



2018 - 2019

ANNUAL REPORT



Dag Falck

LETTER FROM THE PRESIDENT



Dear COTA Members,

Over the years that I've had the pleasure to serve as the president of the board of this organization, the Canada Organic Trade Association (COTA) has flourished as the leading voice of the organic industry nationwide. In the last year alone, our industry has demonstrated determination, growth, and innovation in face of change, challenges, and obstacles.

Every year, we see an increase in businesses and organizations who are seeing the importance and value that organic brings to the table. With that, comes increased involvement and a greater need for leadership and information.

This is undoubtedly exciting as we continue to hear our collective voice get louder, and our message reach farther. With climate change and environmental sustainability emerging as defining issues for the recent federal election campaign, organic has been in the spotlight more than ever – and so it should. As a sector and as an organization, it is important that we continue to work with renewed support and collaboration at both provincial and national levels. Participation and involvement is a great way for companies and individuals to be part of this important movement and business, where we are working to create the change that our children and grandchildren need for a healthy and strong future.

Take a look at all of the COTA activities and programs that took place in the last year, and great to have you all on board!

Organically,

Dag Falck



Tia Loftsgard

EXECUTIVE DIRECTOR'S REPORT



Climate change mitigation.
Sustainable production.
Regenerative agriculture.

2018 was the year that we heard these themes frequently mentioned in mainstream media. 2018 was also the year we saw organic being discussed as the most viable option for protecting the environment, running a profitable business and meeting consumer demand. The organic movement of supporters grew louder and more diverse nationwide. The demand for healthy products that are both traceable and inspected encourages policy makers that organic is not just a trend, but the wave of the future. The voice of the people is starting to make waves at local and national levels, with increased demand for a more trusted, sustainable food supply.

Canada's first national food policy was launched this year, highlighting political priorities which have shifted in light of this public outcry to have better access to affordable, nutritious and healthy food. Organic agriculture ticks all the boxes on meeting Canada's desire to address climate change, protect and conserve the environment, ensure business is viable and to achieve global trade goals, while still caring for the health and wellbeing of its citizens.

It is a joy and a pleasure to be a part of the organic movement which seeks to address many of the world's ills. Knowing that organic is part of the solution and that our trade association is at the forefront. I am filled with immense satisfaction that we can continue to serve our members and work together to make the world a better place, together.

In solidarity,

Tia Loftsgard



MARKET ACCESS

COTA and its members attended 31 events throughout the year, in Canada and around the globe on your behalf!



Dag Falck (Nature's Path) and Tia Loftsgard with MP Joe Peschisolido and the Minister of Agriculture at the COTA funding announcement. June 2019 in Richmond, BC.

This year, COTA successfully secured a three-year Agri-Marketing fund of \$990,000 to help expand organic export sales, work on issues of organic integrity and training as well as support work on international equivalency and trade issues. The Minister of Agriculture, Minister Bibeau, alongside MP Joe Peschisolido (the MP for Steveston-Richmond East, BC) and COTA's President, Dag Falck, made the announcement via a press conference on July 5th at Kwantlan Polytechnic University. The announcement highlighted the government's aspirations in working to support the organic sector nationally with programs under the Canadian Agricultural Partnership.

There were many deliverables carried out as part of the government funding provided in 2018/2019. In March, we welcomed international buyers in a coordinated incoming buyer's mission. Nine events included COTA presenting and meeting with industry associations, producers and exporters to conduct readiness workshops and outline key market requirement for international trade. COTA successfully co-hosted and chaired the 9th Annual Breakfast Builders event held in at Expo West on Tuesday, March 5th, 2019 in Anaheim, California. COTA also funded multiple companies' tradeshow presence and coordinated an Organic Pavilion at Biofach in Germany, the world's largest organic tradeshow.



Tia Loftsgard with Marise May of Cha's Organics at the Organic Pavilion in Montreal



COTA, OFC, and COG at the Organic Standards funding announcement with the Minister of Agriculture, Minister MacAulay. Guelph, ON.



CANADA ORGANIC STATISTICS



Operations

In 2018, organic operations reached an estimated 7,266. Up from 6,356 in 2017.

Acres

Organic acreage is estimated at 3.3 million. Up from 3.2 million acres in 2017.

