



**Consumer Demands Regarding
the Canadian Organic Food
Sector**

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For: Industry Canada, Office of Consumer Affairs

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(Final version)

OPTION CONSOMMATEURS

MISSION

Option consommateurs is a nonprofit association whose mission is to defend and promote consumers' rights by assisting them both individually and collectively, by providing them with information, and by advocating on their behalf to decision-makers.

HISTORY

The association has existed since 1983. In 1999, it merged with the Association des consommateurs du Québec (ACQ), an organization with a 50-year history and a mission similar to that of Option consommateurs.

PRINCIPAL ACTIVITIES

Option consommateurs's staff of 20 are grouped into four departments: the Budgeting Department, the Legal Affairs Department, the Media Relations Department, and the Research and Representation Department. Over the years, Option consommateurs has developed expertise in the areas of financial services, health, agri-food, energy, travel, access to justice, trade practices, indebtedness, and protection of privacy. Each year, we reach 7,000–10,000 consumers directly and many more through our extensive media coverage. We participate in working groups and sit on boards of directors, carry out large-scale projects with important partners, and produce research reports, policy papers, buyer's guides, and a consumer information and action magazine called *Consommation*.

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Option consommateurs pursues a variety of activities aimed at making change, including research, class-action lawsuits, and lobbying of public- and private-sector bodies. You can help us do more for you by becoming a member of Option consommateurs at www.option-consommateurs.org.

ACKNOWLEDGEMENTS

This research project was coordinated by Geneviève Reed, Director of Research and Representation for Option consommateurs, and conducted by Mickaël Ricquart.

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EXECUTIVE SUMMARY

An analysis of several organic certification systems among our major trading partners reveals a political will to regulate the marketing of organic products through the implementation, in recent years, of certification systems offering specific, rigorous, and complete supervision of activities relating to organics. Strict legislation, stringent standards, mandatory certification and accreditation, specific inspection and import control systems: these are the common characteristics of such systems.

As for the Canadian system, it shows several different faces. It embodies advanced thinking and structure in British Columbia and a detailed mandatory régime in Québec. For the other provinces and nationally, a voluntary standard is in force. Numerous structures are in place, but the organic designation is not protected, certification and accreditation are not mandatory, and imported organics are not subject to specific controls.

Yet our meetings with Canadian consumer groups revealed a high level of confidence in the organic products offered for sale in Canada. For many, the appearance of a logo and the word “organic” are sufficient to inspire confidence in a product’s integrity. Moreover, consumers’ choice of organics is mainly motivated by health-related considerations. Consequently, it is rapidly becoming clear that Canada must enact strict regulations governing the use of the term “organic” in label claims, adopt an inspection policy for establishments and certifiers, and ensure that all products marketed are compliant. Consumers turning to organic foods for health reasons — and paying higher prices for them — must not be misled. Products purchased must be covered by guarantees relating to their manufacturing process and integrity. Our focus group participants were astonished and deeply concerned to discover that organics are not governed by a mandatory system, as they had previously believed. Some participants, in fact, had always been skeptical as to assurances of the “organic” nature of various products, and deplored the confusion created by a proliferation of designations and logos.

The situation would change radically if the certification system became mandatory. With a protected organic designation, systematic certification for accredited certifiers by one or more competent authorities, a uniform national logo, and a major public awareness campaign on these new organic regulations, it is a good bet that enhanced consumer confidence and satisfaction would lead to a rise in purchases of organics.

The following 22 recommendations stemmed from our analysis of the prevailing international and Canadian situation, the perceptions and expectations of Canadian organic sector stakeholders and, most important, the consumer expectations we derived from our focus groups. In addition, in drafting these recommendations, we drew upon our experience as an association whose mission is to protect, advocate for, and inform Canadian consumers.

RECOMMENDATIONS

Option consommateurs is putting forward the following 22 recommendations, all of equal importance.

These recommendations must be read in conjunction with section IV 2, “Weaknesses and Recommended Solutions.”

Recommendations 1–11 – Legislation

Recommendation 1:

Option Consommateurs recommends that the “organic” designation and its diminutives and derivatives (“bio”, “biodynamic”, “ecological,” “eco”) be strictly protected and reserved in Canada.

Recommendation 2:

Option Consommateurs recommends that, starting from the current system, Canada implement stricter regulation of organic production and certification.

Recommendation 3:

Option Consommateurs recommends that for the purposes of implementing a regulatory framework, the existing standard be strengthened so that the Canadian system is founded on a complete, stringent, clear, and precise reference standard. Option Consommateurs further recommends that if the standard is kept minimal, this would only be with an eye to future adoption of stricter requirements.

Recommendation 4:

Option Consommateurs recommends that certification fees be partially subsidized by the government for small farmers wishing to turn toward organic production.

Recommendation 5:

Option Consommateurs recommends that accreditation by a competent Canadian authority be required for all certification bodies before they can operate in their

Recommendation 6:

Option Consommateurs recommends that certifiers be accredited by a national authority or by a provincial authority approved by the national authority.

Recommendation 7:

Option Consommateurs recommends that accreditation fees payable by certification bodies be reasonable and reinvested in the expenses of overseeing the organic food industry.

Recommendation 8:

Option Consommateurs recommends that a legislative framework be implemented to simplify and harmonize the marketing of organics.

Recommendation 9:

Option Consommateurs recommends that the standard include specific requirements for retailers who contract out the manufacturing and packaging of private label products that employ the terms “organic,” “biologique,” and their derivatives. In particular, the manufacturer should have the obligation to be duly certified, regardless of where it operates, in Canada or elsewhere. If the packaging and labelling are performed by the retailer, these operations must also be duly certified.

Recommendation 10:

Option Consommateurs recommends that the standard provide for a transparent system of deterrent sanctions against violators.

Recommendation 11:

Option Consommateurs recommends that government maintain control over standardization activities so that the standards protect the consumer rather than serving the interests of any particular stakeholder.

Recommendations 12–16 – Labelling and Advertising

Recommendation 12:

Option Consommateurs recommends that the use of designations and indications designed to simulate the organic origin of an uncertified food (e.g., “green product”) be prohibited.

Recommendation 13:

Option Consommateurs recommends that Canada adopt a uniform national logo so that all consumers can easily and rapidly identify organic products.

Recommendation 14:

Option Consommateurs recommends that consumers’ associations be consulted for the design of the uniform national logo.

Recommendation 15:

Option Consommateurs recommends that the use of logos intentionally designed to simulate the organic origin of an uncertified product be prohibited.

Recommendation 16:

Option Consommateurs recommends that the use of the uniform national logo be mandatory on the domestic market. The use of a certifier's logo would remain optional.

Recommendation 17 – Inspection System

Recommendation 17:

Option Consommateurs recommends that the standard provide for a system involving regular in-store sampling and inspection to identify dubious or fraudulent products being offered to consumers.

Recommendations 18–19 – Import Controls

Recommendation 18:

Option Consommateurs recommends that the system adopted by Canada provide for equivalence and recognition by and for Canada's trading partners such that consumers are given equivalent guarantees of regulation of the organic food production process for products entering the Canadian market, regardless of their place of origin or place of entry into Canada.

Recommendation 19:

Option Consommateurs recommends that the regulations include surveillance of the Canadian trade community and importers and that their activities and products be subject to the relevant controls.

Recommendations 20–22 – Marketing and Communication Follow-up

Recommendation 20:

Option Consommateurs recommends that, simultaneous with the adoption of a mandatory regime, a communication policy be adopted to inform consumers about the new Canadian provisions and their consequences for product labelling. An ongoing communication policy should keep consumers informed about developments in Canadian organic agriculture and its products.

Recommendation 21:

Option Consommateurs recommends that a public database of standards and inspection systems be created in order to facilitate access to information and comparisons among private, provincial, and national standards.

Recommendation 22:

Option Consommateurs recommends that a Canadian organic sector roundtable be created, bringing together members of the government and key stakeholders, including consumers.

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INTRODUCTION

In 2003–04, the organic food market continued to grow in Canada, as it did throughout the world. A great variety of products from many origins is available and an increasing number of families are willing to buy them. Confidence remains the critical issue. With organics, as with any sector in which the product is governed by specific rules of production, consumers are entitled to expect that production and marketing practices are regulated in such a way that they can easily be identified and their authenticity guaranteed.

The main guarantor of organic product integrity is the certification system. It determines the conditions under which organics are produced (hence their very nature) and marketed. The components of certification systems — laws, standards, the involvement and structure of the competent authorities, inspection systems, import controls — define labelling requirements, regulation of label claims, levels of surveillance, dependability of inspection agencies. As such, they provide guarantees of authenticity for the consumer.

How does the current regulatory framework for the marketing of organics in Canada affect their dependability and labelling? Do Canadian consumers trust the existing system? How can it be improved to meet the requirements of consumers who purchase organic foods?

As a first step, we studied the certification systems in force in the United States (US) and the European Union (EU), both major organic food producers, importers, and exporters, along with the Canadian systems. We then met with consumer representatives and, in a focus group context, identified Canadian consumers' perceptions, expectations, and demands vis-à-vis organic food marketing in Canada. Our analysis of these conclusions, coupled with those of the study of certification systems, led us to develop recommendations to help the Canadian system meet consumers' needs.

I - ANALYSIS OF CERTIFICATION SYSTEMS

In this section we discuss the workings of each system and its application, proceeding to identify its impacts on the organic food market. For each country, we analyze the applicable legislation and its scope of application, the organization of the system, product labelling, the inspection system, and import controls.

For purposes of comparability, we focus on two major trading partners of Canada whose organic sectors have undergone the same precipitous growth: the US and the EU.

1. THE UNITED STATES

In the US, 960,000 ha¹ (2,4 million acres) of organic production is divided among some 12,000 farms. Organics account for less than 1% of total retail food sales but they are the subsector showing the most rapid growth: more than 20% annually since 1992.

The US processes a large proportion of organic production intended for sale to other markets. It represents the biggest market for many Canadian organic producers, followed by the EU. Saskatchewan, Ontario, Quebec and British Columbia (BC) are the main exporting provinces.

1.1 LEGISLATION; SCOPE OF APPLICATION OF THE STANDARD; ORGANIZATION

In 1990, Congress enacted the Organic Foods Production Act (OFPA). It thereby defined the use of the term “organic” and established production standards for this type of agriculture. The specifics of the application of this law were relegated to a set of regulations later developed by the United States Department of Agriculture (USDA) and

¹ Fédération d’agriculture biologique du Québec, *Guide de transition en agriculture biologique*, 2003.

nown as the National Organic Program (NOP), which is contained in the *Code of Federal Regulations*.²

The NOP was adopted after ten years of discussion on 20 December 2000, marking the inauguration of a comprehensive national framework for the production, handling, and processing of organics, including livestock, poultry, and their products. Under these federal standards, all parties concerned must be certified by the USDA. The standards came into force on 21 October 2002, replacing the state regulations that previously governed the industry.

The National Organic Standards Board (NOSB), created under the NOP, is a 14-member committee representing different segments of the organic sector and reporting to the Secretary of Agriculture. Its mission is to support the development of standards, particularly in regard to substances and products authorized for use in organic production, as well as to advise the Secretary on any other aspect concerning the implementation of the National Organic Program (NOP).

States are allowed to create their own State Organic Programs (SOP) but these cannot be less restrictive than the NOP. SOPs are generally enacted in response to particular environmental conditions or needs for special production and operating practices in certain states or regions. They are subject to USDA approval.

1.2 LABELLING, PUBLICITY, NATIONAL LOGO

The US organics law clearly sets out the rules governing product labelling. The NOP allows for organic certification in four labelling categories:³

- A product labelled “100% organic” must contain only organic ingredients.

² United States Department of Agriculture, Agricultural Marketing Service, 7 CFR Part 205, [Docket Number: TMD-00-02-FR], RIN: 0581-AA40, National Organic Program; see online at <http://www.ams.usda.gov/nop/NOP/standards.html>.

³ See subpart E of the NOP.

- A product labelled “organic” must contain at least 95% organic ingredients.
- A product labelled “made with organic [ingredient name]” must contain at least 70% organic ingredients.
- A product containing less than 70% organic ingredients may only mention such ingredients in the ingredient statement on the information panel of the package.

Appendix 1 uses the example of a cereal package to illustrate the different labelling categories.

The fine for fraudulent use of these designations in label claims is up to US \$10,000 per product. This applies to any oral, written, implied, or symbolic representation, statements, or advertising or other forms of communication presented to the public or buyers of agricultural products that relate to the organic certification process or the above-mentioned categories. Moreover, certified products may bear the USDA organic logo,⁴ which enjoys consumer recognition, if they contain at least 95% organic ingredients. This logo is not mandatory.

1.3 INSPECTION SYSTEM

In order to make a label claim in any of the four categories, a product must be certified by a USDA-accredited certifying agent (ACA). Certification is granted for a five-year period, with annual inspection and revision. The cost is US \$2,000 (C \$3,000). The operator must conform to the NOP and implement a certifier-approved protocol known as an organic system plan (OSP).⁵ The ACA must be given full on-site access to operations for inspection purposes, including uncertified production and operating areas, buildings or structures, and offices.⁶

⁴ See Appendix 2(a).

⁵ In accordance with 7 CFR § 205.406.

⁶ In accordance with 7 CFR § 205.403.

The regulation also stipulates that the product label must bear the words “Certified organic by” followed by the full name of the ACA, which latter must approve the entire packaging.

A list of domestic and foreign ACAs, some state-run and some private, has been available since 30 April 2002.⁷ As of 13 April 2004, there were 54 US and 37 foreign ACAs.

Thus we see that a competent federal authority, the USDA, orchestrates the application and enforcement of the national regulations by delegating authority to ACAs and, in a few cases, SOPs.

Organic producers with gross annual volume not exceeding US \$5,000.00 are not required to be certified. This only applies to US producers selling directly to the consumer.

1.4 IMPORT CONTROLS

There are currently three types of authorizations for imported organic products. The first involves an application for USDA accreditation by an entity seeking to become an ACA. Domestic and foreign applicants are evaluated according to identical criteria.

It is also possible to sell foreign organics in the US if the USDA determines, upon the request of the corresponding government, that the standards under which the foreign government authority accredited the foreign certifying agent meet the requirements of the NOP. On 2 December 2002, the USDA recognized the Conseil des Appellations Agroalimentaires du Québec (CAAQ) with its six certified ACAs. Likewise, Denmark, Israel, New Zealand, Spain, the United Kingdom, and two other Canadian provinces have obtained or are in the process of obtaining this status.

