



ANNUAL REPORT 2016-2017



*“TOGETHER WE CAN CONTINUE
TO CONTRIBUTE TO PROSPEROUS
AGRICULTURE AND FOOD PRODUCTION
AND TRADE IN CANADA.”*





Dag Falck

Letter from the President

Dear COTA members,

Many organic pioneers were ahead of their time. Now, there is an organic awakening. What seemed hard or impossible to achieve in earlier times, has proven to be very sensible, and also good business. We started out alone, and now we are a caravan.

As many new businesses become involved with organic, working together is becoming more complex. Each company family or individual involved in organic is finding it hard to find time to keep up with all the communications. Many new players need to be welcomed and brought up to speed on what the pillars of organic are all about, so we can continue to build a strong and lasting organic opportunity for health and prosperity.

This is where COTA comes in, to support your

business and address your interests and concerns. Thank you for supporting our organization. Please let us know what COTA can do for you, so together we can continue to contribute to healthy and prosperous agriculture, food production and trade in Canada.

Our sector and COTA is working with renewed interest and support of provincial and national regulators, and politicians. Participating in the COTA Organic Parliament Days is our chance to shine, and tell our story and add value.

Learn more about COTA activities and programs below, and great to see you all!

Organically,
Dag Falck

*“IT IS OUR JOB TO CONTINUE TO
PUSH FORWARD ON BEHALF OF
THE SECTOR AND OUR MEMBERS TO
PROTECT THE INTEGRITY AND GROWTH
OF ORGANIC TRADE IN CANADA.”*





Tia Loftsgard

Executive Director's Report

Dear Members,

If there was a theme that emerged for COTA this year, it would be "innovation"! Who knew such a substantial amount of changes and accomplishments could happen all within 365 days!

Innovation commenced at COTA last July, reviewing the foundation of our organization to ensure we were well equipped for the future and the fast paced growth of the organic industry. In reviewing our structure, our tools, our governance documents and our relations with the outside world, we identified key areas that needed be strengthened. In the last many months, COTA created two new Board Committees (Governance and Human Resources) to review the bylaws, create a membership policy, and an updated HR policy. COTA achieved doubling our staff since last year, moved to our new office location in April and commenced strategic planning for COTA's next 3-year plan starting in 2018. With a successful move to new accounting software under our belt and the hiring of a part-time Chief Financial Officer, COTA's financial investments this year will bring strong returns to the organization for years to come.

COTA's new role of Member and International Relations Manager was able to attract new diversity and members to our network with us now standing strong with 175 members. On average, 2 new members joined every month, totalling over 29 new members in 12 months! With more member engagement activities occurring via task forces,

trade missions, newflash member profiles, surveys, webinars, events (including the Organic Award Gala), this role was an important investment in order to ensure that we work with our membership to meet your continued needs, and can respond adequately to the many queries that come our way.

This year posed many new challenges on the Regulatory front that COTA addressed head on. The Safe Food for Canadians Gazette was published just as we on boarded our new Regulatory and Government Affairs Manager along with the announcement that NAFTA would be reviewed. We delivered two testimonies to the Standing Committee of Agriculture and Agri-Food on trade barriers and had countless meetings with MPs and staff at all levels of government before and after our 5th year of hosting a successful Organic Parliament Day on the Hill. It is our job to continue to push forward on behalf of the sector and our members to protect the integrity and growth of organic trade in Canada. We are honoured to do this on your behalf and encourage you all to be involved in our many initiatives, task forces and events to influence the future of organic in Canada as we look forward to a strong 2018!

Organically yours,

Tia Loftsgard
Executive Director



Market Development

Canada Celebrates Organic Week 2016

Canada's seventh National Organic week took place September 17th- 25th, 2016, and was the largest annual celebration of organic food, farming and products! Thousands of individual events and retail promotions were held across Canada, showcasing the benefits of organic and its positive impact on the environment and human health. Canada's national Organic Week brought together the entire organic supply chain, consumers and governments to celebrate the amazing sector of organics!

Last year's Organic Week was the most successful one yet! COTA has been running the consumer

campaign since 2009 with two other key organizers, Canadian Organic Growers (COG) and the Canadian Health Food Association (CHFA). This year's campaign was supported directly by 32 sponsors. COTA also partnered with regional groups and partner associations, as well thousands of retailers across the country to mobilize community participation and promote organic sales.