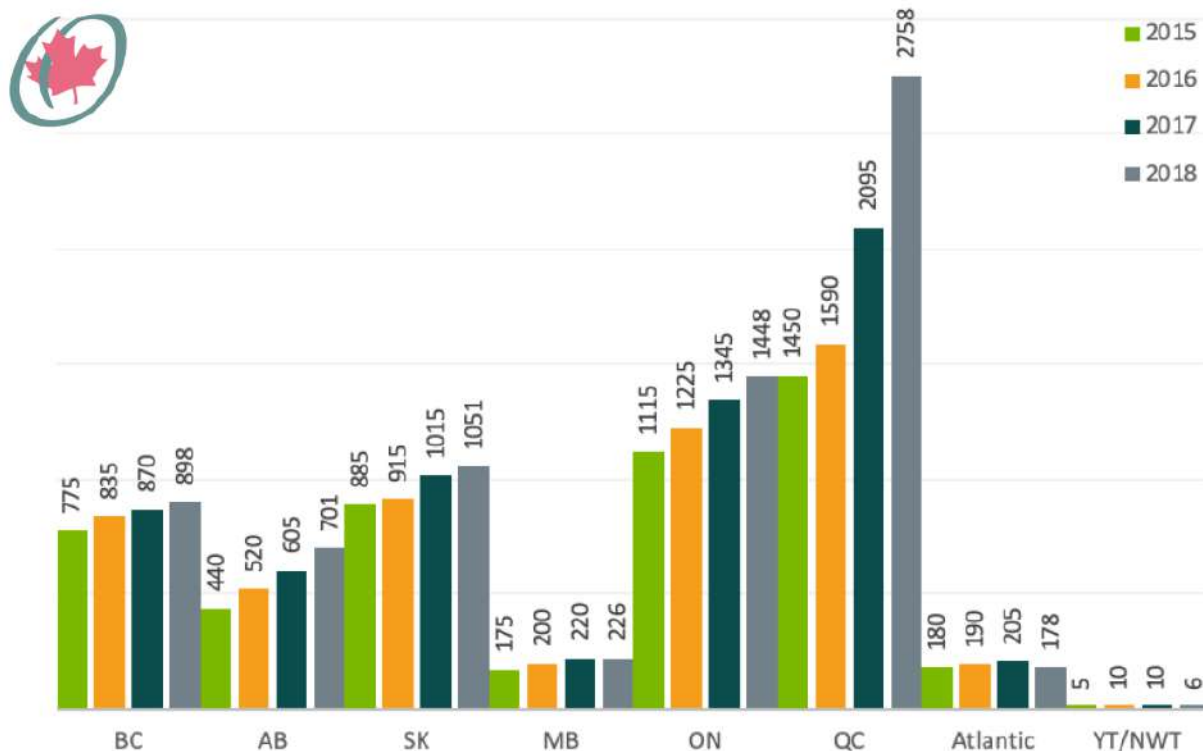
Producers

There are an estimated 5,791 certified organic producers across Canada. Up from 4,800 in 2017.

Processors

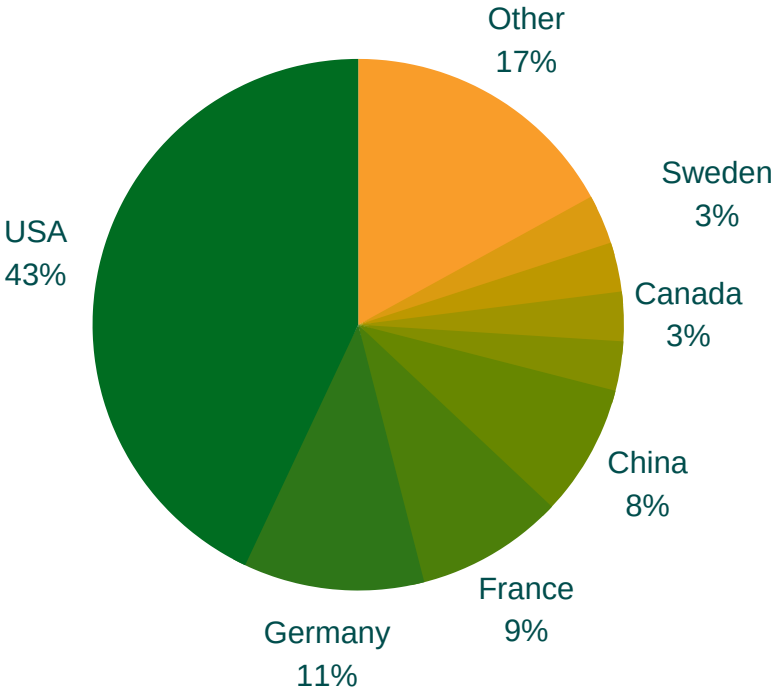
In 2018, there were an estimated 1,719 certified processors, handlers, manufacturers, and retailers in Canada.

Total Organic Operations (2018)

