

# Organic Outlook

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# Primer: Organic Agriculture

- **What is organic agriculture?**

- Strict organic standards overseen by authorized certifying agent
- Produced without excluded or prohibited methods
- Soil fertility managed through tillage and required cultivation practices
- Physical, mechanical, and biological practices for pest control

- **Who is the organic consumer?**

- Diverse population of all incomes, ages, races, and ethnicities
- Consumers purchase organic to avoid pesticide residue, and beliefs about environment and health benefits

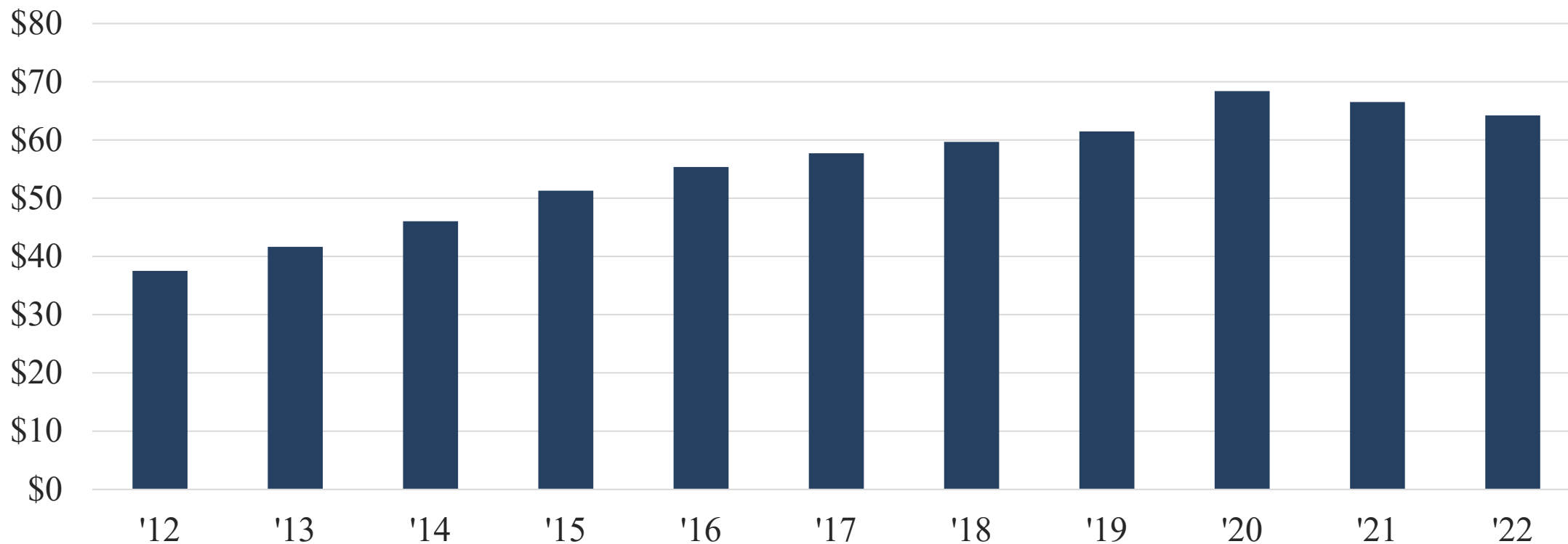
- **Why organic agriculture?**

- High-value market opportunity and climate smart
- Recent regulation aligns practices with consumer expectations



# Organic retail sales stable

Consumer sales, billion dollars (inflation adjusted to 2023 dollars)

