Appendix 4: Organic Policy and Program Technical Report

Organic Task Force Report: Cultivating the Organic Opportunity for Canadian Farmers and Consumers

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1. Introduction

There is a wealth of policy and program options that are used globally to support and scale up organic farming and food, typically a mix of supply-push and demand-pull instruments. In Canada, governments have supported organic standards, certification, accreditation, and labels, and training, some extension and research. Given pressing deadlines to meet national targets related to biodiversity and emissions reductions, the challenge thus is to craft a set of additional instruments that work well together and can advance the organic sector relatively quickly to identified targets. This approach can not only increase supply but also address increasing domestic and global demand for ecological products while leveraging higher price premiums typical of value-added goods, contributing to Canada's position as a global leader in sustainable agricultural products.

This technical report outlines a mix of policy instruments to scale up organic agriculture in Canada. Informed by the work of the Organic Task Force (De Laporte, 2024; Bouwman, 2025; Clark, 2025; Graves, 2025; Lavergne, 2025; Lynch, 2025), the report also draws on international and domestic experience—including both successes and challenges from the US, Europe, and Canada—with attention to opportunities to integrate organic supports into existing agri-environmental programming at the provincial and federal levels.

Based on the research, the report proposes two main categories of supply-push instruments:

1. Help farmers wishing to transition from conventional to organic production through financial and technical assistance (De Laporte, 2024).
2. Encourage organic operations to adopt additional practices that further enhance productivity, soil health, greenhouse gas (GHG) mitigation, and other outcomes.

In addition, several supporting measures are proposed to increase the effectiveness and reach of these instruments. While the report focuses primarily on supply-push mechanisms, market development (demand-pull) tools—such as public procurement and supply chain investments—are also briefly addressed.

The policy costing is based on a scenario in which organic acreage is tripled for field crops, grasslands, and forages, and doubled for horticultural production. Under this scenario, the proposed set of instruments would require $68.5 million in public investment annually, including $45 million from federal sources.

These recommendations align with Canada's broader commitments to reduce GHG emissions, protect biodiversity, increase domestic food production, and support sustainable growth in the agri-food sector. A coordinated approach can strengthen farm profitability, reduce transition barriers, and build a resilient domestic organic supply chain, while delivering measurable environmental and public benefits through agriculture.

2. Policy Considerations

Barriers to organic adoption

There are usually differences in environmental attitudes between organic adopters and non-adopters, a situation that is not as consistently reported for adoption of other environmental systems (Just and Heinz, 2000; Welsh and Rivers, 2011; Reimer, 2012). But other factors are significantly in play. Attitudes, although a driving force for many organic pioneers, are not necessarily as relevant for later adopters. Ten critical and interacting barriers consistently appear in the literature (adapted from MacRae et al., 2009; also see: foodpolicyforcanada.info.yorku.ca).

Not all of the following barriers are in play for every farmer, but many are. Most of these barriers are sensible, given the current lack of support for adoption. In this sense, non-adoption is not so much a “farmer failure” as it is a “system failure” (Nowak et al., 1996). The last-listed barriers are often viewed as “soft” obstacles, yet they are often more significant determinants of adoption than financial ones. Policies and programs should consider and seek to address these barriers to create a more enabling environment for farmers interested in adopting organic farming.

1. Anxiety about finances (investments, markets and revenue stream)

Financial anxieties occur when a major change is being considered. Most studies show that organic farming is more profitable than conventional farming (MacRae et al., 2007; MacRae et al., 2014), but this information is not, of itself, sufficient to stimulate many growers to convert. Even dramatically higher organic commodity prices will not necessarily attract conventional farmers because a mix of other barriers (presented below) is so significant that price and income alone are insufficient incentives. The sunk costs of conversion, and uncertainty in the policy environment may explain reluctance to convert in the face of high organic price premiums (Kuminoff and Wossink, 2010). In Rogers’ terms, the trialability of organic farming is quite low (Parra-Lopez et al., 2007). The absence of proximate processing and marketing infrastructure aggravates these financial worries (Constance and Choi, 2010).

2. Labour challenges

Labour requirements per unit area of production are typically higher on organic farms, though the nature of the work often is more varied than that found on conventional farms (Jansen, 2000). However, given current farm labour shortages in Canada, and the more specialized knowledge required, organic farmers may be even more disadvantaged.

3. Difficulty acquiring information

Information becomes especially important as the degree of inherent complication in conservation technology increases (Nowak, 1987), and organic farming is complicated. Although information on organic farming has increased dramatically the last 20 years, farmers cannot consistently rely on the dominant institutions of agricultural development to provide pertinent information. Although there has long been evidence that with greater farmer involvement in selecting research priorities comes increased adoption rates of the practices (Drost et al., 1996), such opportunities remain relatively

rare. Information is often found more useful when the receiver has a relationship with the information provider (King and Rollins, 1995; Kroma, 2006).

4. Difficulty thinking through the sequence of changes, in part because of limited access to trusted advisors

A few countries have transition advisory services that help farmers with the transition process. Evaluations in Europe (Lampkin, 1996; Morris and Winter, 1999), the USA (GAO, 2001; CAST, 2003; Constance and Choi, 2010) and Canada (MacCallum, 2003) identified limited advisory supports (whether publicly funded or private crop consultants) as key obstacles to adoption of agri-environmental programming.

5. Few nearby farms modelling the change

There is evidence that farmers are more likely to convert upon seeing neighbours succeed (Centre for Rural Economics Research, 2002; Parra-Lopez et al., 2007).

6. Challenges obtaining suitable equipment or inputs

Organic farmers are restricted in the types of inputs they can use and have also found historically that some conventional farm equipment is not well adapted to their conditions (MacRae et al., 1990). As such, the transition frequently involves getting rid of conventional equipment and capital losses may thus be sustained.

7. Lack of confidence in new approaches and in abilities to manage the transition

Increased management requirements are common in organic production (Jansen, 2000), largely because of the knowledge required to manage ecological processes (Kroma, 2006).

8. Don't like the "look" of the changes and don't believe they reflect good management

Conventional farmers, even those participating in non-organic agri-environmental schemes, often still favour “tidy landscapes” over conservation and biodiversity. The need to model good farmer behaviour, or cultural capital, may trump financial payments that support transition to environmental practices. One criticism of European agri-environmental schemes is the failure to recognize this in programme designs (Burton et al., 2008). Organic farms definitely have a different look to them than conventional ones, associated, for example, with such features as more diverse landscapes and less “clean” fields. These realities are emblematic of what Burton et al. (2008) call “messy” symbols.

9. Fear changes will be stressful and inconsistent with family traditions

Many farms are already under financial or health-related stress when transition is being considered. The possibility of even greater stressors while converting is frequently a significant obstacle.

10. Anxiety about changes to one's status in the community and with supporting institutions, (e.g. banks)

Farmers are influenced by their social environment. Those interested in organic farming have historically reported that pressure from community members to stay with conventional production has had a dampening effect on their transition trajectory (Constance and Choi,

2010). A French study found that 21% of producers with a transition plan claimed that poor acceptance by neighbours was a brake on their transition. The changes have to be acceptable within the farming sub-culture (Vanclay and Lawrence, 1994). Support of regional bodies is important, especially those with environmental purposes; the idea that this is part of a larger effort to protect the environment is important (Centre for Rural Economics Research, 2002; Santereau, 2009). Alternatively, organic conversions do have an influence on conventional neighbours, with heightened likelihood of conversion reported in England with higher concentrations of organic adopters (Centre for Rural Economics Research, 2002).

Multi-instrument mixes needed to increase organic supply

Key to rapidly advancing organic farming are multi-instrument mixes. These are important when there are multiple targets, as is the case for organic farming and the multiple variables it positively affects and the co-benefits it can provide. Aggressive interventions are required to meet ambitious targets since there are only six growing seasons to 2030, and such aggressive measures are highlighted in this report.

The existence of multiple barriers to adoption of organic production and current retention challenges in the sector, also suggests the need for multiple approaches. Furthermore, the gap between the current situation and the desired adoption goal can be more readily bridged by employing mixes. There is growing evidence that these can be effective and economically efficient for driving adoption of agri-environmental systems and practices when the instruments mixes are compatible (cf. Shrader et al., 2014). Transaction costs can be lower for organic measures because of the multipurpose nature of these systems (Dabbert et al. 2004).

Implementing both supply and demand measures are key

Coordinated demand and supply measures are critical to promote a relatively smooth transition that does not suffer from boom-and-bust cycles that often categorize food markets. The European experience highlights how many member states have set ambitious targets (significantly beyond those in Canada) and then failed to put in place the right mix of instruments to meet them, relying too much on market forces to drive adoption (cf. an assessment of the French government's program) (Cour des comptes, 2022).

From the international organic policy scan (see Appendix 1), countries and jurisdictions investing in organic food and farming tend to pursue four key areas of support:

1. **Direct financial assistance to farmers through:**
    a. Payments per acre for organic transition and/or management
    b. Crop insurance subsidies
    c. Cost-share programs for certification
2. **Expanded technical assistance** including organic extension, organic research, and peer-to-peer mentorship
3. **Investments in stimulating domestic demand and international export**
4. **Certification / regulation of a trustworthy standard**

For this report, the main focus is on supply side and general instruments, but important demand side instruments are also briefly discussed. Although there are many possible demand side initiatives to support processing, distribution and retail, here we focus on those that work well with supply side initiatives for the achievement of productivity, profitability, and environmental goals.

Our proposals are also based on a phased-in approach, focusing on subsectors that can provide significant reductions quickly, then moving on to other production areas.

Note that although these proposals are specific to organic food and farming, they could also be applied to any sustainable system with standards, certification, and accreditation.

