



Cultivating the Organic Opportunity for Canadian Farmers and Consumers

Economic and Environmental Impacts of Organic
Agriculture and Policy Recommendations for Canada

Executive Summary | Organic Task Force Report | September 2025

Strattons Farm, Annapolis, NS

About COG

Canadian Organic Growers (COG) is Canada's oldest organic and regenerative association dedicated to supporting farmers and gardeners adopting more ecologically-based agriculture practices. Since its inception in 1975, COG has led the progress and prosperity of the organic movement and sector in Canada.

As a registered educational charity and not-for-profit, we work collaboratively with stakeholders across Canada to be the national voice for organic growers and consumers, to advance policy work and industry development at the local, regional and national levels and to train and support organic, regenerative and ecological growers across the country.

Vision

COG envisions a regenerative and resilient organic food and farming system across Canada.

Mission

COG provides education, advocacy and leadership to help build an agricultural system that empowers farmers and consumers, enhances human health, builds community and mitigates climate change while increasing Canadian food sovereignty.

Visit our website for more information www.cog.ca and follow us on social media at @canadianorganic.



Meadow View Ranch, Whitewood, SK

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This summary report is based on four technical reports: [Appendix 1: Economic Impacts](#), [Appendix 2: Environmental Impacts](#), [Appendix 3: Growth Projections](#), and [Appendix 4: Policy and Programs](#).

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Executive Summary



Organic farming is a tool for Canadian farmers and policymakers to increase farm profitability while delivering a range of environmental outcomes.

Canada's agriculture sector is facing increasing challenges, including trade tensions, increasingly frequent extreme weather events, and rising financial pressures. These challenges highlight the need to diversify and strengthen the resilience of agricultural production. Organic farming presents one strategic pathway forward: it can improve farm profitability and provide environmental benefits while meeting growing consumer demand.

Organic farming in Canada is federally regulated under the Canadian Food Inspection Agency (CFIA), third-party verified according to the Canadian Organic Standards (COS), and internationally recognized through nine equivalency arrangements with key trading partners. The organic sector includes more than 7,500 certified operators—almost 6,000 producers and 1,600 processors—managing 3.18 million acres and supplying a wide range of products and ingredients for value-added foods and beverages.¹ In 2023, Canada's organic market was valued at over \$9 billion, up from \$6.38 billion in 2019, making it the fifth largest globally.² During this time, however, domestic organic production has not increased, contributing to a growing production gap and increasing imports. This points to an opportunity to expand Canadian organic production to better meet growing demand at home and abroad, while supporting both economic and environmental objectives.

Despite its documented benefits, organic agriculture in Canada has received limited research and policy support, hindering growth. To address this, Canadian Organic Growers (COG) convened the Organic Task Force (OTF)—a team of farmers, researchers, and policy experts—to answer the question: **How can expanding organic production help Canada meet its economic, environmental, and climate goals, and what public support is needed to achieve this expansion?**

Objectives of the OTF:

- Identify economic and environmental impacts of organic production in Canada.
- Identify management practices that contribute to and enhance environmental outcomes on organic farms.
- Develop a realistic organic growth scenario and project its outcomes and contributions to policy goals.
- Estimate costs to producers and governments to achieve this scenario.
- Provide policy and program recommendations that support organic sector growth.



¹ Canada Organic Trade Association, 2023 Quick Facts Sheet. <https://canada-organic.myshopify.com/collections/>.

² FiBL. The World of Organic Agriculture 2025. <https://www.fibl.org/en/shop-en/1797-organic-world-2025>.

Key Findings of the Report:

Organic agriculture is a market-driven response to strengthen farmer livelihoods, build resilient food systems, and advance Canada's economic and environmental goals.

This report finds that organic farming in Canada:

- ➔ **Provides higher net returns for farmers** (117% higher net return per acre).
- ➔ **Has high short-term transition costs** (most return values are negative during the transition period).
- ➔ **Benefits biodiversity** (greater bird, plant, and insect biodiversity).
- ➔ **Maintains and improves soil health** (higher soil organic carbon (SOC) levels on average).
- ➔ **Reduces greenhouse gas (GHG) emissions by 35% per acre and 15% per unit of production.**
- ➔ **Uses up to 50% less energy and is up to 40% more energy efficient**, based on long-term Prairie trials.
- ➔ **Uses key beneficial management practices (BMPs)** including more diversified rotations, including cover crops and green manures, and managed habitat, at higher rates than on non-organic farms, delivering specific ecological and agronomic benefits.



The New Farm Centre, Creemore, ON

The OTF used these findings to estimate the economic and environmental impacts of tripling organic acreage in Canada,³ and found that such an increase would:

- **Generate \$1.73 billion in additional net farm income over 10 years**, or \$1.73 million annually, including transition costs.
- **Every \$1 invested in organic farm transition generates nearly \$8 in additional net returns for farmers.**
- **Avoid GHG emissions of 769 kt CO₂e annually**, offsetting 1% of Canada's agricultural emissions.
- **Increase biodiversity and maintain and improve soil health across more farmland.**
- **Increase the number of certified organic farmers by 40%.**
- **Reduce synthetic nitrogen (N) fertilizer use by 79.5 million kg N/year**, contributing 14% of Canada's fertilizer emissions reduction target.
- **Reduce pesticide use by 1.8 million kg active ingredient/year.**



The Homestead Farm, Goodfare, AB

- **Strengthen Canadian organic supply**, enabling farmers to better meet growing domestic and global market demand.
- **Create opportunities for producers to adapt to the impacts of climate change.**

³ This is a realistic growth scenario that acknowledges the complementary role of organic farming in Canada's agricultural landscape and aims to position Canada to better meet domestic and global organic demand while benefiting farmers and advancing environmental goals. When applying the projections to more ambitious growth scenarios, such as 25% organic farmland for example, the conversion would generate \$13 billion over 10 years, reduce agricultural emissions by 12% (compared to no organic farming), and meet 124% of the fertilizer emissions reduction target.