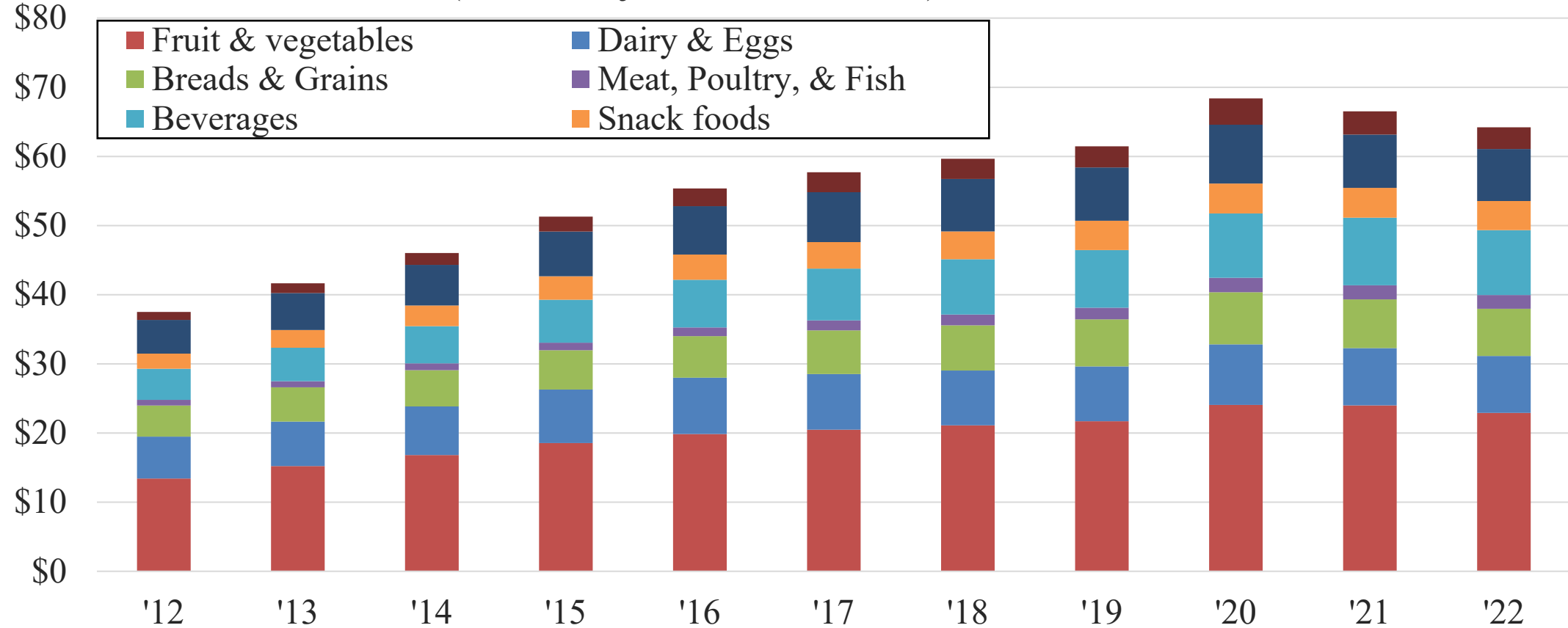


Source: USDA, Economic Research Service using data from the Organic Trade Association and Nutrition Business Journal.  
For more information see the USDA-ERS Organic Topic Page



# Fruit and vegetable lead organic sales

Consumer sales, billion dollars (inflation adjusted to 2023 dollars)

