



ANNUAL REPORT 2021-2022

Canada
Organic trade association

Association pour le commerce
Biologique du Canada

TABLE OF CONTENTS

01 Letter from the
President

02 Letter from the
Executive Director

03 Market Access

04 Canadian Organic
Statistics

05 Organic Statistics

06 Consumer Education
and Outreach

07 Government Relations
and Regulatory Affairs

08 Organic Summit

09 Membership

10 Finance Report

11 Meet COTA

12 Thank You to our Donors

Letter from the President

Members are at the centre of what we do as a trade association so I will begin with you. On behalf of all of the COTA directors, I want to express our gratitude for your support and commitment to the Canada Organic Trade Association. People join trade associations for many reasons: networking, professional development, market data yet nothing highlights the value of a trade association like a crisis. Sadly, there has been no shortage of upheavals for our members during these pandemic years and ever increasing climate change impacts. In a year of many accomplishments, I would like to call out a recent example of how COTA has been proactively protecting and defending the Organic sector and all of our members. COTA has been advocating on your behalf since May 2021 when Health Canada first consulted on their proposed changes to genetic engineering which would result in the removal of mandatory health and safety assessments for most genetically engineered food, seeds and feeds introduced to Canada. It is imperative that the Government maintain a transparent, mandatory process that allows farmers and consumers to know what is genetically engineered in Canada's food, feed and seed sectors. Thanks to the work of COTA and allied organizations the government is at last listening to our concerns. We should all be heartened by the power of our collective voices however this fight for transparency and traceability is far from over.

Please consider lending your voice to this cause and supporting the Defend Organic Fund in any way you can. These collective actions are an excellent real world example of collaboration and courage, two of COTA's recently articulated values that ground and guide our work.



Collaboration: We thrive in environments that encourage cooperation, where all voices are heard, and valued.

Courage: We are conscientious advocates; we persist with vigor and ingenuity in pursuit of our goals.

This AGM marks my last term as a COTA director. It has been an honour to work in service of Canada's organic growers and makers.

A handwritten signature in blue ink, appearing to read 'Maureen Kirkpatrick'.

Maureen Kirkpatrick, President of the Board

Letter from the Executive Director

Last year was like no other. As the COVID-19 pandemic continued to cause uncertainties around the world, new, unexpected crises surfaced in the agriculture and trade sector, challenging our members and association to respond immediately to new threats to the organic sector. We supported front line workers and members at the same time while addressing regulatory issues, trade barriers, and changes to government procedures that would significantly impact organic.

You read, shared, discussed, petitioned, spoke up, joined and donated. Thank you. Your enduring generosity and refusal to give up makes us strong, credible and resilient. With your help, we marked 15 years as an organization in 2022. Our policy successes, public engagement accomplishments — our very existence — are because of you. This report highlights just a few of the many achievements you helped make possible in 2021/2022.

You supported a growing movement for a green and just post-pandemic recovery that pushes Canada to restore and conserve the natural systems that are critical to human well-being and invest in a safer, sustainable future.

You convinced the government to halt (for now...) the increase of glyphosate pesticide maximum residue limits (MRLs), which would have increased the allowable limits of glyphosate in organic.

You spoke out against Health Canada and CFIA's proposed removal of mandatory health and safety assessments being conducted on Genetically Engineered food, feed and seed. This battle has not been yet won and we urge you to get involved in our Defend Organic Campaign.

You lobbied the government for improvements to the organic system to combat fraud and improve organic integrity.

You supported international trade by participating in consultations on Canada's organic equivalency arrangements, notably the USDA's National Organic Program and Mexico, to ensure that no trade barriers will arise for Canadians.

Despite the difficulties, the thousands of caring supporters in our community — who make everything here possible — stood with us through it all.

These are your wins. And they show how when we work together — even in the face of multiple crises — we can achieve real results toward a sustainable future. Thank you again for your trust and support. Together, we're working to protect nature's diversity and the well-being of all life, now and for the future, and helping people in Canada act every day on the understanding that we are one with nature. When we face crises, collective action matters more than ever.