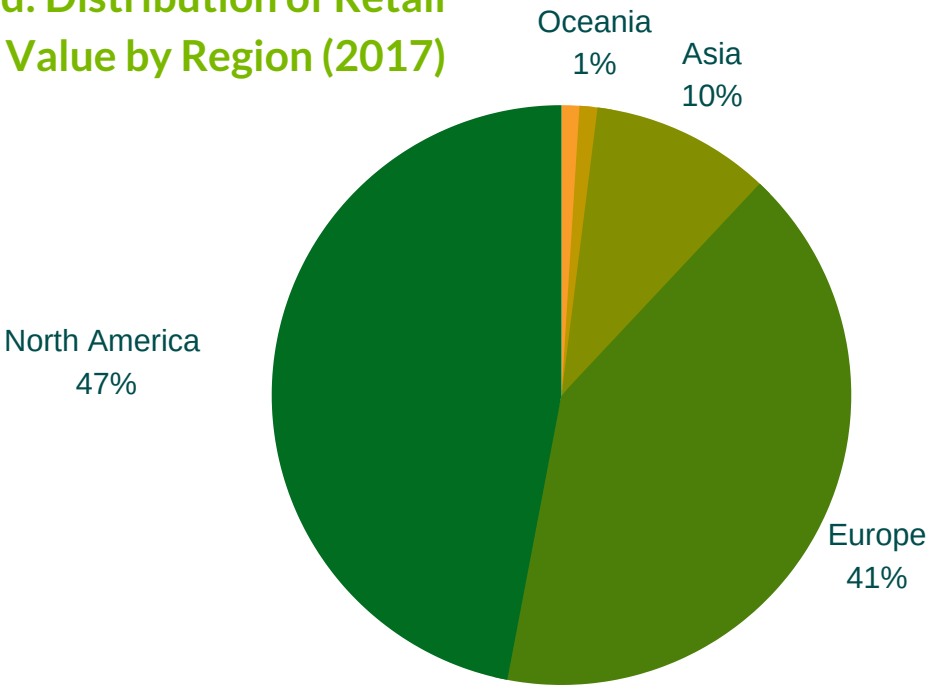


ORGANIC STATISTICS

Global Market for Organic Food: Distribution of Retail Sales Value by Country (2017)

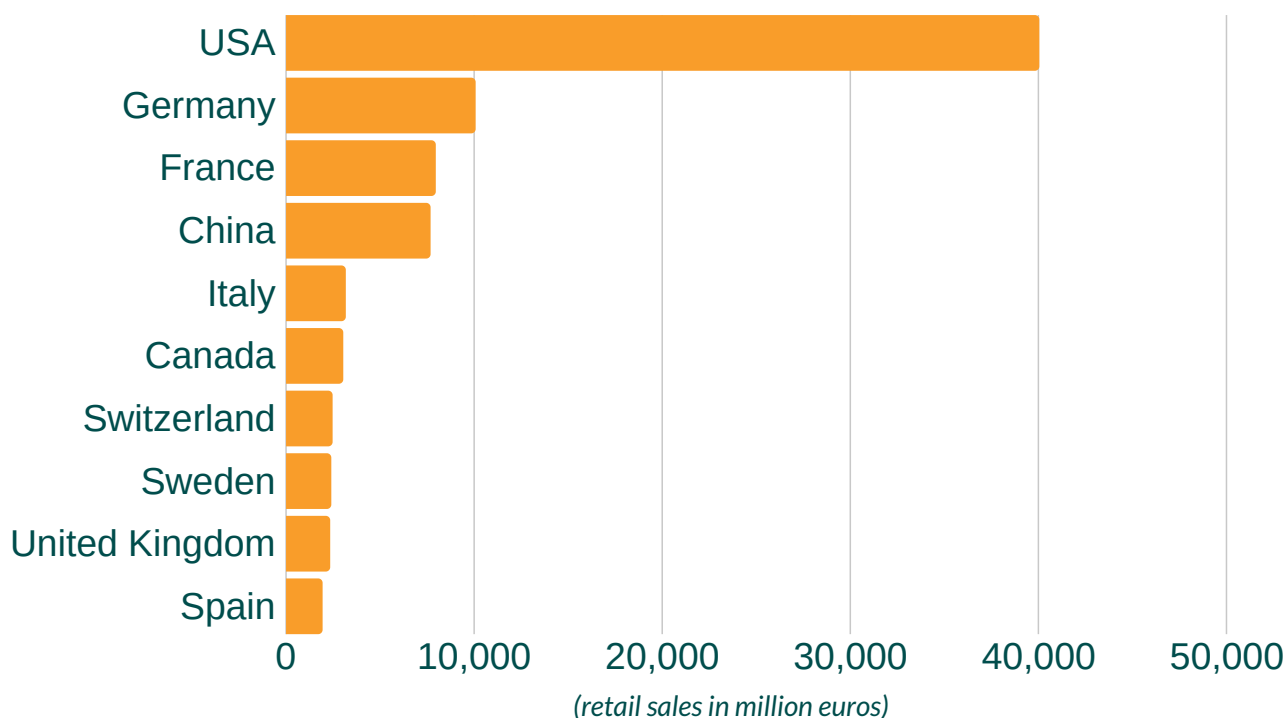


Global Market for Organic Food: Distribution of Retail Sales Value by Region (2017)