Organic Week 2016 underwent a major rebranding. POS materials, unique to Organic Week, were developed. These materials clearly communicated why organic is something to celebrate and support, and ultimately were aimed to convert potential





consumers to organic and deepen public trust, of organic, which currently sits at 39%. To increase the impact of point of sale materials, marketing materials focused on relevant, specific and compelling organic benefits that gave consumers motivation to rally behind organic as they deepened their knowledge of organics benefits!

With 85% of Canadian consumers maintaining or increasing their spending of organic food in 2016, Organic Week's retailer program saw strong participation. In conjunction with a new streamlined distribution and packaging process, involving organic distributors, Organic Week Retailer Kits reached over 2,500 retailers! The program allowed Canadian retailers to showcase their organic commitment and increase awareness amongst organic through major organic promotions and point-of-sale displays at independent, regional and mass channel retailers across the country. The kits also made their way to over 300 events: from farm tours, to wine tastings, Organic Week brought consumers together in all venues engaging in many ways.

The Canadian organic sector saw a surge of media attention during Organic Week 2016. With a strengthened public relations strategy, coverage included television news, talk shows, radio, print and online editorials. COTA again partnered with the Globe and Mail to produce an 8-page, stand-alone, feature section covering hot topics for the organic sector. Organic Week also launched the first #ChooseOrganic Twitter Talk and successfully repeated the #SpotCanadaOrganic consumer contest, receiving over 3,500 entries! The campaign garnered a total of 5 million social media impressions throughout the week, and saw #OrganicWeek become a trending hashtag on Twitter. For these reasons, Organic Week has become a mainstay events for media, retailers and

organic stakeholders to attract media, release new product announcements and innovations within the industry.

So mark your calendar for Organic Week 2017 set for September 16th-24th, 2017. With every passing year, Organic Week only gets bigger and better, and we can't wait to see what successes next year holds!

A New Face for Think Canada Organic

Created in 2013, the national Think Before You Eat campaign was a call to action for consumers, farmers, retailers, chefs, communities – everyone and anyone who deals with food – to choose organic.

In 2017, COTA is rebranding the campaign to better promote organics in Canada. The new campaign will now be called "Choose Canada Organic" which more closely aligns with the overall goals of the campaign to differentiate Canadian organic products and to encourage consumers to choose Canada Organic.

Development of the new campaign is still under works, however you can expect to see the new branding reflected in all aspects of the campaign: website, print materials and social media.

Last year, the campaign saw steady growth across all social media platforms: Twitter and Facebook. Based on the engagement rates, the farmer profile initiative continues to be one of the most popular aspects of the campaign. COTA will continue to post and share farmer profiles year-round under the hashtags #FarmerFriday and #ChooseCanadaOrganic.

Keep your eyes peeled for the re-brand of the Think Canada Organic campaign to Choose Canada Organic campaign in 2017-2018!



Research and Data



COTA continues to play a central role in data collection and research in Canada's organic sector. In addition to heading the Organic Value Chain Roundtable's Data Task Force, COTA has worked extensively to produce robust, up to date research and data for the organic sector. These achievements include publicly released reports (e.g. State of Organics Report), commissioned reports (e.g. Organic Agriculture in the Prairies) and paid reports (e.g. second edition of the Canadian Organic Market Report – forthcoming).

Annual Data Collection

COTA once again submitted the Canada Chapter to the annual World of Organic Agriculture publication produced by IFOAM and FiBL. This chapter was a summary of the extensive data collection and analysis COTA does of organic operations and acreage across Canada. COTA will continue to collect and disseminate this data on behalf of the sector while also working to improve data collection systems within the Federal Government.

The State of Organics: Federal-Provincial-Territorial Performance Report 2017

In July, COTA released the first ever State of Organics Report – an unprecedented and widely reported release. It serves as a benchmark, demonstrating the current state of affairs and aiming to foster greater government support for the organic sector in Canada. The report analyzes and tracks the existing organic regulations, policies and programming within the federal, provincial and territorial (FPT) governments.

COTA held a national press conference to officially release the Report 2 days prior to the annual FPT Agriculture Minister meeting in St. John's. The release was well-timed, gaining attention from government officials and media outlets across the country.

COTA also prepared provincial and territorial partners to lead corresponding releases in their own regions. The release was a huge success. National and regional press coverage was stronger than expected, with positive feedback and a successful dissemination of the Report's key messages.

Organic Agriculture in the Prairies Report

For the second year in a row, COTA has been commissioned by the Prairie Organic Grain Initiative to prepare an Prairie-specific organic report. This year's report uses data from COTA's annual data collection from Certification Bodies to provide an overview of organic agriculture in the Prairies.

