

of 15 percent per year over the past decade. In 2003, there were more than 3317 certified organic producers in Canada, approximately 456 certified processors and 30 third party certification bodies.



The organic industry estimated that the value of the 2003 organic retail market ranged from \$800 million to \$1.3 billion with an estimated growth for 2005 of retail sales to \$3.1 billion. The organic industry's goal is to increase its market share to 10% of the Canadian retail market by 2010.

Most of Canada's organic food production is exported to the United States and the European Union where much of it is processed and resold to other markets. Approximately 5% of Canada's production is exported to Japan.

Organic grains, seeds and flours are Canada's principal exported commodities. Other important exports include processed foods and beverages, maple syrup, apples and vegetables.

Worldwide sales of organic products are estimated at \$20 Billion, mostly in the United States, European Union and Japan.

Imports of organic products represent approximately 70-80% of Canada's consumption.

WHAT IS ORGANIC FOOD?

Organic foods have the same qualities as natural foods, plus they are produced under specific growing conditions. Organic describes a system of agricultural practices where farmers chose to avoid the application of synthetic pesticides, herbicides and fertilizers to the land and the use of antibiotics and other substances to manage the health and production yield of animals. In addition, organic agriculture embraces preferred husbandry practices for animals that facilitate low stress, promote good health and prevent disease and land use practices that promote optimal biological activity within the soil and conserve soil resources. Organic foods are processed without the use of irradiation and are not derived through the use of recombinant genetic engineering techniques.

Organic farmers typically will use crop rotation, intercropping, green manure, recycling of plant residues, composting, animal manure, minimized tillage and rotational grazing of livestock as examples of farm practices that are consistent with production of organic food.

Generally, organic food describes the crops and food products that are produced under such farming practices. Today, the use of organic ingredients and organic commodities for the production of multi-ingredient processed foods and the mass distribution and sale of organic foods has resulted in the extension of organic principles beyond the farm gate to include their application in food manufacturing, distribution and point of sale practices.



There is no evidence that either naturally or organically produced foods are more nutritious than non-organic foods. The nutrient content of a

food is mostly determined by heredity, that is, a carrot will have approximately the same nutrient content whether it is grown under

organic or conventional conditions. Organic butter, ice cream and cheese will likely have the same fat and calories as their regular counterparts unless this has been selectively reduced. It is important to remember that the nutrient content of a food is affected by many factors, including length of time from harvest to eating, storage and cooking method.

WHO BUYS NATURAL AND ORGANIC?

There are two primary motivators to purchase natural and organic products. One is a lifestyle and philosophical commitment to the environment and the other relates to personal health. There is also a strong correlation between purchasing organic foods and concerns with specific food allergies. The organic industry has done an excellent job of promoting a positive image consistent with the principles of the organic consumer: organic foods are believed to be safer and healthier than regular foods. The reality is that all foods, regardless of designation, must meet the same strict health and safety criteria set by Health Canada and enforced by the Canadian Food Inspection Agency.

Consumers generally approach the natural and organic category in a stepwise fashion, beginning with fruits and vegetables, then moving into other fresh foods such as meats and dairy, and finally with other pre-packaged foods such as breakfast cereals, cookies, and coffee, to name a few. While organic purchasers represent a cross-section of the Canadian demographic, heavy users tend to be highly educated, younger women in the higher income bracket. Organic consumers are concentrated in Quebec and British Columbia, but can be found scattered throughout the country.

The purchasing of organic products is becoming mainstream, and is no longer limited to natural food specialty stores. National retail outlets are increasingly dedicating more space to natural and organic products, and it is anticipated that the natural and organic segment will continue to grow by 15-20% per year. Opportunities for growth include greater expansion in the meats and dairy, as well as prepared convenience foods.

HOW DO CONSUMERS KNOW WHETHER A FOOD IS REALLY ORGANIC?

Foods and ingredients produced or sold in Canada that are labelled as "organic" are required to comply with the requirements described in the National Standard of Canada "Organic Agriculture" CAN/CGSB-32.310-99. Copies of the standard can be found on the Canadian General Standards Board [CGSB] website: www.pwgsc.gc.ca/cgsb.

It is anticipated that this standard will be replaced by an updated and enhanced standard in 2006. Representatives from the organic industry, organic certifiers, consumer groups, federal and provincial governments have been working under the auspices of the Canadian General Standards Board since 2002 to develop consensus on the new standard.

The new standard will comprise three modules, "General Principles and Management Standards", a "Permitted Substances List" and a "Guidance" document intended to provide insights to specific details of the standard to enhance consistent application of the standard in all jurisdictions.

The standard will include specifications for the production of organic crops including land requirements for transition from non-organic to organic agriculture, measures to control the environment within which the crops are grown to minimize the risk of exposure to or contact with substances [e.g. pesticides] not approved under the standard and to minimize soil erosion, the selection of seeds and planting stock, soil fertility and crop nutrient management [including requirements for manure sources, application and timing of application] and the management of crop pests, disease and weeds.

Requirements are also detailed for selection and breeding of organic livestock, transitioning livestock from non-organic to organic rearing, production and composition of livestock feed, livestock health care, internal parasite control, livestock living, transportation and handling conditions and the management of livestock manure and pests.

Production requirements for organic honey, maple products, mushrooms, sprouts and green house crops are also included.

Processors, manufacturers and distributors of organic foods and ingredients will find requirements for processing, handling, transportation, storage, pest control and labelling of organic foods.

The National Standard of Canada "Organic Agriculture" is a voluntary industry standard and as such a food producer or processor can choose whether or not to use the standard but, if the standard is used, the requirement of the standard must be followed.