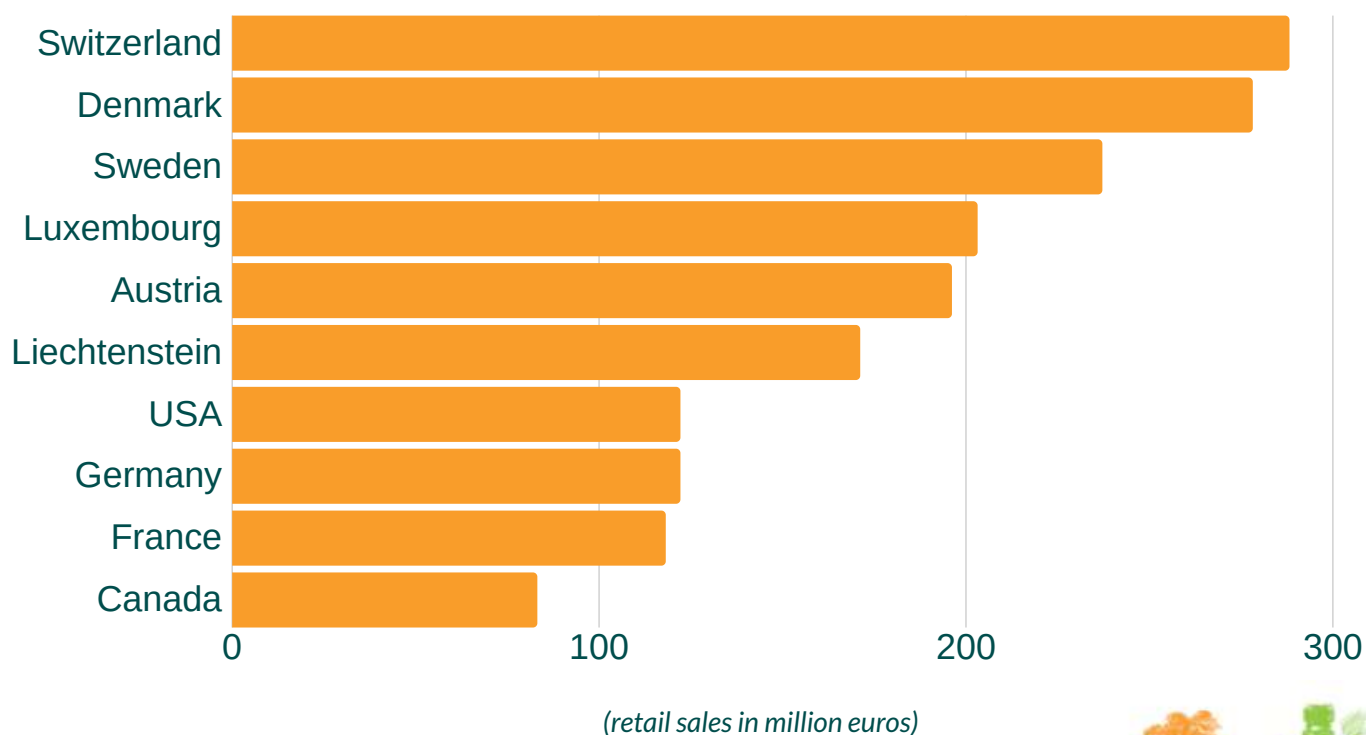


ORGANIC STATISTICS

Top Ten Countries with the Largest Markets for Organic Food (2017)



Top Ten Countries with the Highest Per Capita Consumption (2017)



CONSUMER EDUCATION & OUTREACH

Organic Week 2018

Canada's 9th annual organic week took place from September 8th-16th, 2018. This nationwide celebration of organic food, farming, and products brings together the entire supply chain – farmers, retailers, industry, and consumers – to celebrate the benefits of organic farming on human health and the environment. The campaign's success relied on the unwavering support of 20 regional organic sponsors, ensuring that Organic Week continues to flourish every year. In its 9th year alone, the Organic Week campaign boasted over 8 million social media impressions of #OrganicWeek, over 4 million advertising impressions, an 8-page feature spread in the Globe & Mail, and 845 consumer contest entries.

Retailer Program

The Organic Week Retailer Program facilitated connections between consumers and local organic retailers. Retailers were provided with versatile materials, including posters, educational brochures, danglers, stickers, and more to spread awareness about organic products to their shoppers. The program had its highest ever participation rate this year, with over 1,144 promotional kits distributed to stores nationwide. This process was streamlined by 4 external distributors. Participants were also encouraged to download and use Organic Week's free digital assets, including campaign logos, imagery, social media graphics, email signatures, and more. All materials were made available in English and French.

Events

On September 12th, the Canada Organic Trade Association, in partnership with fellow organizers (CHFA and COG) as well as top sponsors PC Organics and Nature's Path, hosted an official Organic Week Celebration Party at Mill Street Brew Pub in the heart of Toronto's distillery district. The event provided an opportunity to snack, mix, and mingle with over 70 leaders, educators, and key figures from across the industry. The event menu featured bites and appetizers featuring ingredients from valued COTA members and Organic Week Sponsors.





The second contest challenged consumers to test their knowledge of organics in Canada by taking the online Organic IQ Quiz. Participants faced a series of 10 questions, with top scorers being entered into a draw to win one of 12 organic prize packs. The quiz format also provided an opportunity for participants to opt in to subscribing to the Organic Week mailing list. Moreover, Organic Week hosted its 2nd annual #OrganicChat on Twitter. Not only was this another great opportunity for interactive learning and sharing, the end of the chat resulted in the hashtag trending in Canada!

Consumer Engagement

Organic Week 2018 featured two consumer engagement contests. The Organic Recipe Challenge asked consumers and community members to choose certified Canadian organic ingredients when cooking. By cooking, snapping a photo, and sharing to one of several social media platforms using the hashtag #ChooseCanadaOrganic for a chance to win one of several prizes donated by Organic Week sponsors.