Organic Market Report 2017

In 2013, COTA released the first Canadian Organic Market Report. Responding to demand, COTA has been working on an updated report to be released in fall 2017. The updated report includes data on consumer behaviour, retail sales, international trade and farm-level trends. It promises to be the go-to report for the organic market in Canada helping to keep businesses, organizations and policy-makers informed about the trends and opportunities in Canada's organic sector. Fresh off the press, fall 2017!



Working on Behalf of Our Members



Once again this year, COTA staff crossed the country and the globe, understanding and representing the Canadian organic sector and promoting the Canada Organic brand. Developing demand and a first-class reputation for Canada Organic products is at the heart of what we do. Coordinating market access opportunities and helping members to benefit from these goes hand in hand with this goal. By participating in a wide scope of organic conferences, trade shows and industry events, COTA stays connected with our membership, with key industry stakeholders and with the latest industry updates, needs and opportunities.

COTA works on behalf of our members to build new partnerships and opportunities through our Export Program, presence at industry trade shows, and a growing number of COTA member events that connect businesses directly with one another as well as with some of the most pressing organic sector issues.

COTA's Presence at Industry Events

In 2016-2017, COTA attended organic events from Moncton, NB to Nanaimo, BC. These included the Organic Connections, ACORN, Food Secure Canada, COABC and Organic Science and Guelph Organic conferences where we presented and led sessions on organic market and consumer research. We attended all three CHFA shows and solidified an important partnership with the CHFA, promoting organic products and leading conference sessions to keep the industry up to date with the latest trends and health benefits of organic.

This year, we also expanded our partnership with SIAL Canada to continue broadening our presence in diverse trade forums. For the first time, we hosted a Canada Organic pavilion for member companies to exhibit and continued our presence representing the organic industry at the SIAL Expert Hub and as a key presenter of the show.



Award Winners of COTA's First Organic Leadership Awards, Vancouver, BC



COTA Panel Speakers at SIAL Canada 2017

From left: Peter Hall, Chief Economist, Export Development Canada; Tia Loftsgard, Executive Director, COTA; and Rita Felder, CEO, Field Farms Marketing



COTA's Annual Business Builder's Breakfast at Natural Products Expo West, Anaheim, CA, USA

In addition to these, COTA participated in many other important industry meetings and events like the Mexican Healthy Products Summit, Biofach Brazil, UNFI Table Tops, and the inaugural meeting of IFOAM North America.

COTA Member Events

As COTA grows, we continue to explore new ways to bring together the organic sector and provide productive opportunities to advance and applaud the accomplishments of our members. In April 2017, we hosted the first Organic Gala and Leadership Awards event in Vancouver, BC. The event united close to 100 industry visionaries, providing a chance for individuals across the value chain to get to know each other and a time for us to recognize some of the most notable advancements of our sector. Given the success, COTA plans to make this event an annual affair, hosting it in advance of the CHFA West trade show.

Other member events included our 5th Annual Parliament Day and Policy Conference, a joint UNFI and COTA Organic Week celebration, a networking reception for members and incoming buyers at CHFA East, an industry social at the Guelph Organic Conference co-hosted with the Organic Council of Ontario (OCO), and an energizing Organic 5 à 7 in Montreal around CHFA Quebec.

Business Builders Breakfast 2017

For the past four years, COTA has hosted a Business Builders Breakfast in Anaheim, California in conjunction with Natural Products Expo West. The event is intended for Canadian businesses looking to sell or expand their sales in the US and provides unique insights and market updates to support their work. This year's event included a focus on private label opportunities in the US and put participants in touch with leading industry speakers who shared their tips and tricks of the trade.

This year's breakfast event was hosted in collaboration with provincial partners, Ontario Food Exports (OFEX), Saskatchewan Trade & Export Partnership (STEP) and Alberta Agriculture and Forestry. 100% of surveyed participants said the event was a useful one to their business and that they would recommend it to other

companies. 75% believed they would gain new business from the event and the contacts they made. Stay tuned for the next edition: March 8, 2018!

COTA's Export Program

COTA's Export Program is designed to help organic companies access new markets abroad. It provides trade opportunities (via trade shows and missions) in key international markets and funding support to help companies access these. To date, the Export Program has focused on markets that fall under our three main organic equivalency arrangements: the US, the European Union and Japan, collectively representing nearly 90% of global demand for organic products. We also continue to explore and moderate equivalency negotiations with new and burgeoning markets like Mexico and South Korea.