⁷ See online at <http://www.ams.usda.gov/nop/CertifyingAgents/Accredited.html>.

It is also possible to export to the United States if an NOP equivalency agreement is negotiated between the two governments. The products covered can then circulate freely within the country. Currently, such agreements are being negotiated with India, Japan, Australia, and the EU.

Recent yet substantial, the US certification system offers a rigorous and complete approach to regulation, including strict import controls and strong central government involvement through the USDA.

2. THE EUROPEAN UNION

The system used by the EU was instituted several years earlier. It is also based on a strict mandatory standard and strong central government involvement (through the European Council). However, marketing rules are decided by each member country. Most of them have adopted the strictest possible control procedures so as to protect products, markets, and consumers.

According to the Switzerland-based Research Institute of Organic Agriculture (FIBL by its German acronym), as of 31 December 2001, some 4.5 million ha (11.25 million acres) were in organic production on 142,348 farms in the 15 member countries of the EU (which has since admitted 10 new members). This represents 3.24% of the agricultural area of the EU and 2.04% of its farms. Growth stabilized at 8% in 2002, down from peaks of 20–40% in recent years.⁸

2.1 LEGISLATION

Council Regulation (EEC) 2092/91 on Organic Production of Agricultural Products and Indications Referring Thereto on Agricultural Products and Foodstuffs governs the designation “organic” and its origin and use. It represents the culmination of steps taken for regulatory recognition of organic agriculture in certain member states. It expresses a

⁸ *Bulletin Bio* (Équiterre) 3(5), 2004.

political will to clarify for consumers the concept of organic agriculture and to curtail the many cases of fraud that have come to light.

The purpose of this regulation is to set the rules applicable to EC production of organic products of plant origin. These rules were amended and completed by the Council in 1992 and again in 1995. In 1999, the Council adopted Regulation 1804/99, which establishes EC rules for the production of organics of animal origin, thus completing the regulatory system.

Finally, the creation of the EC organic logo in March 2000 strengthened the protection of organics and offered consumers an additional guarantee against fraud; moreover, it has helped to enhance the image of these products.

The rules for conventional products also apply to organics. Regulation 2092/91 can only impose stricter rules than those established by the regulations on conventional agriculture. Thus, the general provisions governing the production, preparation, marketing, labelling, and inspection of conventional agricultural products and foodstuffs, particularly those concerning food safety, also apply.⁹

2.2 SCOPE OF APPLICATION

Council Regulation 2092/91¹⁰ applies to unprocessed agricultural crop products, livestock and unprocessed animal products, and products intended for human consumption composed essentially of ingredients of plant origin or containing ingredients of animal origin, that are described (in their labelling, advertising material, or commercial documents) by the indications in use in each member state suggesting to the purchaser that the product or its ingredients have been obtained in accordance with organic production methods and rules as defined in the regulation.

¹⁰ See online at <http://www.europa.eu.int>.

The principles of organic production applicable to plant products are detailed in Annex 1, Part A of the regulation. Annex 1, Part B¹¹ sets the minimum standards for organic livestock production. Member states can, as did France, adopt more stringent rules for livestock and animal products produced within their territory.¹² Finally, the rules governing processing are established by Article 5 with reference to Appendix VI.

For each of the 11 EU languages in use at the time (the number has since grown), the Council gave special protection to the term or designation considered most characteristic of organic production methods as defined in the regulation. When EC Regulation 1804/99 went into effect, this protection was expanded to the usual derivatives of these terms (“bio,” “eco,” etc.) and their diminutives, alone or combined.

2.3 LABELLING, LOGO, AND ADVERTISING

2.3.1 *Labelling*

Product labelling and advertising can only refer to organic production methods if they indicate that this relates to an agricultural production method. The product concerned must obey the provisions of Council Regulation 2092/91. The operator must have undergone the inspection measures provided by the Regulation, and the name and/or code number of the inspection authority or body must be mentioned.

The regulations determine the extent to which a reference to organic production is allowed based on the concentration of organic ingredients as follows:

Food labels and advertising cannot contain a sales description that refers to organic production unless the product contains at least 95% organic ingredients. These products may contain up to 5% conventional ingredients provided that their organic counterparts are unavailable or available in insufficient quantities on the EU market.

¹¹ Pursuant to an amendment contained in EC regulation 1804/99 of 19 July 1999, the whole of Annex I became Annex I, Part A, and Part B was added.

¹² In accordance with Article 12 of EC regulation 2092/91 as amended by 1804/99.

Products containing 70–95% organic ingredients can only refer to this production method in the ingredient statement, not the sales description. The indications referring to organic production methods may not be more apparent than the other indications in the ingredient statement. The percentage of organic ingredients must be specified.

For products containing less than 70% organic ingredients, no reference may be made to organic production methods in the labelling or advertising (unlike US legislation which allows it; see Part I, section 1.2 above). These products must be marketed as conventional products.

Finally, EU regulations allow for reference to a product's undergoing conversion to organic production, for products of plant origin that obey the provisions of Regulation 2092/91 and for which a conversion period of at least 12 months before the harvest has been complied with.¹³

2.3.2 Logo and Inspection

The 1995 regulation amending Regulation 2092/91 (Council Regulation 1935/95) allowed for the possibility of the European Commission's developing a logo symbolizing organic production methods as well as an indication that the product in question is covered by the inspection scheme.

In March 2000, the European logo was adopted through the enactment of Regulation 331/2000. The use of this logo instead of or in addition to a national logo is not mandatory. However, the logo and inspection indication can only appear if certain conditions are fulfilled, notably the requirement of a concentration of at least 95% organic ingredients.

¹³ Organic certification can only be obtained after a three year transitional period from conventional farming.

Each country's national logo¹⁴ is optional but widely used. It can only be used if the product contains 70–95% organic ingredients.

2.3.3 Advertising

Regulation 2092/91 establishes certain rules for advertising of organics. The purpose of these rules is to guarantee that the advertising does not compromise the transparency of product labels.

Council Directive 84/450/EEC concerning misleading advertising enacts a general ban on all advertising that could mislead consumers and distort competition. This directive establishes the obligation of member states to take sufficient and effective measures to prohibit this type of advertising.

2.4 INSPECTION SYSTEM

2.4.1 Prior Notice to the Competent National Authorities

All organic sector operators must report their activities to the competent national authority. This notice must identify the parcels cultivated organically and give the operators explicit commitment to obey the provisions of the regulation. It must also specify the certification agency in charge of inspection. This notice applies to:

- producers,
- processors, and
- third-country importers.

¹⁴ The French logo is depicted in Appendix 2(c).

2.4.2 *National Inspection Systems*

The regulation requires each member state to establish an inspection system operated by one or more public authorities and/or by approved private certification bodies. It also designates an authority responsible for accreditation and supervision of certification bodies, if this type of system is chosen. This authority is responsible for supervising these bodies in such a way as to guarantee their capability of conducting the required inspections as well as the effectiveness and objectivity thereof.

Moreover, acting by this authority or through the accreditation system, each member state must ensure the compliance of these certification bodies with standard EN 45011¹⁵ (or ISO 65¹⁶).

For example, in France, agricultural products or foodstuffs must be produced and packed by one or more operators inspected by a certification body that is either accredited by the French authorities under Standard NF EN 5011¹⁷ holds an accreditation to conduct organic certification recognized by the French accreditation committee (COFRAC).

Accreditation of certification bodies implies that they can demonstrate their capacity to meet the European criteria on independence, impartiality, efficiency, and proficiency (EN 45011). In France, accreditation is granted by an inter-ministerial order on the recommendation of the National Labels and Certification Commission (CNLC). The role played by the CNLC in guarantees and inspection relating to agriculture and organics is specific to France. COFRAC's role in accreditation is the only aspect of the French system that is standard for all of Europe. For example, in September 2000 the CNLC reviewed the audit reports of all organic inspection bodies and issued its recommendation on the corrective measures that each should implement.

¹⁵ This standard, adopted by the European Standards Committee (CEN), establishes the requirements that must be met by certification bodies in order to ensure that their certifications are sound and credible.

¹⁶ International standard with which certification bodies around the world must comply.

¹⁷ French version of EN 45011.

2.4.3 *Inspection Measures*

Any operator who, in the context of a commercial activity, produces, prepares, or imports organic agricultural products or foodstuffs is subject to the specific inspection system implemented by the member state, whose minimum requirements are effective for all of Europe.¹⁸ They include:

- inspection measures applicable to farms;
- inspection measures applicable to preparation units for plant products and foodstuffs composed essentially of plant products;
- inspection measures applicable to organics importers;
- sanctions for non-compliance with EU regulations;
- transport requirements.

2.4.4 *Supplemental Measures*

Finally, Regulation 2092/91 imposes the obligation on all member states to adopt all measures necessary to prevent the fraudulent use of indications referring to organic production methods. This provision implies that inspection activities carried out under the specific inspection system are to be supplemented as necessary by the actions of the public authorities in each member state.

2.5 IMPORT INSPECTION

Two systems, hence two options, exist for organics exporters seeking to enter the EU market.

¹⁸ These are reiterated in Annex III of Regulation 2092/91.

2.5.1. Commission Recognition

Under Article 11(1) of Regulation 2092/91, the marketing of organic products from third countries is subject to review of the equivalence of the organic production rules applied in that country. The third country's rules must offer guarantees equivalent to those provided by the EU regulations. The purpose of this requirement is to guarantee the credibility of organic markets as well as fair competition between EU and third-country producers.

In assessing equivalence, the Commission reviews the country's regulations, paying attention to the rules governing production and the effectiveness of inspection procedures. Where equivalence is established, the country is included in a list of authorized countries and its organic products can circulate freely within the EU. As of December 2002, this list consisted of Argentina, Australia, the Czech Republic, Hungary, Israel, and Switzerland.¹⁹ New Zealand was added subsequently, as was Costa Rica more recently.

2.5.2. Member State Recognition

A parallel system of recognition by a member state is applicable until 31 December 2005. Article 11(6) of the Regulation allows a member state to authorize organic imports from third countries not appearing on the EU list. The importer must prove that the products in question were obtained according to rules of production equivalent to those established by the EU regulation as well as inspection measures of equivalent effectiveness. The member state then notifies the Commission and the other member states of the third countries and products for which it has issued authorization.

In terms of information exchange and flow, it should be noted that a mandatory information distribution system is in place. For the sake of optimizing cooperation among

¹⁹ Commission of the European Communities, *Analysis of the Possibility of a European Action Plan for Organic Food and Farming*, discussion paper, 12 December 2002.

member states and the Commission, the Regulation provides that the following information be systematically exchanged:

Where a member state observes an irregularity in the use of indications referring to organic production methods or the logo on a product from another member state, it immediately notifies the member state having designated the inspection body and the Commission.

Each year the member states must notify the Commission of all measures taken to implement the Regulation. In particular, member states adopting an inspection system that involves private certification bodies must submit an annual list of approved bodies as well as a report on the supervision thereof.

It is clear from this discussion that the European and American certification systems are quite similar, although the European system is more specific or stringent on a number of points. Based on stringent mandatory regulations specific to organics and applicable to the whole territory, the organic food market is regulated by specific controls and surveillance in addition to routine food inspection. Responsibilities for policy development and adoption as well as regulatory enforcement are divided among the federal body (the Council of Europe for the EU, the USDA for the US), its component states, and a group of accredited certification bodies. The states are allowed to enact their own provisions, provided that they are at least as stringent as the federal ones. This type of system upholds minimum standards of organic product uniformity, quality, and marketing. It also provides for import controls, making imported products and importers subject to inspection. In short, the entire market is regulated.

Though it has only begun to evolve recently, the Canadian certification system was developed in the late 1980s and a standard was adopted in 1999. Discussions took place throughout 2003 and consultations began in January 2004 with a view to drawing up proposed organic regulations for Canada. The Canadian certification system is indeed quite different from what we have seen so far.

II - ANALYSIS OF CANADIAN CERTIFICATION SYSTEM

Organic production has existed in Canada since the 1960s and it gained ground in the 1970s. There are currently some 2,500 organic operators, 340,000 ha (850,000 acres) under cultivation, and about 150 processors and handlers. The annual growth rate is 20%.²⁰ About 18% of Canadians regularly purchase organic foods and only 29% have never purchased them. This market is mainly driven by baby-boomers (age 35–55) and health-conscious members of the next generation.²¹

In terms of regulations, three distinct certification systems coexist in Canada: those of Quebec, BC, and Canada as a whole.

1. QUEBEC'S CERTIFICATION SYSTEM

There were 793 certified organic producers and 141 processors in Quebec as of 2003.²² The annual growth rate by sales volume is estimated at 20–30%.²³

1.1 LEGISLATION

The organic designation is specifically protected by the Act Respecting Reserved Designations.²⁴

Section 21 of the Act provides that “no person may use a reserved designation in the advertising, labelling or display of any product, or in commercial documents of any nature relating thereto, unless the product has been certified by an accredited certification body.” The CAAQ plays the role of the official provincial authority for reserved agri-food

²⁰ See note 1.

²¹ Agriculture and Agri-Food Canada, Manitoba Regional Office, *Manitoba Organic Report*, 2002; see online at <http://atn-riae.agr.ca/region/e3327.htm>.

²² CAAQ 2003 Annual Report.

²³ see note 1.

²⁴ R.S.Q., ch. A-20.02.

designations.²⁵ Under its Quebec Organic Reference Standards, the use of the terms “biologique,” “ecological,” “organic,” “biodynamic,”²⁶ and their diminutives “eco” and “bio” is governed by strict rules on product certification, packaging, and labelling.²⁷

Under the aegis and guidance of the Ministère de l’Agriculture, des Pêcheries et de l’Alimentation (MAPAQ)²⁸ and the CAAQ, certification must meet specific requirements for production, processing or preparation (health, safety, quality), labelling, marking, and marketing for products bearing reserved designations, including specific directives for “organic” products and foods.

Moreover, the *Consumer Protection Act*, administered by the Office de la Protection du Consommateur, sets out requirements for the marketing and inspection of all foods (no distinction between organic and conventional) to guarantee their quality and representation and thus to protect Quebec consumers.