Executive Summary

The OTF used multiple research methods, including economic analysis of crop budgets, international life cycle assessments (LCAs) comparing GHG emissions, literature reviews, and Holos modeling and economic analysis at four Canadian case study sites. Consistent findings across methods strengthen confidence in the results. The report presents high-level, national conclusions, while acknowledging the wide diversity of practices, management approaches, and climate and soil types across Canada and within and across organic and non-organic systems.

Despite this diversity, organic is an established, regulated, and market-supported system that provides a context and framework for farmers to refine sustainable management, including integrated nitrogen and carbon management. Its market-based incentives and third-party verification system offer governments a mechanism for supporting the long-term adoption of practices that can deliver economic and environmental benefits.

Policy Recommendations:

The data in this report clearly show that organic farming delivers multi-functional economic and environmental benefits. Yet, Canadian governments have missed opportunities to invest directly in expanding organic farming and organic remains an underutilized tool in Canadian policy. Research by the OTF indicates that Canada stands alone in this approach, unlike our comparator nations, which actively support and fund organic food and farming to achieve policy goals.



Winter Sun Farm, Bella Coola, BC

Compared to Canada, we estimate that the U.S. spends eight times more per acre annually on organic programs, while the EU spends over 200 times more.⁴

The OTF recommends targeted federal investments to expand Canada's organic production to capture more of its benefits, and enhance sustainability. Research findings indicate the need for two main areas of production support: 1) reducing the risk of transition to organic through financial and technical support, and 2) helping existing organic farmers adopt practices that will mitigate the yield gap and improve profitability, while also further improving agri-environmental outcomes. Given the limited research and extension support for organic systems in Canada, targeted investments in these areas are a high-impact opportunity to improve the productivity and sustainability of organic agriculture while providing value to the agriculture sector at large.

Experience in other jurisdictions shows that production investments must be complemented by market development efforts to ensure long-term sustainability, requiring coordination to align production growth with demand, ensure market access for producers, and provide price stability for consumers. This report provides detailed production recommendations, and suggests a commensurate market development spending range, but does not further break down market development costs.⁵



The report recommends an annual investment of \$68.5 million to triple and enhance organic agriculture in Canada. We find that every \$1 invested in organic farm transition generates nearly \$8 in additional net returns for farmers and the economy.

Table 1 summarizes estimated costs of recommended policy measures.

⁴ Based on funds dedicated to organic programs in agricultural policy frameworks, normalized to an annual basis and expressed as a function of total farmland acreage. See Figure 1.

⁵ For more detail on market development mechanisms, see the Canadian Organic Alliance's (COA) Organic Action Plan (OAP): <https://cog.ca/policy/organic-action-plan>.

Table 1. Summary of Policy Recommendations and Costs to Triple and Enhance Organic Agriculture in Canada⁶

Recommendation	5-Year Provincial Investment	5-Year Federal Investment	5-Year Total Investment
Organic Transition Incentives ⁷	\$89 million	\$133 million	\$222 million
Organic Innovation Fund for Advanced Practice Adoption	\$20 million	\$30 million	\$50 million
Organic Education and Extension Services	\$7 million	\$20 million	\$27 million
Organic Research Expansion ^F	/	\$25 million	\$25 million
Organic Certification Cost-Share ^F	/	\$10 million	\$10 million
Support for New Entrants ^F	/	\$5 million	\$5 million
Improve Organic Crop Insurance	/	/	/
Organic Data Strategy ^F	/	\$2 million	\$2 million
Fund Organic Standards Update ^F	/	\$1.5 million	\$1.5 million
Total	\$116 million	\$226.5 million	\$342.5 million
Annual Costs	\$23.2 million	\$45.3 million	\$68.5 million
Estimated net cost savings⁸			\$171 million
Additional net returns to farmers over 10 years⁹			\$1.73 billion¹⁰

F = Federal only

This report strongly informs a chapter of the broader Organic Action Plan (OAP)—a long-term strategy to support the growth of Canadian organic production and markets—designed by the Canadian Organic Alliance (COA).¹¹ The COA has identified several short-term priorities that align with current government objectives, can be implemented immediately, and offer strong returns on investment. These priorities—an organic data strategy, a permanent organic standards review mechanism, and an organic market development fund—will strengthen the foundation for the more comprehensive organic production growth initiative proposed in this report.

⁶ This approach offers a strategic framework for governments, based on the research in this report and informed by experience in some Canadian provinces and other jurisdictions. However, provinces and territories vary in their priorities and needs for organic agriculture. Flexibility will be needed to allow each jurisdiction to tailor interventions to its context. For this reason, the Agricultural Policy Framework (APF) would be a key mechanism for implementation.

⁷ Farmers cover 70-83% of transition costs in this scenario, or \$688 million.

⁸ Research suggests that organic conversion could save the government 50 cents per dollar spent (i.e. \$171 million on a \$342.5 million investment), as organic farms tend to draw less on existing programs and can be less reliant on programming such as business risk management programs.

⁹ Additional net returns retained by producers from transitioning to organic, over 10 years including transition.

¹⁰ Investing \$222 million in organic farm transition generates \$1.73 billion in additional net returns for farmers, or nearly \$8 for every \$1 invested.

¹¹ COA includes COG, COTA, and the Organic Federation of Canada.

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