I look forward to our continued partnership in 2023.



Tia Loftsgard, Executive Director

3

Market Access



MARKET ACCESS

COTA continues to create opportunities for Canadian organic enterprises domestically and internationally. Driven to be a network hub for connecting organic businesses to resources, COTA published both the News Flash and the Export Bulletin which outlined COTA-led funding initiatives and industry and government market opportunities.

COTA facilitated training to assist organic companies to understand and access international marketplaces. COTA hosted webinars on how organic companies can export to China, South Korea, and how to do business with India and Brazil.

Online buyer missions, a creative pivot for COTA during the pandemic, continued being managed via videoconference. Hosting three missions in 2021-2022, November, December, and January, two focused on finished goods for retail and one on bulk commodities, COTA matched interested international buyers with Canadian companies ready for export.

Trade show funding continues to be of significant value to Canadian organic companies. This subsidized companies' booth costs, travel and per diem expenses for those booking trade show space at select International trade shows. BioFach was postponed from February to July, where COTA continued to run the Canadian Pavilion.

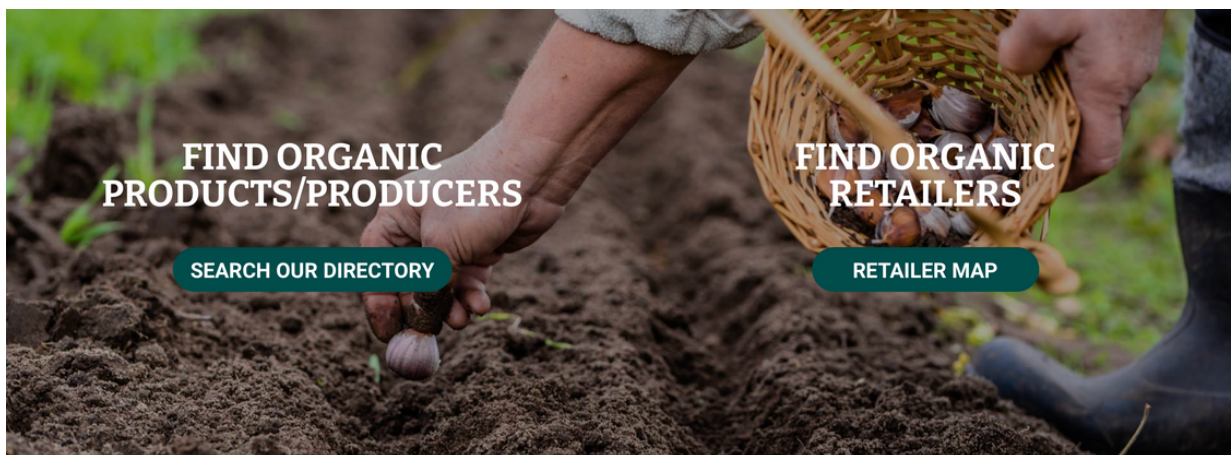
The Export Support Fund, which was developed during the pandemic, remains a popular program where Canadian organic companies receive funding to help offset the cost of shipping samples to qualified, prospective buyers internationally. COTA funded 12 organic companies over \$20,000 in subsidies to help facilitate export sales

Natural Products Expo West in March 2022 in California was one of the first International trade shows to go back live. COTA was right there stimulating conversation and creating buzz with our annual Business Builder's Breakfast, showcasing four inspired speakers who shared their insights for how organic businesses can grow.



THE ORGANIC DIRECTORY

The Organic Directory, soon to be launched, will be another market access tool which COTA is thrilled to innovate on behalf of the entire organic sector. Listing in the online, searchable directory is a members-only benefit. It will serve the entire organic value chain from growers, agricultural handlers, certifiers, brands, distributors, brokers, and retailers! It will cultivate stronger business networks, increase organic integrity, and make transparency accessible for consumers and businesses.