1.2 SCOPE OF APPLICATION

The preamble to the Reference Standards defines their scope as follows:

The standards recorded in this Book should be considered as the minimum requirements to which certifying bodies must comply when developing their own standards specifications. The practical application of organic production methods requires that more detailed standards be provided, thus assisting agricultural enterprises in developing the most optimal systems that will remain socially, ecologically and economically acceptable. Given that organic production is a subject of increasing interest, a product certification system has been perfected, one that will ensure that foods produced and sold as “organic” do in fact originate from operations applying organic growing methods. This means that the integrity of these products will be preserved throughout the course of their production, from the producer on to the final consumer. The consumer is thus assured of the product’s authenticity, and as such the designation’s credibility is also protected.

²⁵ See online at www.caaq.ca for CAAQ information. The organization was previously called the Conseil d’accréditation du Québec (CAQ).

²⁶ Biodynamics is a production method that adds to the principles of organic agriculture a number of principles relating to respect for the cosmic order.

²⁷ The certification requirement, in particular, is established by section 3 of the Standards.

²⁸ See online at <http://www.agr.gouv.qc.ca> for MAPAQ information.

The basic principles of organic production applicable to plant products are detailed in Part 5 of the Standard. Part 6 sets the minimum rules for organic livestock production. Part 7 covers maple syrup production. The food preparation rules are set out in Part 8.

1.3 LABELLING AND ADVERTISING

Paragraph 9.1.1 of the Standards provides that:

Products shall be considered as bearing information referring to organic production methods when these products or their ingredients are identified using the following terms (or their diminutives) on labels and in advertising or commercial documents: “bio,” “organic,” “ecological,” “biodynamic,” [or] any similar term intended to lead retailers and consumers to understand by this reference that these product results [sic] from organic agriculture.

The labelling rules as to the percentage of organic ingredients are similar to those discussed above in section I 1.2 for the US. Similar rules apply in the EU but the latter is different in that it does not allow any reference to organic production methods for products containing less than 70% organic ingredients.

The certifier’s logo is optional on products containing at least 70% organic ingredients.²⁹ There is no uniform logo.

Paragraph 9.3.1 specifies that “in order for a product to bear an “organic” label, more than 95% of its ingredients must originate from agricultural firms or production units holding an organic compliance certificate conferred by an accredited certifier or one recognized by the CAAQ.”

Paragraph 9.3.2 specifies that “it is the name (firm name) of the body having certified the final product that must appear on the label of products marked ‘organic.’ The certification seal or logo is optional.”

²⁹ Table 5 of the Standards (see Appendix 3 below) summarizes this classification into three categories of organic products and authorized labelling indications.

Paragraph 9.5 covers indications relating to various inputs and services approved by an accredited certifier.

1.4 ORGANIZATION: THE AUTHORITIES AND THEIR ROLES

MAPAQ is the Quebec government ministry responsible for regulating and promoting production and trade in agricultural products. It enforces the Quebec laws relating to organic products and administers organic inspection activities. In that capacity, it:

- develops legislation relating to organic agriculture in Quebec;
- conducts on-site inspection of operators, including retailers, producers, and importers, and their products;
- confers on the CAAQ the power to accredit certification bodies in Quebec and outside the province;
- reviews the accreditation and recognition activities carried out by the CAAQ for organic products produced and traded in Quebec.

The CAAQ is the organization responsible for the accreditation of organic certification bodies to meet the production and marketing requirements of both Quebec and extraprovincial markets. As the organization responsible for reviewing the activities of certification bodies, it is in charge of :

- accrediting and recognizing bodies certifying organics marketed in Quebec and outside the province;
- evaluating certification bodies according to ISO 65 criteria and the inspection plan in order to verify the application of organic standards by the producers.

In late 2002, the CAAQ obtained USDA recognition for its accreditation system. The 6 certification bodies accredited by the CAAQ are now authorized to certify under the US organic standard (the NOP), facilitating access to the US market for Quebec companies.

As of April 2004, the CAAQ had a staff of five members — an executive director, a public relations director, a person in charge of standards and Quebec product entry acceptance, a person in charge of accreditation, and a person in charge of reserved designation surveillance. Its 2003 budget was \$425,000.

Finally, the Table Filière Biologique du Québec, the principal representative of the Quebec organic production sector, was founded in 1994. Its function is to stimulate the growth of the sector by bringing together the government and all the relevant stakeholders, including consumers.

1.5 INSPECTION SYSTEM

In Quebec, certification is mandatory for all organic foodstuffs produced and sold in the province. The CAAQ-accredited certification bodies determine the inspection requirements.³⁰ They evaluate operations and products vis-à-vis their own organic standards (or specifications) and may be accredited by one or more competent authorities (CAAQ for the Quebec market, NOP for the US, EEC for the EU, etc.). The CAAQ indirectly recognizes an additional 39 foreign certification bodies via an equivalency system. CAAQ accreditation costs \$7,000.00 the first year and \$5,000.00 for subsequent years. In Québec, initial accreditation of certification bodies costs approximately \$12,000, with annual maintenance fees starting at \$2,000. Renewal of accreditation must take place every four years and can cost up to \$10,000. Finally, a contribution of \$75 for farmers and \$300 for processors must be paid to the CAAQ by each certified operation, over and above the product certification fees, to defray the costs of the organic designation surveillance program, which is administered by the latter organization (and not the accreditation program).³¹

The CAAQ recruits inspectors who are members of the Independent Organic Inspectors Association (IOIA).³² Inspectors must pass an IOIA training course or an equivalent course recognized by the IOIA (for example, the organic inspection program offered by Cégep de Matane, Quebec. Inspectors are trained to evaluate organic sector establishments and their processes.

³⁰ Accreditation is always done in accordance with the international guide ISO 65.

³¹ See CAAQ fee schedule in Appendix 4 of this report.

³² See online at <http://www.ioia.net> for information about this organization.

The first official CAAQ inspection took place in July 2003 (see below). A semi-annual inspection calendar for retail businesses exists for 2004 and subsequent years.

Organic distributors and merchants must register with the CAAQ.

1.6 IMPORT CONTROLS

In Quebec, importing activities are regulated by the Reference Standards; all organics produced and/or sold in Quebec must be compliant as of 2000. Following the discovery the non-compliant foreign products had entered the market, it was decided that as of 1 July 2003, all organics imported and sold in Quebec must be certified by a CAAQ-approved entity. An inspection program and implementation measures ensue from this and have gone into operation through out the province.

To sum up this discussion, the Quebec certification system is quite similar to the EU and US systems. The reserved organic designation, the existence of a mandatory standard, and the systematic nature of certifier accreditation by a government-sponsored agency makes Quebec a place where the marketing of local and imported goods is regulated and controlled. Its recent vintage explains in part why the system, despite excellent results, does not yet perfectly regulate all aspects of inspection, particularly as regards retailers, with which the CAAQ is experiencing some difficulties.³³ Though little known to Quebec consumers at its inception, this system has been gaining popularity year after year. However, the diversity of logos continues to cause confusion among consumers. The existence and features of this system must be further publicized to the general public.

³³ This situation led to the organization's adoption of Guideline ORG-2-0105, *Use of 'Organic' Designation and its Derivative Terms, by Firms that Contract Suppliers to Fabricate and Package Organic Food Products Intended for Sale under a Private Brand Name*.

2. BRITISH COLUMBIA'S CERTIFICATION SYSTEM

The Quebec system served as an inspiration for that of BC, where there are approximately 460 certified organic producers. Retail sales are growing by 20% annually.³⁴

2.1 LEGISLATION

BC has adopted optional provincial standards. Organic agriculture and products are regulated by the Organic Agricultural Products Certification Regulations and the Agri-food Choice and Quality Act and the ensuing British Columbia Certified Organic Production Operation Policies and Management Standards, the reference standards for the province. These provisions define the BC Certified Organic Program. Its specifications are only mandatory for an operator wishing to be certified and use the “BC Certified Organic” logo.³⁵ The system is overseen by the government and the organization Certified Organic Associations of British Columbia (COABC).

2.2 SCOPE OF APPLICATION OF THE LEGISLATION; LOGO

The basic principles of organic production applicable to plant products are detailed in Part 4 of the Standards.³⁶ Parts 5, 6, 7, 10, and 12 deal with specific crops. Parts 8 and 9 establish minimum rules for organic livestock production. The rules for processing are set out in Part 11 of the Standards.

A COABC-accredited certification body can guarantee the use of the BC Certified Organic logo for organic products certified under this certification program, provided that:

³⁴ See note 1.

³⁵ The logo is depicted in Appendix 2(b).

³⁶ The standards are available online at <http://www.certifiedorganic.bc.ca/Standards/index.html>.

- the company has a valid certificate issued by a certification body (annual renewal) and
- the company is registered with the COABC (annual renewal).

2.3 LABELLING AND ADVERTISING

The guidelines on the use of the BC Certified Organic designation provide for three different product categories and indications according to the percentage of ingredients, as mentioned in points I 1.2 and II 1.3 above for the US and Québec, respectively.

In order for a producer to display the BC Certified Organic indication on its product, it must hold a permit and produce its goods using methods compliant with the standard. The operation and processes used must be inspected by an agency belonging to the COABC or certified by another certification body whose requirements are equivalent to the BC Certified Organic Program.

2.4 ORGANIZATION: THE AUTHORITIES AND THEIR ROLES

The regulations governing certification and the “organic” indication are under the responsibility of the BC Ministry of Agriculture, Food and Fisheries (BCMAFF) and supervised by the COABC.

BCMAFF regulates the use of the logo for the needs of production and intraprovincial trade. It oversees the enforcement of BC organics law. In this capacity, it drafts and amends the legislation relating to organic agriculture. It administers organic inspection activities and, for this purpose, conducts on-site inspections of operators (including retailers, producers, manufacturers, and importers) and their products. Finally, it is responsible for reviewing and coordinating the COABC’s activities. In this role it recognizes and reviews the organization’s accreditation activities and audits organic certifications issued in BC.

The COABC enforces the BC organic standards. In this capacity it drafts and amends a standard governing organic products in BC and is responsible for accreditation of

certification bodies. There are 14 of these in the province, all accredited by the COABC, including two also accredited under ISO 65.

Finally, it is responsible for the effectiveness and uniformity of certification in the province, and for this purpose oversees the activities of the certification bodies. The latter certify organics for the purposes of operators wishing to use the BC Certified Organic logo.

Other certification bodies act independently and on demand in the organic sector. The BC system and two of its certifiers obtained USDA recognition on 3 November 2003.

2.5 INSPECTION SYSTEM

The procedures are identical to those of Quebec and are carried out by IOIA inspectors. However, in BC, the “organic” indication is not systematically reserved. Organic operators and their products are only regulated by provincial law if the operator chooses to be certified and to use the BC Certified Organic logo. In that case, it uses the services of one of 13 COABC-accredited certification bodies, only two of which are accredited according to ISO 65. As the accreditation body, the COABC is recognized under ISO 61, like the CAAQ in Quebec.

2.6 IMPORT CONTROLS

In BC, import regulations relate to quality and the use of the BC Certified Organic logo. An inspection program and implementation measures are in effect throughout the province.

As can be seen, the British Columbia system departs from the US, EU and Quebec systems, though it does share their foundations. Its centrepiece, the COABC, represents the organic sector on the provincial, national, and international scene. The market is partially regulated. This system is intermediate between mandatory, systematically enforced regulations and an unregulated market.

3. CANADA'S CERTIFICATION SYSTEM

There is a Canadian certification system that applies in provinces and territories outside Quebec and BC and vis-a-vis most third countries.

Organic production in Canada is divided among some 2,500 producers cultivating 340,000 ha (850,000 acres).

The following figures illustrate the extent of organic production in the Canadian provinces outside Quebec and BC.³⁷

Alberta has:

- approximately 350 organic producers;
- 443,332 acres (179,786 ha) under cultivation, including 334,586 acres devoted to organic crops/pasture and 59,433 in transition;
- a total of 86,127 head of livestock, including 26,063 head of organic livestock and 6,529 head in transition.

Saskatchewan is the largest organic producer of Canada's provinces. It has:

- 40% of the agricultural area in Canada under certified organic field crops, or 282,000 acres (114,170 ha);
- 636 organic farmers and ranchers;
- 11 certification bodies and 25 processors.

Ontario has:

- more than 600 certified organic operations;
- 75,000 acres (30,000 ha) of organic production;
- annual growth of 20%;
- 5 certification bodies.

³⁷ Agriculture and Agri-Food Canada, *Manitoba Organic Report*.

Prince Edward Island has:

- 2000 acres (800,000 ha) in organic production,
- 30–35 certified producers;
- certification bodies.

New Brunswick has approximately:

- 27 organic producers, including 20 certified;
- certification bodies;
- several operations conducting primary processing.

3.1 LEGISLATION

Three sets of food laws are effective in Canada. These laws govern all foods, both organic and conventional.

3.1.1 *Product Laws*

These laws are administered by the Canadian Food Inspection Agency (CFIA). The *Canada Agricultural Products Act* contains requirements applicable to food including organics but not specifically referring to them.

The *Meat Inspection Act* and the *Fish Inspection Act* contain requirements applicable to all meat, fish, and seafood, including organic products but not specifically referring to them.

3.1.2 *Food and Drug Act; Consumer Packaging and Labelling Act*

The *Food and Drugs Act* and its regulation are administered by Health Canada and the CFIA. These mandatory requirements concern the health and safety of all foods sold in Canada, including organics but not specifically referring to them.

The *Consumer Packaging and Labelling Act* and its regulation are administered by the CFIA. These mandatory requirements concern the labelling and packaging of all pre-

packed foods in Canada. Here again, the act covers but does not specifically mention organics.

3.1.3 *Organic Agriculture Standard*

National Standard of Canada 32.310.99, *Organic Agriculture*, was adopted by the Standards Council of Canada (SCC) in 1999. The SCC had tasked the Canada General Standards Board (CGSB) to devise a national standard with the collaboration of all organic stakeholders. This standard is voluntary. However, concerted steps have been taken starting in the fall of 2003 to consider regulatory supervision of organic production and markets, or indeed a mandatory standard. This initiative is continuing in 2004 with the ad hoc Organic Regulatory Committee (ORC), which brings together the relevant stakeholders under the aegis of the CFIA. The latter has just completed a country-wide consultation phase in conjunction with Agriculture and Agri-food Canada (AAFC), the federal department of agriculture. During these consultations, the proposed solution is that of a mandatory system. This initiative stems in part from the EU ultimatum that will ban organics from countries without mandatory inspection systems as of 2006.