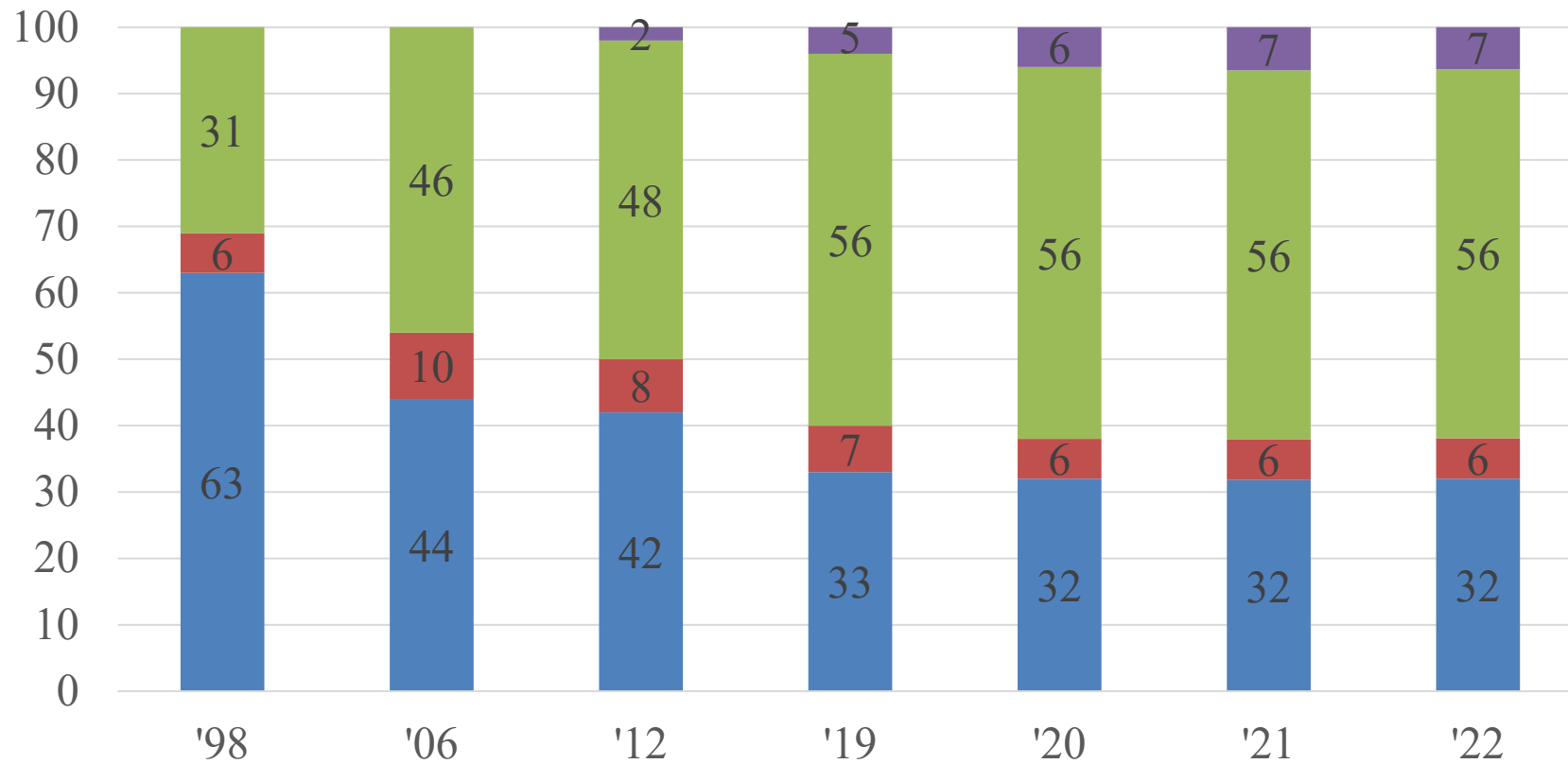


Source: USDA, Economic Research Service using data from the Organic Trade Association, Nutrition Business Journal, and U.S. Bureau of Labor Statistics Consumer Price Index for all Urban Consumers (CPI-U).



# Traditional food stores continue to gain share of organic retail market

Percent of organic retail sales



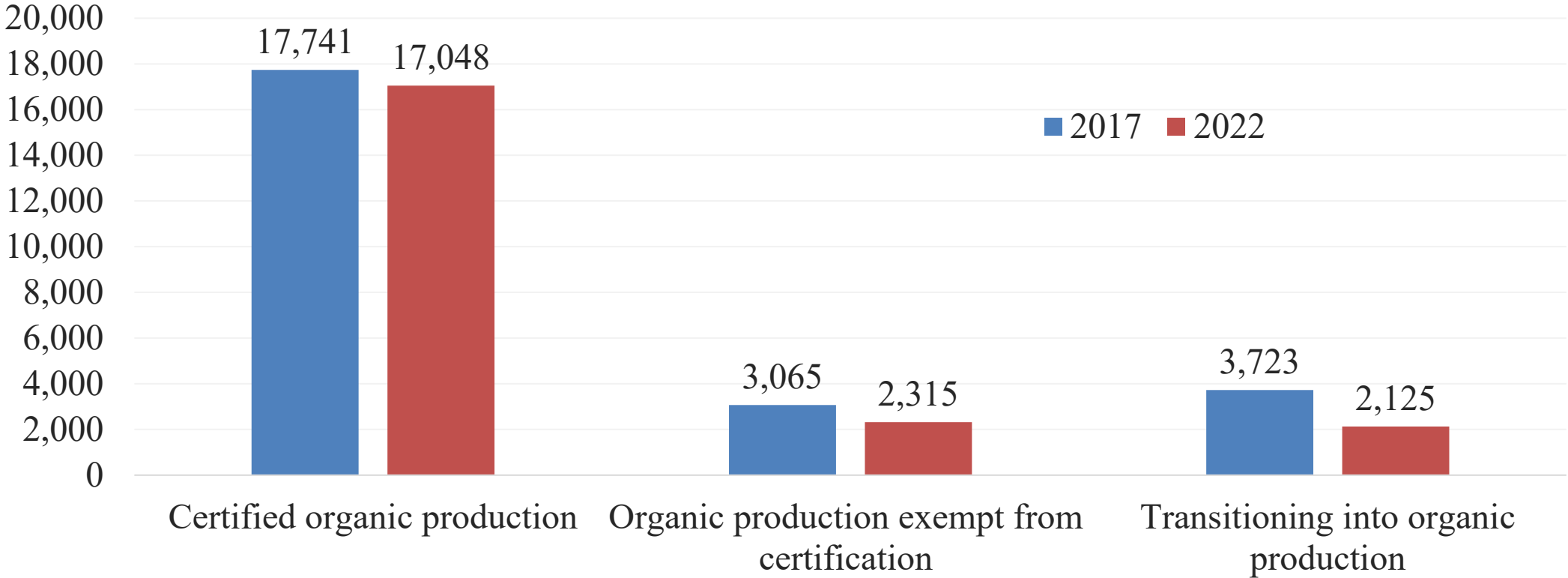
- Internet
- Natural/health food stores
- Farmers markets, community support agriculture, mail order, and other direct-to-consumer sales
- Traditional grocery stores, club stores, convenience stores, and supercenters