4

Canadian Organic Statistics



2021 Organic Market Report

We were proud to launch the Organic Market Report which provided comprehensive consumer insights, sales and trade data to assist businesses and policy makers track the success of the sector.



23%

Are buying more

OF CANADIANS ARE BUYING MORE ORGANIC THAN A YEAR AGO

54%

Trust Canada Organic Logo

OF CANADIANS SAY THEY TRUST CANADA ORGANIC LOGO

37,330

New Acres

NEW ACRES ARE CURRENTLY TRANSITIONING TO CERTIFIED ORGANIC

7.9%

**CERTIFIED ORGANIC OPERATIONS
59% INCREASE SINCE 2015**

18-27

year olds

**CONSUMER DEMAND SHOWS
18-27-YEAR-OLDS ARE BUYING THE
MOST ORGANIC**

\$184

Spent Weekly

ON AVERAGE, CANADIANS SPEND \$184 WEEKLY ON ORGANIC GROCERIES



Consumers associate the Canada Organic Logo with



Non-Genetically Engineered (non-GMO)



Good for the environment



Strong standards



Free from pesticides



Animal welfare



More tasty/healthy



5

Organic Statistics

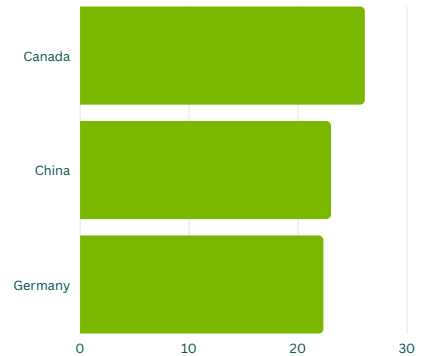




ORGANIC STATISTICS

CANADA HAD THE HIGHEST MARKET GROWTH WORLDWIDE

26.1%



3.4M

Number of organic farmers is increasing – 3.4M worldwide – +7.6% from 2019

190

countries with organic regulations

74.9m

hectares of farmland worldwide

CANADA RANKED 5TH OUT OF 10 FOR LARGEST MARKET FOR ORGANIC FOOD



CANADA RANKED 9TH OUT OF 10 WITH THE HIGHEST INCREASE OF ORGANIC AGRICULTURAL LAND



CANADA RANKED 9TH OUT OF 10 FOR THE HIGHEST PER CAPITA CONSUMPTION



6

Consumer Education and Outreach



CONSUMER EDUCATION AND OUTREACH

New programs to improve consumer education and outreach

This year, COTA focused on dedicating resources to enhancing consumer education and outreach. This year, COTA launched the Organic Campus Program. The Organic Campus Program focuses on educating college and university aged students on the benefits of choosing organic. Campuses are the target for this education program as research shows that 18-27 year olds are the largest consuming group. The program encourages schools to procure organic on campus in cafeterias, retail stores and more. As well, in order to become designated an Organic Campus, a campus must apply and meet the necessary requirements depending on the level they are applying for.

This year, COTA is proud to have designated Acadia University as the first Organic Campus in Canada. Acadia University has created a student and staff led committee dedicated to ensuring organic is visible on campus. Acadia has focused on consumer education and celebrated organic with many organic events over the year!