The standard was harmonized with the international guidelines established by Codex Alimentarius. It was intended to specify the certification requirements that must be met by producers if they wish to use the “Canada Organic” logo and indication. This designation was therefore registered. It was to have been supervised by the Canadian Organic Advisory Board (COAB), founded in 1992, but the process derailed and COAB, which had sought to become Canada’s accreditation body, was dissolved in 2001.

Standard 32.310.99, currently under review, is acknowledged to be weak and permissive.³⁸

3.2 SCOPE OF APPLICATION

³⁸ See Appendix 5 of this report for a comparison with EU standards as at January 2002. The comparative analysis was repeated in April 2004 but has yet to be published.

The Canadian standard³⁹ principally defines:

- organic production and processing methods, according to the same principle as the US, EU, Quebec, and BC standards discussed in points I 1.1, I 2.2, II 1.2 and II 2.2 above.
- labelling rules, not including products from transitional operations nor, in the absence of regulations, a Canadian logo.

The standard covers crop and livestock production, specific production requirements for certain crops,⁴⁰ temporary exceptions, and processing.

The general principles applicable to organic crop production methods are detailed in Section IV 5 of the Standard. Specific products are covered in Appendix A. Section IV 6 establishes the rules applicable to livestock production. The rules applicable to processing are set out in Section IV 8.

3.3 LABELLING AND ADVERTISING

Paragraphs 9.7–9.12 of the Standard define four different product categories and corresponding allowable labelling indications according to the percentage of organic ingredients in a manner similar to that described in points I 1.2 for the US, II 1.3 for Quebec, and II 2.3 for BC.

Since the “organic” designation is not reserved, only a violation of the laws governing fraudulent practices and false advertising may be invoked. Consumers who think that the designation is being misused must file a complaint with the CFIA, which investigates. There is no specific program for organic product inspection. Follow-up is only performed in the event of consumer complaints. A sample is taken, evidence is requested, and pesticide analyses may be performed. This principle applies to all the provinces. On this issue, organics are covered in a nonspecific way by the same laws that apply to conventional foods.

³⁹ Canadian standard is available on line: http://www.pwgsc.gc.ca/cgsb/032_310/standard-f.html

⁴⁰ Wild and natural products, honey, maple products, mushrooms, sprouts, and greenhouse crops.

Similarly, we shall see that organic marketing practices are regulated by agencies whose generic mission applies to all food products.

3.4 ORGANIZATION: THE AUTHORITIES AND THEIR ROLES

Three main national bodies are involved in food policy and legislative development in Canada for both conventional and organic products: the CFIA, the SCC, and the CGSB.

3.4.1 *Canadian Food Inspection Agency*

The CFIA conducts on-site inspection of establishments (including retailers, manufacturers, and importers) and their products. The agency designs programs, establishes policies, develops and updates inspection manuals and tools, and audits program execution. Its general role is to ensure that products manufactured and marketed in Canada, or exported from or imported into Canada, are safe, wholesome and suitably labelled for the requirements of consumer protection by means of inspection, control, compliance auditing, and surveillance via lab analyses and system audits.

The CFIA has 4600 employees all across the country. The powers and authorities of the inspection employees are governed by the *Canada Agricultural Products Act* and its regulation, the *Food and Drugs Act* and its regulation, and the *Consumer Packaging and Labelling Act* and its regulation.

The inspection mission income was his old products and manufacturers, including but not specifically referring to organics and their manufacturers.

3.4.2 *Standards Council of Canada*

In accordance with ISO 65, the SCC⁴¹ credits or recognizes organic certification bodies with reference to the national organic standard in a non-mandatory context. Its mission is to evaluate the activities of certification bodies that opt for accreditation.

As the recognized accreditation body for foreign markets, the SCC negotiates for recognition of Canadian certifications by foreign countries (for example, access to the US under the NOP).

Currently, 2 of the 46 certification bodies operating in Canada (OCCPP/ProCert and OPAM) are accredited by the SCC. Accreditation occurs following an evaluation by an SCC committee. Once accreditation is issued, the certifier appears on the list of accredited certification bodies on the SCC's website. An annual audit visit ensures that the certifier has the capacity to carry out its certification activities. Regular SCC accreditation fees are a very expensive C \$40,000. However, on 11 June 2003, AAFC announced the extension of the National Organic Accreditation Assistance Program (NOAAP).⁴² AAFC pays 50% of the accreditation fee until 31 December 2004, up to a maximum of \$25,000. It is pertinent to reiterate here that USDA accreditation under the NOP costs only C \$3,000 and that such accreditation is necessary and sufficient to do business in the US. Furthermore, US accreditation is valid for five years without additional fees, while Canadian accreditation costs an additional annual fee. This state of affairs does not encourage Canadian certifiers to seek accreditation under the Canadian standard.

OCCPP/ProCert carries out certification activities in Quebec and is accredited to do so by the CAAQ. OCCPP/ProCert can therefore grant certification under both the Québec and Canadian standards.

3.4.3 Canada General Standards Board

⁴¹ See online at <http://www.scc.ca> for more information about this agency.

⁴² This is a \$375,000 program funded by Canadian Adaptation and Rural Development and originally announced in June 2001.

The CGSB⁴³ is a standards development body accredited and recognized by the SCC in accordance with ISO guidelines. Mandated by the SCC and under the auspices of AAFC, the agency developed standard 32.310.99. Its role is to keep the Canadian national standard up-to-date in accordance with SCC procedures.

3.5 INSPECTION SYSTEM

Since the standard is voluntary, Canada has no exhaustive record of organic operators in this country, nor is any information on them centralized at the national level. Information is scattered among and distributed by the private stakeholders. There is no government program.

The CFIA has a registration and inspection system for all establishments without distinction between conventional and organic ones. Canadian manufacturers carrying out activities relating to interprovincial and international trade in 14 different agricultural products are covered by specific mandatory regulations (*Processed Products Regulations, Fresh Fruit and Vegetable Regulations, Dairy Products Regulations, Honey Regulations, Meat Inspection Regulations, etc.*).

3.6 IMPORT CONTROLS

The absence of a mandatory standard means that there is no specific control over organics entering Canada. They are subject to the generic food regulations, with no distinction between organic and conventional products.

All agricultural products sold in Canada must be safe, wholesome and compliant with the regulatory requirements relating to products pursuant to the *Food and Drugs Act* and the *Consumer Protection Act*. Products are all subject to CFIA inspection at two levels: control (5% sample) and surveillance (in case of non-compliance detected during control).

⁴³ See online at <http://www.pwgsc.gc.ca/cgsb> for more information about this agency.

In terms of labeling and packaging requirements, the laws apply generically without distinction between organic and conventional products. For example, the *Consumer Packaging and Labelling Act* provides as follows:

- agricultural products sold in Canada must be suitably labelled and packaged according to packaging requirements;
- information appearing on products must be true and accurate so that consumers are properly informed about the products the purchase.

In addition to these are inspection procedures related to storage conditions, transport conditions, packaging materials, and formulation (ingredients) of imported products.

Canada has no record or list of imported organic products in terms of quantity, type, and origin. Thus, the labeling requirements specifically applicable to imported organics are no more stringent than for domestic ones.

We have just seen that with the exception of Quebec, and BC to a lesser extent, organic agriculture and its products are relatively unregulated in Canada. The current situation has given rise to a wide variety of practices in this country. The certification systems in place are indeed strikingly different. Although the structures and procedures governing conventional food inspection guarantee the integrity of conventional food marketing, the current voluntary certification system cannot claim to be a rigorous regulatory framework for organic foods in Canada. This situation gives the stakeholders a great deal of freedom. There is too much latitude in Canada for producing, processing, and importing products labelled “organic” that do not have sufficient guarantees of organic production methods.

What we have in Canada today is a retrograde and confusing situation, with 45 certifiers for 49 accredited or non-accredited certification bodies, 6 types of accreditation (only one, the SCC’s involving Canada-wide recognition), and no centralized data.⁴⁴ Moreover, it is a shame that in order to enter the US market, for example, one must have Canadian product approved by a system other than the Canadian system itself.

⁴⁴ Appendix 6 summarize the organic sector regulations in different countries. It shows that most industrialized countries today have a comprehensive system in force.

In light of our analysis of the certification systems of Canada's main trading partners, those of certain Canadian provinces, and Canada's national system, it seemed opportune to meet with Canadian consumer representatives and identify their perceptions, fears, and requirements regarding the organic certification system in Canada. Based on this work, we derived a series of potential solutions to the problems we have discussed and some recommendations for implementing them.

III CONSUMER PERCEPTIONS, FEARS, AND CONCERNS REGARDING ORGANIC PRODUCTS

1. METHODOLOGY

For methodological validity, this type of research project traditionally requires four focus groups at four different locations, each group consisting of ten participants.

Focus groups are a powerful, open-ended, interactive tool for rapidly discerning the perceptions and concerns of a group of people instead of having to interview each individually. We commissioned the firm Environics, which specializes in this type of study, to hold four focus groups. The participants were selected for their representativity in terms of gender, age, origin, and occupational category.⁴⁵

Montreal (Quebec) and Ottawa (Ontario) were the two cities initially chosen, since organic products are widely available there. We eliminated Montreal because the certification system to which Quebecers are exposed is completely different from the Canadian system. We then turned to Toronto and Vancouver, both large urban centres in which organic products are widely consumed and the relevant issues are the topic of much discussion. We chose Toronto for cost efficiency reasons. The four focus groups were held 22–24 September 2003.

The participants were limited to persons who occasionally to regularly purchase organics. There was no need for them to be specialists or purists; however, by virtue of their purchases they have probably done some thinking and questioning about the organic industry. From this fact, we deduced that the conclusions derived from discussions with these more knowledgeable consumers as to their perceptions, information needs, and the weaknesses they see in the system are probably valid predictors of this information for less knowledgeable consumers, hence relevant to the protection of the population at large.

⁴⁵ The list of participants in the Toronto focus groups is presented in Appendix 7(a) with the participants' names replaced by numbers. The focus group discussion guide is presented in Appendix 7(b).

2. CONSUMERS AND ORGANICS

The focus group participants all stated that their purchases of organic products date back a few years at most. This recent behaviour showed that certain consumers are still in a period of exploration or hesitation — essentially a “trial period” stemming from a mixture of interest and curiosity. For some it seemed that all they needed was a bit more persuasion to become dedicated organic consumers.

Concerning the site of their purchases, most participants stated that they shopped at supermarkets and were impressed by the quantity of products offered. This wide variety had in fact been an inducement to their initial organic purchases. Some participants, however, only shopped at small stores specializing in natural and health products. Some bought directly from farmers, in whom they had more confidence. These figures agree with the general pattern for Canada: 49% of organic purchases take place at supermarkets, 48% in specialized stores, and 3% at outdoor markets or directly from the farmer.⁴⁶ Only a few participants stated that they tried to “buy organic” as often as possible. For the vast majority, organic purchases were limited to specific products or occasions. Taste was the main factor motivating these purchases, especially regarding organic meat, which is perceived as an exceptionally high-quality product.

But in general, the discussions highlighted the central role of health concerns as a reason for purchasing organics. Other reasons invoked were awareness of certain agricultural and agroindustrial practices, especially the abundant use of pesticides, as well as the use of genetically modified organisms, intensive hormone and antibiotic use, the treatment of factory-farmed animals, and the widespread use of additives in processed foods. Some of the consumers became attuned to these issues by reading articles or seeing documentary reports. Participants mentioned their use of organic products as a means of cleansing their body of any toxins they might ingest. The older participants stressed that the harm is already done for them, but that they purchased organic foods for their children.

⁴⁶ Agriculture and Agri-Food Canada, *Manitoba Organic Report*.

In terms of price, many consumers expressed their incomprehension of the logic that makes organic foods so much more expensive, since the producer has fewer inputs to pay for.

3. CONSUMER PERCEPTIONS AND FEARS

The participants believed that the “organic” designation is reserved and that a federal department applies regulations. Some thought that this was the CFIA, others mentioned AAFC. They were surprised and dissatisfied to learn that only two of the 46 certification bodies operating in Canada are accredited by a federally recognized authority. The participants had believed that official recognition is mandatory. A large majority of them had assumed that a product labelled “organic” and stocked in a part of the store reserved for natural or organic products — a much more expensive product, in addition — must have been produced according to organic methods.

The type of store selling organics had no effect on their confidence in them. Specialized stores are perceived as having integrity, while the large chains, it was felt, cannot afford to be accused of abuses or lying and have their images tarnished as a result. Likewise, a large majority of the participants perceived all organics as being equivalent to one another, none of them being particularly suspect. All logos were perceived as signs of equivalent recognition and guarantee, although none of the participants could name any certifying body.

However, some of the participants distrusted the large chains and their ideology-free opportunism. Some had noted the presence of logos, had perceived the existence of different certifiers, and checked labels in order to ascertain the percentage of organic ingredients.

Finally, the participants stated that they had little knowledge of the workings of the system and its specific vocabulary (certification, accreditation) and deplored the absence of this information. They sense that the concept of organics is not black and white but, rather, complex. This discussion led them to conclude that they definitely need to find out

more about the composition of an organic product, the standards governing its production, and their application.

Overall, consumers display a great degree of trust in organics and their regulation by the government. The “organic” label claim and the presence of the logo seem sufficient to convince the majority of consumers of the manufacturers’ good faith and the government’s supervision. Since our analysis of the Canadian system shows that nothing justifies this confidence, these consumers are unprotected.

A smaller proportion of the participants were more informed and suspicious, taking the time to check product credentials and properties. Questions and confusion prevail in the minds of this group.

Generally speaking, consumers are surprised and dismayed at the absence of legislation and the non-mandatory nature of certification. Furthermore, they are frustrated at the lack of information on the workings of the system.

4. CONSUMERS’ REQUIREMENTS

a) The Need for Organic Regulations

A large majority of consumers interpret a product as being organic simply because it is labelled as such. Only rigorous control over organic label claims can clarify this misunderstanding by prohibiting such claims where the product does not officially meet the criteria for organic production and processing. It is an unacceptable breach of consumers’ trust for farmers or manufacturers to take advantage of the legislative void.

The participants discovery of the lax regulatory environment made them doubly angry at the high prices charged for organic products. They argued that price differentials have to be justified by strict, systematic supervision within a system of mandatory accreditation of certification bodies. Half the participants stated that they would pay still more for a rigorously controlled, trustworthy system. The other half felt that they were

already paying enough and that any additional cost would have to be absorbed by intermediaries in the supply chain, not by consumers.

