



United States Department of Agriculture



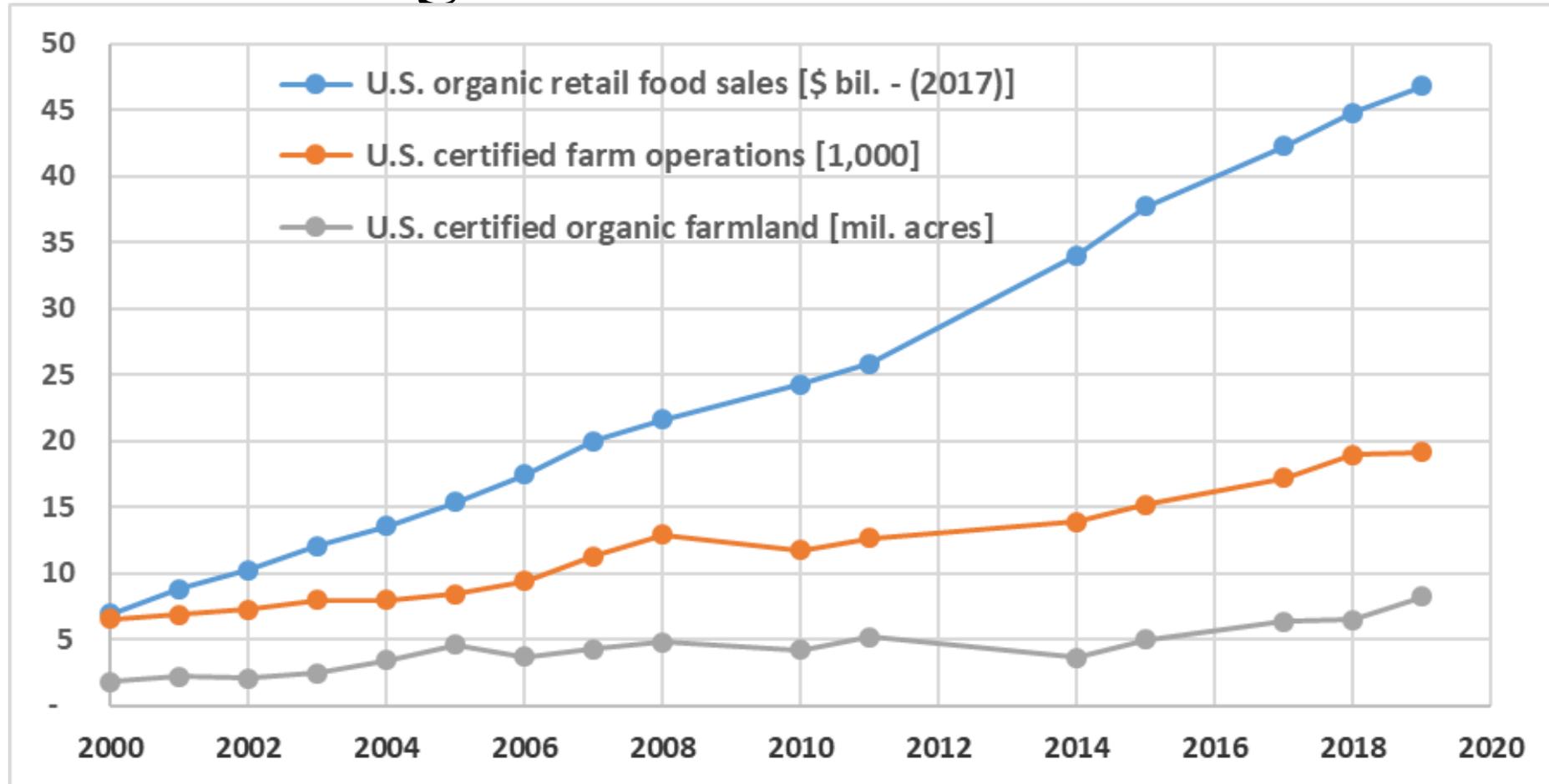
# U.S. Organic Production, Markets, Consumers, and Policy, 2000-2020

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*The findings and conclusions in this presentation are those of the authors and should not be construed to represent any official USDA or U.S. Government determination or policy. This research was supported by the U.S. Department of Agriculture. Findings should not be attributed to IRI.*



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



Source: USDA, Economic Research Service, Natural Foods Merchandiser, Nutrition Business Journal, and USDA National Agriculture Statistic Service (NASS)