Stay tuned for the Organic Week 2019 Debrief Report that will be released in the coming months, discussing details and statistics of yet another successful campaign!



Next year, Organic Week will be celebrating it's 11th year from September 7th - 11th, 2020. We can't wait to celebrate with you!



GOVERNMENT RELATIONS



COTA is frequently asked to provide testimony at the House of Commons in order to ensure the organic sector's needs and perspectives are taken into consideration. On April 4th, 2019, COTA provided testimony on the topic of "Perception of and Public Trust in the Canadian Agricultural Sector." As the fastest growing and most trusted agriculture sector in Canada, Organic is being recognized more and more as a sector that must be equitably supported and with non-tariff barriers removed.

Annually, COTA attends the Agricultural Ministers Federal Provincial Territorial meeting which was held this year in Quebec City. This forum allows for industry to gather with the Agriculture Ministers and hear their responses to industry issues. Organic was on the agenda this year and was discussed favourably. We continue to see leadership from Quebec influence the federal dialogue.

National Food Policy in Canada

Canada's first national Food Policy was launched on June 17, 2019 in Montreal. COTA has been part of an ad hoc coalition for several years advocating for a proper governance structure to exist in order to ensure the successful roll out of Canada's Food Policy. COTA's Executive Director was part of a delegation invited to meet with Minister Bibeau, Minister of Agriculture, to discuss the formation of an Advisory Council. COTA has submitted their nomination interest to be a part of the Advisory Council and should learn more in early 2020.



PARLIAMENT DAY & POLICY CONFERENCE

7th Annual Parliament Day and Organic Policy Conference

COTA's flagship event, Parliament Day, was an extreme success in its 7th year as we combined the event with a one-day Organic Policy Conference held the day before. The Organic Policy Conference October 25, 2019 involved keynote speeches from IFOAM International's President, Peggy Miars, and several panel discussions and presentations by government and industry representatives alike. Bringing together the organic industry to discuss topics of interest and resolve issues of concern has been a crucial forum in the lead up to our lobby meetings with senior government officials in the day following.



Our Organic Reception held on the evening of October 25th, was unequivocally the most successful event COTA has ever hosted on Parliament Hill. The event was sponsored by Senator Griffin, the Chair of the Senate Committee for Agriculture and Forestry, and the event took place in the Senate. Working together with Minister Griffin's office resulted in a highly successful Organic Parliamentary Reception with key addresses from Senator Griffin, the Honourable Lawrence MacAulay (then the Minister of Agriculture) and MP Pat Finnigan (Chair of the House of Commons Standing Committee for Agriculture). 85 Parliamentary individuals (including MPs, Senators and their staffers) participated in our Monday night event, despite an emergency Parliamentary hearing being called by MP Elizabeth May on the Climate Emergency at the same time. Many senators attended, and the following day we had very positive meetings with seven Senators.

On Tuesday, October 26th, COTA coordinated its members to meet with 39 MPs and Senators on Parliament Hill to hear direct from industry the importance of our recommendations on key issues, particularly in light of the upcoming Federal elections. Six meetings occurred in the weeks following our Lobby Day due to conflicts in Minister's schedules, yet the end result was that our members influenced the most political officials ever, setting a new record for COTA's lobbying efforts. See page 12 for a copy of the Lobby Day Asks that we adopted as our speaking points advocating for a National Organic Growth Plan to be adopted.



REGULATORY AFFAIRS

Organic Standards Review 2020

COTA holds a seat on behalf of its members on the Canadian General Standards Board (CGSB) as a voting Technical Committee member for the Canadian Organic Standards review process. The first CGSB meeting, as part of the 2020 Organic Standards Review, occurred in September 2018, with a rapid timeline established to meet on many items. The timeline was compressed due to funding restrictions provided for the process, requiring the Standards consultations physical meetings of the Task Forces and Technical Committee to be completed by March 31st 2019. COTA led the Fairness Task Force as there is a desire to incorporate the four IFOAM principles more clearly articulated in the Canada Organic Standards.



The process continues to unfold with the launch of the public consultations occurring in the summer of 2019, wrapping up September 30, 2019. COTA is proud to keep its members abreast of the process and ensure they can participate in this extremely important process. We are on track for an updated organic standard in November 2020, as part of the five year mandatory review process.

Adapting to the Safe Food for Canadian Regulation

January 15, 2019 marked the official date that the new organic regulation (Part 13 of the Safe Food for Canadians Regulation) came into effect. In the lead up to this date, COTA struck working groups, held webinars and met frequently with CFIA and AAFC officials in order to understand (and challenge) some of the areas affected by the incorporation of the Organic Products Regulation into a much broader food safety regulation. As part of this merging of multiple regulations into one food regulation, the organic aquaculture standard was adopted legally into Canadian regulation. Canada is the third region in the world to have an organic regulation for aquaculture adopted! We should be proud to be welcoming the organic seafood sector to our regulated organic offerings and look forward to future equivalency agreements being negotiated with key trading partners in European Union for seafood.