Thus, the participants reached consensus on two issues. They want the government to proactively adopt strict regulations in this area, and they want these regulations to be enforced uniformly across the country. Some stressed that the Canadian regulatory framework should be recognized according to international standards, and some also suggested that Canada should derive inspiration from the European and Quebec systems.

b) The Logic of a Unified Logo

For the participants, all logos are different — yet identical. It seems a futile hope for a certifying agent to set itself apart from the rest by means of its logo. Meanwhile, the wide array of logos merely confuses Canadian consumers, who have no way of determining the value or validity of each. When we asked the participants to identify the most and least trustworthy logos among three selected at random (Québec Vrai, British Columbia Certified Organic, and Verified Organic OCCP Ontario Inc.), the consumers made no distinctions in terms of confidence. They essentially identify organics by spotting the word “organic” on the label. Nevertheless, they perceive this indication as too subjective to remove all doubts a consumer might entertain when making a purchasing decision. A unique, visually striking, dependable, mandatory logo for all certification bodies is advantageous to consumers and was supported by the focus group participants as a means of enabling identification and providing guarantees. This would allay all doubts while shopping. The logo would obviously clarify matters, but would have the additional advantage of being distinguishable by all types of consumers, including those who are illiterate, visually impaired, underage, senior citizens, or persons without a strong command of the official languages. The focus groups added that logos are extremely powerful and, once established, would be the best and most durable guarantee of consumer confidence.

c) An Effective Inspection System

It emerged from the focus groups that consumers are mainly attracted to organics for health reasons. They expect there to be an effective system of inspection and control in order to guarantee that the process strictly avoids unauthorized products and processes to which consumers do not want to be exposed, such as GMOs, chemical pesticides, chemical fertilizers, chemical additives, growth hormones, antibiotics, and irradiation. In this regard, Canadian consumers' demands are similar to those of Europeans. A survey conducted by the European Commission in the 15 member countries showed that a food product's safety is primarily defined, in the minds of consumers, in terms of the absence of pesticides (56% of responses), the absence of hormones (54%), and the existence of control and inspection by competent bodies (49%).⁴⁷

In our view, a rigorous system is urgently needed, for the situation never stabilizes immediately after the implementation of a surveillance and control policy. In Quebec, at the first official CAAQ inspection in 2003 of 3,700 products in 100 establishments on the Island of Montreal, 95% of the products were certified and 87% were both certified and properly labelled. These figures would undoubtedly have been much lower several years earlier, just after the implementation of the mandatory system and the founding of the CAAQ.

In parallel, consumers expect a rigorously controlled exemption system for temporary and exceptional cases.

d) A Government-Supervised Regulatory Framework

The existing approach involving penalties in the event of consumer complaints to the CFIA was perceived as surprising and totally inadequate. The participants did not feel that as consumers they are in any way qualified to file an official complaint about a dubious product. On this point they reaffirmed the importance of public confidence in the

⁴⁷ INRA (Europe) European Coordination Office. 1998a. (for the Commission of the \ European Communities., DG Health and Consumer Protection). *Eurobarometre 49: La Sécurité des Produits Alimentaires*. Complete report. September 3; see online at http://europa.eu.int/comm/dgs/health_consumer/library/surveys/eb49_fr.pdf.

law and reiterated the need for a mandatory system in which the competent, government-approved authority would conduct inspections and controls, including in-store product sampling.

e) An Import Control System

The solution on this score was clear to the focus group participants: Canada should devise an equivalency procedure for its commercial partners' organic agriculture standards and reach reciprocal agreements with these countries. A country could then export its products to Canada if, according to the competent Canadian authority, its standards exceed or equal those of Canada. The participants felt that this should not preclude random inspections and audits, since many products from less-industrialized countries might be less dependable in some cases.

f) Better Public Awareness and Information

All focus group participants specified that they do not have enough information on organic regulations and feel frustrated by this state of affairs. Consumers want more information. What apparently matters most for most consumers is that they be equipped to make enlightened choices.

Therefore, the implementation of a regulatory framework is, for them, inseparable from the need for consumer education so as to sensitize consumers to the real significance of organic certification and its criteria, the nature of organic practices, and the easiest way to identify certified Canadian organics. Our participants mentioned the idea of making more information on organic foods available in the stores selling them. They envisioned, for example, posters and pamphlets in supermarket sections reserved for these foods, explaining the store's commitments in regard to organic products. The presence of such information might, in fact, be perceived as an inducement to purchase organics. According to the focus group participants, school curricula and the media are two other important vehicles for raising awareness about organics.

5. OVERVIEW OF PERCEPTIONS AND DEMANDS OF ORGANIC SECTOR STAKEHOLDERS IN CANADA

With a view to producing a more complete analysis of the situation and producing recommendations that are realistic, applicable, and compatible with the realities and interests of the various stakeholders, Option consommateurs undertook to interview several key organic sector stakeholders in Canada.

We geared our conversation toward the points we considered important because they had been raised by the focus group participants. We explained and discussed our analysis of the situation, the demands expressed by consumers, and our proposals for improvement. Among the views expressed, we highlighted the issues, perceptions, and interests of each stakeholder. As will be evident, the sector's demand for a highly regulated system is acute.

5.1 ORGANIC FARMERS AND FARMERS' GROUPS

We interviewed Pierre Gaudet, President of the Fédération d'Agriculture Biologique du Québec (FABQ), Ann Slater of the Ecological Farmers' Association of Ontario (EFAO), and Janine Gibson, President of Canadian Organic Growers (COG).

These individuals explained that the issue is a major concern for their members. They are in favour of a mandatory system and some of them have been working for years to develop a national organization similar to the CAAQ and the Table Filière (sectoral roundtable) in Quebec and the COABC in BC. The voluntary system is seen as insufficient given the large number of certifiers, some of which are not accredited by any authority, domestic or foreign. It was also explained that a voluntary standard means little, that fraud exists, and that there is no way to stop it. Likewise, imports are not inspected or controlled. One gets the sense that consumers no longer know "what's what," and this is a considerable nuisance to those who are doing their work properly. It is necessary for certifiers to be accredited in the future for reasons of credibility, especially as regards exports. Failing that, a voluntary system is perceived as one that

jeopardizes product integrity, a worrisome prospect for Canadian competitiveness with respect to US and EU products. Along with controls, a system for penalizing violators would be favourably received. One of the respondents said that fines and publication of violators' names would constitute the best means of penalizing them and that penalties should increase sharply for recidivism.

More than one respondent felt that the exemption granted to farmers with sales under \$5,000 in the US should be used in Canada as well. However, others felt that there should be no exemptions and that certification should apply to all without distinction. Yet farmers want affordable certification fees. On the subject of accreditation, the SCC is not regarded as the sole competent authority in Canada. Canada is big and several different authorities could play this role. In addition to the SCC, the CAAQ, the COABC and the International Organic Accreditation Service (IOAS) (which implements the accreditation program of the International Federation of Organic Agriculture Movements (IFOAM)) could jointly play this role, the point being to acknowledge and respect work already accomplished in the provinces. To this end, it would be necessary to harmonize standards interprovincially. It is hoped that government will intervene to reduce accreditation costs. The EFAO representative stated, for example, that even though Ontario's main certifying body is OCCPP-ProCert (which is already accredited by the SCC), this would open the door to other certifiers, offering more choice to farmers.

Even if the certifying bodies encourage the implementation of a mandatory system, consumer price increases of 10–15% are seen by some as the inevitable cost of funding a high-quality, reliable system. On this point, one representative interviewed mentioned that retailers should be solicited to help keep prices reasonable. The government is exhorted to maintain and enhance its financial support. For other respondents, prices to the consumer will not change since the cost increases will mainly be borne by the farmers. They added that higher sales volumes and the advent of supermarket private labels will have a downward effect on prices in any case. This expansion of organic private labels, such as Loblaw's President's Choice Organic, worries certain farmers who know that the policy of these chains is to reduce quality requirements so as to minimize costs.

On the subject of the logo, a uniform logo is favoured as a means of dispelling confusion among consumers. Our respondents also support the idea of a far-reaching consumer awareness campaign on organics through various media. One of them deplored the results of a study according to which the logo most commonly recognized by consumers as indicative of an organic product in Canada is USDA Organic.⁴⁸ This respondent specified that though it would be desirable and beneficial for a national logo to be available and used by everyone, it would be undesirable to make its use mandatory since this would raise printing costs considerably in many cases. The presence of a second logo indicating the certifier could be relevant if the stakeholders so desire, leaving room for stricter certifiers to differentiate themselves in the marketplace.

One of the respondents would be entirely in favour of enforcement action against misleading or meaningless labels and logos that suggest to consumers that a product is organic. In this regard, this respondent mentioned Dennis T. Avery, Director of the US-based Hudson Institute, who is notorious for his pro-GMO stance. Mr. Avery, the author of *Saving the Planet with Pesticides and Plastic* and the developer of the “Earth Friendly/Farm Friendly” ecolabel, has stated that he will save the planet by disseminating a productivist model of production involving pesticides and irradiation. Consumers may well be misled into believing that products bearing this logo are organic.

5.2 RETAILERS

We interviewed Kim McKinnon, Vice President, Communications with the Canadian Council of Grocery Distributors (CCGD). She stated that if processors opt to be certified in Canada, it is not only for export markets but also to meet domestic consumer demand. She considers consumers of organic products to be informed, well-educated individuals who only represent one segment of consumers. She thinks that all consumers always seek the highest quality and the best taste at the lowest price.

⁴⁸ This logo is depicted in Appendix 2(a).

The CCGD makes little distinction among different products bearing an organic label. It regards the SCC, the CAAQ, and the USDA as equivalent accreditation agencies in terms of the stringency of their standards.

Regarding product selection, supermarkets use their own criteria, though they all require products to be compliant with the applicable provincial standards.

The origin of organic products is of little concern to retailers; they make little distinction among Canadian, US, EU, Asian, or African products. Still, most products originate from North America. Likewise, the province of origin is of no concern; buyers have no preference for Quebec or BC products, for example.

On the issue of fraud, the organization trusts the CFIA to investigate any complaints that may arise.

Ms. McKinnon feels that there is no need for supermarket practices to be regulated, including as regards bulk foods, since they strive to comply with applicable food safety requirements at all times.

On the issue of the logo, if the authorities require a single national logo, the CCGD would support this decision if sales and quantitative studies show that consumers indeed prefer such a logo.

Finally, the CCGD is confident that a mandatory system could be implemented smoothly. It always works in conjunction with the CFIA, Health Canada, and the provincial agencies and always abides by the law. The CCGD would like the system adopted to be uniform for Canada.

5.3 CERTIFIERS

We interviewed Julie Fréchette of Québec Vrai⁴⁹ (OCQV), Richard Femmelhaack, farmer and President of OCIA Québec, Debbie Miller of OCIA International,⁵⁰ and Danièle Laberge of Demeter. These certifiers represent not only their organization but also their members (farmers or processors).

They concurred that regulation of organics confers valuable credibility on the industry, a situation that already holds sway in Quebec. In addition, the creation of a government agency like the CAAQ would facilitate recognition and decrease the corresponding costs. For example, if the 6 certification bodies with head offices in Quebec had had to undergo the NOP recognition process individually, the paperwork would have been much more cumbersome and the costs much higher.

For the domestic market, the absence of mandatory regulations does not provoke much conflict among Quebec's certifiers, among whom the "competition" is fair. The principal concern has to do with uncertified imports from other provinces that are labeled as organic. Conversely, the logo of provincial authorities such as the CAAQ and the COABC is rarely recognized abroad. The EU and Japan (unlike the US) denied recognition to the CAAQ for the sole reason that they are only interested in dealing with national-level entities. It is practically impossible for certifiers, which are nonprofit organizations, to obtain such recognition due to the prohibitive costs of such an undertaking. Therefore, members of Canadian certifiers with insufficient resources cannot sell their goods in Europe or Japan. US recognition for certifiers under the auspices of the CAAQ was facilitated but remains unaffordable (C \$3000) for certifiers elsewhere in Canada. Within the inequitable system currently functioning in Canada, some companies have to pay certification fees while others can make organic claims

⁴⁹ Site Web: <http://membres.lycos.fr/quebecvrai>

⁵⁰ OCIA: Organic crop improvement association. OCIA International has about 12 offices in Canada. See online at www.ocia.org.

without restriction. The respondents stated that the Canadian system's lack of consistency and credibility harms exports and the image of Canadian organics.

The certification bodies interviewed are in favour of a comprehensive mandatory system. They maintain that Canada is the last industrialized country in which such a system does not exist and that the large supermarket chains have to deal with two different systems, the Quebec and the Canadian. The chains, habituated to the permissive Canadian system, are putting up increasing resistance to the strict framework of Quebec. Some of the respondents feared that organic production requirements would be relaxed at the behest of the giant (and growing) food retailers and processors.

From a more practical perspective, one certification body mentioned that it would be desirable to standardize the records used by the members in order to facilitate the management work of the certifiers.

The necessary accreditation of certifiers should not necessarily be left up to the sole responsibility of the SCC. Some certifiers argued that other structures could play this role equally well. The ultimate goal should be harmonization among the entities chosen and respect for the existing structures in BC and Quebec. Other certifiers look to the CFIA, the coordinator of recent work and consultations on organic regulations in Canada, as the sole national accrediting agency, rather than the SCC. All the respondents expect the government to ensure that all certifiers can obtain accreditation and that it help them by subsidizing the corresponding fees. A CAAQ-recognized association expressed its hope that it would be exempted from additional accreditation fees by means of a system of equivalence between the CAAQ and the future national system.