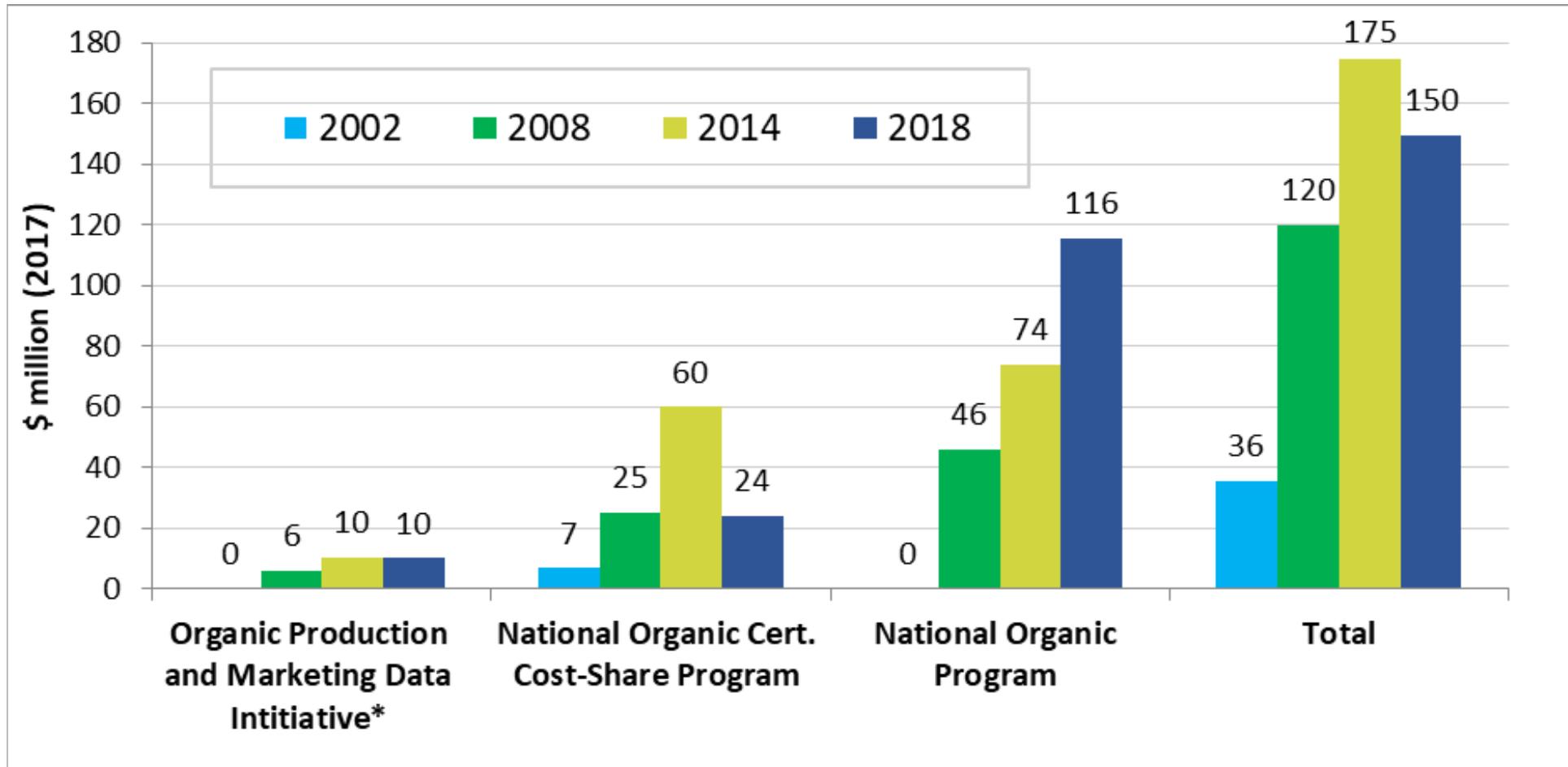


# Milestones in U.S. organic legislation and policy, 2000-2020

- 2000 – USDA National Organic Rule (NOR)
  - 2002 – NOR takes effect
  - 2009 – First bilateral organic equivalency agreement with Canada
  - 2010 – Pasture standard for ruminants
  - 2020 – Strengthening Organic Enforcement Rule proposed
- Farm Bills: 2002, 2008, 2014, 2018:
- Organic Agriculture Research and Extension Initiative (OREI)
  - Certification Cost-Share Program
  - Starting in 2008:
    - EQIP includes organic
    - Credit
    - Trade
    - Crop insurance



