British Columbia Organic Sector Initiative Strategic Plan

2002/03 - 2004/05

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British Columbia
Certified Organic

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Executive Summary

Purpose of this Plan

The purpose of the Organic Strategic Plan is to provide strategic direction to the British Columbia organic sector. The plan supports the vision of **"a strong and sustainable organic community, serving the evolving needs of the sector and the public for generations to come."**

The initiative was led by the Certified Organic Associations of British Columbia (COABC) following the establishment of the Organic Sector Initiative through the Agri-Food Futures Fund, an initiative of the British Columbia Ministry of Agriculture, Food and Fisheries and Agriculture and Agri-Food Canada.

The focus of the planning process was to determine the stage of market development and structure of the British Columbia organic sector, to identify the major issues affecting sector development, and to develop an operational plan for the next three years of growth. The resulting strategic plan will be used by the COABC as a tool to evaluate project submissions to the Organic Sector Initiative; it will be used by the sector as a whole to determine that operational objectives (identified by the sector in consultative process) are being met.

Certified Organic Sector Participants

The British Columbia organic sector is a dynamic community of growers, handlers, processors, and consumers who are bound by a common philosophy and vision. There are over 500 primary producers, 43 processors and eight handlers who are certified under the British Columbia Certified Organic Program.

Organic products are sold at the farm gate, farmers' markets, natural food stores, speciality stores, by home delivery companies, and increasingly in mainstream retail outlets.

The British Columbia organic sector has been characterised by diversified farming operations and market gardens but the sector profile is changing and developing. Imported organic food products still predominate on the retail shelves but British Columbia organic products are increasing their market share.

The Organic Agriculture Sector

This sector of agriculture has been growing steadily at approximately 20% per annum and in 2001 reached farm gate sales over $24 million. Approximately 5,800 ha (14,500 acres) throughout the province of British Columbia are under organic production**.** Tree fruits contribute the largest share of the farm gate value followed by vegetables. British Columbia organic products are consumed in local, national, and export markets in Europe, the United States, and Asia.

There is strong consumer demand for organic products. However, domestic organic production is insufficient to meet that demand. To facilitate increased production, there is a need for improved information to producers regarding production methodologies, market opportunities, and marketing tools.

Attractive financial returns from niche markets developed by the British Columbia organic sector continue to spark interest among established producers and new entrants; conventional markets are moving to include organic products. Sustainability of the sector requires that financial returns remain at acceptable levels even as volumes increase and price premiums may be eroded.

Organizational Structure

The sector's central organization, the Certified Organic Associations of British Columbia (COABC), has an effective internal communications system and its website, listserv, quarterly journal and annual meetings display the vigorous debate and strong personal relationships that have allowed it to effectively address issues facing the sector. This organizational capacity is based on the financial as well as personal commitment of its members, and has allowed COABC to successfully undertake projects beyond its core services and to demonstrate fiscal capacity and accountability.

Regulatory Structure

The British Columbia Certified Organic Program is a voluntary agri-food quality program sanctioned by the government of British Columbia through the *Organic Agricultural Products Certification Regulation* under the *Agri-Food Choice and Quality Act*. The COABC is designated as the provincial program administrator, working closely with ministry staff in monitoring the program's credibility and acceptance in domestic and international markets. COABC has amended its policies and procedures for the accreditation of member certifying associations and the certification of program participants and its provincial organic agriculture production, processing and handling standards four times since its inception in 1993. Program administration activities are focused on auditing its member associations for compliance and administering the use of the program's official mark, which is comprised of the prescribed phrase "British Columbia Certified Organic" and symbol "checkmark in a box." The COABC is also carries out initiatives that support the growth of the sector in the province.

The BC Certified Organic program is open to any resident or business operating in the province that undertakes to comply with program requirements. Participation rates in the provincial program have increased steadily since the program's inception in 1993. There is a small number of certified organic producers, processors and handlers operating in the province, who operate outside of the BC Certified Organic Program. The COABC has a consistent record in maintaining open communication with these individuals in the expectation that they will one day choose to participate in the provincial program.

British Columbia's organic sector is strengthened by provincial legislation that supports the integrity of the certification program. Internationally harmonised organic standards and an ISO 61 compliant accreditation system combine to provide a credible organic designation for local consumers and an accepted certification program for exports. There will be a challenge to integrate the British Columbia Certified Program into an impending national program and to ensure international market access is maintained.

Conclusions

The most important and salient conclusions from the Strategic Planning Process are that:

- Present and future demand far outstrip supply in most commodities
- Demand continues to be filled by imported products - these set price levels
- The sector lacks adequate production knowledge base, market information and infrastructure
- Most sector participants have developed strong local market niches - unless some brand loyalty can be achieved, these market niches will be eroded as major chains enter the organic market
- The sector is supported by strong consumer demand and a credible and recognised certification program (BC Certified Organic Program)
- Strong consumer demand is not tied to local organic products.
- The sector has a strong human resource and organization structure.
- There is increased public support for the environmental goals of the organic sector.

- The British Columbia Certified Organic symbol can be used as a brand to achieve brand loyalty and preference for local organic products, but is unequally supported by sector participants.
- There is strong growth potential in organic processing, specialty markets, and organic production inputs.
- The sector faces potential threats from transgenics and from certification schemes limited to specific claims such as "environmentally friendly" or "pesticide free."
- There will be a challenge to incorporate new entrants to maximise market penetration without disrupting currently profitable markets.

The implication from this information is that **increased capacity is needed for the growth of the British Columbia market. Increased production will stimulate infrastructure development which will in turn enhance quality and encourage further market growth.**

Recommendations

The strategic plan recommends that **increasing British Columbia certified organic production** be the primary focus for the organic sector in the next three years. To that end, increases in volume are most readily achieved by strategies that will:

1. Expand the production capacity of organic operators
2. Consolidate and expand the marketplace for British Columbia Certified Organic product
3. Improve the environment in which we live.

Operations Plan

Within this strategic plan, a number of goals will be pursued over the next three years. The goals of the strategic plan will be met by:

1. Projects identified in the Operations Plan to be initiated by COABC,
2. Projects generated by individual enterprises and groups within the sector.

Projects will be funded by sector contributions, private funding, government programs, and the Agri-Food Futures Fund (AAFF) Organic Sector Initiative. The estimated total budget for these projects is $2,350,058.

The Strategic Plan provides a guideline for the disbursement of the AAFF allocation to the Organic Sector Initiative:

- **45-65% of the Fund allocated to projects addressing Production Capacity**
- **30-40% to Marketplace Development and Promotion**
- **5-10% to Organic Environmental Stewardship.**

Overall, projects will provide industry funding to match awards from the AAFF Organic Sector Initiative on a 50:50 basis, although this ratio will be adjusted for individual projects according to breadth and depth of the benefit they are expected to deliver to the whole sector.

The COABC is requesting the Investment Agriculture Foundation (the Trustee) to allocate $1 million from the Agri-Food Futures Fund for the Organic Sector Initiative (OSI).

A summary budget for the 3-year funding period is provided below. Budgets for each year are provided in the Operations Plan.

Summary Budget 2002/03 - 2004/05

		Source of Funds			
Projects		**COABC**	**Other Ind**	**AFFF**	**Other Govt**
COABC	664,714	41,720	242,486	188,880	191,628
Other	1,685,344		874,224	811,120	
Total	2,350,058	41,720	1,116,710	1,000,000	191,628

Notes:

1. COABC projects are initiated by the sector organization
2. Other projects are eligible application-based projects
3. COABC funding contribution is 50% cash, 50% in-kind

COABC Projects
The COABC will be spending $23,220 from its reserves in year one to fulfill its obligation to COABC initiated projects. Over three years, the COABC will spend $41,720 - matching this with $188,880 from the AFFF trust and with partner contributions of $434,114 for a total project value of $664,714.

Other Eligible Projects
The COABC will not be initiating projects that will use the entire AAFF Organic Sector Initiative Fund. Other project initiatives will be solicited from the organic sector according to the criteria detailed in this document.

Matching Funds
Matching funds for the Organic Sector Initiative will come from the COABC, the organic sector and from corporate sponsors, private foundations, and other eligible government programs. The OSI steering committee has already had expressions of interest from organic farmers interested in undertaking on-farm research projects - matching funds for these projects will come from the farmers themselves. VanCity Savings and Credit Union and the EcoTrust have indicated an interest through their Conservation Financing initiative in a pilot project supporting a comprehensive marketing plan - the organic wholesale and distribution sector has also expressed their monetary support for this project. A COABC initiated 'Information Technology' training project has signed partnership agreements from the BC Farm Business Management Council, the Organic Agricultural Centre for Canada, UBC, BC SPCA, HRDC (Office of Learning Technologies), BCMAFF, and Summerland Secondary School.

From the amount of interest and enthusiasm encountered in the organic sector during the survey portion of the Strategic Planning process, the steering committee is convinced that matching funds will be forthcoming. The organic sector has clearly indicated what it wants accomplished, and understands its commitment to achieving the identified goals and strategies.

Strategic Plan Outcomes
Addressing the primary focus of the strategic plan will generate successful farming operations and will make more organic food available to BC consumers. Successful organic farmers will ensure a strong, vibrant, and self-reliant organic sector. In particular, more successful organic farmers will ensure a self-reliant COABC.