Spending levels and net costs

Canadian spending in relation to other jurisdictions

Several of Canada's trading partners have made support for the organic sector a mainstay of their sustainable agriculture strategy, citing its importance to both environmental goals and economic opportunities. A review of multi-instrument mixes and spending globally (including European Union, United States, United Kingdom, Japan, and others) to support organic growth is included in Appendix 1 of this document.

The table below shows how much Canada's trading partners are investing per year into expanding and strengthening organic agriculture.

Location	Dollars per acre per year	Multiple of Canadian federal supports	Organic farmland target
EU	$5.51	204.38	25% by 2030
Denmark	$25.45	943.28	20% by 2030
Italy	$24.14	894.80	25% by 2027
Japan	$2.13	79.09	25% by 2050
US	$0.22	8.09	No target
Canada	$0.03		No target

The United States invests eight times more per acre than Canada into organics. The EU invests more than 200 times as much, while Denmark invests almost 950 times as much into organic agriculture.[1]

[1] Sources for chart data: https://ec.europa.eu/commission/presscorner/detail/en/IP_21_1275
https://www.organicseurope.bio/content/uploads/2022/03/IFOAMEU_CAP_SP_feedback_20220303_final.pdf?dd
https://www.organicseurope.bio/content/uploads/2022/03/IFOAMEU_CAP_SP_feedback_20220303_final.pdf?dd
https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Japan%20Enacts%20Legislation%20to%20Support%20Green%20Food%20System%20Strategy_Tokyo_Japan_JA2022-0059.pdf
https://www.nrdc.org/bio/allison-johnson/organic-investments-need-boost-2023-farm-bill#:~:text=The%20%24493%20million%20in%20funding,Law%20115%E2%80%93334%2C%20Dec.
COTA State of Organics 2021

Net costs and cost savings

In the early stages of organic programming in Europe, it was apparent that net program costs were lower than gross costs because many organic farmers did not apply, or were ineligible, for other programs and payments. Lampkin (1999) estimated **50 cent dollars in net costs.** There have been two main reasons why organic farmers might not apply for other program supports: a) the program designs are not suitable to their realities; b) because organic farms have better soil health (including greater resilience in the face of variable moisture conditions) (see Lavergne, 2025), farms are less likely to need some of the supports provided by some business risk management programs.

Quebec's programming has revealed similar realities, though no estimates are available. Organic farmers are ineligible for certain elements of schemes such as the Environmental Farm Payment Initiative (l'Initiative de rétribution des pratiques agroenvironnementales, IRPA) including elements such as those for pesticide reduction and untreated seed, since these practices are already built into organic production methods. Equally, many of the subprograms don't work for organic farmers so they don't apply (Turgeon, 2024). Organic support can also disqualify organic farmers for some Sustainable Canadian Agricultural Partnership (SCAP) funding since double funding for similar purposes is to be discouraged. All this suggests that organic programming costs will actually be lower on the assumption that if they remained conventional, they would be applying for such programs.

The other key dimension of gross cost reduction is the improved financial position of organic farms. Economic analysis by De Laporte (2024) shows that a transition investment of $222 million over three years to triple organic crops results in $1.73 billion in additional net returns to producers over 10 years. This suggests that farmers can rely more on market income and less on government payments.

Fit of existing programs

The particularities of organic production often mean that support measures are poorly adapted to, or do not apply to, the organic sector (Turgeon, 2024). Measures specific to the organic sector are more promising. They can be independent of overall support measures, or the particularities of the organic sector can be specifically integrated into overall measures.

Targets for growth

Several jurisdictions globally and including Quebec have set targets for growth in organic acreage by specific deadlines. This approach has proven valuable in mobilizing resources and action. While not a prescriptive target, our analysis and costing is tailored around a growth scenario of tripling organic acreage in Canada, in order to allow us to make cost and impact projections.

Our analysis reveals that field crop transition to organic production is the most promising avenue for significant soil health and biodiversity benefits, and GHG emission reductions and

https://www.bmel.de/SharedDocs/Downloads/EN/Publications/OrganicFarmingLookingForwards.pdf?__blob=publicationFile&v=4

with higher net returns for farmers, in part because of emissions per area and in part because of the number of Canadian farmed acres in field crops (see De Laporte, 2024). Although not all field crops provide significant reductions, since organic farming typically requires longer and more varied crop rotations than conventional production, it is important to provide support to a full range of crops (including pulses and oilseeds). Otherwise, incentives can skew production, compromising the integrity of the organic systems and reducing environmental benefits.

Grasslands, pasture, hay and other forages should also be supported in more modest ways, as a measure to reduce the likelihood of acreage loss to annual field crops.

Horticultural crops, understandably, provide the smallest contributions to overall GHG emissions reduction, but have significant potential to increase net returns for producers, and represent the most feasible path for new entrants to become organic farmers.

Thus, the focus of the policy proposals in this report target an overall tripling of acreage (field crops, grassland and forage acres) in organic production by 2030, including doubling horticultural acreage.

3. Proposed Instrument Mix

This section presents a proposed mix of policy instruments and estimated costs. It is recognized that program costs are divided between the federal and provincial/territorial (F/PT) governments using traditional 60/40 cost share formulas. In some cases, they are tripartite funded with farmers making significant contributions. Where provincial programs already exist, it may be feasible for the federal government to contribute directly to those existing initiatives. Housing these organic supports within Agricultural Policy Framework (APF) discussions would seem the most viable approach.

The most expensive programs are for transition – area payments and transition advisory services and for improving the performance of existing organic farms. Some program costs are difficult to project at this stage. In these cases, rough estimates have been extrapolated from MacRae et al., (2009).

3.1 Supply push supports

The research indicates that while there are long-term profitability benefits in organic farming, there are also short-term transition costs (most return values are negative during the transition period) (De Laporte, 2024). It also finds variable outcomes across farms and cropping systems, based on contextual factors as well as management. This indicates the need for a tailored innovation fund for organic farmers to achieve the outcomes identified as possible in the research, fulfilling the potential of organic agriculture (Clark, 2025; Bouwman, 2025).

Two broad categories of supply push instruments are proposed:

1. Help farmers wishing to transition from conventional to organic production through financial and technical assistance (3.1.1).

2. Encourage organic operations to adopt additional practices that further enhance productivity, soil health, GHG mitigation, and other outcomes (3.1.2).

This latter category, in particular, is informed by the analysis of potential GHG reductions and other impacts reported by Bouwman (2025), Graves (2025), and De Laporte (2024). Further, in the European Union, maintenance support recognizes that organic farms are continuing to deliver environmental benefits on an ongoing, voluntary basis, with the option to revert to intensive non-organic methods at any time, and that the costs of doing this might not be fully compensated by the specialist market for organic food (Lampkin & Sanders, 2022).

Several supporting measures are also proposed to sustain and ensure the success of transition and continuous improvement efforts (3.1.3).

3.1.1 Supporting transition from conventional to organic production

Transition advisory services

French evaluations confirm that a strong link exists between funds invested in organic extension and the number of conversions (Quelin, 2010, in Katto-Andrighetto et al., 2017). Aggregated EU country evaluations also conclude that the availability of organic advice is the most influential factor for adoption until sector development is more mature, at which point research becomes the most important (Katto-Andrighetto et al., 2017).

The transition period is usually the most daunting for converting farmers. The risks are significant as is the learning curve. Specific conversion advice has thus been important in many countries (Katto-Andrighetto et al, 2017). Trusted advisors, including other organic farmers and their associations, are often key to success. It has long been known that deciding how to start the transition (which fields, which crops, rotation design, fertilization strategy, changes to tillage, etc) is challenging and developing a transition plan in advance can help (cf. MacRae et al., 1990).

Formal transition advisory services that provide knowledgeable transition advisors have existed for many years in Europe and the US, often with a mix of public and private elements (for some history, see MacRae, https://foodpolicyforcanada.info.yorku.ca/goals/goal-5/sustainable-food/substitution/#anchor3). The European services are more advanced than those in the US, because of the different designs of the programs. Some Canadian farm organizations have also provided transition advisory supports, sometimes with grant money from foundations and government agencies. A key difficulty has been inconsistent funding, and government agencies have also not always provided longer term commitments (for example, Quebec advisory services were seriously cut back in 2023).

Recommendations

Hire a transition advisory coordinator in each province and territory, and provide transition advisory services to transitioning producers, including conversion checks, organic farm plan development, and guidance on management and navigating certification and regulations.

Evaluations, combined with Canadian realities, suggest some of the following elements:

- As with Environmental Farm Plans (EFPs), program design could involve hiring third party deliverers. The US Transition to Organic Partnership Program provides financial support to many experienced organic sector organizations who are then able to use the funds to provide technical, mentoring and some planning supports for transition. Delivery agents could be granted funds directly by government, with farmers providing 20% of the cost using traditional tripartite funding models.
- The service provides three subsidized visits to develop plans (co-created by farmer and advisor, with advisor preparing the final document), and up to three conversion checks. Conversion checks from advisors have been used in Denmark and Germany, with the Danish service in particular making a significant contribution to a 20% increase in organic land area in 2016 (Katto-Andrighetto et al., 2017). Following these phases, farmers would have the option of continuing to use advisors at their full cost.
- The need for quality advisors with field experience. Employing existing organic farmers as transition advisors is a possible strategy.
- Individual or group models, the latter potentially based on the *Club agro-environmentale* model of Quebec where groups of farmers were able to hire an agronomist *(agronome)* to work with them directly on their mutual interests.
- The first phase of transition advisory support would focus on field crop producers and grasslands and forages. Horticultural transition plans would be introduced in a second phase.
- Advice on livestock transition would be important for sustaining use of forages and grasslands, so transition planners knowledgeable about livestock will also be an important part of this service.