Source: USDA, Economic Research Service using data from the Natural Foods Merchandiser and the Organic Trade Association. For more information see ERS Amber Waves “Rising Consumer Demand Reshapes Landscape for U.S. Organic Farmers.”



# Number of operations fell between 2017 and 2022

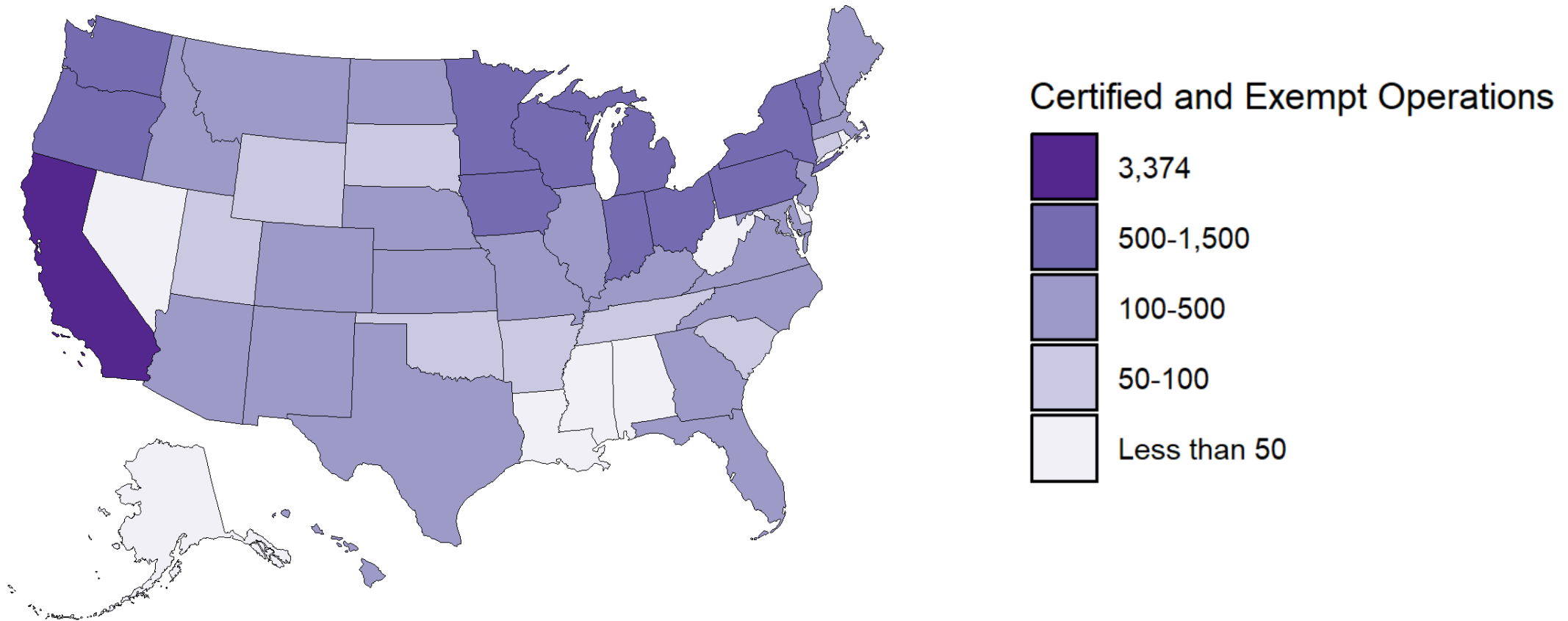
Number of operations



Source: USDA, Economic Research Service using data from the National Agricultural Statistics Service Census of Agriculture.



