and green peas) and some processed products (olive oil, sugar, concentrated juices, and honey) are also exported.[26]

2.4.2 Chile

The majority of Chile's organic production is exported.[4] The domestic market is limited to some home delivery services for fruits and vegetables and a few specialty shops.[4] International and foreign certifiers are very active in certifying Chilean organic production, however there are national certifiers in the country.[4] Chile is in the process of developing a national regulation for organic food, and the government supports producers in promoting their product internationally.[4]

The most significant export products are lambs, apples, cherries, asparagus, blueberries, avocado, citrus, and olives.[4] Chile is also exporting certified organic salmon.[4]

2.4.3 Mexico

Mexico's organic sector is rapidly growing in response to foreign demand for organic products.[22] The domestic demand for organic products is very low, as most Mexican consumers are unaware of the requirements and benefits of organic agriculture.[22] A small portion of Mexico's organic production is sold in specialty stores in the largest Mexican cities, and near the areas of concentrated organic production.[4] Canada's exports to the Mexican market are grain and oilseed products.[21]

There are more organic farms in Mexico than in any other country and in 2000, 98.6% of these were small scale farmers with 2.25 ha on average.[4] Farmers in Mexico often form co-operatives for the purposes of organic certification. Large scale organic farms from the US (*e.g.* Earthbound Farm and Natural Selection Foods) use the favourable climate and low production costs in Mexico to grow their produce.[21] The Law of Organic Products was definitively passed into law in December 2005 to regulate the organic industry in Mexico; however, the regulations for the new law are still being worked upon.

Mexico exports organic products to markets such as the US, EU, Canada and Japan. Coffee is the most significant organic crop, accounting for nearly 70% of the production area in the country.[4] Corn and sesame occupy significant areas of organic farmland and vegetables, herbs, and many other organic products are also produced in Mexico.[4]

3. Canadian Organic Market and Production

The market for organic foods in Canada is valued at approximately $986 million for 2003.[27] Based on assumed annual growth rates of 20%, estimates for the value of the 2005 organic market in Canada range from $1.3 billion[2] to $3.1 billion.[12] A breakdown by sector of the Canadian market estimates is provided in Table 3.1. Fresh fruit and vegetables is the largest market segment, followed by dairy, breads and grains, packaged or prepared foods, and beverages. The US supplies 85-90% of the Canadian organic market.[13] The majority of US imports are fresh produce and packaged foods. However, much of the fresh produce imported from the US is first exported to the US from Latin America, in particular from Mexico.[14]

Table 3.1 Canadian Organic Market Estimates

Estimated Canadian Retail Sales (in millions CDN$)	2006	2010	2015
Dairy	281.9	584.0	1,453.3
Breads and Grains	251.9	456.0	964.3
Beverages	231.6	404.9	816.7
Snack Foods	52.3	108.1	269.0
Packaged/Prepared Foods	248.4	549.1	1,485.5
Condiments	38.3	67.9	133.8
Fruit & Vegetables	927.6	1,622.6	3,256.4
Meat, Fish, Poultry	21.4	55.4	185.1
Total	2,053.6	3,848.1	8,564.1

Source: TDV Global Inc., 2005

The Canadian Organic Consumer

A 2001 Environics Food Monitor Survey found that throughout the year:[15]

- 18% of Canadians regularly made organic purchases
- 22% of Canadians made several organic purchases
- 31% of Canadians made one or two organic purchases
- 30% of Canadians who made regular organic purchases were from British Columbia

While taste remains the most important factor in consumers' food choices, growth in the Canadian organic market is motivated by consumers' perception that organic foods are healthier and safer than regular foods.[15] Canadians are increasingly adopting environmentalism as a core value[2], further strengthening the position of organic food in the Canadian market. Important triggers for making organic purchases also include concern for the well-being of children, and food allergies.[16] The organic market has penetrated all demographics[15], and trends in mainstream food markets now affect the organic market. Recent trends are pushing for more convenient and prepared foods as people devote less and less time to food preparation. Consumers are also turning to functional foods (foods which may provide health benefits beyond basic nutrition) as the idea permeates society that a healthy lifestyle promotes longevity and disease prevention.[16]

In 2005 there were 3,618 certified organic farms, a slight decrease from the 3,670 farms reported in 2004.[17] This likely represents 1.7% of the total number of farms in Canada.[17] Table 3.2 provides a breakdown of certified organic farm enterprise types in each Canadian province. Farms may have more than one enterprise; therefore numbers in Table 3.2 may not be the same as the total number of farms in the country.

