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Merrigan announces U.S.-Canada Organic Trade agreement

By Agri-Pulse Staff

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USDA Deputy Secretary Kathleen Merrigan announced in Chicago this week that a first-of-its-kind agreement has been reached between the United States and Canada that will expand opportunities for organic producers in both countries. The “equivalency agreement” follows a review by both nations of the other’s organic certification program and a determination that products meeting the standard in the United States can be sold as organic in Canada, and vice versa. Merrigan made this announcement at the All Things Organic Trade Show and Conference in Chicago.

The agreement between the U.S. Department of Agriculture (USDA) and the Canadian Food Inspection Agency (CFIA) takes effect June 30. As a result of the historic equivalency agreement, certified organic products as of July 1 can continue to move freely across the U.S. and Canadian border provided they use the new Canada Organic Biologique logo or the USDA Organic seal. The agreement is the first such equivalency agreement worldwide for the organic industry.

“The production of organic foods is a vibrant growth opportunity for American agriculture, and by agreeing on a common set of organic principles with Canada, we are expanding market opportunities for our producers to sell their products abroad,” Merrigan said. “Today’s agreement between the world’s two largest organic trading partners is an important first step towards global harmonization of organic standards.”

Under a determination of equivalence, producers and processors that are certified to the National Organic Program (NOP) standards by a U.S. Department of Agriculture accredited certifying agent do not have to become certified to the Canada Organic Product Regulation (COPR) standards in order for their products to be represented as organic in Canada. Likewise, Canadian organic products certified to COPR standards may be sold or labeled in the United States as organically produced. Both the USDA Organic seal and the Canada Organic Biologique logo may be used on certified products from both countries. The COPR goes into effect on June 30.

Canada is the largest U.S. trade partner and largest estimated export market for U.S. organic products. USDA’s Foreign Agricultural Service office in Ottawa estimates that more than 80 percent of Canada’s organic consumption comes from imports, and approximately 75 percent of those imports come from the United States. Organic produce and processed foods are estimated to make up the majority of U.S. organic products

exported to Canada. Estimates of the total market for organic products in Canada range from \$2.1 to \$2.6 billion. Sales of organic products in the United States totaled \$24.6 billion in 2008. Actual trade flows are difficult to track because the United States has not developed international harmonized system codes for organic products.

The two letters determining equivalence and Q & A's discussing the details of these actions can be found on the NOP website, under June 17, 2009 News at:

www.ams.usda.gov/nop

Consumer demand for organic food has risen quickly over the past ten years, triggered in part by the development and success of USDA's organic regulatory program and label, according to a recent study by USDA's Economic Research Service. As consumer demand for organic products has widened, organic retail sales have spread far beyond the 'natural products' market niche in urban areas and college towns and into big-box stores across the country.

Since the late 1990's, U.S. organic production has more than doubled, but the consumer market has grown even faster. Organic food sales have more than quintupled, increasing from \$3.6 billion in 1997 to \$24.6 billion in 2008. More than two-thirds of U.S. consumers buy organic products at least occasionally, and 28 percent buy organic products weekly, according to the Organic Trade Association.

Harkin Applauds Organic Equivalency Agreement

Senate Agriculture Committee Chair Tom Harkin (D-IA) welcomed the agreement, saying:

- "I congratulate the Secretary and Deputy Secretary on this historic trade agreement with Canada. This welcome news represents a bright spot in our economic landscape that could not come at a better time for farmers in the midst of a deep recession. Canadian consumers are demanding organic products to the tune of \$2.6 billion, and this agreement will make it easier for U.S. organic farmers to market their products.
- "I am pleased that in the new Administration, USDA is leading the way to promote the opportunity for the full breadth and variety of U.S. agriculture. Organic agriculture has been one of the fastest growing segments of American agriculture over the past decade, and this new agreement, in conjunction with the tremendous investment that Congress made in the Food, Conservation and Energy Act of 2008, the farm bill, into initiatives to help organic farmers, will help to continue that growth."