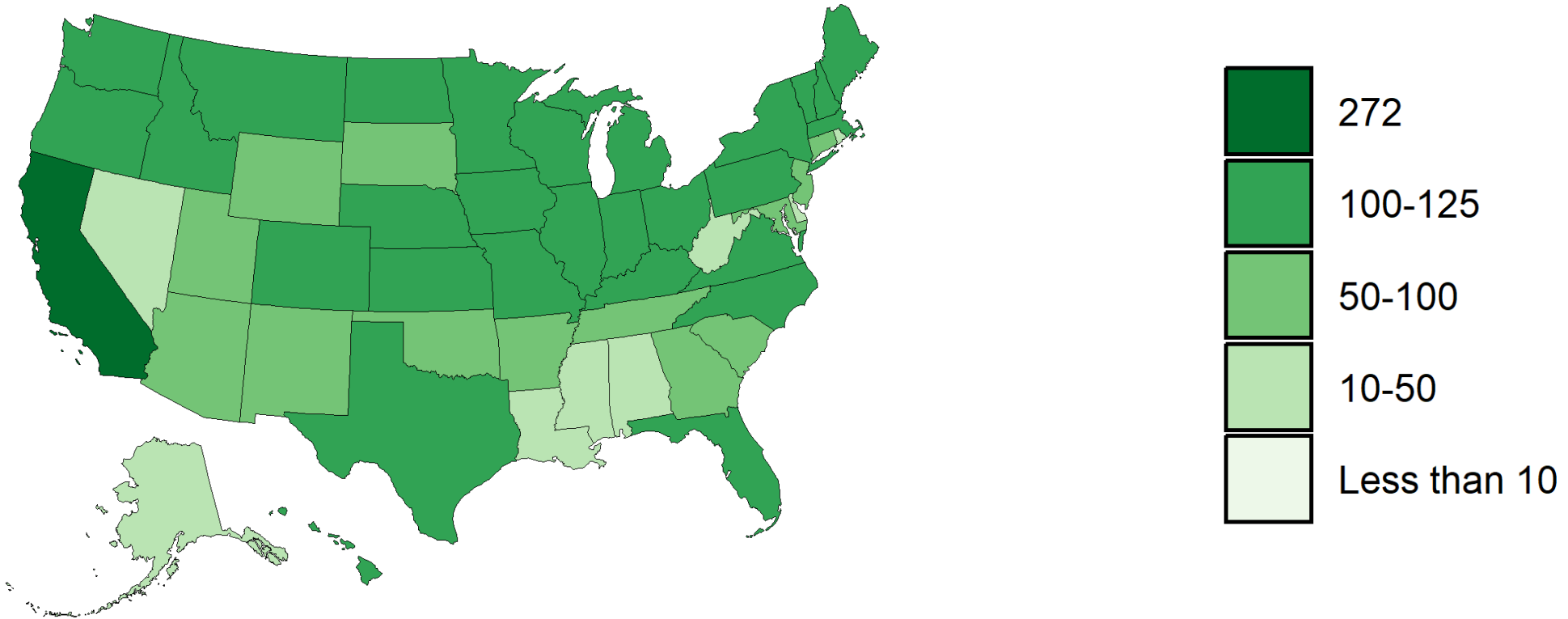
# California has the highest number of organic operations



Source: USDA, Economic Research Service using data from the National Agricultural Statistics Service Census of Agriculture.