Costs

MacRae et al. (2009) assumed annual government costs for Ontario of $200,000. Given inflation (adjust to $250,000) and multiplying by 13 provinces and territories, this would amount to $3.25 million / year. Farmers would be contributing at least 20% of program costs. **The federal contribution would be $1.95 million / year.** This would be focused on hiring a transition advisory coordinator in each Canadian Province and Territory. Further costs for transition advisory services could be funded through the transition incentive budget outlined directly below.

Direct area payments

Although full evaluations are somewhat limited, there is evidence of the effectiveness of area payments to drive adoption (Schrader et al., 2013; see also Katto-Andrighetto et al., 2017). According to Lohr (2001), area payments in Europe provided early on a leg up on organic adoption compared to the US. “The ability of EU farmers to rely on direct payments for conversion to and continuation of organic enables greater risk-taking in enterprise mixes, including high-value, high-risk crops, faster adoption of practices that require land-use adjustments that improve yields, and broader extensification of organic acreage that increases total output.” Comparing the US and Europe, she found that while dramatic growth rates were

the result of the introduction of direct payments in the EU, during the same period, the number of organic farmers and acres declined slightly in the US where governments relied primarily on market mechanisms and some grants.

Certainly, enhanced uptake in the UK was associated with programme and payment improvements in the early 2000s. The responses of farmers to both schemes, associated with programme changes, clearly exceeded projections, and funding was exhausted within six months (rather than 2 years as originally projected). When the programme was altered and reopened, the take-up rates presented the largest wave of conversion to organic farming methods in the UK to that point, increasing the organic area 12-fold from 1997 (Centre for Rural Economics Research, 2002). On so-called improved land, a tripling of per hectare payments in the first year (to 225 £/ ha) and a near doubling in total payments over 5 years (to 450 £) accounted for the rapid increases (Centre for Rural Economics Research, 2002: Table 1.1). Daughberg et al. (2011) found that the UK Organic Farming Scheme annual payments had some positive impacts on organic farms and acres after conversion, while some of the Danish permanent and conversion subsidy schemes were drivers of conversion.

Based on Swedish data, and comparing a situation with no direct payments to provision of direct payments for conversion, direct payments were estimated to induce a 27% increase in farmers undertaking a conversion (Lohr and Solomonsson, 2000). Arfini and Donati (2013), using positive mathematical programming and cluster analysis with Italian data, found that subsidy payments of 150 Euros / ha for organic cereals were more effective than market price premiums at increasing adoption. However, the stimulation of adoption was very dependent on farm and spatial characteristics, with the most significant uptake amongst small to medium farms in regions where organic production is already at a higher level. Offerman et al. (2009) found that at least 56% of Western European farmers felt that organic farming payments were important or very important to the decision to adopt and 76% of Eastern European farmers felt similarly. Relatedly, the failure to provide area payments has slowed down conversion, at least in the cases of France and the Netherlands (Lampkin and Sanders, 2022).

Payments are typically calculated from yield differences, production costs, prices and transaction costs. A key question then is what level of payment, based on percentage of foregone income during transition to be compliant with WTO requirements, is most suitable. In Europe, such payments have typically ranged from 15 - 20% of foregone revenue. Using a different indicator, Offerman et al. (2009) found that EU payments in the mid 2000s amounted to 3-17% of gross output, for both existing and converting organic farmers. Zander et al. (2008) concluded that in Western Europe, payments amounted on average to 4-6% of gross output and 10-30% of farm family income plus wages. The Centre for Rural Economics Research (2002), assessing the lower rates of payments in the UK at that time, found that ”66% of non-organic farmers said they would consider switching if the OFS grants were increased. [Their] findings suggest that an aid package that offered roughly twice what is currently available would attract 7.8% of conventionally managed land area over to organic production, bringing the total up to just over 11%.” In their analysis, 34% of conventional producers would not convert whatever the level at which financial incentives were set. The Centre for Rural Economics Research data suggest that a further 10% of conventional farmers would convert with rate increases of from 60-120%, but that a significant jump to over 20% would require a 150% payment increase.

Austria has an aid package similar to this and has roughly 8% of its agricultural land area under organic management (Centre for Rural Economics Research, 2002).

Stable and long-term schemes help to assure converted acreage remains organic (Katto-Andrighetto et al., 2017). In the EU, payments for the transition period and post transition maintenance can be up to 5-7 years, with 2-3 years a typical conversion period.

A few Canadian provinces offer transition programs for organic production on which more programming can be designed. The most robust program has been offered in Quebec, the Support Program for Conversion to Organic Agriculture (PACAB), where farms producing field crops, fruits and vegetables, maple syrup and honey in conversion could receive up to $10,000 and those already certified and expanding operations could also receive up to $10,000 for a $20,000 maximum contribution. Organic livestock operations that required modification to infrastructure to meet organic standards were also eligible for up to $20,000 on a 50% reimbursement basis. Farms could take advantage of both programs up to a maximum of $40,000 in support. Per hectare subsidies were $100 for grains and oilseeds, $2,500 for fruit and vegetables and $25 for forage and grazing lands. Payments were received during the 3rd year of transition. There was also financial support to change livestock buildings to make them more compliant with organic approaches. The program appears to have had a significant impact as organic acres increased by 65% between 2017 and 2019 while remaining relatively flat in other provinces (Arnason, 2020). This program ended in 2023.

PEI also provides transition payments through its Organic Industry Development Program. Producers in the first year of transition are eligible for per acre conversion payments, variable rates based on the crop, up to $10,000 / year.

Recommendations

Offer cost-share payments to producers to offset organic transition costs.

Considerations for eligibility for area payment program:

- Belonging to an accredited certification scheme and confirmed as in transition.
- Having an environmental farm plan and an organic transition plan through a recognized Transition Advisory Service.
- All regions are eligible, not region specific. But if a provincial program is in place, farmers cannot access both transition payment programs concurrently. The hope for the future would be integration of federal and provincial programming.
- The crop rotation could include one of the priority field crops for GHG reduction (cereals, corn) occupying at least 20% of field crop area over course of rotation.
- Consistent with many programs that cap contributions per farm, maximum contributions per farm may be required to assure program funds are not exhausted on a limited number of transitioning farms; it is important to get some national coverage as the presence of a diversity of organic farms in a region helps other producers undertake a transition.

Costs

Modelling of the level of payment to encourage rapid adoption does not exist in the Canadian context; however, many APF agreement incentive programs have used 30/70 government/farmer cost-share arrangements. Thus, this formula was used for our recommended program proposals.

For field crops, pulses and oilseeds, based on estimated revenue losses for priority field crops only during a three-year transition period, we propose a blended per acre payment (based on our Holos analysis) for field crop transition of $120/ha (see program costs below). These priority field crops are common to many organic field crop rotations, have significant GHG reduction potential and moderate transition losses, plus significant 10-year profitability potential. Payments should be provided each fall based on seeded acres for each of three years. Governments oblige lenders to provide loans based on the certainty of contracted repayments.

Organic field crop target acreage increase is 922,774 ha, based on a tripling of current organic acreage by 2030.

Blended transition cost for field crops based on Holos case study transition costs is $400 / ha. 30% is $120 / ha.

Assuming target met, 922,774 ha x $120/ha = $111 million in government contributions. Assuming a traditional 60/40 F/PT division, the federal contribution would be $67 million.

Support livestock producers with area payments for organic pastures and forages. The payment is set at the Quebec program level, $25 / ha.

Support livestock producers with area payments for converting to organic pastures and forages. Same payment as the Quebec program, $25 / ha. 928,677 ha x $25 = $23 million in government contributions. The federal contribution would be $13.8 million.

For the horticultural program, because of uncertainty in the financial data at a national level and with information on only a limited number of crops, horticultural producers in transition would be supported at the same level as the Quebec program, $2,500 / ha[2].

Target is to double acreage since emissions reduction is not as significant, but recognizing other benefits. 35029 ha x $2500 / ha = $88 million in government contributions. The federal contribution would be $52.8 million.

This report did not cover financial support for organic wild harvest, aquaculture or maple production.

Total government expenditures when fully enrolled would be $222 million / year. Farmers would be paying the costs associated with 70% of their transition losses. The federal contribution would be $133 million.

Table 1. Transition Incentive Program Cost Breakdown

[2] Note that this would represent only a 17% cost share based on our limited data set.

Category	Average transition cost ($ per hectare)	Gov't cost share ratio (%)	Subsidy ($ per hectare)[3]	Target Organic Area Increase (ha)	Cost to Government	Federal Contribution (60%)
Field Crops	$400 / ha	30%	$120 / ha	922,774	$111 million	$67 million
Horticulture	$14,777 / ha[4]	17%[5]	$2,500 / ha	35,029	$88 million	$52.8 million
Pasture and forages	/	30%	$25 / ha	928,677	$23 million	$13.8 million
				Total	**$222 million**	**$133 million[6]**

3.1.2 Supporting existing organic farmers in efforts to increase their productivity, profitability, and environmental performance

Payments to improve organic performance

Although many jurisdictions provide maintenance payments to existing organic farmers because they have proven important for long term commitments to organic production (cf. Quelin, 2010, in Katto-Andrighetto et al., 2017), our recommended approach is to offer supports for more specific interventions. These supports would serve as incentives for continuous improvement of the organic enterprise as it relates to productivity, soil health, biodiversity, GHG reductions, and carbon storage. The emissions intensity of organic crops can also be improved through the research priority of increasing productivity in organic systems. In particular, these supports are focused on enhancing advanced carbon and nitrogen management on organic farms in order to realize the multifunctional benefits of organic production through integrated management (as per Lynch, 2025).