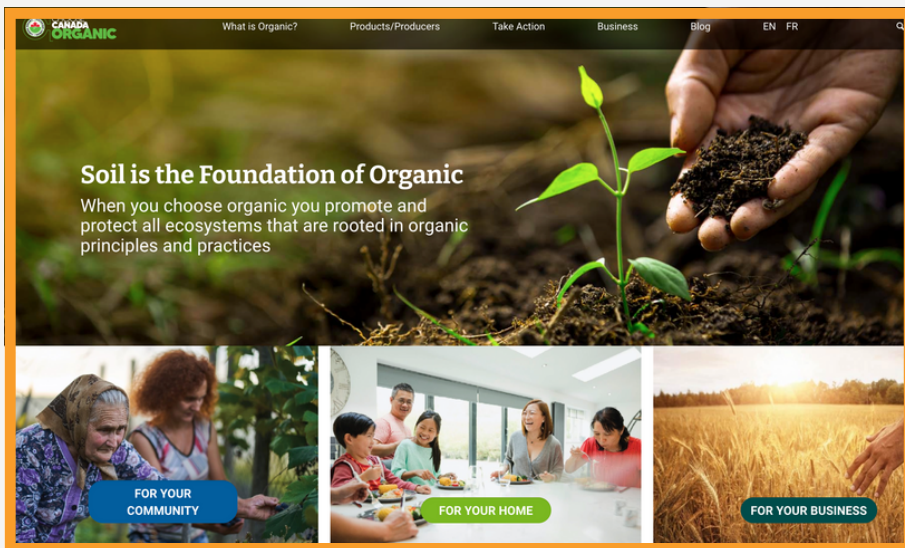
Consumer education program and getting organic into the hands of consumers

COTA's 21 Days to Organic program has been launched for over a year! Each month, a new organic pack is released containing different organic product samples for consumers to try. This program focused on getting members' products into the hands of consumers as well as educating consumers on why to choose organic. The pack included a brochure titled '21 Reasons to Choose Organic' that highlighted why organic is beneficial for consumers, encouraging consumer education. This program also focused on creating trust in organic and with COTA as a reliable association for organic education.



Organic Week 2022

Organic Week is Canada’s largest celebration of organic and is celebrated by organic leaders, farmers, producers, distributors, and consumers! This year’s webinars focused on consumer education and awareness, as they focused on the Canadian organic industry as well as why choose organic for health and wellbeing. Organic Week was accompanied by fun and engaging contests that encouraged consumers to learn about organic through trivia and seeing organic in retail stores! Organic Week 2022 was lucky to have been sponsored by UNFI, Fromagerie L’Ancêtre, Yorkshire Valley Farms, and Innofoods.



Choose Canada Organic website

In March of 2022, COTA released its new consumer facing website, Choose Canada Organic. This website is the spot for consumer education and learning about organic initiatives including where to find organic, organic campus program, and 21 days to organic. The website answers questions related to organic and enforces trust in COTA as organic leaders and educators. The website also highlights blogs from our members and from COTA including educational blogs and recipe blogs. Finally, the website also includes business opportunities, with a dedicated business tab to learn more about getting certified, reports/data, becoming a member, and more. This dedicated website is a reliable source for all organic information and consumer education!



7

Government Relations and Regulatory Affairs



Government Relations and Regulatory Affairs

Threats to Organic a Key Focus

The last year has been fraught with significant risks to the organic sector. COTA monitors all regulatory affairs, trade issues, government consultations, standing committees and parliamentary discussions to ensure that the sector can continue to grow and maximize it's potential.

The first issue that arose was a proposal to increase the glyphosate maximum residue levels (MRL) in several product categories, which would have had a direct effect on organic residue levels due to organic's MRLs being tied to the national allowable levels. The organic MRL threshold can be no more than is 5% of the national MRL, which should the overall levels gone up, organic's MRL allowable limits would also have automatically increased. After much advocacy, partnership building, meetings, letter writing campaigns leading up to the Election in 2021, the Government put a hold on the plans to increase MRLs for glyphosate. We thank everyone that took the time to speak up to your MPs and contact Health Canada directly on this issue.

The second issue that we continue to push back against is the removal of mandatory health and safety assessments of new techniques of genetic engineering (GMOs). Since May of 2021, COTA has been advocating to Health Canada, the Plant Breeders Office (PBO) of CFIA, and Agriculture Canada as well as the Canada Organic Regime office to not allow this proposed change to the Guidance documents of the Food Act, Seed Act and Feed Act to go through due to the impact on organic.