1. Introduction

1.1. Background

The Agri-Food Futures Fund was established in 2001. Development of the organic sector was one of the initiatives identified for priority funding. A planning grant was provided to the Certified Organic Associations of British Columbia (COABC) in 2001 to develop a strategic plan. The purpose of the plan is to provide strategic direction to guide decisions about future initiatives to meet the needs of existing organic producers, processors and distributors and to bring about sector development, economic growth and new investment in a sustainable context.

A strategic plan is a management tool to help the sector focus energy and work toward common goals. The aim of this strategic plan is to assess and adjust the direction of the organic sector as a whole, to revisit and clarify its goals, and to agree on decisions and actions to accomplish these goals.

The Certified Organic Associations of British Columbia's last formal Strategic Planning process was undertaken in 1995. Since then, the plan was used to develop a series of business plans for the organization. Copies of the 1995 Strategic Plan are available from the COABC office.

1.2. Methodology

A Steering Committee was established to oversee the delivery of the current Strategic Plan.

Steering Committee Membership

1. Kerry Clark - BCMAFF
2. Linda Edwards - COABC
3. Tracey Innes - AAFC
4. Cathleen Kneen - BC Food Systems Network
5. Bob McCoubrey - COABC
6. Roger Breed- COABC
7. Jo Ann Sandhu - BCMAFF
8. Debbie Boyle - Pro Organics Marketing Ltd.

The project commenced with a review of previous COABC strategic plans, business plans and related information, and a two-day strategic planning and visioning workshop held in Winfield in June 2001. The Winfield workshop brought together representatives of 14 member associations of COABC, representatives of the federal and provincial governments, the processing, distribution and consumer sectors, and COABC staff and contractors. This workshop identified a vision, goals, and actions that reflect the context within which the sector operates as well as the principles upon which it is based. Consultations and research were then conducted with additional contacts both within and outside of the sector to add to and verify the discussions and results of the workshop. Regular review and comments from the steering committee were incorporated into the emerging document.

The goals and strategies which were identified by the 27 participants in the Winfield workshop along with material explaining the strategic plan background were circulated through the industry journal, the *British Columbia Organic Grower*, which goes to every member of the organic community in British Columbia. The September issue was devoted to the strategic planning process - a survey was included - requesting comments on the goals and actions. Responses were received from all Certification Bodies, including both group and individual replies. Regional meetings were held in person or by telephone; six of the Certification bodies met and sent in group responses (representing 61 people) and an additional 105 individuals responded, representing a return rate of 28%. The survey data was analysed and sent back to the Certification bodies for their further consultation and approval. The responses were compiled and organized for presentation to the steering committee. This material became the base for further refinement so that the priorities designated in the final document reflect the entire consultative process.

1.3. Scope of the Work

This strategic plan is intended to set goals and direct activities for the next three years. It will be reviewed annually to ensure that it is appropriate and relevant to the organic sector in British Columbia. The strategic plan includes identification and analysis of strengths, weaknesses, opportunities, and challenges. This background has been linked to the vision and mission statements to provide support to the strategic priorities and the rationale behind them. The Strategic Plan covers where the industry is now, where it wants to go, and how it can get there.

The strategic plan also includes a detailed administration plan for management of the Organic Sector Initiative and for evaluating proposals based on the priorities identified in the strategic plan. Proposals for the funding will be accepted from all committed persons and agencies, including but not limited to the COABC. The detailed operations plan therefore includes a list of some potential actions that would address the goals and strategies of the plan. This list is indicative of the type of project that will be acceptable under the strategic plan's priorities but is neither exclusive nor exhaustive. An evaluation process for all such projects is included in the Administration Plan for the AAFF Organic Sector Initiative.

1.4. Providing for Change

Strategic plans are living documents. They provide a method of assessing and adjusting an organization's direction in response to changes in its operating environment and should be adjusted as often as there are significant changes in the operating environment.

1.5. Outcomes

The strategic planning process and the successful utilization of the AFFF OSI Fund will provide for continued success and self-reliance of the organic sector. The results of this strategic plan will be a greatly strengthened organic sector in British Columbia, with more certified organic enterprises at every level of the food chain. British Columbia products will supply the expanded market; increased production and market volume will support the development and financing of more sophisticated and efficient infrastructure elements to maintain this momentum. Increased membership in COABC will in turn provide the financial resources for the increased level of services required by organic farmers.

A larger domestic market will allow for increased market promotion by individual producers and for generic promotion campaigns involving all organic sector participants. Increased organic sector capacity will provide increased opportunities for import replacement and exports. The social contract enjoyed by organic producers with organic consumers will be strengthened by activities that will highlight the organic sector's commitment to environmental protection and restoration, animal welfare, and food safety and food quality.

A strong organic sector will be ready to adapt to changing market conditions, to work co-operatively to assure adequate income levels and to effectively support the COABC through membership contributions. Local organic production will have environmental, social, and economic benefits to society as a whole. This in turn will foster consumer satisfaction with farmers, the food industry and with all levels of government.

2. British Columbia Organic Sector Profile

2.1. Definition

"Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles, and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain, and enhance ecological harmony." The main elements that make certified organic production unique, are a commitment to 'organic' as defined by the vision statement, adherence to the British Columbia Certified Organic Program, and participation in a rigorous record keeping and verification system of production and sales (identity tracking).

2.2. British Columbia Organic Sector Commodities

The organic sector in British Columbia is dominated by mixed horticultural or market garden production geared towards direct market sales through farmers' markets, community supported agriculture systems or direct box delivery programs. However, an increasing number of producers are expanding their production and selling through brokers and to wholesalers both within the province and to export markets. There are also dairy and livestock enterprises, grains, and forage crops under organic certification. Commodities produced organically in British Columbia include: vegetables, sprouts, tree fruit, small fruit, grapes, herbs, cut flowers and ornamentals, dairy, beef, sheep and poultry (eggs and meat). Organic processed products include essential oils, dairy products, tofu, breakfast cereal, baked goods, jams, jellies, and chutneys, juices, wine and beer, pasta and pasta sauce, and baby food.

2.3. British Columbia Organic Sector Participants

The organic sector in British Columbia consists of growers, processors, wholesalers, retailers, and certifiers. Within the certification program, there are over 500 producers, 43 processors, and eight handlers. There are 15 certification bodies (which are members of the Certified Organic Associations of British Columbia), one additional regional certification body, and five out-of province certification bodies which certify 25 BC enterprises. The majority (95%) of the organic sector belongs to member agencies of the COABC. There is an additional component of producers farming in accordance with organic principles but not currently under a certification program. Many of these have direct contact with their customers, build relationships based on trust, and enjoy regular communication flow. The COABC maintains informal connection to the non-member certifying agencies that operate in the province of British Columbia through its quarterly journal, open invitation to meetings and personal contacts.

2.4. The British Columbia Certified Organic Program

Although organic production and processing in British Columbia dates back to the turn of the century, it was not until the mid-1980s that organic producers and health conscious consumers formed associations on a bio-regional basis to facilitate information exchange and give more credibility to their production systems. Producers who were following organic principles found niche markets and relied on mentors and published information sources to solve production and handling problems. Producers of horticultural crops were strong founding members and established direct interaction with consumers through farmer's markets, roadside stands, and farm-gate sales. Granville Island Public Market in Vancouver was an early test market for many of the organic producers who travelled from the Fraser Valley and the Okanagan, the Kootenays, Vancouver Island and the Sunshine Coast to bring their produce and products to a larger urban market.

2.4.1. Agri-Food Choice and Quality Act

In the early development of the British Columbia organic sector, each region set its own organic standards. These varied across the province and eventually participants recognised the need to adhere to a common set of standards across the province. In 1989, the *Food Choice and Disclosure Act* was passed and, in 1993, a group of grower-led certification bodies formed the Certified Organic Associations of British Columbia (COABC). The COABC was designated by regulation under the *Food Choice and Disclosure Act* to implement a government audited accreditation and standard setting program for organic certification. This was the first such model in Canada. Currently, only British Columbia and Quebec have certified organic standards under in provincial legislation. The COABC has actively participated in the federal government's initiative to develop national organic standards and an accreditation program.

The *Food Choice and Disclosure Act* was replaced by the *Agri-Food Choice and Quality Act* in 2000; important amendments include increasing the penalties for non-compliance, allowing for the certification for non-food products and more explicit legislation for certifying retailers and handlers.

2.4.2. Program Symbol

In British Columbia, a product identified by the phrase and/or symbol **British Columbia Certified Organic**

is produced according to procedures and standards established by the Certified Organic Associations of British Columbia, in collaboration with the Ministry of Agriculture, Food & Fisheries. The program symbol is an official mark owned by the Province of British Columbia and exclusively licensed to COABC for use in identifying products produced according to the **British Columbia Certified Organic Program**, which is based on these government-approved standards and the system of farm inspections.

2.5. COABC

The COABC accredits its member associations (Certification Bodies) across the province which in turn, certify individual enterprises that meet the standards of the British Columbia Certified Organic Program. The COABC is a dynamic leader at the national level as well, and is recognised by the national organic movement as an effective voice for the integrity of organic standards and the importance of collaboration. Federal funding was awarded to the organization in 1994 because of its national profile.

The bio-regional roots of the organic sector in British Columbia have been the genesis of a sector that is integrated across commodities. Organic producers within a bio-region know and interact with organic producers in other commodities and have some knowledge of each other's operating parameters and challenges. This gives the organic sector an appreciation for its component sectors and an understanding of the ramifications of policy decisions.