For carbon management, the recommended focus is:

- **Rotation** diversification (including cover crops)
- **Residue** management (residue exports (straw, hay etc.) can negate gains from diversification)
- **Rate** of tillage intensity (based on frequency and level of disturbance/ STIR metrics)
- **Return** of manure (or composts)

For nitrogen management, the recommended focus is:

[3] The per ha subsidy levels for horticulture and pasture and forages were based on Quebec's levels, which was a successful program for encouraging rapid conversion to organic agriculture.
[4] Horticulture average transition cost estimate is based on potatoes, carrots, spinach, and lettuce.
[5] This per ha payment amount for horticulture uses the same amount as the QC transition program, while the cost share ratio was calculated from the payment amount.
[6] The Provincial contribution in this case would be $88 million, or $8.8 million if split equally across Provinces. This is aligned with the $9 million investment made in Quebec in organic transition that encouraged rapid uptake of conversion.

- **Manure management**
- **Integration of perennial or cover crop legumes in rotation**

Additionally, analysis by Lavergne (2024) identified reduced tillage, cover crops used in combination with organic amendments, including forages in rotation, and integrating livestock as the most promising practices for increasing soil health on organic farms.

Recommendations

Provide funding to organic producers to hire consultants and to implement context-specific management strategies for improving profitability, productivity, and environmental performance. Conduct on-farm research on the impacts of stacked practices on a range of outcomes on participating farms.

Program design possibilities:

1. All farms applying would need to be certified organic or participating in a recognized group certification scheme.
2. Because the evidence suggests (see Lavergne, Clark, and Graves, 2025) that adoption of an integrated set of practices is more likely to achieve goals including reducing GHG emissions and improving soil health than adoption of individual ones, an organic program should have two phases: a) farm assessment and design of a program for advanced carbon and nitrogen management; b) implementation of the plan. Using an incentive model inspired by earlier APF iterations, farmers would be provided $5,000 to hire a consultant to help with plan development. Program administration could be attached to Transition Advisory Services and consultants could also be working for these Services, or could be independent. With an integrated package of possible practices, and a plan tailored to each individual farm, payments would vary significantly by farm operation. To be eligible for payments, the integrated plan would have to include practices not used since organic transition, or used in significantly different ways (demonstrating additionality).
3. Implementation payments would be part of organic specific sub-programs within existing climate change related programs, for example such as the On-Farm Climate Action Fund (OFCAF), Quebec's agroenvironmental program (https://www.fadq.qc.ca/initiative-ministerielle-de-retribution-des-pratiques-agroenvironnementales/aide-financiere/calcul-de-laide), and Alberta's RDAR. Funding would be specific to adoption of the management approaches and practices identified in the funded plan. Where possible, rates, administration, and procedures would be equivalent to related management practices in conventional production, though in some cases rates may need to be higher based on heightened challenges of organic production.
4. In each cycle, reviewers would select those proposals that they determined to be the most significant contributors to environmental improvements.
5. If desired by existing program designers, the organic sector could apply to have this integrated set of practices deemed eligible. In this way, non-organic farmers might also adopt the practice package

6. The organic portfolio would be set at 5% of the overall budget for the existing program.

Costs

Existing expenditures for OFCAF, Resilient Agricultural Landscape Program (RALP) and related programs appear to amount to around $1 billion dollars over multiple years. **The organic sub-program would then cost $50 million over an assumed 5 years, or $10 million / year.** Sponsoring organizations would also incur costs related to program delivery.

5.1.3 General Supports

Extension supports

In addition to the transition advisory services proposed above, access to knowledge and education are key to long-term success in organic farming. In Canada, the science and practice of organic agriculture are still developing, and extension services are extremely limited and not sufficient to support continued growth. This gap affects all farmers looking to adopt ecological practices. There is a need for a strong advisory system to support farmers with transition advice and ongoing technical assistance, including through organizations that support mentoring and peer-to-peer networks. In addition, more trained organic advisors and independent extension agents are needed to build long-term capacity.

Recommendations

Establish a national organic extension program that:

- Coordinates the transition advisory service described above
- Provides ongoing extension through regional specialists
- Funds organizations that provide extension services and facilitate communities of practice and peer-to-peer networks
- Supports farmers in establishing baselines and monitoring outcomes
- Builds the capacity and increases availability of organic agronomists and technical experts through train-the-trainer programs

Costs

In addition to the costs outlined above for transition advisory services, $1 million/year should be provided to organizations providing organic extension services, with attention to building communities of practice and peer-to-peer networks. $1 million/year should also be invested in train-the-trainer programming for organic agronomists and technical experts. Some of the budgets allocated under recommendations 3.1.1 and 3.1.2 would also be dedicated to extension-related activities.

Certification cost supports

Certification costs can be a barrier to entering and staying in the organic sector, particularly for smaller farms. Because certification can be expensive for many small and new farmers, many jurisdictions provide partial subsidies (a percentage up to a maximum) to cover certification costs for a limited number of years during the early stages of certification, usually on a reimbursement basis. For example, in the US, the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program (AMA) have provided reimbursements up to 75 % of annual certification costs,

to a maximum payment of $750 USD (Katto-Andrighetto et al., IFOAM, 2017). The latter program, because of high enrolment, reduced reimbursements to 50% of certification costs and $500 in the 2020-2022 but then returned them to previous levels in 2023.

COTA has supported crop certification costs since 2021, up to $1,000 / farm for transitional certification inspections, application fees, inspection costs, travel/ per diem for inspectors, user fees, sales assessments, and postage. This program did increase the number of organic acres and could not meet demand.

Recommendations

To support market access and help retain certified operators, a federal cost-share program for organic certification should be established.

We propose two mechanisms to support certification:

- Create a new federal funding stream for certification cost share within the SCAP framework (building on some provincial level certification cost share programs), or
- Create a set aside within the Agri-Assurance program for producer certification cost share, to enhance public trust and market access.

Costs

Costing based on US funding scaled to Canada:

- The NOCCSP provides reimbursements of up to 75 percent of annual organic certification costs, up to a maximum payment of $750 per year per certification scope.
- The 2018 Farm Bill provides $24 million + $5 million in Agricultural Management Assistance (AMA) funding for the NOCCSP ($29 million/5 years = $5.8 million/year)
- $5.8 million annual average/$750 = 7,733 farms/year can be supported. Assuming some operations certify multiple scopes, assume ~7,000 farms/year are reached.
- US = 17.5K farms; Canada = 6K farms = Canada is ~35% of the size of the US sector.

Proportionate funding for Canada would be **~$10 million over 5 years, or $2 million/year. At $750 per farm/scope, this could support 2,667 certifications/year.** This funding would be federal.

Permanent funding for organic standards

The Canadian Organic Standards (COS) must be reviewed every five years to remain current, maintain public trust, and ensure continued market access through international equivalency arrangements. Without regular updates, Canadian organic products risk losing certification and access to markets. Unlike other countries where governments fund these updates, the Canadian organic sector manages the updates with no predictable funding mechanism. Providing permanent funding and a clear structure for regular COS reviews—including support for interpretation and training—would be a low-cost, high-impact way to strengthen market access, free up industry resources, and support ongoing collaboration between government and the sector.

Recommendations

Provincial and federal governments should provide full and permanent funding for the review and interpretation of the Canadian Organic Standards. This includes investments in training and standards interpretation.

Costs

$300,000/year, contributed by the federal government. This includes $1 million for the mandatory every five-year review, $50,000/year for the Standards Interpretation Committee, and funds for training.

Support for new entrants

Canada has a recognized farm succession challenge that also affects prospects for organic farming. While most new organic farms will be conversions from conventional production, MacRae et al. (2009) estimated that 11% of farm conversions over a 15-year period would come from new entrants with limited to no access to farm assets, under the assumption that more dedicated new entrant programming would accelerate their participation. The largest percentage of new entrants to organic farming would likely be horticultural producers, given reduced scale and capital investment requirements.

Although many provincial and federal succession programs exist[7], these are typically not particularly well designed for small scale entrants to organic farming because they assume transition within farm families or to other operators with farming backgrounds. Quebec programs appear to be the most successful for supporting new entrants. Some non-governmental organizations (NGOs) have programs to support new entrants but these are typically underfunded.

As the country undergoes a major generational shift in agriculture, and as more young and aspiring farmers show interest in ecological farming, coordinated efforts are needed to fill these gaps and provide better support for new entrants to organic farming. Efforts should prioritize supporting existing organizations, especially those providing land matching services. Significant funding is needed, with a portion specifically dedicated to new entrants transitioning into organic production.

Recommendations

Several coordinated initiatives are required to address these problems:

- Revamping business training under SCAP to enhance opportunities for new entrants to participate (historical problems with earlier APF programs include access to loans and capital among others)[8]
- A dedicated allotment of funds to support NGOs offering training, internships, land matching programs and farm incubator programs to reduce their need for continuous fundraising, and an allocation of funding to pay internship stipends for qualifying farms and programs

[7] See https://foodpolicyforcanada.info.yorku.ca/new-farmer-programs/#anchor3
[8] See https://foodpolicyforcanada.info.yorku.ca/substitution-new-farmers/#anchor1

- Two previous EU programs have potential applicability in Canada: EU Measure 6 ‘Business start-up aid for young farmers’ under the 2014–2020 Common Agricultural Policy (CAP) which provided maximum funding of €70,000 over five years; and under the 2007–2013 CAP, Measure 113 ‘Early retirement scheme’ (CAP, Pillar II) which encouraged early retirement of elderly farmers with a pension of up to €15,000 a year for up to 10 years. These address both sides of the coin—the need for retirement income and transition supports for new farmers during the start-up phase.

Costs

Two funds will help support new entrants, particularly in the horticultural sector.

1. Fund for NGOs providing training, land matching, and land lease support. NGOs can apply for up to $100,000 to cover a three-year period of operations. Total fund would be $1 million / year over five years.
2. A fund to support new entrants to organic horticulture that would be equivalent to support for conventional farmers undertaking a transition to organic. We estimate that 143 new entrant organic horticultural producers would be required, the direct payments incorporated into the organic transition program described above.