Without being able to identify what is GE on the marketplace, producers risk inadvertently purchasing and using GE seed and feed (which is prohibited in the organic standards and global practices), which not only would disqualify them from organic certification, it also poses a legal threat due to the technology being patented and owned by the GE seed developers, not to mention the impact on biodiversity and increased contamination potential for other seed varieties. We continue to lobby on this topic and thank you for doing your part to influence a positive resolution of this issue.

International Organic Equivalency Arrangements

During the pandemic, COTA worked closely to ensure that production, inspections, and trade continued despite the ongoing challenges that COVID-19 presented. International organic equivalencies are a crucial tool that assists Canadian farmers, importers, manufacturers, retailers, and exporters to ensure market access to much needed seed, feed, ingredients, inputs, and imported finished goods for domestic purposes. As well, these equivalencies ensure that Canadians can trade globally to important export markets.

There were disruptions and questions that arose as the CFIA, and National Organic Program (NOP) discussed how to improve oversight of third countries (countries outside of the USA and Canada) where NOP and COR audits take place. COTA held a webinar and consultation with industry members to alert members that the USDA NOP was interpreting the US-Canada Organic Equivalency Arrangement differently than the CFIA in relation to mixing NOP and COR ingredients in third countries, threatening to disallow this. As the issue is complex, discussions are ongoing, yet COTA is proud to have played a role in rounding up the major implications to trade for Canadians should the NOP interpretation move ahead. Our role is to ensure that we remove regulatory and market access barriers when and where we can so we continue to advocate on your behalf to ensure Canadians will also have maximum access to supply, as well as export sales opportunities.





Discussions with Mexico on organic equivalency continue. On January 1, 2022, Mexico's Organic Product Law (LPO) came into effect and enforcement commenced, making it mandatory for all organic retail and bulk products to comply with Mexico's LPO. COTA's Technical Committee has been involved in the process, providing insights on critical variances to their Standards and meeting with SENASICA, the competent authority of Mexico, several times to further their understanding of the Canadian system.

Japan's organic standards and regulations will be expanding to include liquor. As this is a great opportunity for Canadian exporters, COTA will be working with CFIA on the process moving forward to expand our Japan-Canada Equivalency Arrangement to include liquor in an updated agreement.

Government Roundtable Representation

The Agile Regulations Roundtable and the Consumer Demand & Market Trends Roundtable are industry-government Roundtable that COTA sits on, ensuring a strong organic voice is at the table. As the Roundtables are a new initiative, there were delays and not very many meetings in the last year. We look forward to continued participation, bringing forth the industry's perspective to the table on these important initiatives.

2021 State of Organic Performance Report

Every three years, COTA does a deep dive into the state of organics at the provincial and federal level, ranking how organic is advancing in key areas. Our 2021 Report incorporated a much more comprehensive analysis of federal initiatives on the four key categories as well as more robust look at current organic crop production programs. The four areas analyzed were: 1) Regulation & Enforcement, 2) Production Supports, 3) Market Supports, and 4) Data Collection.

This report is used to highlight provincial and national recommendations for continuing to improve the organic system to ensure long-term success for the sector and serves as one of our key advocacy tools.

Organic Integrity Committee Recommendations to Government

In May of 2021, COTA's Organic Integrity Committee outlined 5 key recommendations to CFIA and AAFC to mitigate fraud and improve the organic system. We met with senior officials within each department as well as the Canada Organic Regime staff to further the discussion and determine how the relevant agency/department would be able to address in their workplans to accommodate the requests presented by the Committee. Some of the recommendations require structural and long-term operational changes and will take time to implement but we are heartened to know that our government partners are interested in industry insights on how to improve the system and close loopholes in the system.

Organic Market Reports and Census 2021

COTA continues to lead the industry on ensuring that data is available not only to the industry but policy and program staff at the government levels to evaluate the success of organic. COTA has been meetings with Statistics Canada in the lead up to the release of the 2021 Census Data to ensure that organic qualifier questions would be included. These three qualifier questions, allows the organic sector to parse out the organic responses from the main set of data in the Agricultural Census, providing new insights and comparative data from the last Census in 2016.