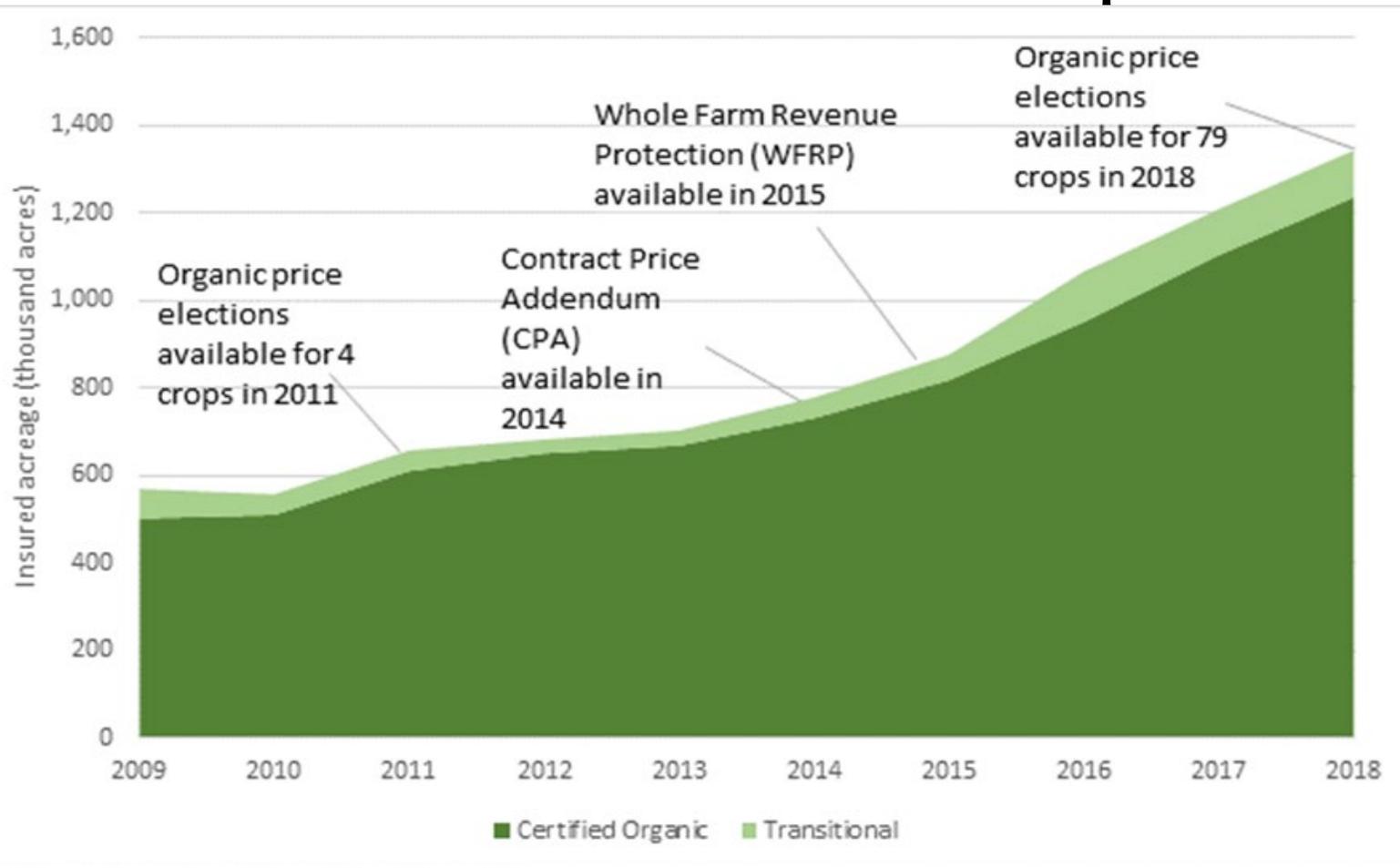
# Inflation-adjusted spending on USDA's organic regulatory program, certification assistance, and data, 2002-2018 Farm Acts



\*Includes an additional \$5 million in 2014 and 2018 for the National Organic Program for data to improve regulatory enforcement and fraud prevention.