In 2016-2017, COTA's Export Program included a second trade mission to Japan, an incoming buyers' mission at CHFA East, and funded participation for the Expo West, Expo East, MOSES, Biofach and Natural and Organic Products Europe shows. COTA supported 39 companies to attend these important trade shows, including 16 at Biofach, the international flagship event for organic. This year, we plan to improve and increase our presence yet again. COTA's Export Program has resulted in more than \$15.3 million in export sales for members since 2014.

Improving our Membership Service

COTA is committed to continuously improving our benefits and services to our members. This year, we implemented our first Membership Policy, adding clarity to membership criteria and a point of reference for changes in ownership or business structure. We updated member resources and applications to make them more user-friendly, and created new accessible membership classes for small farmers and retailers. We continue to work toward offering all key resources in both official languages and ensuring that the communication tools we use to reach you are the most effective and useful for you. COTA issued our first ever Membership Survey in January 2017 and will continue to conduct this annually to keep informed of your needs, asks and feedback on how we can support you best!



Finance Report



2016-2017

COTA made solid strides forward for the organization in 2016/2017 while balancing many demands on the organization to ensure long-term stability. Healthy revenue growth of 16% was achieved by significant team efforts resulting in twenty-nine new members joining, securing successful government contracts, raising over \$117,000 in donations and raising sponsorship dollars towards our programming. While COTA's membership revenue is the most significant single source of revenue, COTA's diverse sources of revenue adds to the strength of our organization to weather the fluctuations that can occur in any one single source of funding.

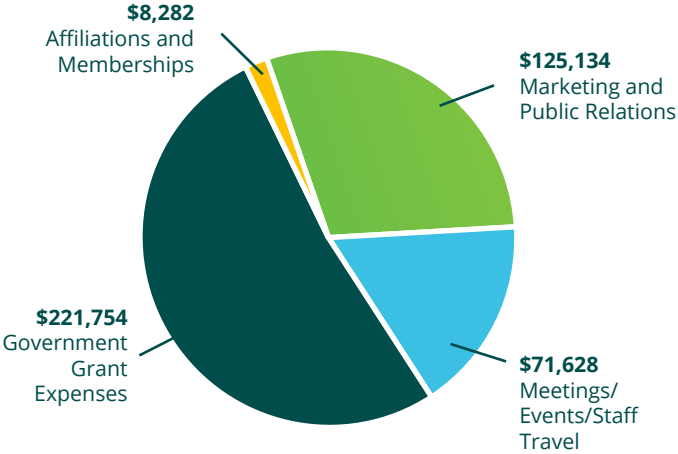
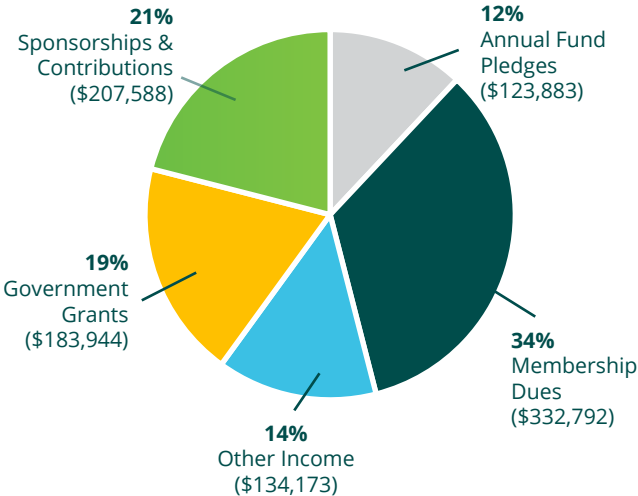
COTA's expenses grew by 15% over last year's to a total of \$1,004,071 as we invested in professionalizing and adding capacity to COTA. COTA felt it was important to captivate on the opportunities that were at our finger tips, advance the organization on behalf of our membership, respond adequately to threats to our sector

(associated with the Safe Food for Canadians Regulations, fraud issues) by hiring a full-time Government Relations and Regulatory Affairs Manager. We also kept on staff two interns who joined us initially via funding provided by the Agricultural and Agri-Food Canada Green Stream Internship funding. COTA's investment in a full-time Membership and International Manager clearly resulted in significant growth in membership as well as revenue for the organization. COTA also recruited a part-time Chief Financial Officer and transitioned to a new accounting software, providing more timely insights to our exact financial position.