2.5.1. Name and Address

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2.5.2. Board

The Board of Directors of the COABC is made up of representatives from each of the Certification bodies. Director's terms are for two years and begin and end at the February Annual General Meeting. The current members of the Board of Directors for 2001- 2002 are listed in Appendix A.

2.5.3. Sub-Committees

The COABC has two standing committees: an Audit Committee and a Standards Review Committee. Additional committees are formed as the need arises.

2.5.4. Constitution, Regulations, Standards, Policies and Procedures

The purposes of the COABC as described in its Constitution are:

- to promote organic agriculture and to provide education on organic agriculture and organic foods;
- to represent members in matters relating to the Agri-Food Choice and Quality Act of British Columbia;
- to develop and administer an organic certification accreditation program for members;
- to grant permission for the use of the phrase "British Columbia Certified Organic" and program symbol on agricultural product labels certified by members;
- to ensure there is a pool of qualified verification officers;
- to facilitate research and marketing activities on behalf of member organizations;
- to provide information to the public on behalf of the members;
- to develop and maintain an approved list of materials and standards for use in organic agricultural products certified by members; and
- to be responsible for incidental matters related to the above-referenced activities.

The Policies and Procedures and Organic Management Standards of the British Columbia Certified Organic Program are contained in the British Columbia Certified Organic Production Operation Policies and Management Standards Version 4. The COABC standards are available on the website at http://www.certifiedorganic.bc.ca/Standards/index.html

2.6. Mission, Vision, Principles and Values

2.6.1. COABC Mission Statement

The British Columbia Organic sector strives to ensure high quality products in sufficient quantity produced under safe working conditions. Organic farmers work to nurture living, healthy soil, biological diversity, ecological harmony using sustainable practices and renewable resources including healthy animals and natural livestock socialisation. The sector as a whole supports integrated, diversified farms which receive adequate farmer returns.

2.6.2. COABC Vision Statement

COABC's approach to food production is based on care for the earth. We recognise that as human beings, we are one creature among many that are all inter-related and interdependent. We are part of an organic movement that embraces a wide diversity of activities and enterprises related to the organic production of food and encompass all sizes of operations. While one of the tools we use is a regulatory framework to permit exports, our priority is the establishment and maintenance of local food systems.

We accept the principles of organic farming and processing identified by the International Federation of Organic Agricultural Movements (IFOAM) and engage in research of appropriate techniques to enable us to put them all into practice.

2.6.3. Principles

The principles of organic farming and processing identified by the International Federation of Organic Agricultural Movements (IFOAM):

- To produce food of high quality in sufficient quantity.
- To interact in a constructive and life-enhancing way with natural systems and cycles.
- To consider the wider social and ecological impact of the organic production and processing system.
- To encourage and enhance biological cycles within the farming system, involving microorganisms, soil flora and fauna, plants and animals.
- To develop a valuable and sustainable aquatic ecosystem.
- To maintain and increase long term fertility of soils.
- To maintain the genetic diversity of the production system and its surroundings, including the protection of plant and wildlife habitats.
- To promote the healthy use and proper care of water, water resources and all life therein.
- To use, as far as possible, renewable resources in locally organized production systems.
- To create a harmonious balance between crop production and animal husbandry.
- To give all livestock conditions of life with due consideration for the basic aspects of their innate behaviour.
- To minimise all forms of pollution.
- To process organic products using renewable resources.
- To produce fully biodegradable organic products.
- To produce textiles which are long lasting and of good quality.
- To allow everyone involved in organic production and processing a quality of life, which meets their basic needs and allows an adequate return and satisfaction from their work, including a safe working environment.
- To progress toward an entire production, processing and distribution chain which is both socially just and ecologically responsible

2.7. British Columbia Organic Sector Growth and Status

British Columbia led organic market growth in Canada for many years. It is estimated that approximately 50% of organic produce sold at the retail level in British Columbia is produced within the province while the rest is imported from other countries, predominantly from the US and Mexico. The value of certified organic products at the farm gate level in British Columbia is estimated to have increased to over $24 million currently from $8 million in 1994. This reflects an average annual growth rate of approximately 20%. Current North American organic industry growth estimates are between 10%-20% per annum.

There are over 500 British Columbia organic growers with an active land base of approximately 5,800 ha (14,500 acres). Tree fruits contribute the greatest percentage of total sales followed by vegetables. Detailed production and value statistics are included in Appendix B.

2.8. Sustainability of the Organic Sector

With an assured and growing market for some years to come, the future of the organic sector would appear to be positive. However, the assured market is of no value to the organic sector if the players do not have the means to access and supply it. The market will simply continue to be filled by imported products.

Ensuring the BC organic sector has the information and ability to supply the growing market for organic food is the mandate of the Organic Sector Initiative. The vision of the OSI is that with the assistance provided by the AFFF OSI Fund, BC organic growers, processors and handlers will develop and improve their production systems over the three years of the program. Improved production and handling systems will enable sector participants to fully exploit the growing market for organic products. When individual enterprises become self-reliant, the entire sector becomes self-reliant.

2.8.1. Sustainability of OSI Fund Projects

The priorities indicated for OSI Fund projects suggest short-term, outcome-based projects. On-farm research, pilot projects and information distribution and exchange activities are examples of the type of projects that are suitable for the OSI Fund. Every project proposal will require sustainability component. For the OSI as a whole, the sustainability of the program is dependent on the sustainability of its participants.

3. Strengths, Weaknesses, Opportunities and Challenges

Many forces, both within and outside of the province, affect the British Columbia Organic Sector. These trends affect the entire food supply and distribution chain, including organic producers, processors, suppliers, and handlers. Individuals and organizations aware of these trends and forces are better able to prepare for and adapt to the changing conditions; this is why improvement of the knowledge base for the organic sector has been given a high priority in this strategic plan.

Sustainability and growth of the organic sector in British Columbia has three elements: economic, environmental, and social; and, like a three-legged stool, will fall over if one is missing. The economic aspect usually receives the most attention as it includes the practical concerns regarding production capacity, distribution efficiency, and market share. Market share for the organic sector, however, has grown largely because customers support the environmental goals of organic production and believe they contribute to personal health as well as ecology. Shared principles and the direct marketing which has characterised the sector, along with the cross-commodity, bio-regional nature of organic producer organizations, have resulted in what can be accurately described as the "organic community" which includes those who eat as well as those who supply organic food. This "social contract," in turn, underlies market growth and thereby encourages increased production capacity and distribution efficiency.

Factors such as globalisation and the attendant changes in international trade, concentration of ownership, mass communication, world population shifts, and market segmentation have far reaching effects that are not always apparent to every organic producer in British Columbia. These large factors may have a negligible impact on organic growers who have local markets selling to people they know whose loyalty is assured and whose own economic situation is unaffected by interest rates, employment instability and investment uncertainty. However, the organic sector as a whole is composed of a variety of growers, processors, wholesalers, suppliers, handlers, distributors, and consumers. These participants in the organic sector are affected by these larger factors and therefore, most organic growers are affected too.

3.1. Strengths

3.1.1. Human Resources and Organizational Structure

People are the greatest strength of the British Columbia organic sector. Organic production in British Columbia has been a grassroots movement since its beginnings, with a strong tradition of volunteerism, self-help, and self-determination. Participants share a common vision and philosophy despite producing and handling a variety of products and representing a wealth of different perspectives. Despite the debate on issues from standards to politics that is vigorous and frequently heated, it is accurate to use the term "community" to describe British Columbia's organic sector.

More than 95% of the organic growers, processors, and handlers in British Columbia belong to certification bodies with membership in the COABC. The COABC serves as an administrative link between these certification bodies and facilitates communication within its membership as well as with the larger community. Members of the certification bodies provide input directly and through their representative to the COABC Board of Directors. The organization has proven its competence in its flexibility and response to member needs. For example:

- taking steps to resolve exporting barriers for a number of organic growers by negotiating an agreement with the United Kingdom

- continuing to undertake negotiations for similar agreements with the United States

Communication between organic producers, processors, and handlers is regularly fostered and maintained, both informally and formally. The COABC publishes a newsmagazine that goes to all members plus a subscription list and maintains a well used website and an active listserv.

The organic community also readily shares information on equipment, technologies, local market volume requirements, and labour programs. The **Organic Advisory Service** has been created to provide information and assistance to persons wishing to become organic growers. Regular use is made of the **"InfoBasket"** internet information portal developed by the BCMAFF specifically for organic production information gathering.

3.1.2. Growing Markets

The organic sector has shown consistent year over year growth rates ranging from 10-20%. The market demand continues to be strong and to support price premiums in the marketplace.

The philosophy and practices of the organic sector address consumer values and concerns about health and wellness and concerns for the environment and animal welfare. Health concerns related to ageing, increased pollution and the introduction of genetically modified organisms are changing the way people approach food and agriculture. These concerns are also forcing governments to address issues of food safety and food security, along with such issues as water quality and supply. Certified organic producers participating in the B.C program are able, because of the third party inspection and audit trail process, to assure consumers as to the integrity of their product. This kind of accountability contributes to consumer confidence and loyalty.

