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Growth in U.S. organic food sales has outpaced organic farmland since 2000

Milestones in U.S. organic legislation and policy, 2000-2020

- 2002 – NOR takes effect
- 2009 – First bilateral organic equivalency agreement with Canada
- 2010 – Pasture standard for ruminants
- 2020 – Strengthening Organic Enforcement Rule proposed

- Organic Agriculture Research and Extension Initiative (OREI)
- Certification Cost-Share Program
- Starting in 2008:
  - EQIP includes organic
  - Credit
  - Trade
  - Crop insurance
Inflation-adjusted spending on USDA's organic regulatory program, certification assistance, and data, 2002-2018 Farm Acts

*Includes an additional $5 million in 2014 and 2018 for the National Organic Program for data to improve regulatory enforcement and fraud prevention.
Certified organic and transition acreage under Federal crop insurance

Commodity Shares, 2017

Organic Retail Shares and Value

Tracked Organic Imports and Exports, 2019

Source: USDA Economic Research Service based on data from the USDA Foreign Agriculture Service and the U.S. Department of Commerce.
Organic Fresh Fruits and Vegetables

• Dominates U.S. production, international trade, consumer purchases

• Wholesale premiums:
  – generally held steady 2015-2018
  – Average premium ranges from 67% (tomatoes) to 85% (Fuji apples)

• Total acres harvested, 2019: 380,550
Organic Fresh fruit and vegetable retail market share

Organic Field Crops

- Total acres harvested, 2019:
  - 2,268,646
  - Dominated by corn, winter wheat


Source: USDA Economic Research Service based on data from the Agricultural Marketing Service and the National Agricultural Statistics Service

Selected grain premiums, 2015-2018

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Premium-organic feed to conventional (percent)</th>
<th>Additional Premium – food (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>136</td>
<td>23</td>
</tr>
<tr>
<td>Soybean</td>
<td>94</td>
<td>20</td>
</tr>
<tr>
<td>Wheat</td>
<td>67</td>
<td>56</td>
</tr>
<tr>
<td>Oats</td>
<td>63</td>
<td>.....</td>
</tr>
<tr>
<td>Barley</td>
<td>114</td>
<td>.....</td>
</tr>
</tbody>
</table>
Value of Annual Organic Grain imports, 2011-2020

Source: USDA Economic Research Service using data from USDA Foreign Agriculture Service and the U.S. Department of Commerce.
Organic Grain retail market share

Organic Dairy Production, 2000-2019

• Certified milk cows:
  – 2001 = 40,000
  – 2019 = 363,404

• Value of market share:
  – 2007 = 1.92%
  – 2019 = 5.5%

• High premiums drive market
Retail Organic Dairy Market Share

Organic Poultry and Egg Production

• Represent nearly 25 percent of value of all organic commodities in 2018

• Layers:
  – 2007 = 2 percent of flock
  – 2018 = 5 percent of flock

• Contracts mean steady premiums
Organic Retail Market Shares for Eggs and Poultry

The chicken category includes frozen, canned, and cooked products, as well as fresh chicken. More processed products, such as sausage and breaded chicken, are not included.

Consumer Demographics and Motivations

- **Demographics**
  - Cut across all incomes, education, age, and race and ethnicities
  - Younger shoppers more represented
  - Households with young children more represented

- **Consumer Motivation:**
  - Believe organic is safer
  - Avoid pesticide residue and non-therapeutic antibiotics
  - Believe organic is more nutritious
  - Believe organic is more sustainable
Conclusion

The National Organic Program has supported a rapidly increasing consumer demand for organic foods.

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