In preparation for the 2020 Federal election, below are the detailed Election Asks from COTA's meetings with elected officials:

NATIONAL ORGANIC GROWTH PLAN



Through a National Organic Growth Plan, the supply and accessibility of organic products can meet this growing demand both domestically and abroad.

A National Organic Growth Plan would include:

- Federal funding to implement cost-share certification programs in provincial and territorial jurisdictions across the country. The U.S. government provides generous support through a national cost-share certification program that aids farmers with the costs of transitioning to organic over a three year length process. In order to remain competitive with our main trading partner and to reward environmentally beneficial practices, this support is needed in Canada.
- Federal investment in agronomic support for Canadian farmers to maximize yields through sustainable practices. While increasing the number of organic farmers will help us reach an accelerating demand, this demand will not be fulfilled without the knowledge needed to maximize yields for farmers using sustainable methods, such as cover crops, crop rotations, intercropping, and the use of green manures, compost and farmyard manure in place of chemical fertilizers.
- Federal data collection to ensure informed investments are made and the integrity is maintained. While Canada's major trading partners have a publicly available national list of organic operators, we have yet to establish one in Canada. Such a database would be helpful for connecting businesses across the value chain and ensuring organic integrity and public trust is maintained. Proper trade data systems must also be established to better track imports and exports and determine market opportunities and challenges for key commodities.



REGULATORY AFFAIRS

Ensuring Organic is on the agenda: Canadian Federal Elections



As the only registered lobbyists in the organic sector on national issues, COTA is proud of its role in developing a national strategy for organic. Alongside the provinces, we work to present a national picture of the State of Organics and how it is performing. COTA released its second State of Organics Performance Report in December 2018, highlighting not only how the provinces are doing in supporting organics through programs, policies and funding initiatives, but also how Canada is doing on a world scale compared to our largest organic trading partner.

On February 15, 2018, COTA hosted the “Organic Champion Breakfast” on Parliament Hill, cohosted by Elizabeth May (Green Party), Alistair MacGregor (NDP), and Pat Finnigan (Liberal). The principles were more clearly articulated for the Canada Organic Standards during this meeting. We presented our key recommendations on the results from the State of Organics report to ensure that every political party was fully aware of our Organic Sector Elections asks amidst preparing their 2019 election platforms. COTA’s lobby team met multiple times with each party’s Minister between February and July in order to highlight the win-win aspects of organic in achieving Canada’s agricultural, environmental and economic goals. As a result of this important work, **organic** was brought up many times in the agriculture leaders debate, organized by the Canadian Federation of Agriculture in October 2019.

Organic Equivalency Arrangements

Since 2014, COTA has provided leadership to the CFIA’s Import Export Division on the Technical Assessment Committee to assess foreign governments organic standards. To date, COTA has evaluated seven priority and emerging markets. We have also been asked by the CFIA to do an additional assessment of Canada’s Permitted Substance List in comparison to CODEX.

In 2018, COTA was asked for the first time to provide comments on CFIA’s Equivalency Arrangement work plan. This was to determine if their priorities matched industry needs. This process continued throughout 2019 and has provided an improved method of working together with government to focus our joint efforts on key opportunities identified by the industry.



As the only registered lobbyists in the organic sector on national issues, COTA takes its role very seriously developing a national strategy for organic. Alongside the provinces, we work to present a national picture of the State of Organics and how it is performing. COTA released its second State of Organics Performance Report in December 2018, highlighting not only how the provinces are doing in supporting organics through programs, policies and funding initiatives, but also how Canada is doing on a world scale compared to our largest organic trading partner.



CFIA asked COTA to lead a session with a delegation of competent authorities from Mexico as part of a field visit after our completion of the side by side assessment of Mexican Organic Standards. The July 2018 meeting was very successful and showcased how industry plays a huge role working with their government regulator and market access divisions in order to have a successful model of organic. COTA has been asked to replicate this format at the upcoming December 2019 meeting where Canada is hosting the annual global summit for International Organic Equivalency Arrangement partners. Competent authority officials from EU, South Korea, Switzerland, Japan, USA and Chile are slated to attend the meetings in Ottawa and COTA will arrange field visits and a workshop on how industry works on organic in Canada.

COTA has completed the final side-by-side assessment of the Japanese Organic Livestock standards in June 2018. This information was fed back to CFIA to continue their negotiations. With Japan expanding their organic standards to go beyond plant-based products, it is up for consideration to include livestock products (not aquaculture) within the Japan-Canada equivalency arrangement. An official field visit by the Japanese officials will occur in December 2019.



ORGANIC STEWARDSHIP



The Organic Value Chain Roundtable has been a critical meeting place to achieve the collective goals of industry and government. In 2018, the strategic plan of the Roundtable was updated with the assistance of COTA sitting on the steering committee. The two strategic areas outlined in the plan are to address competitiveness and organic integrity.