Diversity of crops is a tenet of organic farming. In addition to the ecological benefits, this increases revenue streams and financial resiliency. Organic marketing systems are more closely linked to the consumer than in most agricultural sectors; direct sales return a greater percentage of the consumer dollar. Direct responses to changes in consumer preferences and standards permit producers to move quickly out of declining markets and into profitable markets. The British Columbia organic sector utilizes multiple marketing channels, including a large number of farmers' markets, produce box delivery programs, packing plants, storage, transportation companies, equipment dealers, packaging manufacturers, production and processing suppliers and final product brokers and distributors.

3.1.3. Diversified Production and Processing

The British Columbia organic sector has diversified crop and livestock production with a potential to serve a wide range of consumer demands. Organic processing businesses continue to emerge, producing a wide range of organic processed products, from wine and beer to yoghurt and pasta.

3.1.4. Provincially Legislated Organic Certification Program

British Columbia was the first and is one of only two provinces in Canada that has a provincial accreditation program. The integrity of the sector and the links between its elements has been built upon this foundation. Consumers have a higher degree of confidence in an accreditation/certification program that is recognised in regulation and is subject to clearly defined, transparent verification and auditing procedures. The British Columbia certified organic program is strongly subscribed to by the organic industry; over 500 organic producers, 43 processors, and eight handlers are certified under the program. Members enrolled in the British Columbia Certified Organic Program have the right to use the phase, "British Columbia Certified Organic" and the program symbol. Promotion has resulted in many consumers looking for the organic symbol when they are buying organic food.

3.2. Weaknesses

3.2.1. Production Knowledge Base

Certified organic production requires knowledge that is different in many ways from conventional production. Issues specific to organic agriculture have not been addressed by research institutions. Limited organic extension resources have required individual producers to do their own literature searches and on-farm research, and the ability to do this varies greatly from one individual to another. Consequently, the knowledge base is not equal across the sector. This can be an impediment to those producers wishing to expand production.

There are also some products that are difficult to produce organically because of lack of production aids or knowledge to deal with essential problems.

Even less research has been done and knowledge obtained to deal with problems particular to organic processing.

3.2.2. Limited Market Information

There is no formalised mechanism or industry co-ordination for disseminating market information on prices, volumes, and market conditions in the certified organic industry in British Columbia. Some producers share information but this exchange is often community based and may not consider wider market conditions.

3.2.3. Insufficient Volumes and Infrastructure Effects

Present and future demand for British Columbia organic products far outstrips supply. The first priority must be consistency and adequacy of volume and regularity of supply to provide the base for the development of the necessary organic storage, packing, and transport facilities, which will then enable the further efficiency of distribution. Buyer decisions are greatly affected by inconsistent supply and, in the winter, the lack of local storage limits the capacity of British Columbia organic producers to extend their marketing season to compete with imports and take advantage of the higher seasonal prices.

Organic livestock producers in many parts of the province have limited access to certified organic slaughter facilities. This is the major factor limiting organic livestock sector development and growth because livestock raised according to certified organic standards cannot be sold as organic when it is processed in a non-certified facility.

3.2.4. Inconsistent Regulation of the Term "Organic"

A product does not have to be "certified" in order to be labelled "organic." This means that certified organic product grown with inspections and adherence to strict standards may have to compete with less stringently and less costly grown "organic" produce. The term "organic" becomes open to interpretation and creates confusion in the marketplace. The voluntary system also means that there is no jurisdiction or required standard for organic product imported into the British Columbia market. Regulatory systems that have been adopted by the European Union, the United States and Québec require that all organic products (including imports) meet or exceed their standards. That is not currently the case in British Columbia.

3.2.5. Availability of Organic Plant Material and Livestock

The growth in certified organic production has been faster than that of the organic seed industry and breeding industry. At this point, organic standards require the use of certified organic transplants, but not certified organic seed. Treated seeds are not allowed. Non-organic perennials must go through a one-year transition period. Certified organic producers have identified a number of plant and seed varieties where volumes are inadequate, including for example, certified organic strawberry transplants and seed potatoes.

Livestock producers also suffer from insufficient supply of animals and birds for organic production, for example, weaner pigs; and from the lack of availability of breeds suited for organic production methods. Neither plant nor animal breeding has focused on characteristics best suited for organic conditions.

3.2.6. Availability of Capital, Land and Recruitment of New Young Farmers

Ways must be found for new growers to acquire land if the sector is to sustain itself and to expand. Young people who wish to enter farming face particular difficulties. The extra costs and time for the transition to organic farming is a barrier to conversion of conventional land. Programs to assist retiring organic farmers to transfer land, education support programs, cost sharing endeavours like equipment co-operatives are possibilities, but most of these are non-existent at this time or only in initial stages.

3.2.7. Lack of Consistent National Policy

Efforts to collaborate nationally have been unsuccessful to date. Therefore, there is no consistent national government policy dealing with the word "organic." British Columbia's organic sector is well organized provincially, but has no formal avenue to influence issues that fall under federal jurisdiction. These include regulations relating to transgenics, regulation of the word "organic" and federal financial, export and other policies and issues that affect the organic sector.

3.3. Opportunities

3.3.1. Research and Production Information

The research facilities at the Pacific Agriculture Research Centres at both Agassiz and Summerland are increasingly receptive to researching methods and materials that could be applied to organic production systems. The research community is however, uniformed about certification standards and the associated production limitations. The organic sector needs to take initiative in collaboration with institutional researchers and provide the information essential for such research. On-farm research that is co-ordinated and shared both within and between certification agencies is a proven method for developing effective production techniques and approaches. There is potential for partnerships with university-based academics in this area. Research information from other regions and countries could be made available to British Columbia producers.

Training and extension programs can be used to disseminate information on production techniques, pest and disease management, appropriate equipment and inputs, product development and record keeping.

3.3.2. Market Volumes and Pricing Information

Mass communication allows buyers to find sources of product from around the world and can facilitate producers and processors in finding and serving new buyers and markets. The provision of regular market trend, volume, and pricing information to producers would stabilise pricing throughout the production and storage season and to respond effectively to changing market conditions. In many sectors, this would also require increasing volumes. The improvement in organic quality has been one of the largest motivating factors behind market growth.

3.3.3. Emerging and Specialty Markets

Consumers are increasingly placing a high value on health and environmental sustainability. In 1996, 52% of American consumers were categorised as "environmentally inclined". This group is receptive to products that meet their values with respect to environmental, health, quality, and taste attributes.

There has been a greatly increased use of organic products in countries such as Japan, Taiwan, and Hong Kong. These markets traditionally are prepared to pay a premium for product that meets their specifications.

There are also opportunities to develop marketing systems that provide alternatives to "store shopping" ensuring direct producer-consumer contact and providing organic food at prices below retail.

3.3.4. Input Supply

Certified organic growers often cannot find certified organic seeds and transplants. There is an opportunity for seed and plant suppliers to fill this gap. Heritage seed especially is often difficult to find at all or in commercial quantities.

The lack of plant and animal breeds appropriate for organic production have been identified as a constraint. Animals bred for confinement production systems often do not thrive in outdoor conditions required by organic production systems. There is an opportunity for hogs and chicks, pullets and poults for the organic egg and meat sector. Since breeding programs are long-term, the opportunities may lie in acquiring plant and animal stock from other regions with agricultural systems that most closely match certified organic production.

Organic producers and processors often require specialised certified organic inputs in order to meet the certification standards. Examples are rennet for cheese makers, alcohol for tincture manufacturers, de-wormers and fencing for livestock. Currently, most of these are not available locally.

3.3.5. Local Organic Processing

Opportunities exist to increase the local organic processing sector using locally produced product. Currently, much of the organic processed product consumed in British Columbia is imported. Because of the small scale of many farms and small volumes, innovative, co-operative avenues need to be explored.

3.3.6. Partnerships

Environmental degradation attributed to conventional agricultural practices, combined with the effects of industrial development, have led to increased public support for organic principles and practices, particularly among health professionals and environmental groups. Organizations such as the British Columbia Community Nutritionists Council and the BC SPCA have indicated their interest in collaborating with the Certified Organic movement in projects that address issues of mutual interest. These range from improved slaughter facilities to labelling of genetically modified foods.

3.4. Challenges

3.4.1. Maintain Financial Sustainability of the Organization

The COABC plays a pivotal role in the organic sector and has the potential to be a strong player in the agricultural sector as a whole. The lack of adequate core funding for the COABC has been a challenge to providing programs and services and balancing budgets. The organization has taken steps in 2002 to ensure continuing funding for core services through its fee structure.

The mandate of the COABC is very broad and responsibilities and demands are increasing with increasing membership; as the organization grows and becomes more complex, it is essential that the membership remains involved and supportive and continues to translate the value of the organization's activities into financial support. The volunteer human resource component has been a major strength and resource in the growth and development of the organization, and while demands on volunteers keep increasing, so does the volunteer base as a testament to the value placed by members on the organization’s activities and accomplishments.

3.4.2. Economic Sustainability for Producers

The concentration of ownership has affected both food production and distribution systems. It has caused margins to decline to growers as the economies of scale and resources available to these large companies increase their competitiveness. The organic system has undergone the same centralisation as the conventional food system, with few players dominating the scene. As the organic sector expands and larger quantities of organic products are available, the premium prices that were attainable because of scarcity are likely to decline. Larger volumes may dictate increased wholesale sales (to retail grocery and institutional food service) with concomitant reduction of price to the primary producers.

Large players in the conventional food industry have also begun to show interest in organic products. Access to increased markets through the conventional food industry, however, remains difficult because of the high degree of control exercised by retailers and food service companies, slotting fees for shelf space and centralised purchasing. These stores also often have no strong motivation to buy local produce, or to promote it when they do.