It's incredible to see what we've achieved this past year and thanks to your support, the growth and development of organic farmers, processors and the industry as a whole, continues to build better markets for Canadian made products. Now with a full staff of highly qualified individuals, COTA has the resources and the capacity to lead our sector and provide our members with a level of service and technical information that simply does not exist anywhere else in Canada.

2016-2017 Revenue

2016-2017 Expenses





Government Relations



As the only national organization representing the entirety of the organic value chain, COTA plays an important role on Parliament Hill and on various federal government committees. COTA's decision to hire a staff member dedicated to the role of Government Relations (and Regulatory Affairs) is indicative of COTA's commitment to furthering advocacy efforts on behalf of its members.

COTA has a strong voice in government consultations. This year COTA was very active on the Safe Food for Canadian Regulations, the National Food Policy, the Next Agricultural Policy Framework (now renamed the Canada Agricultural Partnership), international market access, fraud, import-export issues for organic, and organic equivalency arrangements.

The Organic Value Chain Roundtable (OVCRT)

COTA staff are active members of the OVCRT, which is a forum for collaboration between government staff and organic sector value chain members on high-level public and private sector policies. By participating in the OVCRT, COTA represents the needs and concerns of its members. COTA Chairs the Data Task Force and participates in public trust and investment task forces.

Government Relations Highlights

In her new role, COTA's Manager of Government Relations and Regulatory Affairs, Lauren Martin, had a busy start as the 90-day gazette process for comments was ticking on the Safe Food for Canadians Regulation. With a background in law,

Lauren is a welcome addition to COTA! In building the Government Relations strategy for COTA, she has made significant in-roads with all levels of government. COTA's team and its members have met with over 25 MPs and political staffers in the last year.

The Safe Food for Canadians Regulations

The proposed Safe Food for Canadians Regulation (SFCR) was published in the Canada Gazette Part I on January 21, 2017 and industry was afforded with a 90-day feedback period. The SFCR presents a change in the organic regulatory regime; in some places, the proposed modifications are a significant departure from the language contained in the Organic Product Regulations (OPR). Given the potential impacts, the invitation for industry feedback was taken seriously.

In the fall of 2016, COTA established a roundtable of industry representatives. The Task Force identified areas of concern and sections where clarity is required in the SFCR. Task Force members also assisted in mobilizing organic stakeholders across Canada to provide comments on SFCR's impacts to the organic industry. COTA also engaged the services of Robertson Stromberg LLP to conduct a legal review of Part 14 of the SFCR and provide guidance on alternative legislative language. In short, COTA undertook extensive consultations with industry members, regional provincial organic associations, agriculture commodity groups, retailers, distributors and farmers in order to formulate its response.





Presentation at the Standing Committee for Agriculture and Agri-Food.

From left to right: Tia Loftsgard, COTA's ED, MP Patrick Finnigan, Chair of the Agriculture/Agri-Food Committee, Marie-Eve Levert, COTA Director of International Affairs, and Andrew Hammermeister, Director of the Organic Agriculture Centre of Canada,

COTA's formal submission was submitted to the CFIA on April 21, 2017. The CFIA received over 1,300 submissions during the 90-day industry consultation period. Organic-related concerns made up almost 10% of the submissions received! The final version of the SFCR is expected to be released in the Canadian Gazette in Spring 2018.

Testimonies in front of the Agricultural Committee

COTA presented two times in front of the Standing Committee of Agriculture in 2016/2017. We were asked to outline the Non-Tariff trade barriers that affect our sector's ability to grow. Highlighting the lack of data which forces the organic sector to work blindly, we also highlighted the lack of consistency across provinces, lack of support systems for organic farmers and the loss of the Canada Organic Office (as a stand-alone department within CFIA).

Meeting the Honourable Lawrence MacAulay, Minister of Agriculture

On April 11th, 2017, COTA was invited to attend a meeting with Minister MacAulay, Minister of

Agriculture, Paul Glover, President of the Canadian Food Inspection Agency and Fred Gorrell, Assistant Deputy Minister, Market and Industry Services Branch at Agriculture and Agri-Food Canada. COTA extended this invitation to a delegation of representatives from national organic associations. The delegation presented the sector's concerns regarding the transition from the OPR to the SFCR as well as the need for funding of the Organic Standards Maintenance up for renewal in 2020.