Apart from one organization, which preferred to preserve regional characteristics, the respondents considered the uniform logo to be a good strategy. It should not be mandatory, as it could deter foreign buyers, especially if it contains the word "Canada." The respondents mentioned past instances in which foreign wholesalers refused organic products bearing the "Québec Vrai" logo for fear that they would not sell in their country. Thus, it might be preferable for the logo not to contain the word "Canada" so as to protect exports, yet contain a symbol associated with Canada (e.g. a maple leaf surrounded by the

words “Organic” and “Biologique”) for recognition by Canadian consumers. The respondents preferring the voluntary logo explained that this approach would avoid putting producers and processors “under the gun,” making them absorb reprinting costs and face potential export barriers. However, they believed that such a logo would be widely used on the domestic market since it would be highly desired by and recognizable to Canadians. Others suggested that the logo should be used in addition to the certifier’s logo and that it be smaller, so that the certifier can preserve its brand image. They believed that consumers would understand that there is a minimum Canadian standard and that they could seek superior products by selecting them from certifiers using more restrictive standards. For certifiers such as OCIA International, which is recognized by IFOAM and JAS, this distinction would disappear if only the national logo were printed. Demeter, however, doubted the value of retaining several logos.⁵¹

All the respondents interviewed felt that it would be important to publicize the Canadian logo; a far-reaching consumer awareness campaign should be envisioned. Such a campaign would not necessarily require a large financial investment as long as all the stakeholders rally to the new logo, “sell” the legislative reform with conviction, and “pass the word” to consumers. Our respondents specified that to rally this support, it would be necessary for decisions to be approved by the majority and for no mandatory procedures (such as use of the Canadian logo) to be imposed without alternatives being offered. Along the same lines, in-store inspections and fines should exist to lend the system credibility (said some respondents) or curtail the activities of fraudulent opportunists (said others), but such coercive measures should be implemented gradually to allow time for companies to adjust. The primary goal of such measures should not be to make violators pay but to secure the compliance of all the stakeholders with the new regulations. Surely the severest punishment for any violator would be that of having its image tarnished by public disclosure of its violations.

⁵¹ Demeter, which certifies biodynamic operations, must be recognized in Quebec by a certification body. Thus Demeter products already bear two logos: that of Demeter and that of the certification body that recognizes it.

The respondents favour the development of a more specific Canadian standard. They do not think it should simply be copied from elsewhere (e.g., the EU) without adapting it to Canada's geographic, soil, and climate conditions.

Finally, the respondents look favourably on the idea of forming a multi-stakeholder committee as a means of bringing different stakeholders into contact with one another's realities and perceptions, hence facilitating the application of decisions by ensuring their prior acceptance by all parties. Some respondents felt that this committee could become a functional advocate for the Canadian organic sector as a whole, the counterpart of the US Organic Trade Association, if all stakeholders are represented on it. However, one respondent doubted the merits of such a structure, referring to previous costly and rather unproductive experiences attempting to bring together such a Canada-wide organization.

5.4 CONSUMERS' ASSOCIATIONS

We interviewed Lucienne Bushnell of the Consumers Council of Canada (CCC), Peggy Kirkeby of the Consumers Association of Canada (CAC) and Charles Tanguay of the Union des Consommateurs.

The country's consumer associations are unanimously favourable toward mandatory regulation of organic agriculture in Canada. One categorically stated that a voluntary "standard" is *not* a standard at all since it allows stakeholders to act as they see fit. Only a mandatory standard can guarantee that everyone adheres to the same requirements. One respondent added that independent third-party oversight is indispensable.

The consumers' associations, noting a clear lack of consumer confidence in products labeled "organic," are convinced that consumers would welcome a mandatory standard involving systematic accreditation of certification bodies.

One respondent stressed that consumers' right to fair, reliable information must be respected; labelling should be especially clear given that consumption of organic products is the only way to avoid GMOs today. This respondent added that certification is necessary and that the organic designation must be reserved, for it is wrong to put all the

responsibility on the backs of consumers. The “Certified Organic” indication and certifier logo are sufficient for some respondents, but all agreed that a uniform national logo would facilitate recognition of organics in Canada. One respondent cautioned against the use of “creative” names and logos such as “Ecolabel” or “Ecoproduct,” which evoke respect for natural biological cycles and are likely to mislead consumers into believing that such products are certified organic. This fear reinforces the importance of a single clear logo. The same respondent also cautioned against the use of several different terms, as in the Quebec system (which equates the French terms *biologique*, *bio*, *biodynamique*, *écologique*, and *éco*), arguing that just one term should be used in the standard and on product labels. Too many terms might lead consumers to assume that a new, evocative term such as “Ecolabel” or “Ecoproduct” is merely another equivalent when it is actually something entirely different.

The respondents hoped that if a mandatory system were implemented, inspections would take place at all levels, including in-store surveillance and control of organics specifically. The CFIA’s lackadaisical inspection record was deplored and it was contended that the agency could do more. One respondent explained that a sufficiently strict inspection system enhances consumer confidence and makes the use of multiple logos less problematic.

Finally, one respondent strongly encouraged support for organic agriculture in Canada, largely for food security and safety reasons.

Summing up, the consumers’ associations are strongly in favour of Canada-wide regulation. Though they diverge on certain points (appropriate competent authorities, suitability of uniform logo, mandatory or voluntary logo), the predominant tendency was for a mandatory standard backed by an effective, credible inspection system. This position reflects the will of Canadian consumers.

IV STRENGTHS AND WEAKNESSES OF CANADIAN SYSTEM: CONSUMER-ORIENTED SOLUTIONS

Our recommendations are based on our comparative analysis of the US, Europe, and Canadian provincial systems as well as consumers' demands and expectations. We seek to preserve the strengths of the existing Canadian system while correcting its weaknesses.

1. STRENGTHS OF THE CURRENT CANADIAN SYSTEM

Two national organizations, COG and COAB, took part in the development of the CAN/CGSB-32.310 standard under the auspices of the CGSB. The latter was tasked in 1996 to bring together the relevant stakeholders from producer to consumer in an effort to establish a consensual Canadian national standard. Consensus was reached in 1999 but the resulting 55-page standard (plus appendices) is weak. Nevertheless, the exercise did serve to highlight the interests of the stakeholders and resulted in a highly detailed document.

The demand for organics and the willingness to produce them have led the existing certifiers to set up subsidiaries in Canada. New certifiers have also made their appearance, often operating in only one region of the country. Some 46 certifiers are now present in Canada. Of the 58 IOIA inspectors, about 30 operate in central Canada, 17 in the West, and 11 in the East. An IOIA-recognized inspector training course is offered in Matane, Quebec.

Impelled in all likelihood by the EU deadline of 31 December 2005, many stakeholders now agree that a mandatory system for Canada is desirable. This trend was embryonic in the summer of 2003 but has burgeoned since. Work and consultations in this regard were carried out in the fall and winter of 2003–04. In short, the present circumstances are highly favourable to the adoption of a stricter organic regulatory framework.

Moreover, the SCC was the sponsor of an organic standard under the auspices of the CGSB. The SCC is internationally recognized as the competent accreditation agency for

Canadian certification bodies under ISO 65. It is a national standards body that recognizes those who enforce standards, and is known as such abroad. It has already accredited two organic certification entities.

If it should be determined that the SCC does not possess the resources necessary to take on the responsibility of managing the inspection system, the CFIA is a body with a great deal of agri-food inspection and control experience.

The experiences with the certification systems in Quebec and BC as well as the inspiration that may be drawn from the Japanese, US, and EU experiences, may be of considerable assistance to Canada.

Clearly, the discussion in section II 3 above on the generic food legislation, organization, and inspection system in Canada shows that many of the structures necessary to the establishment of a regulatory system for organics in Canada are theoretically already in place. It is simply a matter of using them to establish a system that is respected by and respectful of organic stakeholders; a system that will effectively regulate the organic food industry in Canada in accordance with consumers' expectations and demands.

2. WEAKNESSES AND RECOMMENDED SOLUTIONS

In view of our analysis of the EU, US, and Canadian systems, including the Quebec and BC experiences, and with a view to pursuing the development of dependable, sustainable, equitable, consumer-friendly organic agriculture in Canada, Option consommateurs is putting forward 22 recommendations, all of equal importance:

2.1 A RESERVED ORGANIC DESIGNATION

Recommendation 1:

Regulation of organics must be based on specific legal provisions, not generic food laws. This is necessary to the implementation of the appropriate protective and corrective measures. Therefore:

Option Consommateurs recommends that the “organic” designation and its diminutives and derivatives (“bio”, “biodynamic”, “ecological,” “eco”) be strictly protected and reserved in Canada.

2.2 A MANDATORY SYSTEM

Recommendation 2:

Option Consommateurs recommends that, starting from the current system, Canada implement stricter regulation of organic production and certification.

2.3 A MORE STRINGENT STANDARD

Compared to the Codex and EU standards, the CGSB standard is acknowledged to be weaker and more permissive.

Recommendation 3:

Option Consommateurs recommends that for the purposes of implementing a regulatory framework, the existing standard be strengthened so that the Canadian system is founded on a complete, stringent, clear, and precise reference standard. Option Consommateurs further recommends that if the standard is kept minimal, this would only be with an eye to future adoption of stricter requirements.

2.4 AVOID UNCERTIFIED OPERATIONS

The certification exception for low-income farmers is undesirable. The risk of finding uncertified products on the Canadian market would be too great. To avoid the proliferation of uncertified small-scale operations and dissemination of uncertified products:

Recommendation 4:

Option Consommateurs recommends that certification fees be partially subsidized by the government for small farmers wishing to turn toward organic production.

2.5 SYSTEMATIC CERTIFIER RECOGNITION BY A NATIONAL AUTHORITY

Recommendation 5:

Option Consommateurs recommends that accreditation by a competent Canadian authority be required for all certification bodies before they can operate in their province and/or throughout Canada.

2.6 UNIFORM NATIONAL RECOGNITION

The development of new entities similar to the CAAQ and the COABC in other provinces would probably not hinder the effectiveness of market controls and would

leave some latitude to each province. However, for the sake of national consistency, such bodies should ultimately and mandatorily be recognized by a competent national authority.

In order to guarantee that minimum requirements are applied to all Canadian organics, regardless of their province of origin:

Recommendation 6:

Option Consommateurs recommends that certifiers be accredited by a national authority or by a provincial authority approved by the national authority.

2.7 REASONABLE ACCREDITATION FEES REINVESTED IN MARKET REGULATION

Recommendation 7:

Option Consommateurs recommends that accreditation fees payable by certification bodies be reasonable and reinvested in the expenses of overseeing the organic food industry.

2.8 DEVELOP NATIONAL ORGANICS MARKETING SYSTEMS

Although the provinces should be allowed to establish stricter requirements than the national standard, this must not take place to the detriment of other provinces. No province should be perceived as applying lax standards that harm the image of its organic industry.

Recommendation 8:

Option Consommateurs recommends that a legislative framework be implemented to simplify and harmonize the marketing of organics.

2.9 COMPREHENSIVE REGULATION OF THE “ORGANIC” DESIGNATION

The experience of Quebec, its difficulties with retailers and their private labels, proves that the Canadian regulations must cover all aspects of the use of the terms “biologique” and “organic” in order to prevent such problems from recurring.

Recommendation 9:

Option Consommateurs recommends that the standard include specific requirements for retailers who contract out the manufacturing and packaging of private label products that employ the terms “organic,” “biologique,” and their derivatives. In particular, the manufacturer should have the obligation to be duly certified, regardless of where it operates, in Canada or elsewhere. If the packaging and labelling are performed by the retailer, these operations must also be duly certified.

2.10 PUBLICIZED DETERRENTS

So as to decrease the incidence of fraud and errors:

Recommendation 10:

Option Consommateurs recommends that the standard provide for a transparent system of deterrent sanctions against violators.

2.11 GOVERNMENT CONTROL OVER STANDARDIZATION

The “low prices” offered by supermarket chains on organics packaged under their own name induce consumers to purchase these products to the detriment of others. In the long run, there is a risk that the majority of organics sold in Canada will be packaged under these private labels. The distributors, along with the certification bodies and the government, would then have sole control over the enforcement of the standards, to the exclusion of the main interested parties — the farmers, the processors, and the consumers. Elements of the standards perceived as too restrictive might then be eliminated. Ultimately, the situation might be one in which standards are far more lax yet consumer prices remain high.

Recommendation 11:

Option Consommateurs recommends that government maintain control over standardization activities so that the standards protect the consumer rather than serving the interests of any particular stakeholder.

2.12 BAN ON VAGUE OR MISLEADING DESIGNATIONS AND INDICATIONS

To maximize the relevance and utility of Recommendation 1:

Recommendation 12:

Option Consommateurs recommends that the use of designations and indications designed to simulate the organic origin of an uncertified food (e.g., “green product”) be prohibited.

2.13 UNIFORM NATIONAL LOGO

The organic sector can turn the existing vacuum in the area of a national logo to its advantage. Unlike in Europe, where there is one logo per country, Canadian consumers do not have to be “retrained” to recognize a new national logo (except perhaps in Quebec). The opportunity should be seized to establish consumer confidence in a logo now.

International studies⁵² have shown that a unified logo increases consumer recognition of organics.

Recommendation 13:

Option Consommateurs recommends that Canada adopt a uniform national logo so that all consumers can easily and rapidly identify organic products.

2.14 COORDINATION FOR LOGO EFFECTIVENESS

For purposes of appropriateness and effectiveness, and with the objective of designing an enduring, easily understood logo:

Recommendation 14:

Option Consommateurs recommends that consumers’ associations be consulted for the design of the uniform national logo.

2.15 BAN ON INTENTIONALLY MISLEADING LOGOS

To complement and reinforce Recommendation 13:

⁵² Commission of the European Communities, *Analysis of the Possibility of a European Action Plan for Organic Food and Farming*, Brussels, 2002; and J. Michelsen, U. Hamm., E. Wynen, and E. Roth, *The European Market for Organic Products in Europe* (Organic Farming in Europe: Economics and Policy, Volume 7), Stuttgart, 1999.

Recommendation 15:

Option Consommateurs recommends that the use of logos intentionally designed to simulate the organic origin of an uncertified product be prohibited.

2.16 MANDATORY LOGO ON CANADIAN MARKET

Recommendation 16:

Option Consommateurs recommends that the use of the uniform national logo be mandatory on the domestic market. The use of a certifier's logo would remain optional.

2.17 INSPECTION SYSTEM WITH IN-STORE SAMPLING

It is highly desirable to replace the current consumer complaint-based system by a system of inspections and in-store sampling.

Recommendation 17:

Option Consommateurs recommends that the standard provide for a system involving regular in-store sampling and inspection to identify dubious or fraudulent products being offered to consumers.

2.18 EQUIVALENCE AND RECOGNITION OF THE CANADIAN SYSTEM BY AND FOR THIRD COUNTRIES

In order for products offered in Canada to obtain equivalent status on any continent and in any country, it is very important for a recognition system to be implemented. In order to guarantee Canadian consumers of the quality and safety of imported organics, it is important that the recognition system be national in scope.