In British Columbia, we are seeing increasing conversion of conventional farmers and other food enterprises seeking to increase their margins through participation in a sector of the food industry that still enjoys some profitability. The long-term effects of this conversion are still unknown. On the one hand, these new participants will bring experience, perspective, contacts, and other resources to the organic sector. On the other hand, expansion beyond the current ‘niche’ and direct markets poses challenges, as the organic sector has no influence on price policy in the mainstream or 'mass' market. In addition, as primary producers increase their sales to these markets, the unique connection of organic to consumers may be jeopardised.

3.4.3. Transgenics

Contamination of British Columbia's agricultural areas with transgenic crops is a challenge that could have extreme consequences. For instance, there is almost no certified organic canola produced on the prairies because of the threat of genetic contamination. Crops contaminated with transgenic material cannot be sold as organic and decertification of organic land is a further risk. At this point, it is not clear what implications transgenics will have on neighbouring plant communities, insect interactions or in the diets of humans and livestock; however, market response is clearly negative. Export markets in Europe and Japan do not allow food containing transgenic material and local markets are increasingly unreceptive. There are also indirect negative effects from transgenics. European organic markets now require that manure used to make compost to fertilise food crops must not come from animals that have been feed on genetically engineered crops. This means that producers can no longer use manure from non-organic farms for compost because the latter cannot give proof of transgenic-free feed. This is resulting in a shortage of compost material in some areas.

Organic processors cannot use ingredients that might contain transgenic material; this restricts the variety of inputs they can use.

The strong public sentiment opposed to transgenics not only supports the market for organic products but also offers potential for partnerships in a social movement to impose a moratorium on new transgenic crops and labelling of foods produced through transgenic techniques. The international organic movement has been vocal in opposing the use of transgenics and has collaborated in this opposition with both consumer and community organizations. The organic sector in Canada will need to collaborate with the broad base of consumers opposing transgenics to effect policy changes.

3.4.4. Conventional Agricultural Systems

As organics becomes part of the mainstream food system, both the organic and conventional industry will have to work together more than they have in the past. The conflicts that have arisen between many organic growers and marketing boards are one example of the challenges in this area. On the positive side, there are more and more examples of conventional and organic growers working together on committees and boards around issues of common interest. Some of these are commodity specific, such as the new varieties committee; some are much broader, such as Investment Agriculture and the British Columbia Agriculture Council.

3.4.5. Confusion from Labelling

Many agricultural producers are also exploring third party certification and labelling programs, such as the BC SPCA certification program and the "Growing with Care" to differentiate their products to target consumers concerned about specific food quality issues and are unwilling to pay the premium for organic products. These programs address some of the organic sector's environmental goals but could create confusion in the marketplace. It will be a challenge to help consumers clearly understand the differences of certified organic production.

4. Goals and Strategies

The goals of the organic sector in British Columbia can be summarized as

1. **Expand the production capacity of organic operators, including the knowledge base**
2. **Create opportunities for increasing the markets for British Columbia certified organic products.**
3. **Improve organic environmental stewardship**

The strategic plan sets priorities and strategies that will benefit individual producers on a regional basis as well as the sector as a whole. The current priority assigned to these goals reflects the assessment provided by consultations throughout the sector in 2001 and can be expected to change over time.

For the next three years, a variety of strategies have been attached to these goals. Some of these are urgent and of broad benefit to the whole province; these are outlined in the operations plan. Others will be addressed by independent proposals to the Organic Sector Initiative of the Agri-Food Futures Fund and by non-funded initiatives by COABC and others. The annual report (prepared by the Organic Sector Initiative Advisory Committee) will assess the effectiveness of these program proposals in addressing the goals of this strategic plan. If necessary, the operations plan will be adjusted accordingly.

4.1. Production Capacity Goal and Strategies

Production capacity can be increased by improved access to research, grower education, and market intelligence. These components of the Plan are practical and predominantly oriented to production/processing.

The organic sector has a variety of research needs, which vary among regions and are different for producers and processors. One of the goals in this section is to increase the amount of research on topics relevant to organic production, another is to make appropriate organic production and marketing systems research from other countries readily available in British Columbia.

Grower education was identified as a high priority in the consultation that led to this strategic plan, and is addressed by several activities in the Operations Plan. The acquisition and timely dissemination of market intelligence is a critical tool for the development of production capacity, and thus is addressed here rather than under market development. Knowledge is useless unless it is communicated, and a communications strategy is a critical part of this plan.

The British Columbia organic production capacity includes infrastructure such as facilities, machinery and other publicly and privately owned components of the organic market channel. Infrastructure also includes the legislation that governs the certification system and its standards. COABC, as the core organization of the organic sector in British Columbia, is itself part of the sector's infrastructure, along with the financial and communications capacity of the sector.

Given the unique character of organics, the relationships between the organic sector and conventional agriculture, consumers, environment and public health and policy groups are, in effect, elements of the sector's infrastructure as they affect the capacity of the sector to produce, to grow, and to remain profitable.

4.1.1. Strategies

1) gathering and dissemination of marketing intelligence
2) training and education of growers in areas of:
   - organic production,
   - marketing
   - financial management,
   - increased IT skills
   - organic internship/apprenticeship programs
   - improving the availability of information on certified organic materials including the creation of a brand names input list for organic producers
   - initiating multi-disciplinary research to support organic production systems
   - creating joint venture opportunities with relevant sectors
   - identifying new market opportunities

3) Certification and Standards:
   - undertaking research and analysis of international regulatory requirements for certification to facilitate exports from Canada
   - developing planning and management tools for producers and processors which streamlines the certification process
   - establishing a certification process for the entire distribution system
   - researching and developing standards for new products

4) Communications:
   - maximising use of information technology
   - strengthening sector communications systems including current website
   - collaborating with other agencies and associations for policy development and advocacy

5) Production and distribution systems
   - improving access to land and capital
   - developing infrastructure for small scale processing and handling
   - providing support for value-added production and processing
   - developing an organic breeding program and seed industry
   - improving availability of organic inputs

4.2. Marketplace Goal and Strategies

This section deals with broad market, and consumer focused needs, and activities. Concern for personal health and concern for the environment largely motivates the organic consumer. The organic sector understands and addresses these concerns through its vision, mission, and practices. The sector communicates this philosophy through promotional activities that strengthen the relationship between organic consumers, and those who produce and sell organic foods. The overall market development goal is to maintain the 20% per annum market growth rate and to decrease the proportion of the market supplied by imported products. This requires a co-ordinated marketing plan and promotion of the British Columbia Certified Organic Symbol at every level of the distribution chain.

4.2.1. Strategies

1) ensuring ongoing loyalty to organics on the part of the current customer base
2) expanding the customer base by:
   - promoting the organic industry with emphasis on British Columbia Certified Organic products and the associated trademark
   - establishing public recognition of the integrity of the organic sector and the "certified organic" designation

- increasing promotion of certified organic products (generic, industry wide) to the public
- increasing awareness of organic foods and agriculture among children and youth
- developing strategic partnerships with other organizations and sectors to support organic market development; consolidating linkages to community health organizations
- increasing certified organic percentage of British Columbia retail produce sales

3) increasing producer use and customer recognition of the British Columbia Certified Organic trademark
4) improving marketing and promotional tools for farmers

4.3. Organic Environmental Goals and Strategies

An important base of consumer support of organic products is the sector's commitment to the maintenance and enhancement of the land, air, and water quality on which all agricultural production, population, and health depend. To this end, the sector practices and promotes extensive livestock management and the use of composts and other natural methods of fertility along with biological pest control; it prohibits the use of transgenic technology and raises concerns about its environmental impacts. The organic sector believes that transition of conventional farmers to organic methods would have positive environmental effects.

As new information becomes available, the organic community must also ensure that its standards encompass the best available practices regarding environmental stewardship. Partnerships with community, public health, and environmental protection groups will enable the organic sector to inform the public through education, and advocacy campaigns on issues such as water quality and transgenics, and will ensure that the organic community continues to maintain and promote the best possible methods.

4.3.1. Strategies

1) supporting conversion of conventional farms to certified organic farms
2) collaborating with organizations addressing environmental and public health policy
3) removing the threat of transgenic contamination
4) reducing the use of fossil fuels, increasing initiatives in alternative energy
5) reducing the use of agri-toxins, non-biodegradable inputs
6) improving air and water quality
7) increasing recycling and other initiatives in waste management
8) Work with the BCAC/AEPI (Agriculture Environment Partnership Initiative) to integrate environmental farm plans into the certification process.

5. Operations Plan

The COABC Operations Plan outlines projects that are considered essential to achieving the priority goals and strategies of the strategic plan. The COABC will develop detailed proposals for these projects for submission to the Organic Sector Initiative. They are listed here with a general outline of the project, potential funding partners, and an estimated budget. The projects are organized according to the goals and strategies that they are intended to address.

Detailed project proposals will include budgets, evaluation plans, and strategies for sustaining the project after the funding period is over. All proposals will be evaluated according the priorities outlined in the plan and particularly with reference to their alignment to the goals and strategies. The annual evaluation of the administration of the Organic Sector Initiative will assess the extent to which the range of activities undertaken as a whole reflects the priorities of the strategic plan. Gaps will be addressed by soliciting proposals to the Organic Sector Initiative in subsequent years.