Improve production insurance for organic crops

Tailored crop insurance is needed to reflect the specific conditions of organic farming. For many years, Saskatchewan has had the most robust insurance scheme for organic producers (see https://www.scic.ca/crop-insurance/program-overview/organic-coverage). Some other provinces have more limited schemes. Data from these programs can help improve understanding of yields, risks, production costs, prices, and practices in organic systems, supporting more accurate risk assessment and pricing, including during the transition period.

Recommendations

- That all provinces create specific insurance products designed for organic crops that consider the unique prices, practices and risks of organic farming.
- That data from insurance schemes be used to better inform our understanding of yields, risks, production costs, prices and best practices for accurate risk pricing.
- That provinces provide training and resources for insurance providers on organic farming practices to improve their understanding and risk assessment.
- That a program for transitioning producers of premium assistance for crop insurance during the transition period be explored (such as US’ Transitional Organic Grower Assistance Program (TOGA)).

Certified organic as an approved environmental risk assessment

Agri-Invest has identified certified organic status as a suitable environmental risk assessment. Wherever other assessments are required, certified organic should be added to accredited schemes.

Data infrastructure and governance

Canada currently lacks publicly available data on key organic metrics, unlike the data available for conventional and other specialty crops in Canada and organic data available in other jurisdictions. Although authorities including Agriculture and Agri-Food Canada (AAFC), the Canadian Food Inspection Agency, and Statistics Canada already collect certain data on organic production and trade, much of it is not widely shared or easily accessible, despite being foundational to sector development.

Monitoring, Measurement, Reporting, and Verification (MMRV) frameworks, infrastructure, and tools are also needed to measure and support the impacts of organic, regenerative, and diversified farming systems.

Recommendations

- Establish a coordinated, interdepartmental approach to collect and publicly share data on organic production, supply chains, labour, markets, and trade. This should include the creation of a government-managed Organic Authenticity Database to provide key industry metrics and strengthen organic integrity.
- Develop, enhance, and standardize MMRV frameworks, infrastructure, and tools for organic and diversified production systems.

Costs

$2 million + ongoing maintenance costs for data strategy.

Expand organic research

EU country evaluations conclude that research becomes the most important factor for organic adoption and maintenance once sector development is more mature (Katto-Andrighetto et al., 2017). Given the limited practice, research, extension services, and access to adapted seed varieties in Canada, targeted investment in research, innovation, and extension could significantly improve productivity and profitability in organic production systems while preserving environmental benefits. Many of these tools would also benefit, and are of interest to, conventional producers.

The Organic Agriculture Centre of Canada (OACC), in partnership with the Organic Federation of Canada (OFC), conducts a participatory assessment to develop national organic research priorities with input from farmers and researchers (OACC, 2021). The 2021 research priorities include a number of areas that are important to achieving the goals set out in this report, such as to:

- Increase productivity, profitability, and economic resilience of cropping systems by optimizing soil/growing medium fertility and health
- Increase productivity and profitability and reduce pesticide risk of field cropping systems by optimizing weed management
- Improve resilience to disease and drought stress in priority crops with diverse, integrated and systems approaches

- Reduce pesticide risk and improve resilience in horticultural crops in both outdoor seasonal as well as protected growing systems by finding cost-effective alternatives for managing insect pests of economic importance
- Enhance carbon sequestration while supporting above- and belowground biodiversity through farmscape planning/design
- Reduce greenhouse gas emissions in organic crop production using whole farm or systems approaches
- Increase yield and competitiveness of priority crops through early season optimization of crop vigour and competitiveness potentially including seed-placed amendments, biological seed treatments, cultural and physical weed management
- Improve sustainability of field crops by finding multi-pronged solutions to low soil phosphorus
- Public breeding programs for organic and ecological varieties.

These inform Organic Science Cluster programming and other research activities conducted in Canada. In addition to Organic Science Cluster programming, the analysis provided in this project suggests additional research needs:

1. Continued GHG emission and carbon sequestration analysis

Life cycle assessment (LCA) and Holos modelling has provided a good start, but we have also identified challenges in incorporating organic practices/concepts in a systems approach. Further research is needed that is specific to Canada.

2. Enabling long-term trials

The organic sector has struggled to maintain long-term cropping systems trials that reflect organic best management practices, different cropping systems, and different agro-climatic regions. The Glenlea Long-term Rotation Study is of course an exception. These trials are important for evaluating the long-term economic and environmental sustainability of cropping systems. If we want to quantify the sustainability of organic systems, it is clear that we need to have these long-term trials present in different regions, and these are hard to maintain with piece-meal funding. There is a need to allocate AAFC research station resources to establish and maintain producer-directed long-term organic cropping systems trials as a platform for university collaboration.

3. Relief from matching cash requirement, recognition of in-kind matching

Government funding has increasingly required matching cash contributions (not just in-kind) to support the research. Businesses prioritize funding projects specific to their interests and have a return on investment as opposed to public good (and they are being solicited by provincial and national organizations to support other activities in the sector). The result is that research is only supported if there is industry cash available and this means that many of the research priorities in the organic sector are not addressed. It also makes it difficult for researchers to commit to organic in the form of ongoing programs as opposed to one-off projects. Large commodity

groups have been largely reluctant/uncooperative in incorporating organic research among their own priorities even if organic farmers are within their commodity area.

4. Participatory research program

The Organic Science Cluster impact analysis clearly demonstrates that the largest impact arises when producers are directly participating in the research. This would preferably be in the form of trials occurring on farms/operations, but may also include producer advisory and interpretation roles. Producers learn best from seeing things on their own operation or one of their peer's, and are influenced by leading organic producers. There is a need for research programs to compensate farmers for participation in research, without requiring matching cash contributions from the producers.

5. Ecologically based pest management tools

These tools for weed, insect, and disease management are important for achieving yield potential in organic, but also provide sustainable solutions that could serve all of agriculture.

Recommendation

Expand the national Organic Science Cluster research program to address national organic research priorities.

Cost

$5 million/year without the requirement for matching cash contributions.

5.2 Demand pull supports

Demand pull proposals require further development, but the literature supports these types of initiatives to complement supply side programs.

Institutional procurement

Twenty percent targets are common in EU member states (Lampkin and Sander, 2022). The Danish experience shows that **60-90% targets are possible, without increased costs,** by changing menus, reducing waste, buying seasonal foods, and converting to a more plant-rich diet (Holmbeck, 2020). Public institutions are supposed to align menus with Danish Dietary Guidelines, so an integration of organic with diet recommendations. Suppliers to public institutions also then expanded to supply organic products to private sector food service operations. The program has worked because the government specifically supported kitchen transitions – different equipment, staff training and organic cuisine labels (based on percentage of organic ingredients) and marketing.

For Canada, at this early stage of transition, 10% is a more feasible target to debut these programs, with increases as transition occurs and stability of supply increases.

Supply chain capacity and targeted information and co-ordination contribution programs

Supports have long been recognized as enhancing organic sector development (Lampkin et al., 1999). Many countries have such supports including the USDA Organic Market Development

Grant. It targets priority commodities with significant GHG mitigation potential for which specific supply chain innovations can help the marketing of those commodities. These are typically cost-shared programs at many levels. Organic programs could be part of existing processor and distributor infrastructure programs, but at a higher government cost share or lower interest rate (Lampkin and Sanders, 2022) to assure relatively rapid uptake. In Canada, it is likely that a minimum of 50-70% government contributions will be required.

The following could be components of an organic market development program:

- strategic investments in processing infrastructure such as certified (mobile) slaughterhouses, co-packers, and on-farm value-added processing and storage.
- investments in distribution infrastructure, such as storage, transportation hubs, distribution centres, processing, renewable energy, and back-up power supply.
- annual funding to promote the Canada Organic Brand and raise consumer awareness on the benefits of organic farming for environment, climate, animal welfare, local economies, and food security. Until 2030, provide 100 percent financing for campaigns to enhance consumer awareness and build trust in the Canada Organic Brand.
- market research and retail partnerships that increase the availability and visibility of organic products.
- promotion in domestic and export markets, including to support Canada's export diversification goals, given organic growth in target markets such as the Indo-Pacific region.
- creation and launch of an organic cuisine label for restaurants, hotels and public sector canteens, hospitals, and other public institutions.
- processor organic training programs and conversion grants.
- linking the Canada organic label to climate change social marketing.

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Appendix 1: Jurisdictional Comparison of Organic Spending

By: Sophie Duncan

Several of Canada's peers have made support for the organic sector a mainstay of their sustainable agriculture strategy, citing its importance to both environmental goals and economic opportunities. A review of international program and policy support was undertaken to inform our recommendations.

Supports for organic transition and management do not replace or preclude other more general sustainable transition supports, but in many countries, including Germany, Denmark, Japan, the United Kingdom, and the United States, organic supports are crucial mechanisms to a) deliver on environmental and climate goals and b) improve farmers' competitiveness in domestic and international markets.

"*Organic farming is the German Federal Government's guiding principle for ensuring a sustainable agricultural sector. This is why, in their coalition agreement, the ruling parties agreed to aim to have 30% of agricultural land in Germany farmed organically by 2030*." — German Federal Ministry of Food and Agriculture[9]

"*As USDA works to help make our nation's food system more resilient and create more options for producers and consumers, we recognize the important role the organic industry can play in expanding opportunities for value-added agriculture, strengthening supply chains and generating revenue for farmers*." — Tom Vilsack, United States Department of Agriculture[10]

"Maintaining or increasing the area of organically managed farmland in Scotland is recognised as a National Priority…[payments for organic conversion and/or maintenance] provide support to farmers and groups of farmers to use organic farming methods and to encourage the expansion of organic production in Scotland to deliver environmental benefits." — Scottish Government[11]

[9] Government of Germany, *Organic Farming in Germany*, 2023. https://www.bmel.de/SharedDocs/Downloads/EN/Publications/Organic-Farming-in-Germany.pdf?__blob=publicationFile&v=4.

