

GET THE FACTS

ABOUT ORGANICS IN ALBERTA



WHY IS ORGANIC FOOD MORE EXPENSIVE?

Food prices are rising across Canada. Canada's Food Price Report 2019 predicted that food prices would increase by 3.5% in 2019. That means families will spend an average of \$411 more on food in 2019 compared to 2018.

It's unclear how organic food prices factor into the report's findings, but organic food is typically more expensive than conventional food. Consumer Reports says the price difference between organic and conventional food ranges widely. On average, organic food costs 47% more, but in some specific cases, organic products are actually cheaper than their conventional counterparts.

With conventional food prices already so high, some Canadians worry that the cost of organic food is prohibitive. However, despite prices, the organic market is growing globally at a rate of 17.6% per year. In Canada, the organic market is worth an annual average of \$5.4 billion. 74% of Albertan grocery shoppers now purchase organics weekly (in 2017).

Many Albertans wonder what makes organic food so costly to produce and whether there's any way to bring the costs down. Here are the top reasons why organic food can cost more than conventionally grown food:

REASON #1: DEMAND IS OFTEN GREATER THAN SUPPLY

Jill Guerra of the Canada Organic Trade Association says, "We definitely continue to see interest in organics grow with demand outpacing supply." As in most markets, under-supplied food is subject to higher costs. People will pay more for the food they want most.

Some people believe that as the demand for organics continues to grow, and supply begins to catch up, the price gap between conventional and organic food may lessen. However, there may still be a difference in cost because of the differences in production methods as outlined below in reason #3.

REASON #2: CERTIFICATION TAKES TIME & MONEY

To convert a conventional farm to a certified organic farm requires a transition period whereby the land and the animals are farmed to organic standards. During this time, farmers are incurring costs to make the necessary changes to comply with organic certification requirements but aren't fully certified yet. This means they're paying organic related production costs but can't sell their products on the organic market. Crop farmers may be waiting for their soil to be clear of chemical residues from past pesticide use. Meanwhile, cattle farmers may have to wait for their new organic calves to become old enough to sell on the market. Both of these scenarios can take years, adding to a farm's costs.

Once a farm has been successfully transitioned, the farmer must pay fees to be certified. Organic certification (and annual re-certification) costs vary widely and are determined by a farm's size and type, but typically fall between \$200 and \$800. In addition to initial costs, organic farmers are required to pay for a third-party certifying body to complete an audit on their farm in order to ensure all organic regulations are being met according to the Canadian Food Inspection Agency, which can cost upwards of \$300 per year depending on farm size. You can see the different price ranges in this table from the Organic Council of Ontario.



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REASON #3: ORGANIC FARMING METHODS ARE OFTEN MORE COSTLY

Although organic farming is undoubtedly rewarding for farmers and Canadian families alike, it does require methods that are often more costly. Some of the more notable production practices that can increase costs for organic farmers include a greater reliance on manual labour, alternative means of managing fertility, and special animal husbandry practices. While organic farmers often have little choice but to use these more expensive production techniques in order to qualify as organic, conventional farmers may still choose to do so as well.

Pest management isn't easy on any farm, but conventional farmers have a number of approved chemical pesticides, as well as genetically engineered crop varieties they can employ to gain an advantage when battling pests. Meanwhile, organic farmers are limited to more costly methods of managing weeds and insects that are often very manual labour intensive. Many farmers spend hours pulling weeds by hand, and laying straw mulch across their crops in an effort to keep pests at bay and to keep crops healthy and growing.

Synthetic fertilizers are designed to provide readily available nutrients to plants in the conventional farming method. These are not allowed in organic production. Without the use of synthetic fertilizers, organic farmers rely heavily on crop rotation, animal

manure (from organic animals of course), and green manure. While the term "green manure" sounds like it may come from animal manure, it has nothing to do with animals. Green manure is the practice of growing a nutrient-rich crop that is then tilled back into the soil to help boost fertility and soil structure. When doing this, the farmer is foregoing a harvest, meaning they have no crop to sell for income. Instead, the cost of the green manure crop and the lost revenue becomes an investment into the next year's crop. The loss of income from this land for the current growing season means the balance of their production acres needs to cover the cost of the green manure crop, plus the lost revenue. As such, the organic farmer often needs to price his or her harvest higher than conventionally grown crops that are grown with synthetic fertilizers to provide annual revenue from every acre.

One very big difference with organically farmed and conventionally farmed meat and dairy lies in what the animals are being fed. Organic animals must be fed organic feed which can be more difficult to source, and more expensive to purchase. In addition to feed requirements, some animals are required to have additional accommodations that create opportunities for the animal to live in a way that does not inhibit their natural tendencies. For example, organic laying hens are required to have perches in their living space; these types of requirements can be costly for organic farmers.

2 TIPS FOR SAVING MONEY ON ORGANIC FOOD

Although organic prices fluctuate alongside conventional food prices, the spread can make you stop and consider your options. There are a couple of ways you can choose organic and still stay within budget.

Follow the seasons: Farmers recommend buying organic products that are in season, especially when it comes to fruits and veggies. Prices are typically lower during harvest times. Plus, this gives you an opportunity to buy from local farmers. Here's a list of what's in season from a local Edmonton farmer's market.

Watch for sales and compare prices: When you're looking for specific products, it's easy to make a quick price comparison to find an affordable retailer. The Canadian Organic Growers website provides an organic price tracker to help buyers compare costs.



WHY DO ALBERTANS CHOOSE ORGANIC DESPITE THE COST?

What's in your shopping cart, Alberta?

Many Alberta families choose a mixture of conventional and organic food for their families. The organic products people reach for most tend to be fruits and veggies, but there has been growth in other areas of Alberta's organic sector.

It comes down to personal decision making. Those who choose organic food, despite the cost, do so for different reasons. For some people, health concerns are their primary motivation. For others, sustainable farming practices and elevated humane animal practices are the reasons they choose organic food.

Despite the growth in the organic sector, many Albertans still wonder what the Canada Organic Logo on their food means. Organic Alberta will be providing Albertans with the answers to their top organic questions. Let's talk about some of the questions you have about hormones, fertilizers, animal welfare, and more. Sign up to join our Get The Facts conversation and receive articles directly to your inbox.

