

OTA GUIDE TO THE U.S.-CANADA ORGANIC EQUIVALENCY AGREEMENT



The Basics

The Equivalency Agreement is a trade agreement between Canada and the United States that recognizes a common approach to organic agricultural production. Although there are some small differences between what is required of a certified organic producer in Canada and the United States, the guiding principles of the two organic standards, and the governments' enforcement of those standards, are the same. The United States Department of Agriculture (USDA) and the Canadian Food Inspection Agency (CFIA) signed the historic Equivalency Agreement on June 17, 2009 during OTA's All Things Organic™ Conference & Trade Show in Chicago. As of June 30, 2009, the agreement allows for the smooth flow of organic products between the two countries, without requiring farmers or manufacturers to certify twice to mutually exclusive and redundant standards.

Why did we need the Equivalency Agreement at all?

Everything changed for organic exporters to Canada on June 30, 2009 when the new Canada Organic Regime (COR) came into effect. Without an agreement, USDA certified organic food exported to Canada would have been required to receive a second certification to bring it into compliance with the mandatory Canadian standards and regulations. Likewise, any certified organic food under the Canadian guidelines exported to the United States would have continued to also have to meet the National Organic Program (NOP) guidelines before being sold in the US market. This double certification would have been an unnecessary burden for producers and manufacturers, and would have introduced serious impediments to trade between the two countries. In order for the organic industry to expand beyond domestic markets, equivalency agreements are a tool that can facilitate trade with as few barriers as possible, while still protecting the integrity of organic food and honoring the publicly developed standards of each domestic market. This historic agreement between the USDA and CFIA offers a new model for further expansion of North American organic products into the significant European and Asian markets, and the continued growth of the global organic movement.

How will the Canada-US Equivalency Agreement work?

The CFIA and the USDA both have their own sets of standards and regulations, which define organic production and claims in the marketplace. Under the Equivalency Agreement, the CFIA will recognize imported organic food, livestock and crops produced according to US organic standards by USDA-accredited certifying bodies under the NOP. Likewise, the USDA will recognize imported organic products produced according to Canadian organic standards by CFIA-accredited certifying bodies under the COR. This "free trade" in organic products applies to ingredients as well as final products. Products that come under this Equivalency Agreement have voluntary access to either or both logos (as shown above). Because some standards differences were deemed significant to domestic policy goals, consumer needs or production standards, the Equivalency Agreement also contains a few additional requirements that must be met before a product is deemed "equivalent" by the importing country.

What are these "additional requirements" under the Equivalency Agreement?

During their negotiations on equivalency and in consultation with their domestic stakeholders, the USDA and CFIA determined that certain technical differences between the two standards needed to be maintained by the importing country. Therefore, to be deemed "equivalent" under this trade agreement, organic products traded between the US and Canada must meet the following additional requirements:

Products entering the US under COR certification:

- *“Agricultural products derived from animals treated with antibiotics shall not be marketed as organic in the United States.”*

This means that dairy products, or products containing dairy ingredients, which came from animals treated with antibiotics are not considered organic in the US

Products entering Canada under NOP certification:

- *“Agricultural products produced with the use of sodium nitrate shall not be sold or marketed as organic in Canada.”*

This means that products grown using sodium nitrate are not considered organic in Canada

- *“Agricultural products produced by hydroponic or aeroponic production methods shall not be sold or marketed as organic in Canada.”*

This means that products meeting the Canadian standard’s definition of hydroponic or aeroponic production are not considered organic in Canada

- *“Agricultural products derived from animals must be produced according to livestock stocking rates as set out in CAN/CGSB-32.310-2006 (amended October 2008)”*

This means that US organic livestock and livestock products must meet the specific “density” rates identified in the Canadian standards; these rates identify acceptable maximum thresholds by species, as well as by indoor and outdoor locations.

As long as a product meets these requirements, it may be certified as organic in both countries under the agreement. Certifying bodies are responsible for assessing their clients against these additional requirements if the certified products are intended for Canada-US trade under this agreement.

How does this affect my labeling?

Organic products deemed equivalent under the agreement can use either or both organic seals interchangeably, available from certifiers. It should be noted that products sold within a given market must meet domestic labeling requirements (such as language requirements, unique nutritional labeling, and different product grades), including those that come in under organic regulations. Note that Canada and the US have slightly different approaches to organic labeling, such as: Canada does not permit a “100% Organic” claim; the US “Made with” claim for products containing 70-95% organic ingredients is treated as a percentage claim in Canada (products must state “XX% organic ingredients”). For full labeling guides, please follow the requirements set out in the following official guides and resources:

Canada

General Guide: <http://www.inspection.gc.ca/english/fssa/labeti/guide/toce.shtml>

Organic Guide: <http://www.gazette.gc.ca/rp-pr/p2/2009/2009-06-24/html/sor-dors176-eng.html>

United States

General Guide: <http://www.fda.gov/Food/LabelingNutrition/default.htm>

Organic Guides: <http://www.ams.usda.gov/AMSV1.0/nop>

What is Canada’s “Stream of Commerce and Enforcement Policy”?

The Stream of Commerce is a two-year “soft” enforcement policy (to June 30, 2011) designed to minimize the impact on current trade during the initial coming into effect of Canada’s COR. During this time, those producing or importing non-compliant products will need to provide CFIA with a plan detailing how and when their products will come into full compliance. This policy applies as well to labeling and packaging. CFIA will take a stricter approach to enforcement following this initial period. The full policy is available at: <http://www.inspection.gc.ca/english/fssa/orgbio/orgbiopolie.shtml>