COTA also released the Organic Market Report 2021 in the fall, marking the third comprehensive publication of this nature. The report included key sales data, consumer preference insights, and an overview of global trade for organic. With Canada being the 5th largest consumer market for organic, this report is in high demand. The data was also made available in a variety of regional reports produced for Ontario, British Columbia, Quebec, and a Prairie Report.

8

Organic Stewardship



ORGANIC STEWARDSHIP

We all have a stake in the success of organic!

We know you believe that organic can and must grow. COTA's mindset is that all our work drives towards the goal of stewarding organic. After all, our mission is to promote and protect organic and encourage the universal adoption of organic. Highlighted here are three exciting programs with important, concrete impacts.

The Organic Transition Fund, formerly known as the Organic Conversion Program, was developed to address specific supply chain challenges that hinder the ability of Canadian organic farmers to grow organically. Launched in 2019, the Fund has helped organic farmers in their bid to increase acreage and livestock.

The Organic Transition Fund provided \$1,000 subsidies to producers to convert acres to organic and/or increase their organic livestock.

The three-year-old program has already achieved significant impacts:

- 143 producers received financial support to subsidize certification costs
- Over \$125,000 invested over the last three years
- Over 22,000 acres transitioned to organic including 7,801 square meters of greenhouse space, 3 pigs, 88 dairy cattle, and 39,611 chickens (broiler and layer)
- In 2021, 84% of the costs of certification were covered for participants.

Two key sponsors for the program are Mill Street Brewery and Seeds of Change. In order to keep the program running annually, we rely on donations from stakeholders to expand the program and continue to invest in farmers' success.

The Organic Gala & Leadership Awards is another tangible way that COTA acts as a steward of organic. In celebrating the achievements of leaders in our sector, COTA shines a light on the successes and hard work of both our organic pioneers and innovators. At the same time, the COTA awards share the larger purpose of organic with the aim of inspiring our sector to reach even greater heights.



2022 Organic Award Recipients

- Organic Champion of the Year -Dag Falck
- Organic Supplier of the Year -UNFI Canada
- Outstanding Leadership in Organic Science -Jean Duval, Ph.D.
- Organic Retailer of the Year -Jo Anne's Place Health Foods
- Organic Innovator of the Year -Nuts For Cheese
- Organic Farmer of the Year -Upland Organics



Organic Summit

The Organic Summit, COTA's annual flagship event, brought together a wide range of organic actors along the organic value chain. The Organic Summit challenged and inspired the organic sector by creating opportunities for thought-provoking discussions about organic innovations, trailblazing scientific developments, and new policy initiatives.

In January 2022, COTA hosted the online version of the Organic Summit, a weeklong virtual experience where on each day multiple webinars we're broadcast; all sessions were recorded and are available on COTA's YouTube channel.

9

Membership



MEMBERSHIP

We all have a stake in the success of organic!

COTA is your passionate organic advocate and organic business partner! We have a track record of success and a reputation for working with determination and vision. Members are critical to our success. The key is that as we gather more members around the table, the stronger our united organic voice will be.

It is with sincere appreciation that we thank all our members, from those who have a longstanding commitment to COTA's mission to those newly welcomed to the table. As a member-based association working to push organic forward, it is the members who enable our work to support this vital sector.

From being a member in good standing through member annual dues, to volunteering on our Board of Directors and task forces, to participation in the Annual General Meeting, to engaging with the funding and sponsorship opportunities, to going the extra mile through fundraising initiatives, there is a spectrum of ways to be an engaged COTA member.

We are designing the association to be a responsive and relevant organization that listens to our members' needs and builds our programming accordingly. We encourage members to get involved.

Help us shape the future decisions affecting our unique value chain. The complexity and wide-reaching impacts of farming and food systems means that organic must be vigilantly proactive. We must work in a coordinated and collaborative manner to protect our sector.