# California has the highest number of transitioning operations



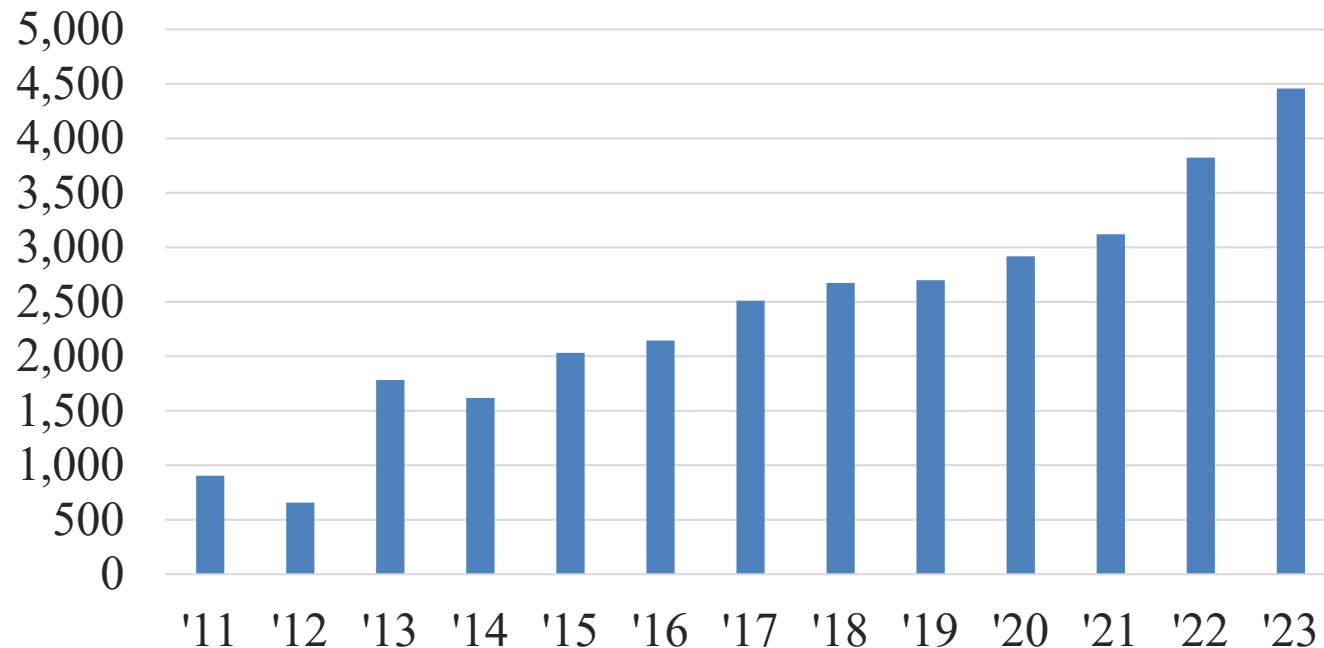
Source: USDA, Economic Research Service using data from the National Agricultural Statistics Service Census of Agriculture.





# Organic products are imported to meet domestic demand

Millions of dollars  
(inflation adjusted to 2023 dollars)



## Selected import codes added in 2023

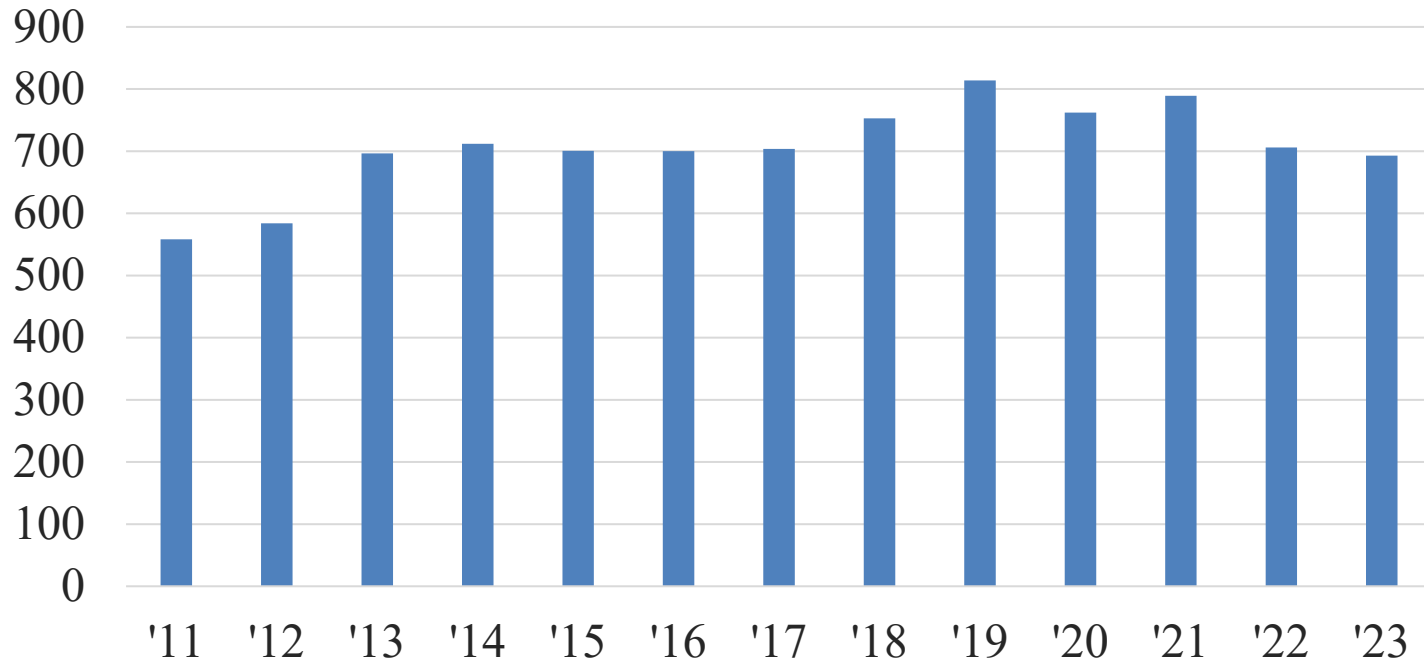
- Organic dates, fresh or dried
- Lentils, red
- Basmati rice, husked (brown)
- Flaxseed (linseed), whether or not broken
- Maple syrup
- Wheat gluten
- Tart cherry juice concentrate