COTA had already formed two task forces to deal with the most pressing issues for organic – glyphosate contamination and organic integrity and it was decided that COTA would continue to report the work (of our working groups) to the Roundtable on tactical ways to resolve these issues. COTA has Chaired the Organic Data Task Force since its inception due to our leadership on having robust data for the sector. A key element of being competitive is of course to have relevant and reliable, up to date statistics. The task force continues to push forward, working in tandem with key government departments such as CFIA, Statistics Canada, Canadian Borders Services and Agriculture Canada to address areas where there is finite organic data available.

CFIA announced that the Automatic Import Registry System (AIRS) will complete tracking all organic imports by Spring of 2020. COTA has been meeting with Statistics Canada on how to revamp the Census 2021 to include organic data. CFIA has announced a new policy requiring all Certification Bodies to publicly list their certified operators which is one step closer to having an up to date public operator database for Canada.

COTA plays a key role on the Roundtable on the Public Trust Task Force and leading on national organic education campaigns. We continue to measure public trust of organic and this year commissioned an in depth study by product category. This study is designed to highlight further influencers of organic conversion to help deepen our messaging and be effective in our campaign tools. All new updated studies can be found on our website or the Organic Week website. We were successful in convincing Agriculture Canada to include our organic public trust questions directly into their consumers surveys starting June 2020. This is a big win as we won't have to spend funds to attain the same information that is provided to the rest of the agriculture and trade sector for free.

As part of the ongoing dialogue with Agriculture Canada, the four national associations (Canadian Organic Growers, Organic Agriculture Centre for Canada, Organic Federation of Canada and COTA) presented to all of the Director Generals of Agriculture Canada in June 2018 to show our united front, and showcase how we all work together on our various aspects of the organic system in Canada. It was an impressive meeting in which we all feel is the launch pad for continued success for the organic sector to move ahead with a national strategy with federal government bureaucrats and officials.

FINANCE REPORT

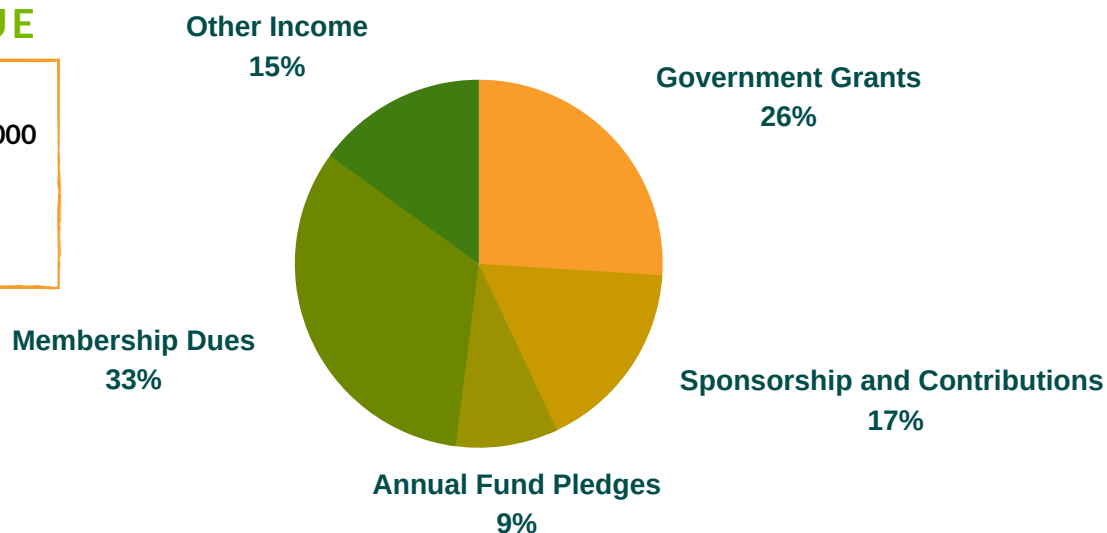
2018/2019 was a year of tightening up our bootstraps and carefully watching cashflow in order to keep all of our programs and services running according to the workplan. Unfortunately, this year we experienced a significant revenue shortfall, despite all best efforts to reduce the impact of the delayed approval of government funding and our planned consolidation of business operations. This is one of COTA's first years of experiencing a loss of \$87,674. Due to our prudent planning and diligent usage of our Sustainability Fund, we were able to weather the storms and uncertainty that this year challenged us with.

COTA's Agri-Marketing program funding has been a substantial source of revenue for COTA since 2014, at times equating to over 40% of COTA's overall revenue. The federal government's Growing Forward 2 funding envelope wrapped up in March 2018 which resulted in COTA having to re-apply for funding under the Canada Agricultural Partnership' AgriMarketing program. This fund is oriented towards meeting Canada's export goals. COTA applied for \$1.84 million of funding for the years 2018-2021 and should have had a response within 180 days of application. The grant was approved, yet it was five months past this time frame and we only received 54% of our program asks. We were thrilled to finally secure \$990,000 in grant funding to assist our members. Unfortunately, the waiting game and not knowing which activities took a toll on our ability to work confidently on the programs we had listed in our workplan.