10

Finance



FINANCE REPORT

COTA is starting to experience a positive trajectory compared to the disruptive and uncertain COVID-19 years. COTA is making solid strides forward with COTA's Strategic Plan, ensuring a bright future for organic and the vision of our members. In FY2021/2022, COTA had a positive year end, making a healthy net gain of \$155,990, based on a revenue base of \$1.2 million. While the team focused on priority issues and remaining fiscally responsible with so much uncertainty with the pandemic, we are pleased with the final results and a healthy end result to fuel our future plans.

COTA's government funding, the Agri-Marketing Program (AMP), continued to be the most substantial source of revenue which equates to over 31% of COTA's overall revenue. COTA's government funding wraps up at the end of March 2023 with the end of Agriculture and Agri-Food Canada's Canada Agricultural Partnership and will apply for the next three years of funding under the Next Policy Framework, once it is announced. COTA was successful in securing two labour grants totalling \$29,000 from the Youth Employment and Skills Program and Canada Summer Jobs program to fund program staff, bringing COTA's overall government funding up to 33.3%.

COTA achieved a 42% growth in membership dues over the prior fiscal, welcoming 19 new members to the association and bringing our membership revenue to 34% of COTA's overall revenue. One of the reasons there was such substantial growth in membership revenues was a matter of timing due to earlier collection of membership renewals which resulted in \$86,000 of 2022/2023 membership dues being collected in 2021/2022 fiscal. Canada Organic Trade Association also exceeded budget for "Other Revenue" as the 2021 Organic Market Report sales, consulting, speaking arrangements and custom data projects exceeded our projected expectations.

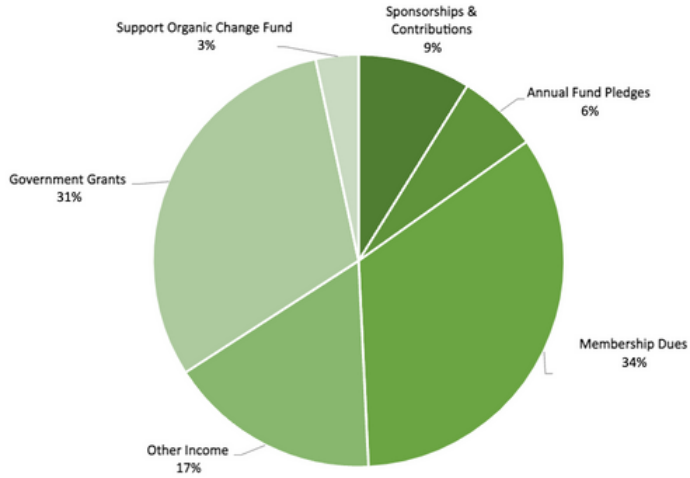
Keeping our expenses in line with budget has always been our goal yet there were a few expense categories that were lower than our expectations and resulted in a large surplus on the bottom line. These items including additional government subsidies not projected, some expenses being allowed under our government grant that were uncertain and less farmers qualifying for the Organic Transition Program this fiscal (which is being rolled forward to next fiscal).

Due to the net profit scenario of this year, COTA felt it was critical to contribute to the Sustainability Fund to build up COTA's reserve to fund future financial disruptions as was experienced during the pandemic. COTA's Finance Committee recommended that COTA invest \$14,397 of the net profit to the Sustainability Fund in this fiscal. With our Sustainability Fund now at \$181,000, we will continue to contribute towards this fund with the goal of achieving six months' operating cash to weather future storms.

Thanks to the strong support of our members that invest in the success of the sector, COTA foresees a bright future for 2022/2023 and will be strongly positioned to meet your evolving member needs as your trade association.