Table 3.2 Organic Farm Enterprises in Canada – 2005

Type of Enterprise	Total	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NF	YK
Vegetable Production	733	247	54	12	32	132	184	22	28	18	2	2
Field crops – grains, oilseeds, etc	2077	85	142	1063	160	369	232	8	6	11		
Livestock	590	95	60	92	30	141	145	7	15	5		
Orchard	196	138	1	3		24	17	1	8	4		
Berries	80	19	2			15	24	7	9	3	1	
Vineyard	33	26				6	1					
Maple Syrup	317					3	308	5	1			
Mushroom	18	13				2		2		1		

Source: Anne Macey (2005)

The areas devoted to organic horticultural enterprises in the country are characterized as follows for 2005 unless otherwise specified[17]:

- For vegetable crops, in general, the majority of production occurs in British Columbia on 926 ha, Quebec 560 ha (2004 data) and Ontario on 472 ha;
- Field crops (grains, oilseeds etc.) were produced on 230,578 ha. Saskatchewan has the largest acreage with at least 172,195 ha;
- British Columbia has the largest acreage in organic fruit trees with 441 ha of which at least 264 ha are apples. In comparison Ontario has 312 ha of apples and Nova Scotia has 36 ha of apples;
- Blueberries and cranberries are important crops in Quebec with 631 ha (2004 data) and 107 ha (2004 data) respectively; the blueberry acreage is mainly categorized as wild land;
- Organic vineyards are mainly located in British Columbia with 57.6 ha and Ontario with 11.2 ha.

Organic dairy production, by volume, is concentrated in Quebec (53%), Ontario (29%), and British Columbia (18%).[19] Beef cattle are raised across the country; however the majority of producers are located in Alberta and Saskatchewan.[17] Poultry and other livestock are produced in most provinces, with Quebec, Ontario, and British Columbia accounting for most of the producers.[17]

A total of 817 processors and handlers were certified in 2005, an increase of 10% from 2004.[17] The most significant increases occurred in Quebec (36%) and British Columbia (29%).[17] Custom services are provided by some processing enterprises, while others have dedicated facilities. Certified organic processing activities include:

- Seed cleaning and bagging;
- Production of livestock feeds;
- Manufacture and processing of a wide range of food and beverage products.

Certified organic handling operations represent 210 of the certified processor/handler operations[17], and include:

- Fruit and vegetable packing houses;
- Wholesale distributors;
- Brokers and other traders.

For more details on organic production or processing in Canada, see Certified Organic Production in Canada 2004 (Anne Macey)[17].
http://www.cog.ca/documents/CertifiedOrganicProductioninCanada2004re.pdf

With the notable exception of organic livestock and poultry products, Canada's exports to international organic markets mirror the nation's conventional agricultural exports. See Table 3.3 for a summary of Canadian organic exports. The majority of the vegetable exports shown in Table 3.3 are produced in British Columbia, along with a significant portion of the apple, and other fruit exports. *Note:* figures for organic livestock and poultry products are not available.

Table 3.3. A Selection of Canadian Organic Exports (2003)

	Minimum Value (CDN)	% exported to EU	% exported to US	% exported to Japan
Grains/Seeds/Flour	$39,939,439	52%	40%	5%
Apples	$3,212,181	4%	96%	—
Other Fruit	$898,000	—	100%	—
Vegetables	$2,000,000	—	100%	—
Maple Syrup	$7,000,000	†	†	†
Food & Beverages	$10,000,000	‡	‡	‡

†Representative data was not obtained for syrup export destinations
‡Food and beverage products are exported to many countries worldwide
Source: Anne Macey (2003)

North American Market Trends

Organic producers have typically fed into a variety of niche markets including box delivery services, farmers markets, small retailers dedicated to organics, and farm-direct sales. In addition to these markets, current organic industry trends are:

- Production arrangements/contracts between producers and restaurants
- Retail chains dedicated exclusively to organics
- Food service industry increasingly offering organic alternatives
- Major grocery retailers increasing space for organic products
- Large conventional food processors developing organic versions of name-brand products

Other trends:

- Organic selections of fresh and ready products (*i.e.* bagged salads and vegetables)
- Organic consumer demographics diversifying; no longer being defined by one single ethnic group or segment of the population
- Organic meat sales showing one of the fastest growth rates within all organic food sales
- Retailers and processors increasingly sourcing organic product from outside North America
- Growing consumer demand for organic non-food items including clothing fibres, cut flowers, bedding plants, lawn care products, pet food and skincare products.