The ask for a Canada Organic Act

As a result of the discussions stemming from the SFCR consultations, the organic industry rallied around the realization that housing organic regulations under the SFCR is inadequate to meet the needs of, and foster the opportunities available to, the organic industry. The request for a standalone organic-specific act has been repeated in various public forums by COTA staff. Strategic planning is underway to chart the course forward in this long-term goal.

National Food Policy

The launch of consultations on a new National Food Policy was announced by Minister of Agriculture on May 29. The development of a National Food Policy aims to put more healthy food on the tables of families across the country and ensure access to good, healthy food for all.

COTA supports the development of a National Food Policy and is participating in this initiative, working to help share an organic perspective with federal policy makers. COTA staff have attended meetings, engaging in discussions about the health, environmental, food security and sustainable agri-food growth outcomes that can be achieved through a national food strategy. COTA has accepted a seat on the Governance Committee of the National Food Policy in order to assist shaping positive governance and implementation of the policy once it is in its final format.





Regulatory Affairs



Never a dull moment in regulatory affairs. COTA communicates the regulatory issues of its members to bureaucrats and politicians, and interfaces with members to apprise them of important regulatory updates and/or obstacles to the sector. COTA's regulatory focus is both domestic and international.

Genetically Engineered (GM) Alfalfa Action

COTA continued pursuing efforts that began in 2016 to stop the sale of GM alfalfa seeds in Canada in order to protect the organic industry. On June 16, 2017, COTA was one of 14 organizations who endorsed a letter to the federal Minister of Agriculture to repeat a joint call for the government to cancel variety registration for all GM (genetically engineered) alfalfa until a full economic assessment is conducted. The letter asked the Minister to take three actions: deregister GM alfalfa, make locations

of GM alfalfa plantings public, and test imports of alfalfa seed grown in the US. COTA felt that this initiative is important to ensure that cross-contamination with organic alfalfa does not occur.

International Equivalency Arrangements

Mexican Equivalency

COTA was asked to present at the Canada Mexico Partnership Meeting in November 2016. Senior trade officials from Canada welcomed Mexican officials to learn more about organic, as the discussions between governments regarding equivalency continue. Over the past year COTA has provided technical expertise and perspectives, when requested, to help inform the Government of Canada industry's perspectives on a possible organic equivalency arrangement with Mexico.

Calendar of events

Sept 13	Organic Week Launch Party (Toronto, ON)
Sept 16-24	Organic Week (Nationwide)
Sept 16	Organic Fair (Toronto, ON)
Sept 14-17	CHFA East (Toronto, ON)
Oct 4-7	Netherlands/Anuga Trade Mission
Oct 17	COTA AGM (Ottawa, ON)
Oct 17-18	Parliament Day & Policy Conference (Ottawa, ON)
Oct 22-24	NatExpo (Paris, France)
Nov 9-11	IFOAM World Congress/Biofach India (New Delhi, India)
Nov 20	Organic Food for All Fundraiser (Ottawa, ON)
Dec	Annual Fund launch
Jan 26-28	Guelph Organic Conference (Guelph, ON)
Jan 27	Organic Social (Guelph, ON)
Feb 14-17	Biofach Tradeshow (Nuremberg, Germany)
Feb 21	Organic Leadership & Awards Gala (Vancouver, BC)
Feb 23-25	CHFA West (Vancouver, BC)
Mar 6-9	FoodEx Japan (Tokyo, Japan)
Mar 8	Business Builder's Breakfast at Expo West (Anaheim, CA)
Mar 9-11	Natural Products Expo West (Anaheim, CA)
May 2-4	SIAL Canada Organic Pavillon (Montreal, QC)
May 21-24	Organic Trade Association Policy Conference



Meet COTA



Board of Directors



From left to right: Dag Falck, Nature's Path Foods, Dwayne Smith, Grainworks, Glenn Valliere, Pfenning, Lisa Mumm, Mumm's Sprouting Seeds, Marie-Michèle Le Moine, Fruit D'or.



From left to right: Maureen Kirkpatrick, The Big Carrot, Mike Fata, Manitoba Harvest, Patrick Heffernan, UNFI, Ryan Benn, Teldon Communications.

Staff



Back (from left to right): Ann Fisbein, Executive Office Manager, Lauren Martin, Government Relations and Regulatory Affairs Manager, Rebecca Schwartz, Communications Coordinator. **Front (from left to right):** Kirsten Cole, International Relations and Membership Manager, Tia Loftsgard, Executive Director, Jill Guerra, Research and Special Projects Coordinator

Annual Fund donors

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