[10] U.S. Department of Agriculture, Farm Service Agency. 2023, May 10. USDA announces new steps to enhance organic markets and support producers. https://www.fsa.usda.gov/news-room/news-releases/2023/usda-announces-new-steps-to-enhance-organic-markets-and-support-producers.

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"In 2020, 61.6% of EU land under organic farming received specific organic support payments."
— European Commission[12]

Key Areas of Intervention

Countries investing in their organic sectors pursue several of four key areas of support:

1. **Direct financial assistance to farmers through:**
    a. Payments per acre for organic transition and/or management
    b. Crop insurance subsidies
    c. Cost-share programs for certification
2. **Expanded technical assistance** including organic extension, organic research, and peer-to-peer mentorship
3. **Investments in stimulating domestic demand and international export**
4. **Certification / regulation of a trustworthy standard**

How does Canada compare to its trading partners when it comes to Organic agriculture?

Canada's federal government spends significantly less on organic agriculture compared to other major jurisdictions:

- United States: ~8× more per acre annually
- Japan: ~80× more
- European Union: >200× more on average
- Denmark: >900× more

Summary Table: Organic Spending by Jurisdiction[13]

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[12] European Commission, DG Agriculture and Rural Development. 2023. *Organic Farming in the EU: A Decade of Growth. Agricultural Market Brief No. 20*. April 2023. https://agriculture.ec.europa.eu/system/files/2023-04/agri-market-brief-20-organic-farming-eu_en.pdf, page 24.

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Jurisdiction	Annual Organic Spending per Farmland Acre (CAD)	Multiple of Canadian Spending	Organic Farmland Target
Canada	$0.03	—	None
United States	$0.22	8×	None
Japan	$2.13	79×	25% by 2050
EU (average)	$5.51	204×	25% by 2030
Italy	$24.14	895×	25% by 2027
Denmark	$25.45	943×	20% by 2030

*Spending is normalized to an annual basis and expressed as a function of total farmland acreage. Includes dedicated spending on organic programming, including production, research, transition, and market development.

Case Studies by Region and Country

Canada

CAD $19 million over 5 years (2018–2023)
Canada invests roughly CAD $19 million over five years through ad hoc organic-specific initiatives in the Canadian Agricultural Partnership, with no dedicated organic strategy or farmland target.[14] According to AAFC's report, this was spent on the following:

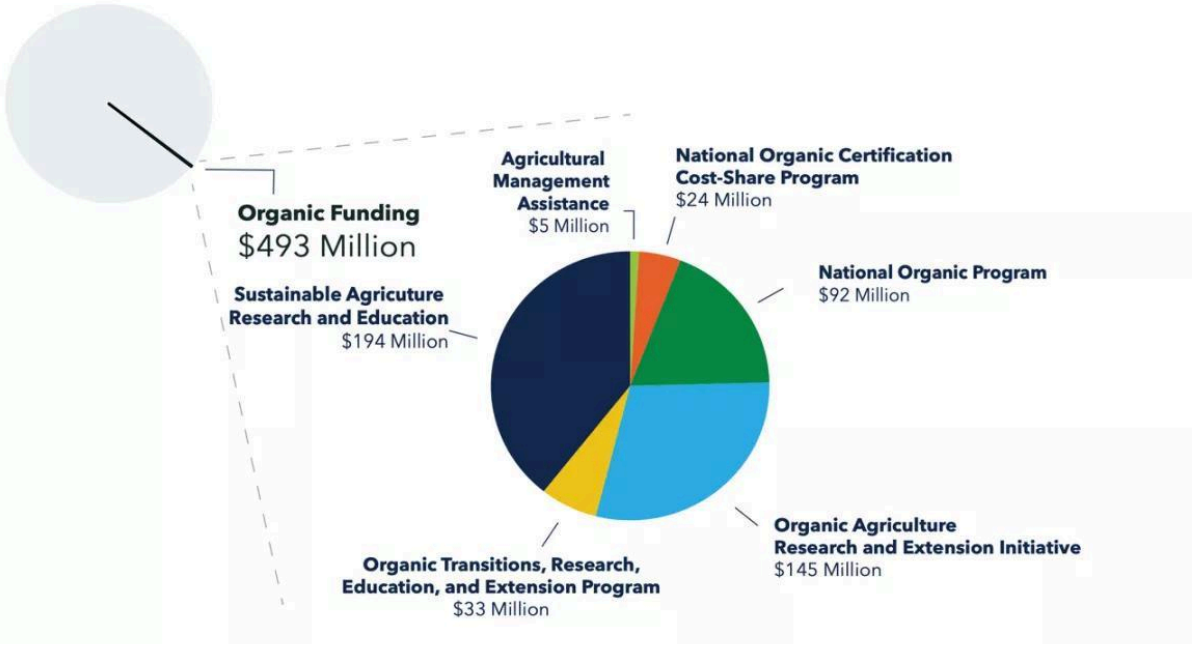
- Linking environmental sustainability to the science of organic production;
- Increasing export sales of Canadian organic products and improving their competitiveness;
- Strengthening organic supply chains for domestic and export opportunities;
- Developing a national framework for its sustainability and growth to further support the growth and development of the organic industry by developing, establishing and implementing a coordinated structure to efficiently deliver on essential services and identifying funding mechanisms;
- Knowledge transfer and information sharing about best practices in the organic sector under the National Organic Ingredient Strategy, building on the success of the Prairie Organic Grain Initiative; and
- Supporting close to 90 internships in the organic sector through AAFC's Youth Employment and Skills Program in 2019-20 and 2020-21.

Canadian Organic Trade Association (COTA). 2021. *State of Organics: Federal–Provincial–Territorial Performance Report 2021*.
Federal Ministry of Food and Agriculture (BMEL), Germany. 2023. *Organic farming – looking forwards: An overview of policy support in Germany.* https://www.bmel.de/SharedDocs/Downloads/EN/Publications/OrganicFarmingLookingForwards.pdf.
[14] Canada Organic Trade Association. 2021. *The State of Organics: Federal–Provincial–Territorial Performance Report 2021*. https://canada-organic.myshopify.com/collections/state-of-organics-etat-du-secteur-biologiques/products/the-state-of-organics-federal-provincial-territorial-performance-report-2021.

United States

USD $793 million
Includes Farm Bill programs and the Organic Transition Initiative. Farm Bill funds support certification, research, and conservation. The Organic Transition Initiative supports mentorship, market development, and direct farmer support.

Farm Bill Programs (US $493 million,[15] 2018-2023):



- **National Organic Program ($92M):** Regulates and enforces USDA organic standards[16]
- **Cost Share Program (NOCCSP) ($24M):** Refunds 75% of organic certification costs, up to a maximum of $750 per certification scope—crops, livestock, wild crops, handling, and State Organic Program fees.[17]
- **Research Programs:**[18]
    - **Organic Agriculture Research and Extension Initiative (OREI) – $145M**
    - **Organic Transitions Program (ORG) – $33M**
- **Conservation Incentives (NRCS):**

[15] Johnson, A. 2023, February 21. *Organic investments need a boost in the 2023 Farm Bill.* Natural Resources Defense Council (NRDC). https://www.nrdc.org/bio/allison-johnson/organic-investments-need-boost-2023-farm-bill.
[16] U.S. Department of Agriculture, Agricultural Marketing Service. (n.d.). *National Organic Program.* https://www.ams.usda.gov/about-ams/programs-offices/national-organic-program.
[17] U.S. Department of Agriculture, Farm Service Agency. 2023. *Organic Certification Cost-Share Program fact sheet.* https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/organic-certification-cost-share-program/pdf/2023/occsp_fact_sheet_2023.pdf.
[18] U.S. Department of Agriculture, National Institute of Food and Agriculture. 2025, July 7. *Organic Agriculture Program*. https://www.nifa.usda.gov/grants/programs/organic-agriculture-program.

    - **Environmental Quality Incentives Program (EQIP) Organic Initiative:** The EQIP Organic Initiative, a sub program of EQIP specifically designed for organic producers, or those interested in transitioning to organic. This program adapts the existing EQIP program for organics to allow a pay for practice system. Financial assistance is limited to $140,000 total over the 2018 Farm Bill years, 2019 through 2023, to implement conservation practices. In addition, historically underserved producers can receive advance payments for conservation practices instead of reimbursement after implementation.[19]
    - **Conservation Stewardship Program (CSP) Organic Allocation**: The 2018 Farm Bill required that States be given an allocation to support organic production and transition to organic production based on the certified and transitioning organic operations of the State and the organic acres of the State.
- **Agricultural Management Assistance (AMA) – $5M**
- **Sustainable Agriculture Research & Education (SARE) – $194M**
- The FSA also offers specific **loans, disaster assistance, and additional conservation land payment programs** for organic farmers

Organic Transition Initiative (launched 2022, $300 million over five years)[20]

- **Transition to Organic Partnership Program (TOPP) – $100M:** Funds non-profits to provide regional extension and mentorship to transitioning producers.[21] Regional extension and mentorship programs for producers across the country who are transitioning to organic agriculture. Up to $100 million over five years will go towards partnerships with regional non-profit organizations to provide this support to farmers.
- **Direct Farmer Assistance via EQIP – $75M:** Financial and technical assistance to producers for a new Organic Management conservation practice standard under NRCS' EQIP program. It also increases organic expertise across the country, creating organic experts at each of USDA's regional technology support centers to train staff providing technical assistance to producers.
- **Transitional Organic Grower Assistance (TOGA) – $25M:** Discounts on federal crop insurance premiums to organic and transitioning producers.
- **Organic Market Development Grant (OMDG) Program – $100M:** Grants for market development and promotion, processing capacity expansion, and equipment purchases for target markets.[22]

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[19] U.S. Department of Agriculture, Natural Resources Conservation Service. 2022, June. *Environmental Quality Incentives Program (EQIP) factsheet.* https://www.nrcs.usda.gov/sites/default/files/2022-06/EQIP-Factsheet%20%282%29.pdf.