5.1. Projected Budgets

5.1.1. Financial Plan For COABC Initiatives

The table below gives estimates for the province wide projects that will be initiated and carried out by the COABC

Project	**Year 1 cost**			**Year 2 cost**			**Year 3 cost**		
	AFFF	Other eligible contributions	COABC	AFFF	Other eligible contributions	COABC	AFFF	Other eligible contributions	COABC
*Labelling Handbook	1,280		320						
IT Training	15,000	180,557	5,000	15,000	180,557	5,000			
*Brand name list	1,600		400						
*Research needs	28,000	2,000	5,000						
Marketing Plan	20,000	15,000	5,000	20,000	20,000		20,000	20,000	
*IFOAM	40,000	5,000	5,000						
*Can. Organic	3,000	2,000		3,000			2,000		
Organic Farm Planning Tools				5,000	5,000	5,000			
Access to capital research				5,000	2,000	3,000	5,000	2,000	3,000
Environmental Farm Plans	2,500		2,500	2,500		2,500			
Subtotals		204,557	23,220		207,557	15,500		22,000	3,000
Totals	111,380	227,777		50,500	223,057		27,000	25,000	

COABC contribution is 50% cash, 50% in-kind.
*These projects have an 80/20 (AFFF/COABC) cost sharing ratio. 73,880 for year 1, 3,000 for year 2, and 2,000 for year 3.

5.1.2. Financial Plan for Other Eligible Projects

Identified Goal	**Year 1 Cost**		**Year 2 Cost**		**Year 3 Cost**	
	AFFF	Other Contributions	AFFF	Other Contributions	AFFF	Other Contributions
Production Capacity 57%	221,513	*255,204	142,215	°143,583	98,610	•99,522
Marketplace Development 30%	116,586	*134,318	74,850	°75,570	51,900	•52,380
Organic Environmental Stewardship 13%	50,521	*58,204	32,435	°32,747	22,490	•22,698
Totals	388,620	*447,724	249,500	°251,900	173,000	•174,600

*Includes 73,880 of year 1 AFFF allocation @ 20/80 (AFFF/other) cost sharing ratio
°Includes 3,000 of year 2 allocation @ 20/80 ratio
•Includes 2,000 of year 3 allocation @ 20/80 ratio

5.1.3. Budget Year 1 - 2002/03

		Source of Funds			
Projects	Total Cost	**COABC**[1]	**Other Ind**	**AFFF**	**Other Govt**
COABC	339,157	23,220	108,743	111,380	95,814
Other	836,344		447,724	388,620	
Total	1,175,501	23,220	556,467	500,000	95,814

1 Cash and in-kind

5.1.4. Budget Year 2 - 2003/04

		Source of Funds			
Projects	Total Cost	**COABC**[1]	**Other Ind**	**AFFF**	**Other Govt**
COABC	273,557	15,500	111,743	50,500	95,814
Other	501,400		251,900	249,500	
Total	774,957	15,500	363,643	300,000	95,814

1 Cash and in-kind

5.1.5. Budget Year 3 - 2004/05

		Source of Funds			
Projects	Total Cost	**COABC**[1]	**Other Ind**	**AFFF**	**Other Govt**
COABC	52,000	3,000	22,000	27,000	
Other	347,600		174,600	173,000	
Total	399,600	3,000	196,600	200,000	

1 Cash and in-kind

5.1.6. - 3 Year Budget 2002/03-2004-05

		Source of Funds			
Projects		**COABC**[1]	**Other Ind**	**AFFF**	**Other Govt**
COABC	664,714	41,720	242,486	188,880	191,628
Other	1,685,344		874,224	811,120	
Total	2,350,058	41,720	1,116,710	1,000,000	191,628

1 Cash and in-kind

5.1.7. Collaborators

The COABC has already established signed partnership agreements with the following institutions for the Information Technology training (Rural Capacity building Through Organic Agriculture) project.

1. BC Farm Business Management Council,
2. The Organic Agricultural Centre for Canada,
3. UBC,
4. BC SPCA,
5. HRDC (Office of Learning Technologies),
6. BCMAFF, and;
7. Summerland Secondary School.

VanCity Savings - Eco Trust has indicated they are willing to contribute $10,000 towards a comprehensive marketing plan - the organic trading community has also expressed their willingness to provide monetary support for this project.

Potential collaborators (cash contributors) include:

1. Pro Organics Foundation
2. Vancouver Foundation
3. Harmony Foundation
4. Industrial Research Assistance Program
5. Canadian Food Safety Adaptation Program
6. Sierra Legal Defence Fund
7. Organic Farming Research Foundation
8. Organic Materials Review Institute
9. Educational Institutions
10. Environmental Organisations
11. Municipal Governments - Regional Districts
12. Agricultural commodity groups

5.2. Production Capacity Projects

5.2.1. Labelling Handbook

Description: Develop a labelling handbook for the British Columbia Certified Organic Program to include federal food labelling criteria. Link the COABC website to the CFIA website to facilitate access. This project will assist British Columbia organic growers and processors to comply with provincial and federal regulations.
Proponent: COABC
Partners: Pacific Agricultural Certification Society
Estimated Budget: $1600 1 yr.
Organic Sector Initiative contribution: $1,280 (80%)

5.2.2. Increasing information technology capacity and skills

Description: Ensure that needs of the sector that can be met by information technology are identified and programs developed to address them.

- Complete a study of the information needs of organic farmers which may be addressed through electronic means
- Present information technology training program complete with visual aids and on-farm mentors
- Review content for the BCMAFF Infobasket
- Establish a toll-free and electronic service with searchable database and answers to frequently asked questions

Proponent: COABC
Partners: Learning Technologies in the Workplace/HRDC, British Columbia MAFF, British Columbia Farm Business Management Council, Organic Agricultural Centre for Canada, UBC, BC SPCA, Summerland Secondary
Estimated Budget: Total -$401,114 over 2yrs.
HRDC: $191,628
COABC and partners: $179,486
Organic Sector Initiative Contribution: $30,000 (7.5%)

5.2.3. Brand Name Lists

Description: Develop an up-to-date listing of organic inputs and Canadian brand equivalents; post on the COABC website for general public access.
Proponent: COABC
Partners: COABC, UBC
Estimated Budget: $2,000 - 1 yr.
Organic Sector Initiative Contribution: $1,600 (80%)

5.2.4. Research Needs Study

Description: Develop a strategic plan for funding research, and request proposals to meet identified needs. Such a plan must:

- determine production research needs which address quality and efficiency through consultation with certified organic growers
- assess available data to determine whether research and/or databases exist which address these needs;
- build networks with the research community and institutions of higher learning (universities and community colleges) such as Organic Agriculture Centre of Canada, UBC, Organic Farming Research Foundation, SFU, Community Colleges, Summerland Research Station, Agassiz Research Station, OMRI

Proponent: COABC
Partners: Educational institutions
Estimated Budget: $35,000 - 1 yr. Organic Sector Initiative Contribution: $28,000 (80%)

5.2.5. Improved Farm Planning Tools

Description: Develop and improve the farm planning tools (i.e. electronic forms) used by producers in making production management decisions and by the certification program in evaluating compliance to the standards.
Proponent: COABC
Partners: Pacific Agricultural Certification Society
Estimated Budget: $15,000 - 1 yr.
Organic Sector Initiative contribution: $5,000 (33%)

5.2.6. Canada Organic Initiative

Description: Work with the Canadian organic community and the federal government to establish consistent regulation of organic products across Canada to ensure fair market access.
Proponent: COABC
Partners: Organic retail and handling sector
Estimated Budget: $10,000 over 3 yrs.
Organic Sector Initiative contribution: $8,000.00 (80%)

5.2.7. Access to Capital/Land

Description: Investigate options and work with financial institutions and others to develop alternatives to increase access to capital and/or land for organic agriculture. Options might include:

- lower-cost loans from financial institutions,
- the establishment of co-operative or public shareholding of land,
- long-term leases under environmental covenant,
- other forms of land tenure

Proponent: COABC
Partners: Financial institutions, and other appropriate organizations
Budget: $20,000 - 1 yr.
Organic Sector Initiative contribution: $10,000 (50%)

5.3. Marketplace Development Projects

5.3.1. Marketing Plan

Description: Develop a comprehensive marketing plan for the COABC to effectively meet the needs of the British Columbia Organic sector. A major component of the plan will be the design and delivery of a multi-faceted promotional campaign through the entire distribution chain. The main objective of the campaign will be to increase consumer awareness of certified organic products, while emphasizing the official mark of the British Columbia Certified Organic program. Elements of this campaign will include:

- Collaborating with health professionals (e.g. Community Nutritionists Council of British Columbia, British Columbia Dieticians and Nutritionists Association) to increase the awareness of health benefits of local, organic food
- Work with customers to reinforce and sustain “the social contract” between consumers and the organic sector
- Collaborate with retailers and wholesalers, brokers selling certified organic products
- Ensuring expansive media exposure for the trademark
- Proposal and development of point-of-sale supports for retailers

Proponent: COABC
Partners: Marketing Channel members, Financial institutions
Estimated budget: $120,000 over 3 yrs.