CERTIFICATION

Certification is required by producers or processors to verify that all stages of the production, processing, packaging and distribution meet the requirements of the standard and, therefore, that food products described as "organic" actually conform to the voluntary standard.



In Canada, certification is carried out by independent certifying bodies accredited by the Standards Council of Canada using guidelines set out by the International Organization for Standards (ISO). Provincial authorities can also accredit certifying bodies operating within their province. Certification of products as organic is voluntary in all provinces except Quebec. In Quebec certification by a certifying body accredited by the Conseil des appellations agroalimentaires du Québec is required under the Quebec organic regulation.

The certification bodies are responsible for inspecting the growers and producers they certify and for enforcing removal of organic claims if the standard is not being met.

CFIA has authority to ensure labels and claims meet the requirements of the Consumer Packaging and Labelling Act and Regulations, not for enforcement to the voluntary standard.



MANDATORY ORGANIC REGULATIONS BY 2007

CFIA and Agriculture and Agri-food Canada are pursuing development of regulatory options with the intent of establishing a mandatory organic regulation before the end of 2006.

The development of a regulatory regime is in large part necessary to maintain access to the European Market. Starting December 31, 2006 [extended from the initial date December 31, 2005] the European Union (EU) will require exporting countries to be able to demonstrate the equivalence of its standard and certification system with that of the EU. The EU as well as the United States have implemented mandatory organic standards.

It is anticipated that any proposed mandatory regulation would be consistent with the Canadian National Standard. That said, it is uncertain how extensive certification and perhaps even licensing may be required. It is anticipated that the cost of implementation, inspection and enforcement of the mandatory organic regulations will be borne by industry.

THE ROAD AHEAD

Times appear to be booming for the Canadian organic industry: market sharing is growing at a steady rate, consensus on a new national standard is expected soon, regulations that will ensure access to the EU market are anticipated by year end 2006.

The organic food segment appears to have a bright future, with the establishment of a new standard in 2006 and if the growth in domestic market continues and the organic industry and the Canadian government are successful at assuring long-term access to foreign markets through the establishment of a reasonable regulatory framework or other options.



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FROM **RESEARCH** TO **PRACTICE**

Natural & Organic Foods

Brought to you by the Team of Registered Dietitians & Nutrition Professionals at *Kellogg's*

The purchasing of natural and organic foods is becoming mainstream and no longer limited to "natural" or "health" food specialty stores. As the variety and availability of products continues to grow, many consumers are unclear about the meaning of "organic" and confuse the term with foods labelled as "natural".¹ Use this guide to help your clients understand the difference between the two terms and identify what to look for on food labels of natural and organic products.

What are "natural" and "organic" foods, and how do they differ?

NATURAL FOODS

The term "NATURAL" applies broadly to foods that are minimally processed and don't contain any synthetic preservatives, artificial sweeteners, artificial colours or flavours, hydrogenated oils, stabilizers, emulsifiers, or added vitamins or minerals.

ORGANIC FOODS

An "ORGANIC" food has the same characteristics as a "natural" food. It has also been produced without the use of synthetic pesticides or fertilizers, growth hormones, antibiotics or genetically modified organisms, and has not been irradiated. In addition, the food is grown using practices that promote soil health, the low stress treatment of animals and sound environmental practices.

While organic foods are natural by definition, natural foods are not necessarily organic. The main difference is that organic foods are produced under specific growing conditions.

Natural Cereal:



Nutrition Facts		
Serving 1 cup (20 g)		
Amount per serving	Cereal	With 1/2 Cup 1% Milk
Calories	80	130
% Daily Value		
Fat 0.5 g†	1 %	3 %
Saturated 0 g + Trans 0 g	0 %	4 %
Cholesterol 0 mg	0 %	2 %
Sodium 0 mg	0 %	3 %
Potassium 75 mg	2 %	8 %
Carbohydrate 16 g	5 %	7 %
Fibre 2 g	8 %	8 %
Sugars 0 g		
Starch 14 g		
Protein 3 g		

INGREDIENTS: WHOLE HARD RED WINTER WHEAT, WHOLE LONG GRAIN BROWN RICE, WHOLE OATS, WHOLE BARLEY, WHOLE TRITICALE, WHOLE RYE, WHOLE BUCKWHEAT, SESAME SEEDS.

The same **FOOD LABELLING REGULATIONS** apply to natural and organic products as to other packaged foods, requiring a Nutrition Facts table with serving size, calories, a minimum of 13 core nutrients and % Daily Value.

INGREDIENTS are minimally processed and do not include any artificial ingredients or preservatives, stabilizers, emulsifiers, hydrogenated oils or added vitamins or minerals.

"**CERTIFIED ORGANIC**" means that an independent third party has certified that the production, processing, packaging and distribution of a food meets standards outlined in the "National Standard of Canada – Organic Agriculture."

Organic Cereal:



Nutrition Facts		
Serving 1 cup (57 g)		
Amount per serving	Cereal	With 1/2 Cup 1% Milk
Calories	200	250
% Daily Value		
Fat 1 g†	2 %	4 %
Saturated 0.2 g + Trans 0 g	1 %	5 %
Cholesterol 0 mg	0 %	2 %
Sodium 0 mg	0 %	3 %
Potassium 190 mg	5 %	11 %
Carbohydrate 46 g	15 %	17 %
Fibre 5 g	20 %	20 %
Sugars 9 g		
Starch 32 g		
Protein 6 g		

INGREDIENTS: ORGANIC WHOLE GRAIN WHEAT, ORGANIC EVAPORATED CANE JUICE, NATURAL FLAVOUR.



¹ Agriculture and Agri-Food Canada, Canadian Food Trends to 2020 A Long Range Consumer Outlook, July 2005. © 2006. Trademark of Kashi Company used under licence.