Source: USDA, Economic Research Service using data from USDA, Foreign Agriculture Service and U.S. Department of Commerce, Bureau of the Census.  
For more information see ERS Report “U.S. Organic Production, Markets, Consumers, and Policy, 2000–21.”



# Value of organic tracked exports declined in 2023

Millions of dollars  
(inflation adjusted to 2023 dollars)



## Largest U.S. exports, 2023

### 1. Apples

- Total export value: \$146 million
- Value shares: Mexico (62%), Canada (14%)

### 2. Lettuce, not head

- Value: \$62 million
- Value shares: Canada (55%), Mexico (26%)

### 3. Spinach

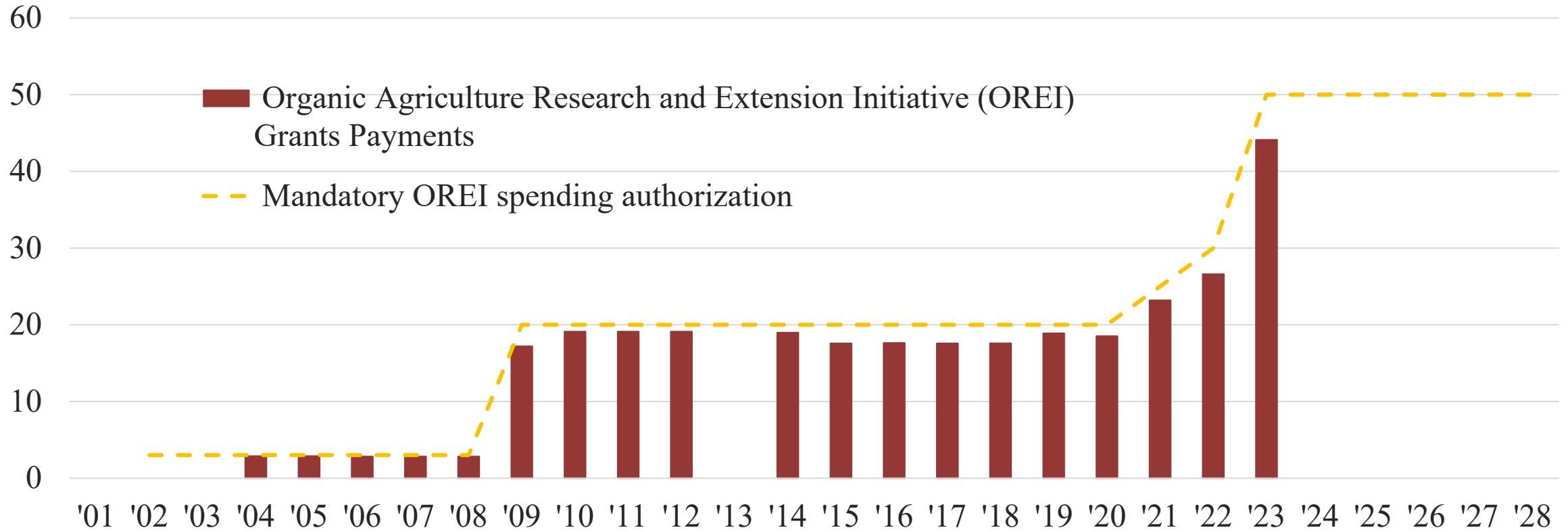
- Value: \$42 million
- Value shares: Canada (55%), Mexico (45%)

Source: USDA, Economic Research Service using data from USDA, Foreign Agriculture Service and U.S. Department of Commerce, Bureau of the Census.  
For more information see ERS Report “U.S. Organic Production, Markets, Consumers, and Policy, 2000–21.”