Financial Institutions- $10,000
Marketing Channel members- $45,000
COABC - $5,000
Organic Sector Initiative Contribution: $60,000 (50%)

5.3.2. IFOAM Participation

Description: Identify and capitalize on opportunities to raise the profile of the British Columbia organic sector. Collaborate with the International Federation of Organic Agriculture Movements (IFOAM) 2002 Congress Organizing Committee and participate in the IFOAM 2002 Congress held in Victoria in August. The IFOAM Conference will bring thousands of participants to British Columbia and the consequent publicity will raise the profile of Certified Organic food in the province. Activities include:

- Exposure of British Columbia to visitors and media through the pre-conference tours;
- Effective representation of COABC and its members in the conference presentations;
- Participation in the trade show and other events.

Proponent: COABC
Partners: Certification Bodies, individual British Columbia Certified Organic farms, and marketing channel members
Estimated Budget: $50,000 1 yr.
Organic Sector Initiative contribution: $ 40,000 (80%)

Environmental Stewardship Projects

5.4.1. Environmental Farm Plans

Description: Integrate Environmental Farm Plans into the British Columbia Certified Organic Program. Work with the BCAC and British Columbia Ministry of Agriculture, Food and Fisheries to add positive elements of the environmental farm plans to the certification process. Provide training (through MAFF modules and seminars) to growers to educate them on the process.
Proponent: COABC
Partners: MAFF, British Columbia Agricultural Council
Estimated Budget: $10,000 over 2 yrs.
Organic Sector Initiative Contribution: $5,000 (50%)

5.5. Other Eligible Activities

Other eligible activities might include but are not limited to the following:

5.5.1. Production Capacity

1) Provide access to market conditions, prices, and volumes
2) Compile regional wholesaler, handler, and retailer listing
3) Monitor regional supply and demand
4) Track seasonal price changes - publish a database to show growers the price benefits of extending their season.
5) Compile farmer-run organic home delivery information

5.5.2. Training and Education

1) Establish help line for technical organic assistance
2) Develop website Frequently Asked Questions (FAQ) with a searchable database
3) Improve electronic communications within the sector
4) Increase awareness of British Columbia M.A.F.F. information resources
5) Engage in a participatory evaluation of farmer-to-farmer information sharing networks as sectoral extension work
6) Develop a training program for organic producers to host and mentor organic apprentices
7) Develop organic fact sheets red flagging key compliance and awareness factors
8) Undertake training and education of retailers in the organic sector
9) Produce educational forum

5.5.3. Multi-Disciplinary Research to Support Organic Systems

1) Undertake on-farm research projects in collaboration with researchers
2) Train farmers to conduct on-farm research in collaboration with academic and professional researchers
3) Undertake animal husbandry/welfare research

5.5.4. Marketplace Development for Certified Organic Products

1) Provide regional buyers with a local supplier list
2) Identify strategies for influencing buying decisions
3) Identify and utilize opportunities to raise the profile of British Columbia Certified Organics

5.5.5. Improve Trade Structure

1) Work with government to ensure certification and accreditation systems are adequate to facilitate organic export trade
2) Work with the federal government and the Canadian organic community to investigate and evaluate a regulatory certification/accreditation system that will provide control over the organic designation for internal and imported product
3) Improve the efficiency of the certification process
4) Explore future opportunities for organic certification of diverse commodities

5.5.6. Improve Production and Distribution Systems

1) Assist growers to develop "on-farm" processing capacity or to work co-operatively towards establishment of regional processing facilities
2) Research the concept of mobile abattoirs
3) Host on-farm processing workshops
4) Develop organic processing handbook
5) Compile a list of processing and packing equipment suppliers and make this available to organic operators
6) Produce and sell a variety of British Columbia Certified Organic packaging materials for use by organic operators

5.5.7. Organic Environmental Stewardship

1) Support conversion of conventional farms to certified organic farms
   - Provide economic information (Farming for Profit spreadsheets, risk analysis documents)
   - Provide workshops dedicated to information about conversion
   - Develop specific information materials about organic conversion
2) Establish partnerships with environment and public health policy groups
3) Work with British Columbia Food Systems Network on food and agriculture policy
4) Promote organic land-care products and procedures (alternatives to pesticides and non-organic fertilisers)
5) Work with Land Conservancy and particular campaigns on land conservation for agriculture
6) Support The Land Conservancy of British Columbia's Conservation Label Partners Program
7) Ensure organic operators are provided with relevant environmental regulations
8) Design an environmental assessment instrument to be used in the organic certification process
9) Research methods to replace, re-use or recycle agricultural plastics
10) Research best practice for alternative energy (non-fossil fuel) use

5.6. Expected Outcomes

1) Improved market access for producers
2) Increased capacity of producers to meet market demand
3) Continued market growth because of increased consistency of supply
4) Import replacement
5) British Columbia organic products are not hampered in the market by inconsistent use of the term "organic"
6) Established access for British Columbia production to international markets through international equivalency of certification systems
7) Increased participation in the British Columbia Certified Organic Program
8) Improved efficiency and cost effectiveness of provincial certification and accreditation program
9) Increased number of certified organic farms
10) Increased production efficiency and profitability of organic farms
11) Enhanced public perception of organic certification as assurance of environmental stewardship
12) Improved environmental stewardship on organic operations
13) Increased transition to organics by conventional farmers and involvement of more young persons in organic agriculture

Appendix A - Administration Plan

AFFF Organic Sector Initiative Advisory Committee

Committee Structure

An Organic Sector Initiative (OSI) Advisory Committee will be formed. It will include:

- Five members of the British Columbia organic sector (voting)
- One ex-officio representative from the BCMAFF (non-voting)
- One ex-officio Agriculture and Agri-Food Canada representative (non-voting).

The COABC board of directors will advertise publicly for the five organic sector committee members. Applications will be reviewed and selected and the COABC Board will appoint the committee members. Appointments will be for a three-year period.

The Organic Sector Initiative Advisory Committee will be available to report to every meeting of the Board of Directors of the COABC

Accountability

The OSI Advisory Committee is responsible to the COABC Board of Directors. The COABC is responsible to the Investment Agriculture Foundation (Trustee).

Duties of the Committee

The OSI Advisory Committee is responsible for:

1) Developing an annual work plan (what kind of projects - how much funds what the draw will be)
2) Advertising the Organic Sector Initiative (expressions of interest);
3) Providing project proposal application forms and approval criteria to applicants;
4) Recommending project proposals decisions according to criteria outlined in this plan;
5) Allocation of trust funds according to workplan (dispersal of monies is provided by the COABC);
6) Evaluation of approved projects to ensure the objectives are realised;
7) Preparing and deliver semi-annual reports to the COABC ;
8) Preparing and deliver an audited statement of account to the COABC , annually;
9) Preparing an annual report on the activities of the committee - to be delivered to the COABC

Competency

Each member of the OSI Advisory Committee must demonstrate financial competency, an understanding of organic principles, and technical knowledge in one or more of the following areas: crops, livestock, processing, handling, research including experimental design and statistics.

Confidentiality

Committee members will hold confidential all matters coming before the Committee.

Conflict of Interest

Members of the OSI Advisory Committee must declare any interest, real or perceived, in any project coming before the Committee at the time the project is presented, or as soon after as possible, and remove themselves from any meeting, discussion or decision on the matter.

Budget Administration Fee

The estimated total budget for administration for the three years is 8% of the total AAFF OSI allocation fund, or $80,000.

Project Application Process

Advertising

The OSI Advisory Committee will advertise the availability of funding for projects based on the priorities and goals contained in the Strategic Plan. Advertising venues may include the COABC website, appropriate listservs, and the *British Columbia Organic Grower*.

Application Procedure

The Committee will ensure that application forms and project approval criteria are available from the COABC office and on the COABC website. Project proposals must include:

1) Information on how the proposal addresses the goals outlined in the Strategic Plan;
2) who benefits from the project;
3) a timeline;
4) a complete budget including other sources of funding and in-kind contributions;
5) A project evaluation plan which will define how results of the project will be measured.
6) A mechanism to ensure a complete report of the project (hard copy and electronic) delivered to the COABC at the close of the project.

Screening

Applicants must provide a letter of intent to the OSI Advisory Committee. Administration office staff will evaluate these letters to ensure the proposal fits the criteria outlined above. Full Project proposals will be evaluated by administration office staff for completeness before sending to the Committee.

Funding Windows

The OSI Advisory Committee will meet in person once per year and conduct three other quarterly meetings by telephone conference and email. Recommendations for funding allocations will be forwarded to the COABC Board of Directors twice a year.

Funding Allocations

The priorities and goals of the Strategic Plan set the allocation of total funding as follows:

- Production Capacity 45-65%
- Marketing/Promotion 30-40%
- Environmental Stewardship 5-15%

The OSI Advisory Committee will use this allocation as a guideline in assessing project applications.

Funding Ratios

The Organic Sector Initiative will be matched by industry contributions in cash or in-kind overall (not to exceed 50% of the total industry contribution) with strong consideration for both public and regional benefit. The target funding of 50% of project cost will be advertised through the application process. The Committee will have the option of changing the funding ration to reflect the wide, public benefit of a project to a maximum of 80%-20% Organic Sector Initiative/Industry funding.

Regional projects that are perceived to have wider geographic value may also be funded as pilot projects at a higher ratio.

In-Kind Contributions

In-kind contributions may be accepted to recognize time and effort spent, or other value provided, by participants in support of the objectives stated in the strategic plan. In-kind contributions must be directly related to the project and must not be part of the ongoing operations of the organization. The AFFF OSI will recognise in-kind contributions from project applicants to a total value of 50% of the applicant contribution.