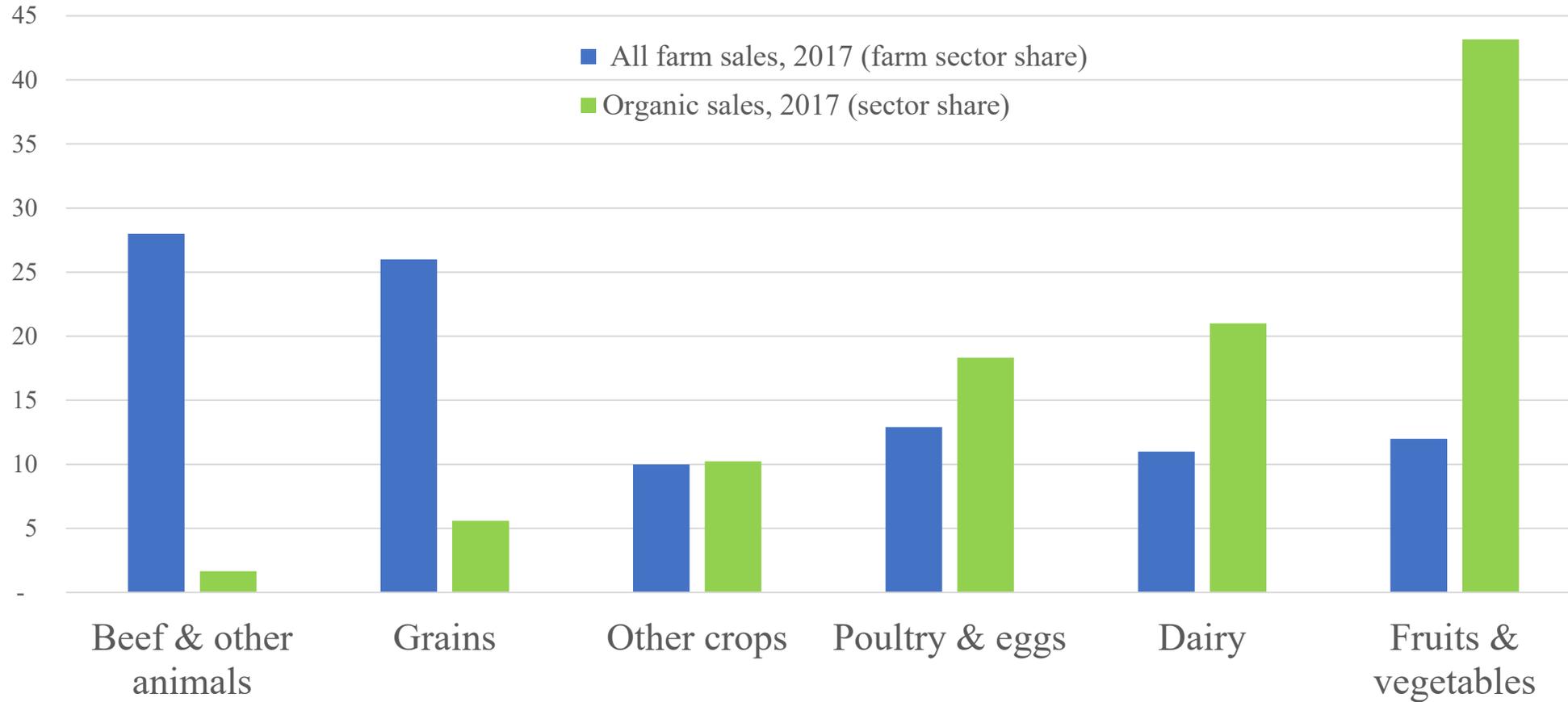
# Certified organic and transition acreage under Federal crop insurance



Source: USDA Economic Research Service based on data from the Risk Management Agency.



# Commodity Shares, 2017

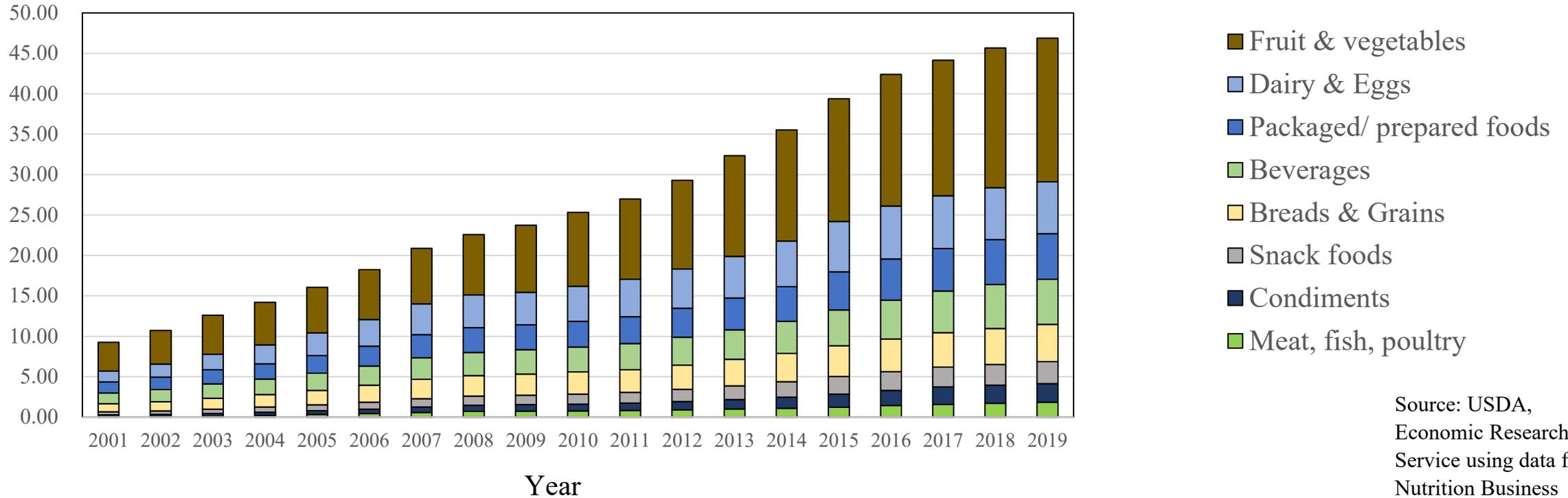


Source: U.S. Economic Research Service using data from USDA National Agricultural Statistics Service, Census of Agriculture, 2017.