[20] U.S. Department of Agriculture, Natural Resources Conservation Service. (n.d.). *Organic Transition Initiative.* https://www.farmers.gov/your-business/organic/organic-transition-initiative.

[21] U.S. Department of Agriculture, Agricultural Marketing Service. (n.d.). *Transition to Organic Partnership Program (TOPP).* https://www.ams.usda.gov/services/organic-certification/topp

[22] U.S. Department of Agriculture, Agricultural Marketing Service. (n.d.). Organic Market Development Grant (OMDG) program infographic. https://www.ams.usda.gov/sites/default/files/media/OMDG_Infographic.pdf.

These programs exist in addition to other climate-focused initiatives that are not organic-specific, like the Partnerships for Climate-Smart Commodities program and the $20 billion dedicated to climate-smart agriculture under the Inflation Reduction Act.

European Union

€7.5 billion over 5 years (2023-2027)
The EU dedicates 1.8% of CAP (~€7.5B) to organics, including conversion payments and technical support, with additional eco-scheme support.[23] National co-financing is common. EU targets 25% organic farmland by 2030.

The European Union's Farm to Fork Strategy is a particularly interesting model for Canada, as broad targets are set for the entire EU, but each country develops their own action plan to achieve these targets. Given the agricultural and climate diversity of Canada, this model could provide the flexibility for provinces and territories to develop action plans specific to their context and needs.

The Farm to Fork Strategy sets clear and ambitious targets for "at least 25% of the EU's agricultural land under organic farming and a significant increase in organic aquaculture by 2030."[24] It tackles three distinct pillars of work:

- **Demand**: Stimulating demand and ensuring consumer trust
- **Production**: stimulating conversion and reinforcing the entire value chain,
- **Sustainability**: organics leading by example: improving the contribution of organic farming to sustainability

Direct and indirect support for producers differs across the EU but includes: expanded technical assistance and knowledge exchange, funding for organic producer organizations, exploring "group certification" for small holder farmers to share cost burdens, support for processing at local and small scales, and direct payments for organic conversion and management.

"In the 2014-2022 funding period, 27 out of 28 EU Member States offered payments for conversion to and/or maintenance of organic farming…In 2020, 61.6% of EU land under organic farming received specific organic support payments (on average EUR 144/ha of CAP support and EUR 79/ha of national co-financing)."[25]

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[23] European Commission. 2021. *European Green Deal: Commission presents actions to boost organic production.* Press release, March 25, 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_21_1275.
[24] European Commission, Directorate-General for Agriculture and Rural Development. 2023. *Organic Action Plan: Actions to boost organic farming in the European Union.* https://agriculture.ec.europa.eu/farming/organic-farming/organic-action-plan_en.
[25] European Commission, Directorate-General for Agriculture and Rural Development. 2023, January 18. Agricultural Market Brief No. 20: *Organic farming in the EU – A decade of growth.* https://agriculture.ec.europa.eu/system/files/2023-04/agri-market-brief-20-organic-farming-eu_en.pdf, page 24.

Denmark

DKK 1.894 billion (CAD ~$400 million) (2023-2027) and DKK 3.556 billion (CAD ~$760 million) (2023-2030)

Denmark is among the most active organic policy leaders and has the highest organic market share in the world. The country has been developing organic action plans since 1995.[26] Denmark's award-winning and effective Organic Action Plan (2011-2020) doubled organic farm land since 2007 and has positioned organic farming as a cornerstone of Danish agricultural identity.[27] The Danish plan included "supply-side policy measures aimed at creating conditions for farmers to convert to and maintain organic farming and demand-side policy measures designed to increase the demand for organic food." A major strategy to achieve growth was to increase the overall demand for organic agricultural products. The Danish government considers public procurement to be a primary driver behind increasing the demand and hence increasing the organic production area. The plan aims to increase the organic food procurement up to 60 % in all public kitchens in Denmark before 2020.

The Danish Organic Action Plan (2011-2020) was updated in 2015, and included:[28]

Investments to stimulate demand:

- 4.5 million € to increase exports of organic products
- 3.3 million € for sales promotion on the domestic market
- 3 million € to advise public food purchases (in public institutions)
- 8 million € to support public kitchens in going organic

Production supports, technical assistance, and research:

- Cross-ministry collaboration and increased technical assistance / knowledge exchange with agricultural education institutions, non profits, municipalities, schools, and more
- 1.6 million € for producer education
- 5.6 million € to assorted activities to support conversion, preservation, sustainability, and experimental organics
- Additional funding for organic pig production and protein rich fodder
- Additional financial support for innovation, research, advisory services, green sales efforts

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[26] Thematic Group on Strengthening the Position of Farmers in the Organic Food Supply Chain. 2023, March 23. *Case study: Organic policies in Denmark*. EU CAP Network. https://eu-cap-network.ec.europa.eu/sites/default/files/publications/2023-03/TG%20Organics_Case%20Study%20Denmark_final.pdf

[27] Daugbjerg, Carsten, and Yonatan Schvartzman, 'Organic Food and Farming Policy in Denmark: Promoting a Transition to Green Growth', in Caroline de la Porte and others (eds), Successful Public Policy in the Nordic Countries: Cases, Lessons, Challenges (Oxford, 2022; online edn, Oxford Academic, 20 Oct. 2022), https://doi.org/10.1093/oso/9780192856296.003.0002.

[28] Danish Veterinary and Food Administration. 2023. *Organic Action Plan for Denmark.* https://en.foedevarestyrelsen.dk/Media/638210421868339874/Organic%20Action%20Plan%20for%20DK.pdf.

- **Organic Land Subsidy Scheme: Land subsidies for organic production** at 117 € / hectare / year on top of **existing conversion subsidies** (161 € per year for first two years)[29] and in addition to supplemental payments for reduced nitrogen fertilizer use (67E per ha) and for organic fruit and berry production (more than 157 E per ha per year).

Italy

€2.5 billion (2023–2027)
Italy has made significant investments into the organic sector, with a total budget of 2.5 billion euros allocated for organic agriculture in 2023 - 2027 (including transition incentives, organic research, advisory services, and organic producer organizations). As of 2019, just over 15% of farmland in Italy was under organic management. Italy is predicted to achieve its goal of 25% of farmland under organic management by 2027.[30]

Germany

"Organic farming is the German Federal Government's guiding principle for ensuring a sustainable agricultural sector. This is why, in their coalition agreement, the ruling parties agreed to aim to have 30% of agricultural land in Germany farmed organically by 2030."[31]

Germany has provided farmers with direct payments for organic conversion and management since at least 2013, with recent increases to support their target of 30% of agricultural land in organics by 2030. Germany cites environmental benefits, climate change mitigation and adaptation, and rural job security as key reasons to invest in the organic sector. They believe that direct payments will help to compensate farmers for the cost of transition and the fact that products cannot be marketed as organic until certification is complete.[32]

United Kingdom

In the United Kingdom, English, Scottish, and Welsh national governments have invested in cost-share programs for organic transition and organic management. This is in addition to

[29] Government of Denmark, Organic Action Plan for Denmark. (2011-2020, updated in 2015). https://en.foedevarestyrelsen.dk/Media/638210421868339874/Organic%20Action%20Plan%20for%20DK.pdf.
[30] IFOAM Organics Europe. 2022, March 3. *Evaluation of support for organic farming in draft CAP Strategic Plans (2023–2027)* (p. 10). https://www.organicseurope.bio/content/uploads/2022/03/IFOAMEU_CAP_SP_feedback_20220303_final.pdf.
[31] Federal Ministry of Food and Agriculture, Germany. 2023. *Strategy for the future of organic farming.* https://www.bmel.de/EN/topics/farming/organic-farming/strategy-future-organic-farming.html#:~:text=Organic%20farming%20is%20the%20German,Germany%20farmed%20organically%20by%202030.
[32] Federal Ministry of Food and Agriculture, Germany. 2023. *Organic Farming in Germany* (p. 10). https://www.bmel.de/SharedDocs/Downloads/EN/Publications/Organic-Farming-in-Germany.pdf?__blob=publicationFile&v=4

generalized sustainability programs like the Sustainable Farming Initiative and Countryside Stewardship scheme, which are available to non-organic producers as well.

In England, farmers can access annual conversion support payments for up to two years, and annual management payments for an unspecified number of years. The English government cites “a wide range of environmental and public benefits” from expanding and maintaining land under organic management.[33]

The government of Scotland also provides direct payments to farmers for the conversion and maintenance of organic farmland. Both conversion and maintenance programs offer up to five years of annual support payments. According to the Scottish government, “these options provide support to farmers or groups of farmers to use organic farming methods and to encourage the expansion of organic production in Scotland to deliver environmental benefits.”[34]

In Wales, direct payments are available for conversion and certification, but not management.