Recommendation 18:

Option Consommateurs recommends that the system adopted by Canada provide for equivalence and recognition by and for Canada's trading partners such that consumers are given equivalent guarantees of regulation of the organic food production process for products entering the Canadian market, regardless of their place of origin or place of entry into Canada.

The conditions for achieving Canadian equivalence must take account of the realities of non-industrialized countries while maintaining the stringency demanded by consumers.

2.19 IMPORTER AND IMPORT CONTROLS

We reiterate that at least 80% of organics sold in Canada are imported.⁵³ The experience of Quebec is relevant here in that, four years after the inception of the CAAQ, the province had to place controls on the activities of dealers and importers. We can therefore state that control of the activities of dealers and importers is necessary to guarantee the consistency and efficiency of the system.

Recommendation 19:

Option Consommateurs recommends that the regulations include surveillance of the Canadian trade community and importers and that their activities and products be subject to the relevant controls.

2.20 COMMUNICATION FOR RECOGNITION AND SUCCESS

It is important to the success of the Canadian organic sector that consumers automatically perceive the quality of organic products as being higher than that of non-organic products and know their characteristics.⁵⁴

In order to allow consumers to make a positive contribution to this process and to the success of the new Canadian provisions:

Recommendation 20:

Option Consommateurs recommends that, simultaneous with the adoption of a mandatory regime, a communication policy be adopted to inform consumers about the new Canadian provisions and their consequences for product labelling. An ongoing communication policy should keep consumers informed about developments in Canadian organic agriculture and its products.

2.21 TRANSPARENT STANDARDS AND INSPECTION REGIMES

The European experience shows that despite the adoption of Regulations 2092/91 and 1804/99, the standards applied remain non-uniform from one country to another. This is a

⁵³ Agriculture and Agri-Food Canada, *Manitoba Organic Report*.

⁵⁴ In 2003, the German government spent 6.65 million euros on an information campaign on the German organic logo. Of this amount, 4.9 million Euros were spent on a television, magazine, and newspaper ad campaign as well as for printing and distribution of posters.

continuation of the past situation in which certification bodies enforced standards according to local requirements (climate, consumer, etc.).⁵⁵

Once a mandatory system is established in Canada, it will still be difficult for a consumer, producer, or other stakeholder to ascertain the level of the standard applied to a product or region with respect to the national standard. While differences among standards should be minimized, a high level of transparency and access to information (e.g., centralized database) on standards and inspection conditions could provide this information.

Recommendation 21:

Option Consommateurs recommends that a public database of standards and inspection systems be created in order to facilitate access to information and comparisons among private, provincial, and national standards.

2.22 ORGANIC SECTOR ROUNDTABLE FOR CANADA, INCLUDING CONSUMERS

At the CFIA and AAFC consumer consultation session on April 2, it was agreed that the term “industry” is reductive where it is meant to designate all stakeholders, and should be replaced by terms such as the food “continuum” or “sector.”

To facilitate the implementation and enforcement of Recommendations 10, 11 and 14 and to ensure that decisions made favour the harmonious, sustainable development of the organic sector in Canada, and also to ensure that consumers are considered major stakeholders at all times:

Recommendation 22:

Option Consommateurs recommends that a Canadian organic sector roundtable be created, bringing together members of the government and key stakeholders, including consumers.

⁵⁵ Commission of the European Communities, *European Action Plan*.

CONCLUSION

It is clear that Canadian consumers' demands and expectations are a product of good common sense. In December 2002, the United States adopted a regulatory framework for organic agriculture in which certification is mandatory. In Europe, 1991 and 1999 regulations establish the obligation to adhere to a minimum standard. Each country has its own standard that must equal or surpass the EU standard and is associated with a mandatory certification system. In Asia, where regulation is much less evident, the situation is changing rapidly. Japan adopted mandatory national organic standards in April 2001 and China is in the process of drafting similar regulations.⁵⁶ Appendix 6 presents a list of 56 countries that have regulations defining the certification requirements for organic agriculture and agri-food products or are in the process of adopting them.

For its part, the Government of Canada has not yet established mandatory certification regulations. Concerning product labelling, no Canadian regulation specifically governs organic foods. The generic food laws and regulations merely prohibit false and misleading food labelling. For organic foods, consumers' appeals to these regulatory enforcement mechanisms are quite limited. The CFIA has stated that it receives few complaints, and only two cases of fraud have been officially reported in BC, giving rise to threats of sanctions or a \$500 fine. Thus, the role of the federal government and its agencies in the inspection and enforcement of organic food compliance is very limited. Consumers — surprised, disenchanted, and worried about the system in Canada — pay the price of this legal vacuum. The ad hoc ORC, founded in the spring of 2003, is lobbying for the establishment of mandatory organic certification. This sea change was considered a potentially viable option at the work session held by AAFC and the CFIA in Ottawa on 3–4 November 2003 and is a preferred option at the 2004 Canada-wide consultations. It would be a big step in the right direction. We applaud recent steps taken by AAFC and the CFIA to discuss this option with the provinces.

⁵⁶ *Strategic Plan for Quebec's Organic Food Sector 2004–2009*, Filière Biologique du Québec, 2003; see online at <http://atn-riae.agr.ca/can/e3492.htm>.

However, Canadian consumers' demands and expectations go well beyond the filling of this legal void. They call for a stringent minimum standard to be adopted at the earliest stages of the system overhaul. The standard must also fit within the international context and include a level of inspection and supervision sufficient to ensure the equivalence of imported organics offered for sale in Canada. However, our view is that the thinking being done today around the implementation of a mandatory framework should focus on the protection of Canadian consumers above all else, "now that some doctors are actually prescribing organic diets to their patients" (Michel Saumur, coordinator of CFIA consultations). Now that the ultimatum imposed by the EU appears to be exerting strong trade pressure on CFIA and AAFC decisions,⁵⁷ "the essential issue, prior to the protection and development of foreign markets, is consumer protection at home," stated Robert Beauchemin, Chair of the Table Filière du Québec, at the regional consultation in Quebec City on 2 April 2004. Mr. Saumur repeated this statement subsequently. National efforts toward harmonization and standardization should weigh heavily in the decisions. Most important, as changes and enhancements are implemented, concerted thinking should be done on a public awareness campaign. A winning strategy can only be achieved if Canadian consumers are informed and if they understand and acquiesce to the changes made. This communication plan should cover labelling, information, and public education. It will be a pivotal stage in the success of the organic food market in Canada. The creation of a national organic roundtable will render these tasks easier in the future.

As a consumer advocacy organization, we encourage the allocation of funding to better and more sustainable farming practices, a better environment, rural development, animal well-being, and safer, better-quality food that offers consumers a wider choice. Organic farming and its products provide suitable solutions and represent a promising investment. However, only a strong regulatory framework backed by the political will and conviction of a determined government — a framework that meets the needs of Canadian consumers — will enable the sector to develop sustainably, for the benefit of one and all.

⁵⁷ Costa Rica recently requested a comparison between the Canadian and Costa Rican systems for equivalency purposes but Canada was unable to respond since it has no national system. Japan and Korea are on the point of making the same request.

APPENDICES

APPENDIX 1



Photos illustrating typical product packaging for each of the four NOP designations defined in subpart E of the NOP. Source: <http://www.ams.usda.gov/nop>.

APPENDIX 2(A)



APPENDIX 2(B)



APPENDIX 2(C)



AB logo for communication



AB logo for **labelling**

APPENDIX 3

Excerpt from CAAQ standard: Table 5

Obligations covering the use of authorized indications appearing on products certified as being organic content

| Information | Greater Than 95 % Organic Ingredients | Between 70 % to 95 % Organic Ingredients | Less Than 70 % Organic Ingredients |
|--|--|---|---|
| Organic (or ecological, biologique, biodynamique, eco or bio) (ex.: organic bread) | Main panel packaging | Prohibited | Prohibited |
| “Contains x% Organic Ingredients” (e.g.: 100% Organic) | Optional | Main or secondary packaging panel | Prohibited |
| Ingredients Statement | Organic ingredients must be clearly identified in the list of ingredients. When less than 100% organic ingredients; they must be differentiated from non-organic ingredients | Organic ingredients must be clearly identified in the list of ingredients, they must be differentiated from non-organic ingredients | Organic ingredients must be clearly identified in the list of ingredients, they must be differentiated from non-organic ingredients |
| Name (Firm Name) of Certifying Body having evaluated the most recent operation related to the production or the preparation of the product | On the main or secondary packaging panel: “Certified by ...” | On the main or secondary packaging panel: “Certified by ...” | Below list of ingredients only: “Verified by ...” |
| Certifier’s seal | Optional | Optional | Prohibited |

Note: Any other reference appearing on an organic product's labeling or packing (e.g.: "Made with certain ingredients or organic food groups" – used in the United States for products whose ingredients are at least 70% organic), should only be included in the form of an addition to the minimal information required by law. Consequently, the addition of any other non-obligatory information should not cause conflicting interpretations such that a product gray zone would be created due to the product's composition and compliance.

APPENDIX 4

CAAQ - Rate Schedule

| TYPE OF SERVICE | AMOUNT | PAYMENT SCHEDULE |
|---|---|--|
| Accreditation application documentation fees | \$25 CDN | Upon information request |
| Accreditation application fees | \$7,000 CDN | Upon submitting application, at same time as forwarding all required documentation |
| Renewal fees following termination of accreditation period | \$4,000 CDN | Upon submitting application, at same time as forwarding all required documentation |
| <p>Evaluation fees</p> <p>All professional fees of the evaluator assigned to audit the certification agency shall be charged to the applicant program. They include the time spent in preparing and doing the on-site audit, as well as in writing the final report.</p> <p>All fees incurred by the evaluator for transportation, lodging and subsistence shall be charged to the applicant program.</p> | <p>Per diem of \$550 CDN/person (beginning 2005)</p> <p>According to CAAQ's transportation fee policies</p> | <p>70% of estimated fee upon signature of evaluation contract</p> <p>Balance due on actual evaluation fees, invoiced upon forwarding preliminary evaluation report</p> |
| Appeal fees | \$250 CDN | Upon submitting appeal application |
| Annual fees for maintaining accreditation | \$1,000 CDN | Upon reception of invoice transmitted two months before anniversary of accreditation date |

APPENDIX 5

**COMPARISON OF CANADIAN AND EU STANDARDS
(January 2002)**

LAS: List of Authorized Substances

CS: Canadian Standard

| EU | CS | Information or Justification |
|----------------|------------|---|
| | | |
| Table 1 | | General Requirements |
| 6.1c) | 6.2.5 | The EU will require organic seed and seedlings for 31 December 2003. The CS makes no such provision. |
| 6.2b) | 6.2.4 | The EU requires organic treatment of non-organic transplants for perennials during two growth seasons. The CS only requires one year. |
| | | |
| Table 2 | | Crops and Plant Products |
| 2b) | 6.4.2.3 | The EU requires manure from organic operations. The CS requires composting of manure from non-organic operations. |
| 3.5 | LAS A3.1.2 | The EU prohibits manure from industrial operations. The CS is silent on this issue. |
| 3.5 | LAS A3.1.2 | The EU sets a maximum concentration of heavy metals in compost. The CS is silent on this issue. |
| 3.5 | LAS A3.1.2 | The EU limits peat moss to horticultural crops. The CS is silent on this issue. |
| 3.5 | LAS A3.1.2 | The EU limits substances used to make seaweed extracts. The CS is silent on this issue. |
| 3.5 | LAS A3.1.2 | The EU only allows sawdust from non-chemically treated wood. The CS is silent on this issue. |
| 3.5 | LAS A3.1.2 | The EU limits cadmium concentrations in natural lime phosphate. The CS is silent on this issue. |

| EU | CS | Information or Justification |
|-------------------|------------|--|
| III | LAS A3.1.2 | The EU limits the use of pheromones to traps. The CS does not require their use in traps. |
| IV | LAS A3.1.2 | Copper compounds, including fixed copper and copper sulfate, are only authorized by the EU until 31 March 2002. The CS authorizes their use. |
| | | |
| Table 3 | | Livestock and Animal Products Appendix I.B |
| 1.2 | | The EU prohibits intensive livestock production. The CS is silent on this issue. |
| 1.5 | | The EU requires all animals in a production unit to be organic. The production unit is established as part of the organically treated operation. The CS does not require all animals in a production unit to be organic. |
| 3.4 | 4.3.b.i | The EU requires that non-organic chicks be less than 18 weeks old. The CS is silent on this issue. |
| 4.5 | | The EU's detailed requirements have no bearing on the determination of international equivalency. However, the general requirement governing milk for young animals is relevant. |
| 4.7 | | For herbivores, the EU requires at least 60 % forage and pasturage. The CS is silent on this issue. |
| 4.16 | 7.2.4 | Unlike the EU, the CS authorizes animal feeds consisting of pure amino acids. |
| 4.10 and 4.11 | | The detailed EU requirements are considered as too normative to have any bearing on the determination of international equivalency. |
| 5.3 | | The EU requires the immediate treatment of sick animals. The CS is silent on this issue. |
| 6.1.8 et 6.1.9 | | The detailed EU requirements are considered as too normative to have any bearing on the determination of |

| EU | CS | Information or Justification |
|----------------|----|---|
| | | international equivalency. |
| 6.2.1 | | The EU prescribes standards for livestock transportation. The CS has no specific provision in that regard. |
| 7.1—7.4 | | The EU limits the total quantity of manure that may be spread (170 kg/ha/year). The CS is silent on this issue. |
| 7.6 et 7.7 | | The EU prescribes the size of manure piles or yards. The CS is silent on this issue. |
| 8.2.3 | | The detailed table in § 8.2.3 is too normative to have any bearing on the determination of international equivalency. |
| 8.3.5 | | The EU requires the ground under livestock housing to be flat, non-slippery, and no more than half covered with grating. The CS is silent on this issue. |
| 8.4.2 | | The EU requires aquatic birds to have access to watercourses, ponds, or lakes. The CS is silent on this issue. |
| 8.4.3 | | The EU is normative on henhouses. The CS is silent on this issue. |
| 8.4.6 | | The EU requires henhouses to be emptied, cleaned and disinfected before the arrival of the next flock. The CS is silent on this issue. |
| | | |
| Table 4 | | <p>Livestock and Animal Products</p> <p>Appendix II.B</p> |
| IIC 1.1-1.7 | | The EU sets detailed requirements for feed. The CS is silent on this issue. Though the detailed list for each product is too normative to have any bearing on the determination of international equivalency, this is not the case for the list of product types. |
| IIC 2.1 | | The EU sets detailed requirements for milk and dairy products used as animal feed. The CS is silent on this issue. |