# Organic Retail Shares and Value

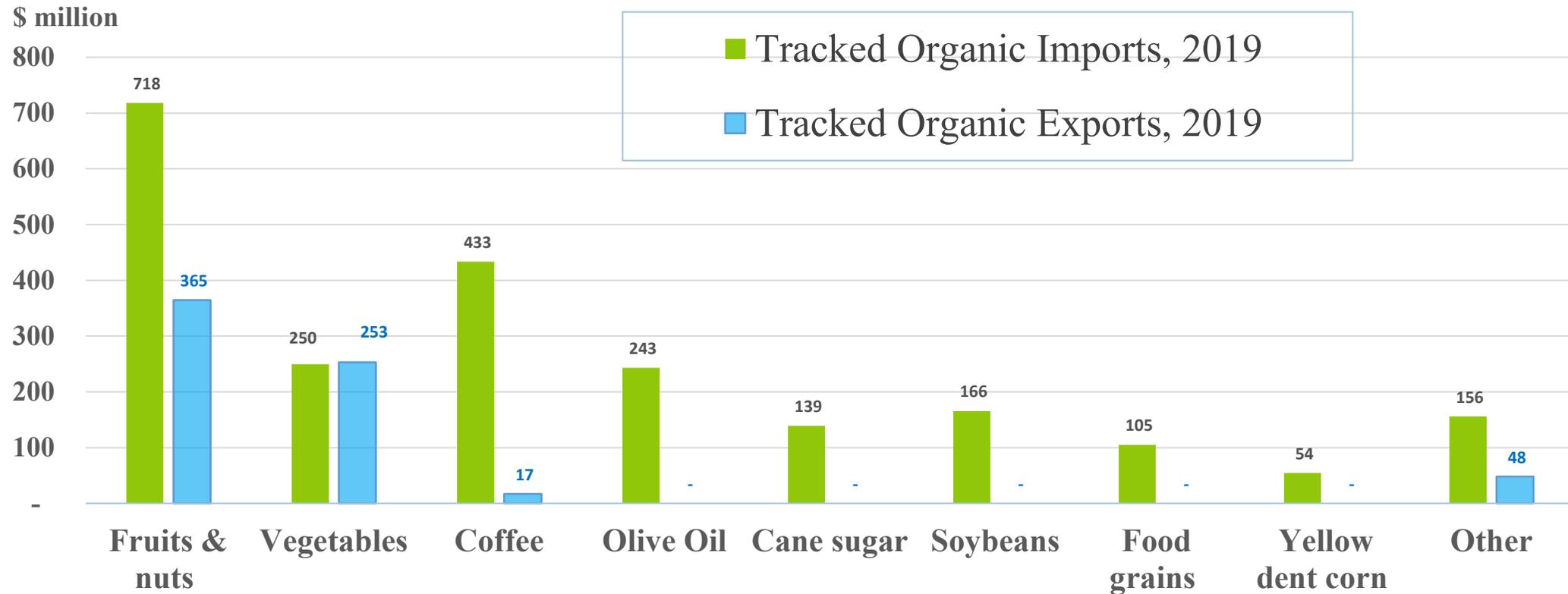
Consumer sales  
(billions 2019 \$)



Source: USDA,  
Economic Research  
Service using data from  
Nutrition Business  
Journal (2020).