Taiwan

Taiwan’s Council of Agriculture (COA) created the Organic Agriculture Promotion Act in 2018. The Act includes a range of support mechanisms, including “generous monetary subsidies” for farmers, including a direct payment to farmers “of **US$2,000 per hectare of organic rice** farmland every year, up to three years in a row.”[35]

Japan

In 2021, Japan’s Ministry of Agriculture, Forestry and Fisheries released their Strategy for Sustainable Food Systems (Strategy MIDORI) which includes a goal to increase organic farming to 1Mha (25% of farmland) by 2050.[36] In 2022, they instituted direct payments of 40,000 yen / ha ($290 USD per ha) for increased organic farming areas through the Direct Payments for Environmental Conservation Agriculture program.[37]

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[33] Government of the United Kingdom, *Organic Land Management: Horticulture.* https://www.gov.uk/countryside-stewardship-grants/organic-land-management-horticulture-ot4.
[34] Scottish Government, Rural Payments and Services, Sept 22, 2023. https://www.ruralpayments.org/topics/all-schemes/agri-environment-climate-scheme/management-options-and-capital-items/organic-farming--conversion/guidance-for-organic-farming/.
[35] USDA Foreign Agricultural Service. 2023. *Taiwan organic sector report – 2023 (Report No. TW2023-0026).* https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Taiwan%20Organic%20Sector%20Report%20-%202023_Taipei%20ATO_Taiwan_TW2023-0026.pdf.
[36] Ministry of Agriculture, Forestry and Fisheries, Japan. 2023. *Strategy MIDORI and climate-smart agriculture.* https://www.maff.go.jp/e/policies/env/env_policy/04_Strategy_MIDORI_and_Climate-Smart_Agriculture.pdf.
[37] USDA Foreign Agricultural Service. 2022, July 27. *Japan enacts legislation to support Green Food System Strategy (Report No. JA2022-0059).*

These supports build upon several pre-existing strategies for the expansion of organic agriculture. Japan updated their original 2007 “Basic Policy on promotion of Organic Agriculture” in 2014 and again in 2020 to outline a strategy for organic sector development.[38] This includes support for production and investments to stimulate demand, with the goal of increasing from 23,000 to 63,000 hectares of land under organic management, as well as increasing the number of organic farmers from 11,800 to 36,000 and the domestic share of organic foods from 60 to 84% by 2030.[39] As part of this plan, farmers can receive support for organic certification (which is managed by the federal government), to expand their export potential. The government has also invested in extension programs and peer-to-peer learning in hubs for organic farming.

The Japanese government’s support for organics is intended to help achieve UN Sustainable Development Goals (SDGs), create environmental benefits including climate change mitigation, and to increase import substitutions and organic exports.

Growth in Organic Agriculture and Markets

As many of the policy supports described above are recent developments, it is difficult to establish causation between policy supports for organic and the growth of organic agriculture in countries with supportive policy measures in place. However, many of the above countries have seen steady growth of acreage under organic production, organic retail sales, organic exports and more. Below are a few examples:

European Union: increases in retail sales and acreage under organic production
“Compared to 2015, the EU organic retail sales almost doubled in 2020, and the area under organic farming grew by 41%.”[40]

Italy: increases in economic efficiency and competitiveness
2021 research suggests that policy measures in Italy supporting organic agriculture, particularly measures to increase transitions from conventional to organic agriculture, have made organic farms more economically efficient and competitive in Italy.[41]

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https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Japan%20Enacts%20Legislation%20to%20Support%20Green%20Food%20System%20Strategy_Tokyo_Japan_JA2022-0059.pdf.

[38] Government of Japan. 2014. *New basic policy on the promotion of organic farming.* Ministry of Agriculture, Forestry and Fisheries. https://www.maff.go.jp/e/policies/env/sustainagri/attach/pdf/organicagri-6.pdf.

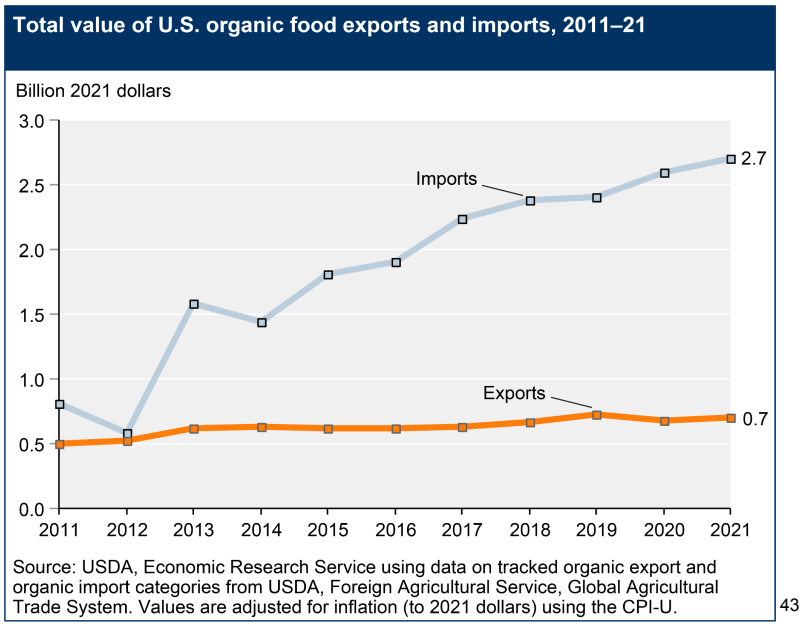
[39] Government of Japan. 2020. *The Basic Plan for Food, Agriculture and Rural Areas.* Ministry of Agriculture, Forestry and Fisheries. https://www.maff.go.jp/e/policies/law_plan/attach/pdf/index-13.pdf.

[40] European Commission. 2023. *EU agricultural markets brief: Organic farming in the EU: A decade of organic growth (No. 20).* https://agriculture.ec.europa.eu/document/download/df01a3c7-c0fb-48f1-8eca-ce452ea4b8c2_en?filename=agri-market-brief-20-organic-farming-eu_en.pdf.

[41] Casolani, N., Nissi, E., Giampaolo, A., & Liberatore, L. 2021. *Evaluating the effects of European support measures for Italian organic farms*. *Land Use Policy, 102*, Article 105225. https://doi.org/10.1016/j.landusepol.2020.105225.

United States: **increases in organic production, exports, and imports:**
Since the United States made organic agriculture federally regulated in 2000 and began supporting organic agriculture through various federal initiatives, “U.S. organic farm sales have increased from an estimated (inflation adjusted to 2021 dollars) $609 million in 2002 to nearly $11 billion in 2021…U.S. organic farms continue to have higher production costs than the average of all U.S. farms but also higher average total sales and net cash income.”[42]

Organic food exports and imports in the United States have both increased from 2011 to 2021, as shown below:

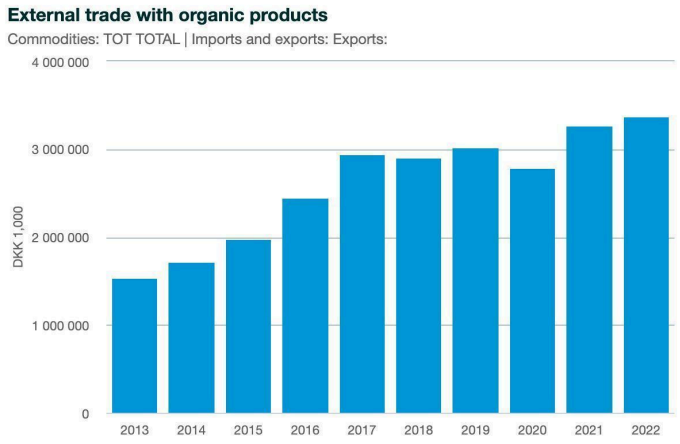


[43]

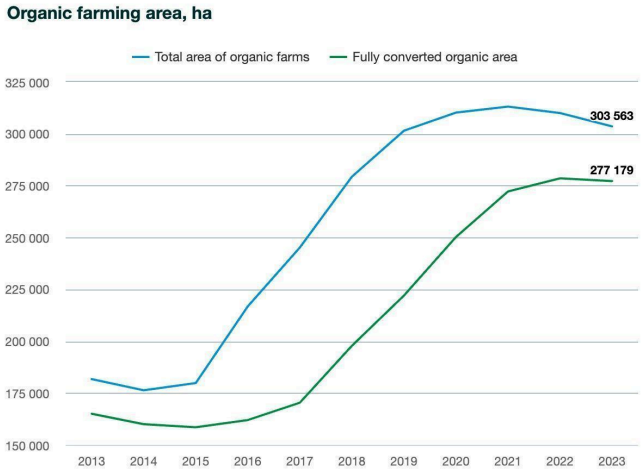
Denmark: Increase in land under organic production, growth in exports, increases in retail sales, and increases in the return on assets in organic agriculture

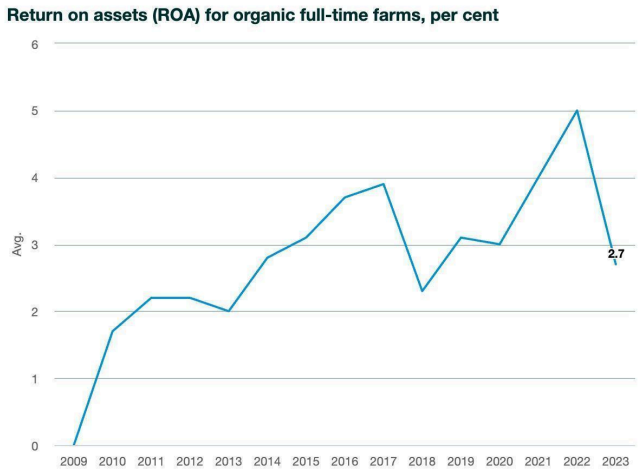
In the past ten years (2013 - 2022), organic exports have more than doubled, as shown below.

[42] Carlson et al, U.S. Organic Production, Markets, Consumers, and Policy, 2000–21, March 2023, https://www.ers.usda.gov/webdocs/publications/106016/err-315_summary.pdf?v=5624.5.
[43] Skorbiansky, S. R. 2024, January. Organic agriculture. USDA Economic Research Service. https://www.ers.usda.gov/topics/natural-resources-environment/organic-agriculture/.



Organic farming area has also increased, as has the return on assets for organic farms.[44]





[44] Statistics Denmark, 2024, Organic food imports and exports. https://www.dst.dk/en/Statistik/emner/miljoe-og-energi/oekologi/import-og-eksport-af-oekologiske-foedevarer.