In-kind contributions are acceptable as part of the industry contribution required to access the Futures Fund provided that:

a. in-kind contributions are consistent with and support the purpose and objectives of the strategic plan, e.g. projects for research, technology development, technology transfer, environmental management, market development, education, or training; and
b. the value of in-kind contributions can be established and verified, e.g. by comparison with standard labour, rental or contract rates for similar services, or retail costs of materials; and
c. the strategic and operational plans clearly outline the strategy for the organization to become self-funding for operational and development requirements by the end of the funding horizon.

In cases where goods or services have a wide range of value, e.g. rates for hired labour, a Request for Proposal or tender process is required.

If an organization is receiving an administration or management fee for a project from the Futures Fund, in-kind labour being contributed by organization members would not qualify as an in-kind contribution for that project.

Communications Plan

The Committee will make the Organic Sector Strategic Plan available to all government entities, growers, handlers, consumers, and members of the research community who may have an interest in the organic sector. Suggested activities to achieve the Strategic Plan objectives are included in the plan. These are intended to solicit proposals to the Organic Sector Initiative.

Collection and Filing

The Committee will provide project information, financial information and progress reports to administrative staff at the Certified Organic Associations of British Columbia office.

Reporting

The committee will ensure that information about projects will be made available to the organic sector. This may be through use of the *British Columbia Organic Grower* and the COABC website >www.certifiedorganic.bc.ca<. The provincial government will be informed through copies of the *British Columbia Organic Grower*, access to the website and annual reports and statement of accounts.

Information Production Schedule

The *British Columbia Organic Grower* is published quarterly. Reports to Investment Agriculture will be made twice yearly and audited statements of account will be submitted annually. Press releases will be issued on an "as needed" basis. The OSI Advisory Committee will report at the Annual General Meeting of the COABC each year.

Information Access and Updates

The COABC website is available to the public and is updated regularly. All sector participants and interested parties are on the *British Columbia Organic Grower* distribution list.

Evaluation and Performance Measurement

Accounting Procedures

Successful proponents will be required to prove they have competent accounting practices in place. The financial records of successful proponents will be available for inspection by the Committee and the Trustee. Allocation of monies:

1) Annual workplan submitted to and approved by Investment Agriculture Foundation
2) Investment Agriculture releases annual allotment to the COABC.
3) Project proposal approved by OSI Advisory Committee.
4) Committee provides recommendations to the COABC Board of Directors (twice yearly).
5) COABC releases initial payment of funds to proponents of approved projects.
6) Proponent undertakes project. Reports, satisfies committee.
7) Committee reports to COABC.
8) COABC releases final payment to proponent.

Administrative Policies and Procedures

The Organic Sector Initiative Advisory Committee will establish policies and procedures as necessary to ensure fiscal responsibility and accountability.

Evaluation Procedure

Evaluation plans are required for each project. The primary evaluation tool will be the successful completion of the objectives of approved projects, within budget, according to timeline and according to Federal/Provincial evaluation guidelines. This will be monitored by the Committee and will form the basis of its annual reporting.

Annual Report

The annual report will include a comprehensive assessment of the British Columbia Organic Sector Initiative Strategic Plan and the AAFF allocations. This report will take the format of a comparison of projected outcomes against actual outcomes. Proposed revisions to the Plan including addition, deletion, or modification of objectives will be submitted as necessary

Issues to be addressed in the annual report, in addition to the evaluations for each project, will include:

1) Have the priority objectives under each goal been addressed by funded projects?
2) If not, is there a plan to elicit project proposals to address these objectives?
3) Are these objectives still appropriate in relation to the overall goal?
4) Have the projects undertaken achieved the outcomes envisioned in the strategic plan?
5) If not, why not?
6) Do changed circumstances require revision to the projected outcomes?

7) Has the funding formula accurately reflected the priority of the strategic plan to address issues of broad and deep relevance to the whole sector?

Appendix B - COABC Membership

Voting Members for 2002

1) British Columbia Association for Regenerative Agriculture (BCARA) - Steve Gallagher,
2) Biodynamic Farming Association of British Columbia - Jill Rothe (secretary COABC),
3) Boundary Organic Producers Association (BOPA) - Jodi Koberinski,
4) Comox Region Organic Producers Association (CROPS) - Dagmar Pattison,
5) Fraser Valley Organic Producers Association (FVOPA) - Harvie Snow,
6) Island Organic Producers Association (IOPA) - Peter Johnston,
7) Kootenay Organic Growers Society (KOGS) - Patrick Mallet
8) Living Earth Organic Growers Association (LEOGA) - Lee McFadyen,
9) North Okanagan Organic Growers Association (NOOA) - Jon Alcock,
10) Organic Producers Association of Cawston and Keremeos(OPACK) - Linda Edwards (President COABC),
11) Pacific Agricultural Certification Society (PACS) - Sharyn Pollitt (Treasurer COABC),
12) Peace River Organic Producers Association (PROPA) - Tim Ewert,
13) Similkameen Okanagan Organic Producers Association (SOOPA) - Andrea Turner,
14) Shuswap Thompson Organic Producers Association (STOPA) - David Nelson

Non-Voting Members

1) BC Ministry of Agriculture, Food and Fisheries - Jo Ann Sandhu
2) British Columbia Food Systems Network - Cathleen Kneen

Appendix C - BC Organic Industry Growth and Status

British Columbia is on par with the rest of Canada in terms of market growth for organic food products. It is estimated that approximately 50% of organic produce sold at the retail level in British Columbia is produced within the province while the rest is imported from other countries, predominantly from the US and Mexico. The value of certified organic products at the farm gate level is estimated to have increased to $18.8 million currently from $8.0 million in 1994. This reflects an average annual growth rate of approximately 13%. Current North American organic industry growth estimates are between 10%-20% per annum.

Table 1. BC Organic Industry Acreage and Sales

Certifying Body	Production Acres in a Certification Program	# C.O. Farms	#Transitional Farms	# Processors	#Handlers
BCARA (1999)	1,075	47	13	7	3
Biodynamic	200	11	1	0	0
BOPA (2001)	223	13	1	0	
COPA	1,322	28	18	4	0
CROPS	200	12	2	1	0
FVOPA (2001)	128				
IOPA	260	37		1	0
KOGS	446	28		8	0
NOOA (2001)	2,348	46	21	3	0
OPACK (2001)	405	14		0	1
PROPA (2001)	5,364	14	2	1	1
SOOPA (2001)	411	76		6	0
STOPA	N/A	19	1	2	0
LEOGA	620	23		1	0
SOFS	24	7		0	0
CCOF	2	2		0	0
OCIA	N/A	N/A			
OTCO	879	8		1	0
PROCERT	10	2		3	2
QAI	N/A	0		5	1
Total	21,271	387	57	43	8

****** From Statistics gathered to date (CROPS, FVOPA, SOOPA, OPACK, NOOA, PROPA, BOPA, KOGS)

Table 2. BC Organic Acreage and Farm Gate Value by Product Category

Crop	**Certified Acres**	**Transitional Acres**	**Total Farm Gate Value ($/yr.)**
Vegetables	193	7	$836,885
Tree Fruit	700	19	5,235,965
Small Fruit & Berries	74	0	488,550
Herbs	186	43	1,929,600
Forage	1,267	1,462	352,558
Grains & Oilseeds	4,874	64	1,010,171
Nuts	1	0	2,000
Ornamentals	1	0	7,500
Total Crops	**7,294**	**1,597**	**$9,863,228**
Species	**Certified Units**	**Transitional Units**	**Total Farm Gate Value ($/yr)**
Livestock	5,266	0	$780,777
Eggs (doz)	142,794	0	
Total Crops and Livestock			**$10,644,005**

Table 3 Canadian Organic Farms and Acreage

B.C. Organic Farming

	Fruit	**Vegetable**
Estimated Number of Farms*		
B.C.	175	135
Quebec	55	75
Ontario	85	140
Canada	365	415
Estimated Area (acres)*		
B.C.	900	560
Quebec	515	600
Ontario	995	2,025
Canada	4,300	4,200

* Organic farms producing both fruits and vegetables are included in each column. The numbers have been rounded to the nearest five farms or acres.
Source: Statistics Canada, Agriculture Division, May 2000 Spring Fruit and Vegetable

B.C. Certified Organic Acreage by Region

	Island	Fraser Valley	South Okanagan	North Okanagan	Boundary	Kootenay	Cariboo	Peace River
Vegetables	89	165	54	70	3	29	124	24
Tree Fruit	44	33	678	22	0	5	0	0
Small Fruits & Berries	3	40	66	8	0	2	7	0
Herbs	11	21	6	158	22	3	22	0
Forage	120	203	11	327	207	1.2	1,439	687
Grains & Oilseeds	3.5	54	0	170	0	7	333	4,653
Nuts	0	109	1	0	0	0	0	0
Ornamentals	0.1	27	0.8	0	0	0.1	0	0

B.C. Vegetable Acreage - selected crops**		
Broccoli	4	
Carrots	26	
Leeks	2	
Lettuce	27	
Spinach	9	
Radishes	5	
Squash	25	
Tomatoes	18	
B.C. Fruit Acreage - selected crops**		
Apples	558	
Peaches	52	
Pears	59	
Raspberries	12	
Strawberries	9	

** Source: BC Organic certification agencies, Dec 2001