# 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.

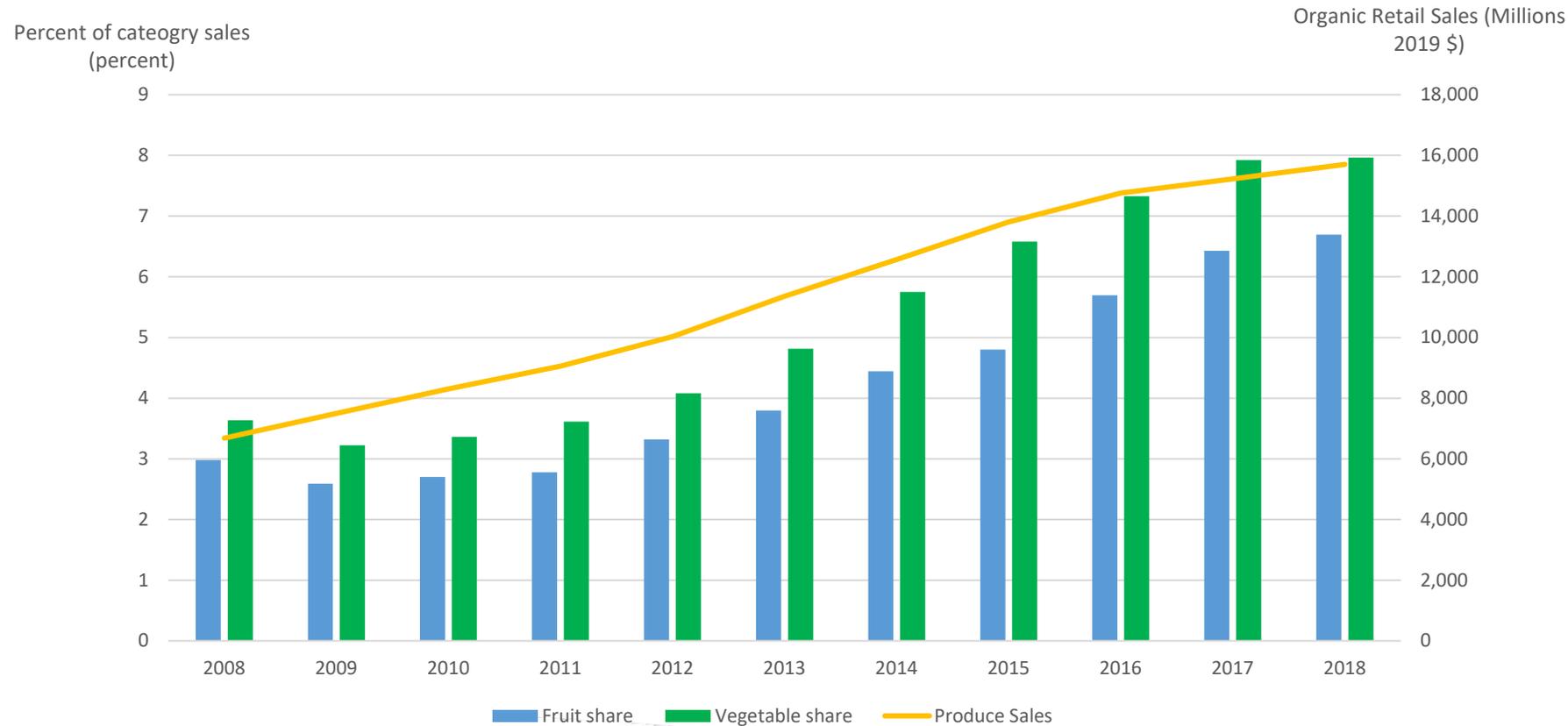


# Organic Fresh Fruits and Vegetables

- 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



Source: USDA Economic Research Service using data from IRI InfoScan and the Nutrition Business Journal (2020).



# Organic Field Crops

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

Selected grain premiums, 2015-2018

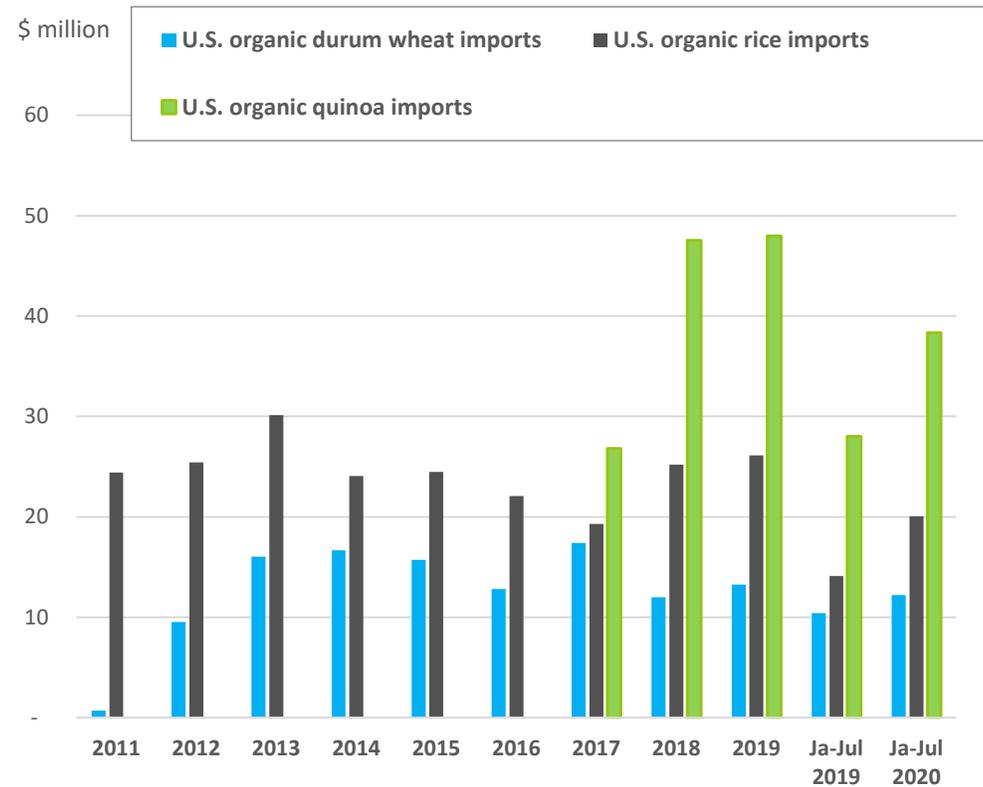
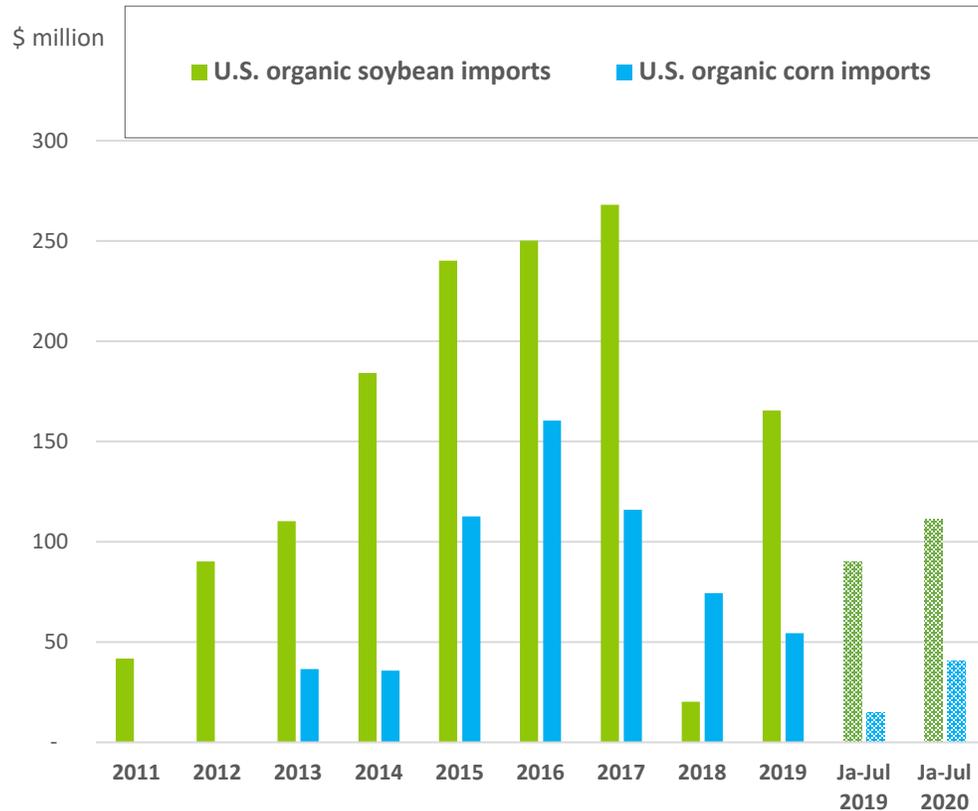
Commodity	Premium-organic feed to conventional (percent)	Additional Premium – food (percent)
Corn	136	23
Soybean	94	20
Wheat	67	56
Oats	63	.....
Barley	114	.....