Another contributing factor to our loss in 2018/2019 was related to membership billing cycle consolidation. In order to gain efficiencies on staffing and administration, COTA consolidated all members to be on the same renewal billing cycle of July 1st. This meant that over the course of 2018/2019, we billed pro-rated membership rates in order to consolidate all members to be renewed on the same cycle for July 1, 2019. This planned reduction of membership revenue (\$52,000) in order to make long term efficiency gains was planned and accounted for, but with the delays on government funding, it was a very challenging year to be making these changes.

2018 - 2019 REVENUE

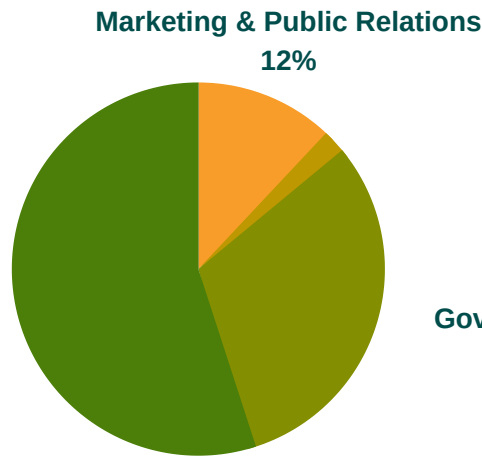
Government Grants: \$220,173
Sponsorship & Contributions: \$184,000
Other Income: \$62,304
Membership Dues: \$284,649
Annual Fund Pledges: \$79,225



2018 - 2019 EXPENSES

Administrative Operations: \$502,870
 Government Grant Expenses: \$282,796
 Marketing & Public Relations: \$109,570
 Meetings/Events/Staff Travel: \$22,789

Administrative Operations
55%



Government Grant Expenses
31%

EXPENSES BREAKDOWN:

Expenses per 2018-19 Audited FS:

Advertising and Promotion	109,570.00
Marketing and Public Relations	109,570.00
Travel	7,074.00
Meetings and conventions	15,715.00
Meetings/Events/Staff Travel	22,789.00
Programs and projects	282,796.00
Government Grant Expenses	282,796.00
Rental	36,653.00
Salaries and wages	419,368.00
Telephone	5,290.00
Office	22,684.00
Professional development	3,153.00
Professional fees	7,873.00
Amortization	1,946.00
Insurance	2,251.00
Interest and bank charges	3,652.00
Administrative Operations	
Total Expenses per Audited FS	918,025.00
Total Expenses per PBC Schedule	918,025.00
Difference	-





The government funding was not approved until April 5, 2019, resulting in COTA having to use its one source of revenue to fund all activities for the government grant activities. The government funds finally arrived April 10th and we were able to breathe again. We are grateful for the organic industry's support (very special thank you to Annual Fund donors!) and our members' patience during these challenging months when government funding for supporting member activities was still uncertain.

Consecutively, for the third year in a row, COTA received funding (\$16,000) from the Agricultural Youth Green Jobs Initiative to fund a staff. This staff assists on Organic Week, communications and events planning for the past many years. Another positive source of revenue is COTA subleases two office spaces to other likeminded organizations, that offsets COTA's rent \$20,000 annually.

Next Steps

COTA's 2018-2021 Strategic Plan sets the stage for what's to come. With our strategic areas of focus and key indicators, we are ready to move the needle forward. We work every day to ensure that our members have the most effective and vibrant organization to move the organic industry forward.



MEET COTA

BOARD OF DIRECTORS



(from left to right) **Dag Falk**, Nature's Path Foods, **James Sculthorpe**, Yorkshire Valley Farms, **Glenn Valliere**, Pfenning's Organic Vegetables, **Lisa Mumm**, Mumm's Sprouting Seeds, **Marie-Michèle Le Moine**, Fruit d'Or.



(from left to right) **Maureen Kirkpatrick**, The Big Carrot, **Tim Rundle**, Creative Salmon, **Patrick Heffernan**, UNFI, **Steve Abrams**, Mill Street Brewery



COTA STAFF



Staff (from left to right): **Alessia Mastrorillo**, Marketing and Communications Coordinator, **Ann Fisbein**, Executive Office Manager, **Tia Loftsgard**, Executive Director, **Lisa Kikuchi**, Member Relations and Executive Coordinator, **Lauren Howard**, Events Coordinator.

COTA AT WORK



2019 Board Strategic Planning session



2018 Parliament Day lobbying team in front of Centre Block, Parliament Hill



Annual COTA Staff BBQ event



Karen Squires (COTA Membership and Business Development Manager) with Bruce Cole from CNHR Magazine at CHFA Quebec.



The Canada Organic Trade Association would like to acknowledge the 2018- 2019 Annual Fund Contributors

➤ Innovator



➤ Conservationist



➤ Preservationist

Hippie Snacks

Mill Street Brewery

Yorkshire Valley Farms

One Degree Organic Foods

➤ Collaborator

Ash Street Organics

Cambrian Solutions

Creative Salmon Company LTD.

Genuine Health

Tree of Life Canada Inc.

➤ Grassroots

Cha's Organics
Brant Flour Mills Ltd.
Mumm's Sprouting Seeds Ltd.

Rowland International
Kroeker Farms Ltd.
Organic Materials Review Institute (OMRI)