# Federal funding of organic research grants has grown

Grant payments (million of dollars)

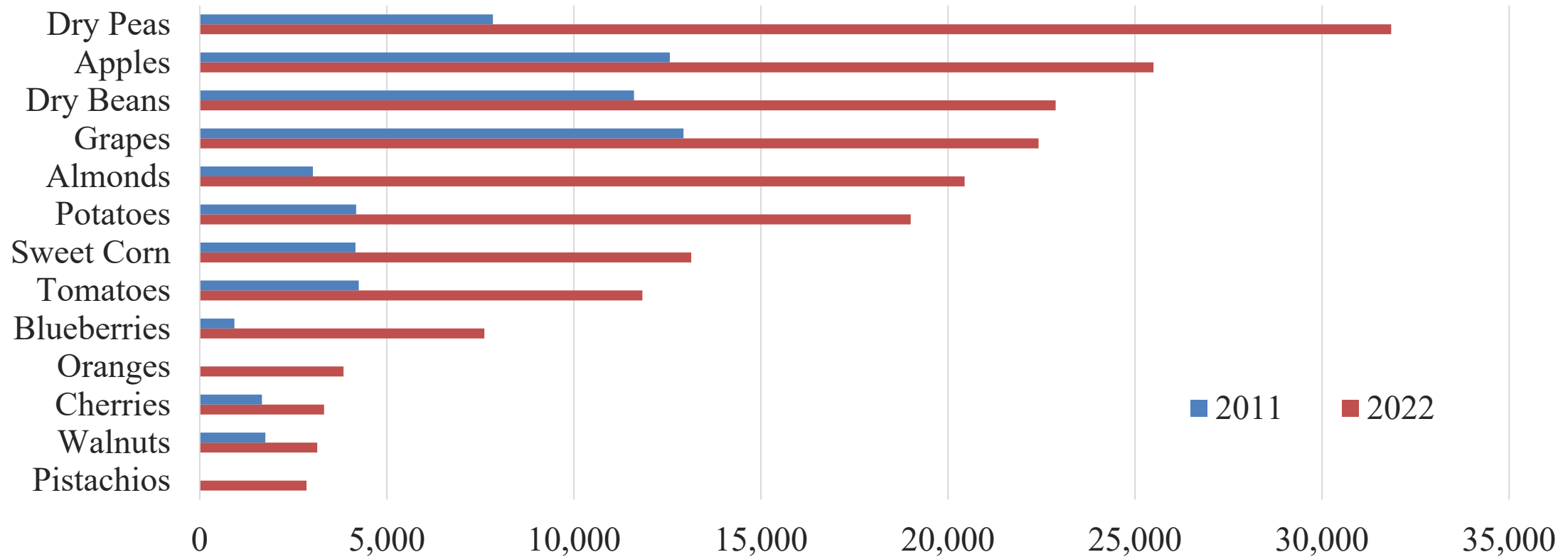


Source: USDA, Economic Research Service using data from USDA, National Institute of Food and Agriculture.

For more information see ERS Amber Waves “Rising Consumer Demand Reshapes Landscape for U.S. Organic Farmers.”



# Organic acreage covered by Federal crop insurance expanded for many specialty crops



Acres

Source: USDA, Economic Research Service using data from USDA, Risk Management Agency.

For more information see ERS Amber Waves “With Expanded Options, Organic Producers of Specialty Crops Increase Use of Federal Risk Management Products.”



# New Federal programs to assist organic growers

## 1. Farm Service Agency

- Organic and Transitional Education and Certification Program (OTECP), FY2021, \$20 million
- Organic Dairy Marketing Assistance Program (ODMAP), \$104 million

## 2. Risk Management Agency

- Transitional and Organic Grower Assistance Program (TOGA), FY2022, \$25 million

## 3. Agricultural Marketing Service

- Organic Market Development Grant Program, FY2023, \$75 million
- Transition to Organic Partnership Program (TOPP), FY2022, \$100 million

## 4. Natural Resources Conservation Service

- Organic Transition Initiative Environmental Quality Incentives Program (OTI-EQIP), FY2023, \$70 million
- NRCS Training, FY2023, \$5 million



# Visit the ERS Organic Topic Page

## USDA-ERS Organic Topic Page

<https://www.ers.usda.gov/topics/natural-resourcesenvironment/organic-agriculture.aspx>

**USDA** Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE

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### U.S. Organic Production, Markets, Consumers, and Policy, 2000-21

Andrea Carlson, Catherine Greene, Sharon Raszap Skorbiansky,  
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