Table Note: Organic corn and soybean prices cover Jan. 2011-Sep. 2018; Organic wheat covers May 2011-Sep. 2018; Organic oats and barley cover Jan.-Feb. 2011 to Aug.-Sep. 2015.

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



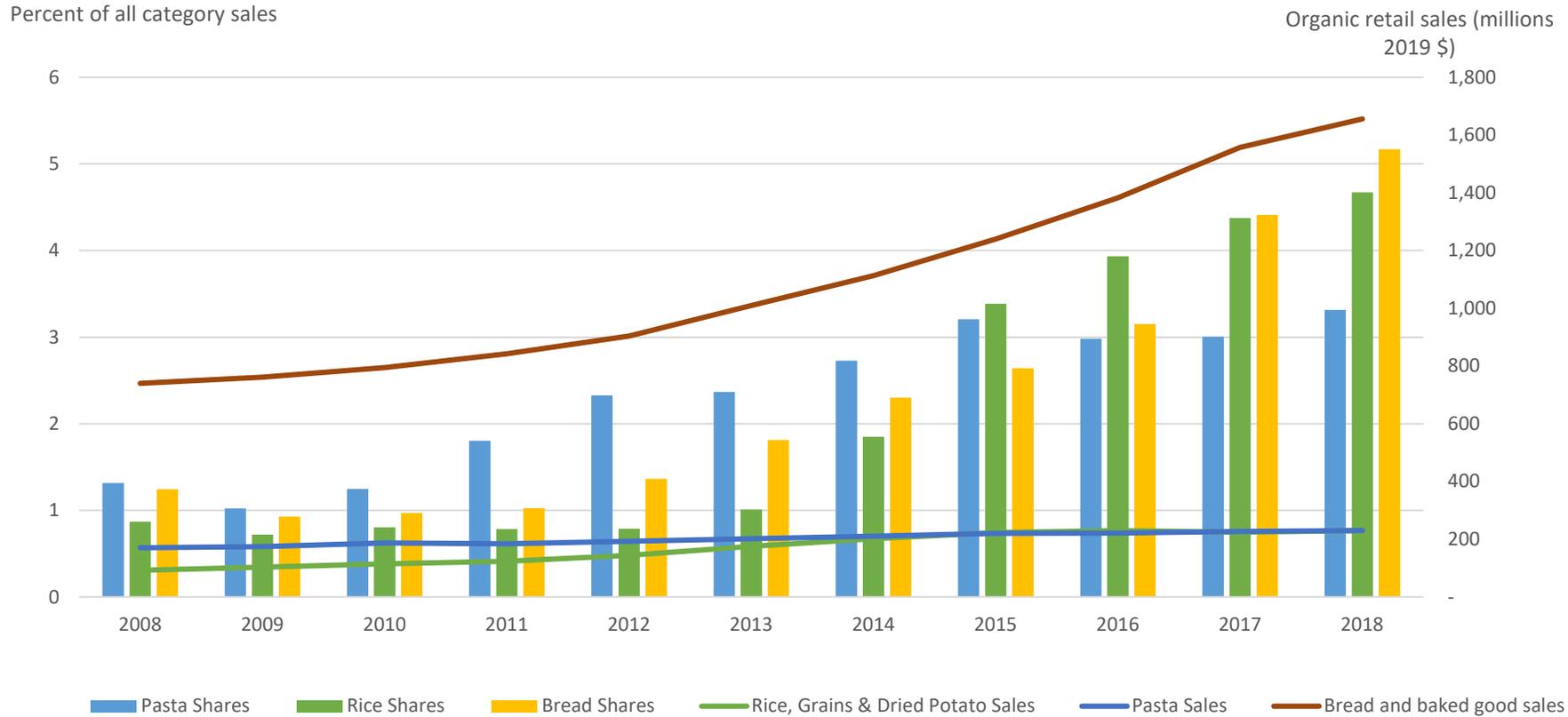
# Value of Annual Organic Grain imports, 2011-2020