FINANCE REPORT

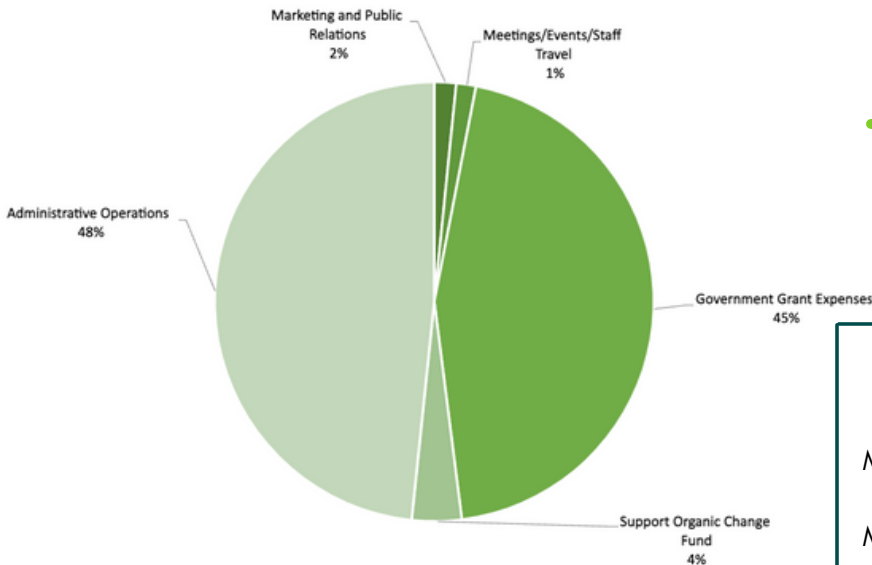
REVENUE



REVENUE

SPONSORSHIPS & CONTRIBUTIONS:	\$111,861
ANNUAL FUND PLEDGES:	\$79,925
MEMBERSHIP DUES:	\$508,961
OTHER INCOME:	\$210,146
GOVERNMENT GRANTS:	\$387,586
SUPPORT ORGANIC CHANGE FUND:	\$42,326

EXPENSES



EXPENSES

MARKETING AND PUBLIC RELATIONS:	\$18,504
MEETINGS/EVENTS/STAFF TRAVEL:	\$16,793
SUPPORT ORGANIC CHANGE FUND:	\$42,326
ADMINISTRATIVE OPERATIONS:	\$559,619
GOVERNMENT GRANT EXPENSES:	\$520,184

11

Meet COTA



MEET COTA BOARD

Board roles



President

Maureen Kirkpatrick, Quality and Standards Program Manager at The Big Carrot



Roger McNaughton, Vice President, Sales & Trade Operations at Mill Street Brewery



Vice President

James Sculthorpe, President at Yorkshire Valley Farms



Jill Baxter, Vice President, Principal Management – Human Nutrition at Barentz



Treasurer

Nima Fotovat, Co-founder & President at Riverside Natural Foods Ltd.



Gordon Truscott, Consultant, Cha's Organics



Secretary

Travis Heide, Organics Canada



Tim Rundle, General Manager at Creative Salmon Company Ltd.



Marie-Michèle Le Moine, Vice President Retail & Strategy at Fruit d'Or

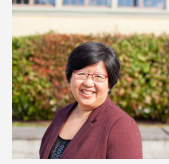
MEET COTA STAFF



Tia Loftsgard
Executive Director



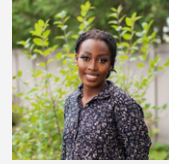
Ann Fisbein
Finance Manager



My-Lien
EGovernment Relations &
Regulatory Affairs
Manager



Ariane Cloutier
Executive Assistant



Gemima Mulume
Digital Marketing Coordinator



Kim De Lallo
Member Relations &
Business Development
Manager



Sophie Marvell
Communications Coordinator



12

We thank you for your ongoing support of COTA

Philanthropist



Innovator



Conservationist



Preservationist

Barentz

Left Coast Organics

Pro-Cert

Riverside Natural Foods

Collaborator

Ash Street Organics

Cha's Organics

Creative Salmon

Ecocert

Mill Street Brewery

Back 40 Organics

LeBeau Excel

Harmon's Craft Brewing

Beland Organic Foods



Canada
Organic  *Biologique*
trade association Association pour le commerce
du Canada