

# Canada's New Organic Trade Codes

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# Organic Industry Small But Growing

- \$412 million in sales of certified organic food products represented about 1% of the value of food products sold in Canadian mainstream supermarkets in 2006
- 28% increase from 2005 to 2006
- Organic vegetables accounted for 3.5% of all vegetable sales, organic fruit 1.7% of all fruit sales
- Major grocery chains in Canada have large number of organic products, dedicated sections in stores
- Problem: confusion in marketplace due to proliferation of organic standards, logos; need to protect consumers against false organic claims

# Canada's Organic Regulations

- Canada announced *Organic Products Regulations* on December 21, 2006 (more than 40 other countries have organic regulations)
- Canada organic logo is permitted only for food products certified as meeting Canadian standard for organic production and containing at least 95% organic ingredients
- **Accreditation & certification requirements will apply to both domestic and imported products**
- Two year phase period ends on December 14, 2008

# New Organic Trade Codes

- Ten digit Harmonized System (HS) codes for organic imports to Canada for 41 Certified Organic Fruit, Vegetables and Dairy Products
- Effective January 2007
- Intention: to inform Canadian organic producers as to opportunities in domestic market

# Americas Dominate Canada's Organic Imports of Fruit & Vegetables

- Value of trade for 41 commodities was \$104.3 million January-June 2007
- Organic fruit & vegetable imports \$104.1 million; value of organic dairy imports currently negligible
- United States accounted for close to 70% of value, Mexico about 10%, Argentina about 9%
- MIOA members comprised 8 of top 10 countries, 11 of top 20 countries exporting organic fruit & vegetables to Canada

# Next Steps for Canada

- Expand HS codes for imports of certified organic products
- *Organic Products Regulations* will come into effect December 22, 2008
- Canadian Food Inspection Agency is working with the competent government authorities of countries exporting to Canada to ensure accreditation of the bodies who will certify that products are in accordance with new Canadian regulations
- In countries without environmental regulations, the Agency is dealing with recognized non-governmental accreditation bodies

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