| EU | CS | Information or Justification |
|----------------|-----------|--|
| IID 2 | | The EU, unlike the CS, does not authorize imitation flavourings. |
| VII | | The EU places a ceiling on animal density (per hectare). The CS is silent on this issue. Though the list for each animal type is too normative to have any bearing on the determination of international equivalency, an overall density value is relevant. |
| VIII | | The EU sets minimum indoor and outdoor areas for each species. The CS is silent on this issue. Though the list for each animal type is too normative to have any bearing on the determination of international equivalency, a general statement is relevant. |
| | | |
| Table 5 | | Honey |
| 2.1 | | For hives, the EU requires a one-year conversion period before organic production can commence. The CS is silent on this issue. |
| 3.2-3.6 | 8.1.2.1.b | The EU establishes detailed exceptions for the origin of bee colonies. The CS is silent on this issue. |
| 5.7 | | The EU requires the interruption of artificial feeding at least 15 days before honey extraction. The CS is silent on this issue. |
| 6.3d) | | The EU prohibits the preventive use of allopathic drugs treatment. The CS does not precisely deal with this issue. |
| 7.1 | | The EU prohibits the destruction of bees before honey harvest. The CS is silent on this issue. |
| 7.2 | | The EU prohibits the clipping of queens' wings. The CS is silent on this issue. |
| 7.5 | | The EU prohibits the use of synthetic chemical repellents during honey extraction. The CS is silent on this issue. |
| 7.6 | | The EU requires hive registration. The CS does not specifically address this issue. |

| EU | CS | Information or Justification |
|----------------|--------|---|
| 7.8 | | The EU requires the removal of supers and the recording of extraction operations. The CS does not specifically address this issue. |
| 8.4 | | The EU prohibits honey extraction from brood frames. The CS is silent on this issue. |
| 8.5 | | The EU requires the use of only approved substances to protect hive construction materials. The CS is silent on this issue. |
| | | |
| Table 6 | | General Processing Requirements |
| 5.3d) | LAS C1 | The EU list is “positive” in that materials may not be used unless they are explicitly mentioned. In the CS, there is no explicit statement on whether the list is positive. |
| 5.5a.b | LAS C1 | The EU requires that all ingredients of agricultural origin in products whose concentration of organic ingredients exceed 70% appear on the positive list of Annex VI C. The CS does not require ingredients of agricultural origin used in such organic products to appear on the list of authorized products. |
| 5.5 | | The EU sets out requirements for the use and labelling of products undergoing conversion. The CS is silent on this issue. |
| 5b) | 10.1.6 | The EU prohibits the use of term “organic” for products containing less than 70% organic ingredients. The CS authorizes the use of the word “organic” in the list of ingredients of products containing less than 70% organic substances. |
| Int 2-7 | | The EU defines the concepts of ingredient of agricultural origin, non-agricultural ingredient, processing additive, food additive, medium, and flavouring agent under the requirements of the EU or its member states. The CS list does not contain similar requirements nor does it refer to them. |
| VIA5 | | Minerals, vitamins, and amino acids are only authorized by |

| EU | CS | Information or Justification |
|---|----|---|
| | | the EU where they are legally required. There are no comparable requirements in the CS. |
| | | |
| Table 7 | | Definitions |
| <p>4.2</p> <p>4.3</p> <p>4.7</p> <p>4.8</p> <p>4.9</p> <p>4.10 4.11</p> <p>4.15</p> <p>4.16</p> <p>4.17</p> <p>4.18</p> <p>4.20</p> <p>4.21</p> <p>4.22</p> | | <p>The EU, but not the CS, defines:</p> <p><i>Production</i></p> <p><i>Preparation</i></p> <p><i>Plant protection products</i></p> <p><i>Detergents</i></p> <p><i>Prepackaged food products</i></p> <p><i>List of ingredients</i></p> <p><i>Livestock production</i></p> <p><i>Veterinary medicinal products</i></p> <p><i>Homeopathic veterinary medicinal products</i></p> <p><i>Feed materials, feedingstuffs</i></p> <p><i>Feed additives</i></p> <p><i>Certain products used in animal nutrition</i></p> <p><i>Organic production unit, holding, stockfarm</i></p> |

APPENDIX 6

List of Countries with Organic Regulations

As at 11 March 2002

Source: Minou Youssefi (SOEL) and Helga Willer (FiBL), *The World of Organic Agriculture 2003 – Statistics and Future Prospects*, published by IFOAM in Germany

| Country | Fully implemented regulation | Finalized regulation, not yet fully implemented | In process of drafting regulations |
|-------------------------------|------------------------------|---|------------------------------------|
| EU | | | |
| Austria | + | | |
| Belgium | + | | |
| Denmark | + | | |
| Finland | + | | |
| France | + | | |
| Germany | + | | |
| Greece | + | | |
| Ireland | + | | |
| Italy | + | | |
| Luxembourg | + | | |
| The Netherlands | + | | |
| Portugal | + | | |
| Spain | + | | |
| Sweden | + | | |
| United Kingdom | + | | |
| EU accession countries | | | |
| Czech Republic | + | | |
| Estonia | | + | |
| Hungary | + | | |
| Iceland | + | | |
| Norway | + | | |
| Poland | | + | |
| Romania | | + | |
| Slovak Republic | + | | |
| Slovenia | + | | |
| Turkey | + | | |
| Rest of Europe | | | |
| Albania | | | + |

Consumer Demands Regarding the Canadian Organic Food Sector

| | | | |
|----------------------------------|---|---|---|
| Croatia | | + | |
| Georgia | | | + |
| Switzerland | | | + |
| Yugoslavia | | | + |
| Asia & Pacific Region | | | |
| Australia | + | | |
| China | | | + |
| India | + | | |
| Indonesia | | | + |
| Israel | + | | |
| Japan | + | | |
| Lebanon | + | | |
| Malaysia | | + | |
| Philippines | | | + |
| South Korea | + | | |
| Taiwan | + | | |
| Thailand | + | | |
| America | | | |
| Argentina | + | | |
| Brazil | | + | |
| Canada | | | + |
| Chile | | + | |
| Costa Rica | + | | |
| Mexico | | + | |
| Nicaragua | | | + |
| Peru | | | + |
| USA ⁵⁸ | | + | |
| Africa | | | |
| Egypt | | + | |
| Madagascar | | | + |
| South Africa | | | + |
| Tunisia | + | | |

⁵⁸ Since October 2002.

APPENDIX 7(A)

FOCUS GROUP PARTICIPANTS

| Name | M/F | Age | Education | Occupation | Attention to political issues | Incidence of organic purchase |
|-------------|------------|------------|------------------|-------------------|--------------------------------------|--------------------------------------|
| 1 | F | 20 | Some College | Student | Some attention | Time to Time |
| 2 | F | 28 | Post Secondary | Dental Assistant | Some attention | Time to Time |
| 3 | F | 31 | Post Secondary | Land Surveyor | Some attention | Time to Time |
| 4 | F | 52 | High School | Office Management | A great deal | All the Time |
| 5 | F | 62 | Some College | Unemployed | Some attention | Rare Occasions |
| 6 | M | 23 | Some College | Student | Some attention | Time to Time |
| 7 | M | 34 | Post Secondary | Teacher | A great deal | All the Time |
| 8 | M | 44 | Post Secondary | Programmer | Some attention | Time to Time |
| 9 | M | 48 | Post Secondary | Canada Post | A great deal | Time to Time |
| 10 | M | 66 | Post Secondary | Retired | A great deal | Time to Time |

| Name | M/F | Age | Education | Occupation | Attention to political issues | Incidence of organic purchase |
|-------------|------------|------------|------------------|-------------------|--------------------------------------|--------------------------------------|
| 11 | F | 23 | High School | Receptionist | Some attention | Time to Time |
| 12 | F | 33 | Post Secondary | Admin Assistant | A great deal | Time to Time |
| 13 | F | 44 | Post Secondary | Office Manager | A great deal | Time to Time |
| 14 | F | 52 | High School | Variety Store | A great deal | Rare Occasions |
| 15 | F | 58 | High School | Cafeteria Manager | A great deal | Time to Time |
| 16 | M | 22 | Some University | Student | Some attention | Time to Time |
| 17 | M | 27 | Some College | Retail Clothes | Some attention | Time to Time |
| 18 | M | 38 | Trade School | Auto Mechanic | Some attention | Time to Time |

Consumer Demands Regarding the Canadian Organic Food Sector

| | | | | | | |
|----|---|----|-------------------|------------------|----------------|--------------|
| 19 | M | 47 | Post Secondary | Technical Writer | Some attention | Time to Time |
| 20 | M | 54 | Post Secondary | Engineer | Some attention | All the time |

APPENDIX 7(B)

FOCUS GROUP DISCUSSION GUIDE

The participants are all occasional to regular purchasers of organic products.

The following are the questions on which responses or points of view should be elicited in various ways during the discussions.

Each topic addressed deals with notions of comprehension, perception, and expectation.

A. INTRO: ORGANICS AND YOU

1. What types of organic products do you buy? How often? Since when? Where?
2. Why do you buy organic?

B. ORGANIC LABELLING

1. How do you make sure that the food you buy is actually organic? What clues do you look for? How can you tell?
2. When you look at an organic product, what gives you confidence? What causes you to doubt?
3. Are there some products in which you have more confidence than others?
4. Do you take the time to read, on the labels of the organic products you buy, any additional information on product certification and composition?
 - 4a. What type of information do you find? Is it satisfactory?
5. For you, the most and least trustworthy guarantees among the following three are:
 - a) The words “organic,” “biologique,” “ecological,” or their derivatives.
 - b) The presence of a logo.
 - c) The presence of additional written information.
6. Do you ever ask yourself questions before buying?
7. Do you trust your retailer’s honesty and good faith when the proofs you are looking for about the product are dubious or absent? Do you ever ask the retailer questions? Are the responses you obtain reassuring? Does it depend on the type of store in question?
8. In your opinion, what identifiers should be used on the packaging to guarantee Canadian consumers that a product is in fact organic?

8a. Do you think that these identifiers should be uniform within each province or uniform throughout the whole country?

C. ORGANIC CLAIMS/ACCREDITATION

1. What distinction do you make among foods that are ORGANIC, NATURAL, and BIODYNAMIC?

Method: Write the three words on the blackboard and ask what each one means for them, what differences they see.

2. What does the term “accreditation” mean to you?

2a. What distinction do you make between “certification” and “accreditation”?

D. PUBLIC INFORMATION

1. Do you consider your knowledge of organics sufficient or should your knowledge be improved and should you be kept better informed in the future?

2. What are the priority areas in which information and public awareness should be enhanced?

3. How do you think this knowledge could be enhanced? What tools would you suggest for purposes of public education and awareness-raising, for now and for the future?

E. LOGOS

1. What are your associations with the concept of a logo? Do you believe in logos? Do you tend to look for all logos or only those that appear frequently?

2. What do you think of the idea of multiple logos? Are they all valid in your opinion?

3. What would be the best use of logos in your opinion?

4. What do you think of the concept of a uniform logo? At what scale — provincial or federal?

F. CERTIFIERS

1. Logos correspond to certifiers. Do you have confidence in their expertise? In their credibility? What would it take for you to have complete confidence in their expertise?

2. In your opinion, are they all recognized by the government to do their certification work?

What percentage of certifiers would you say are recognized by the government?

G. CONTROL AND THE GOVERNMENT

1. Do you think the use of the designation “organic” is reserved or protected in Canada? If so, how?

2. Do you think that the government does work to control the use of the “organic” designation in Canada?

2a. If so, do you have confidence in the government’s control of the “organic” designation in Canada?

3. Did you know that the only way to penalize someone for a fraudulent organic claim is for you, the consumer, to apply to the CFIA (Canadian Food Inspection Agency), mentioning that a doubtful product exists and requesting an investigation? What do you think of this situation?

Explain to the group how Canada manages organics:

inspection policies / voluntary standards / non-mandatory certification / non-mandatory accreditation / SCC / control and inspection of domestic and foreign products

4. In what ways do you think organic foods produced in Canada should be controlled?

5. Would you be willing to pay more for a product if it is covered by a control and inspection system in which you are fully confident? If so, how much more?

6. In what ways do you think that organic foods imported from outside Canada should be controlled ?

H. THE CANADIAN ORGANIC STANDARD

1. *Objectives:* - To ascertain whether consumer confidence varies depending on whether the product was produced according to Canadian, EU, or US standards (economically developed countries) and where Canada fits into this perception.

- To ascertain whether consumer confidence varies depending on the Canadian province of origin.

Method: Display 5 logos : OCCP ONTARIO, BIO-DYNAMIC AGRICULTURE SOCIETY OF BRITISH COLUMBIA, QUEBEC VRAI, SOIL ASSOCIATION ...UK, USDA ORGANIC and ask which products they would be most confident in.

Does this influence your choice of products at the time of purchase?

I. NEXT STEPS

Taking stock: And now, what do you think should be done?

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EU standard: <http://www.europa.eu.int>

BC standard: <http://www.certifiedorganic.bc.ca/Standards/index.html>

EU food policy: http://www.europa.eu.int/pol/food/index_fr.htm

CAAQ: <http://www.caaq.org>

IOIA: <http://www.ioia.net>

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Marie-France Huot, Senior Economist, responsible for organic regulatory affairs, AAFC.

Michel Saumur, person responsible for imports and organic regulatory affairs, CFIA.

Arthur Marcoux, Organic Sector Coordinator, MAPAQ.

Denis-Paul Bouffard, Executive Director, CAAQ.

Thierry Boyer, Communications Director, CAAQ.

Keith Murfin, Senior Program Officer, SCC.

Steven Cross, Manager, Compliance Program, SCC.

Jean Rousseau, Chair, Standards and Certification Group, BNQ.

Olivier Andrault, Scientific Director, Consumer Affairs, Housing and the Human Environment (CLCV), France.

Keith Jones, Program Manager, USDA/NOP.

Notes:

- Option consommateurs is an observer on the CGSB committee to review the Canadian organic standard.
- Option consommateurs took part in the organic regulatory affairs workshop on 3–4 November 2003 in Ottawa.
- Option consommateurs took part in the consultation held by AAFC and the ACIA on 2 April 2004, Montreal.