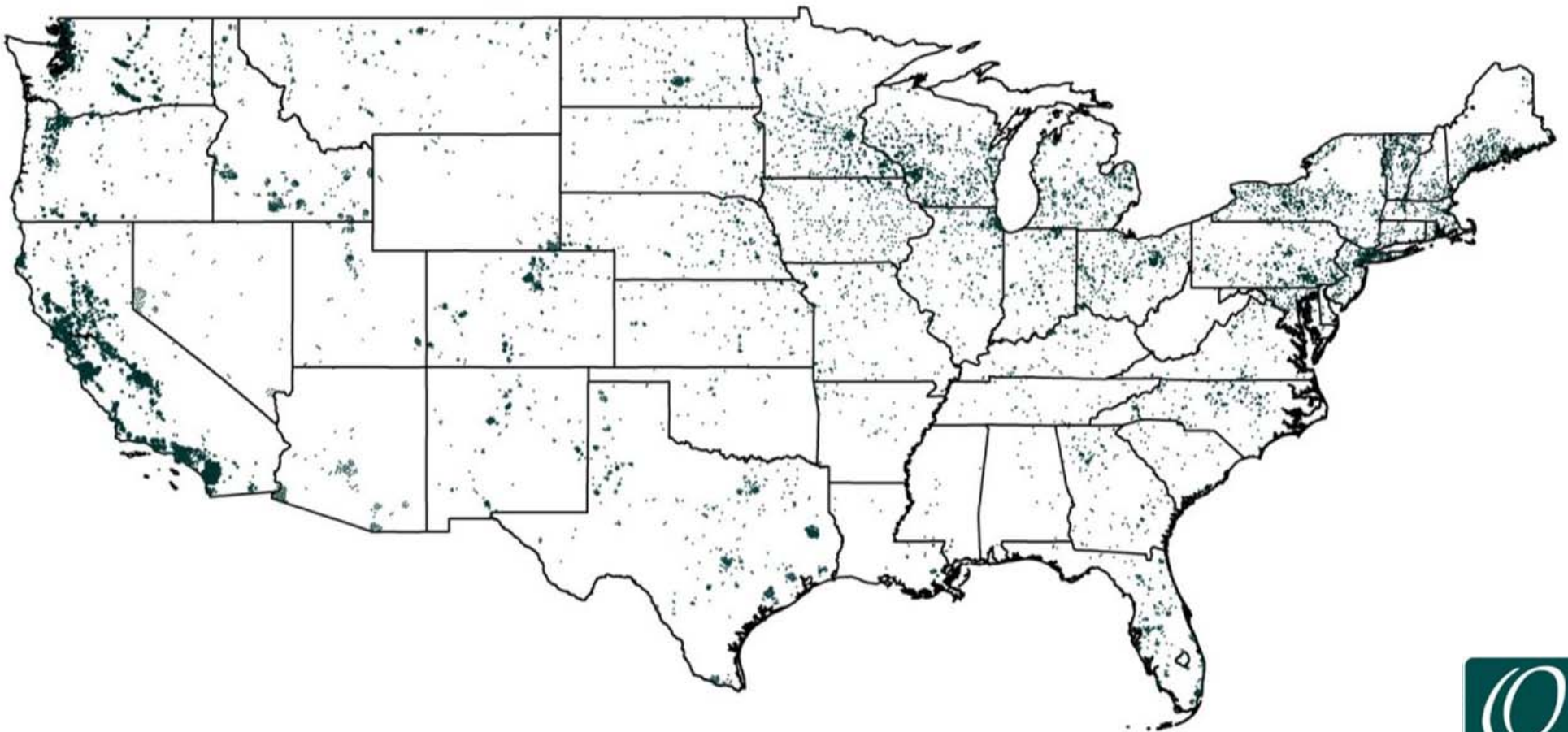


### How is your food prepared?

	Organic Products	“Natural”	Local
Made without irradiated products or ingredients	✓	?	✗
Made without artificial preservatives, colours, flavours or chemical additives	✓	?	✗
Made without monosodium glutamate (MSG), aspartame, sodium nitrates or nitrites, etc.	✓	?	✗
Made without genetically modified organisms	✓	?	✗

# U.S. Organic Operations

Organic is a **\$31.5 billion** per year industry, with more than **17,500** certified operations nationwide



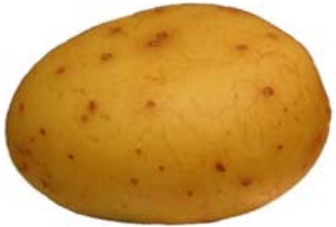


# certification & supply

- Just as the market is heating up and global commodity prices are approaching / reaching record-high the supply crunch is back
- Though the largest combined market, North America has only 7% of world production, 1% of global producers
- Production levels have remained plateaued since 2008
- Meanwhile, if we use the Census of Agriculture from 2001-2011:
  - 17% overall decline in total farms in Canada BUT 66.5% increase in organic farms



# trade codes







ORGANIC MEADOW®



TD Friends of the Environment Foundation



SOUTHBROOK VINEYARDS



Good Food Revolution



# ORGANIC WEEK



[www.organicweek.ca](http://www.organicweek.ca)

# Organic. Consumer Driven. Farmer Powered.

**78%** OF U.S. FAMILIES ARE **BUYING ORGANIC**



**40%** OF THE ORGANIC MARKET IS FRUITS AND VEGETABLES



**94%** OF ORGANIC OPERATIONS NATIONWIDE ARE PLANNING TO MAINTAIN OR INCREASE EMPLOYMENT IN 2012



**6%** OF ALL DAIRY PRODUCTS SOLD TO U.S. CONSUMERS ARE ORGANIC



THERE ARE ORGANIC FARMS IN ALL **50 STATES**



THE ORGANIC INDUSTRY GENERATES OVER **\$31 BILLION** PER YEAR



**MORE THAN HALF**



OF PARENTS HAVE A HIGH LEVEL OF TRUST FOR ORGANIC PRODUCTS



THE ORGANIC INDUSTRY IS CREATING JOBS AT **4 TIMES** THE NATIONAL AVERAGE



**17,600 CERTIFIED** ORGANIC FARMS, RANCHES AND BUSINESSES NATIONWIDE

**4.6** MILLION ACRES OF ORGANIC FARMLAND ACROSS THE U.S.

**ORGANIC FARMS ARE 35%** MORE PROFITABLE THAN THE AVERAGE FARM



ORGANIC IS NOT JUST FOOD.

OVER **\$2 BILLION** WORTH OF

ORGANIC FIBER, COSMETIC, AND HOUSEHOLD PRODUCTS WERE SOLD LAST YEAR



IN 2011, THE ORGANIC INDUSTRY, GREW BY OVER

**9%**





**THINK**  
before you eat.

**WHY** you should eat organic food:

- It's great-tasting, nutrient-rich food
- It's produced without toxic persistent pesticides
- It's healthy for soil, plants and animals
- It helps the environment by keeping our water clean and reducing our carbon footprint

Next time you're planning a meal, choose organic food.

**ThinkCanadaOrganic.**



Canada Organic  
It's in our good nature



Laura Batcha  
Executive VP  
OTA  
lbatcha@ota.com



Matthew Holmes  
Executive Director  
COTA  
mholmes@ota.com



[www.ota.com](http://www.ota.com)  
Twitter: @OrganicTrade



[www.ota-canada.ca](http://www.ota-canada.ca)  
Twitter: @CanadaOrganic