Source: USDA Economic Research Service using data from USDA Foreign Agriculture Service and the U.S. Department of Commerce.



# Organic Grain retail market share



Source: USDA Economic Research Service using data from IRI InfoScan and the Nutrition Business Journal (2020).

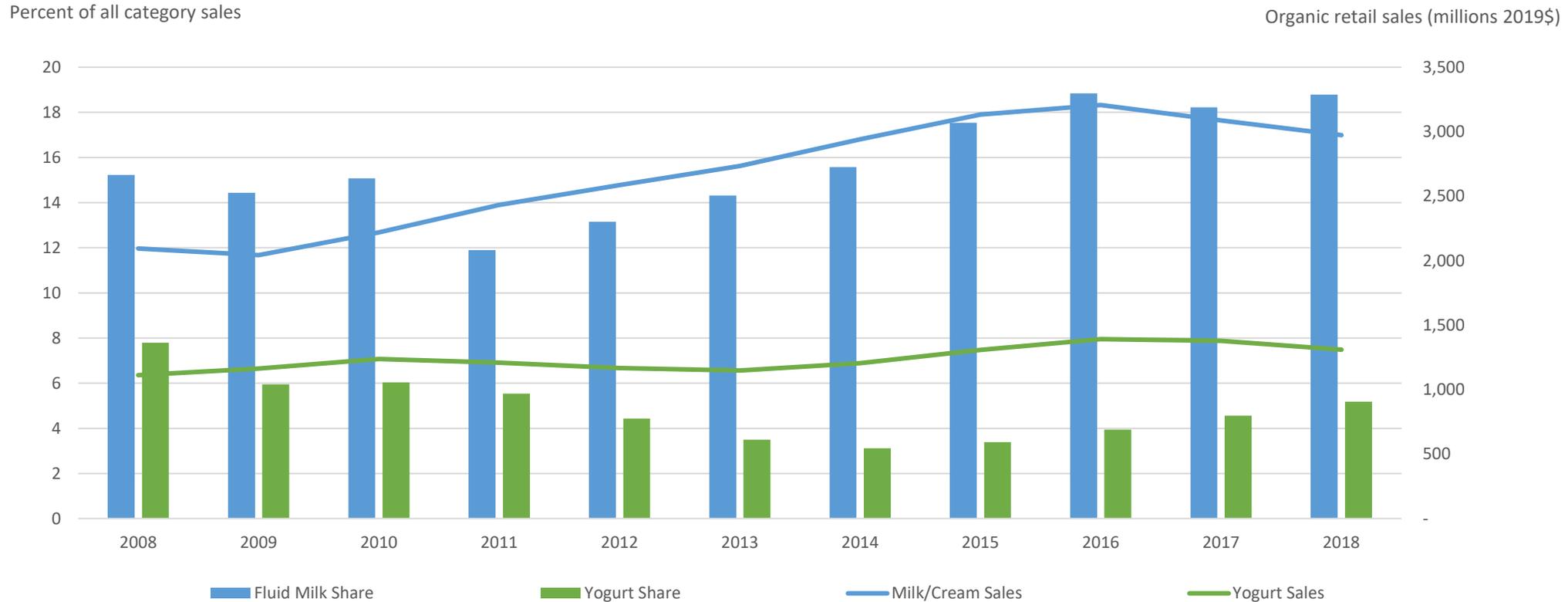


# Organic Dairy Production, 2000-2019

- 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



Source: USDA Economic Research Service using data from IRI InfoScan and the Nutrition Business Journal (2020).

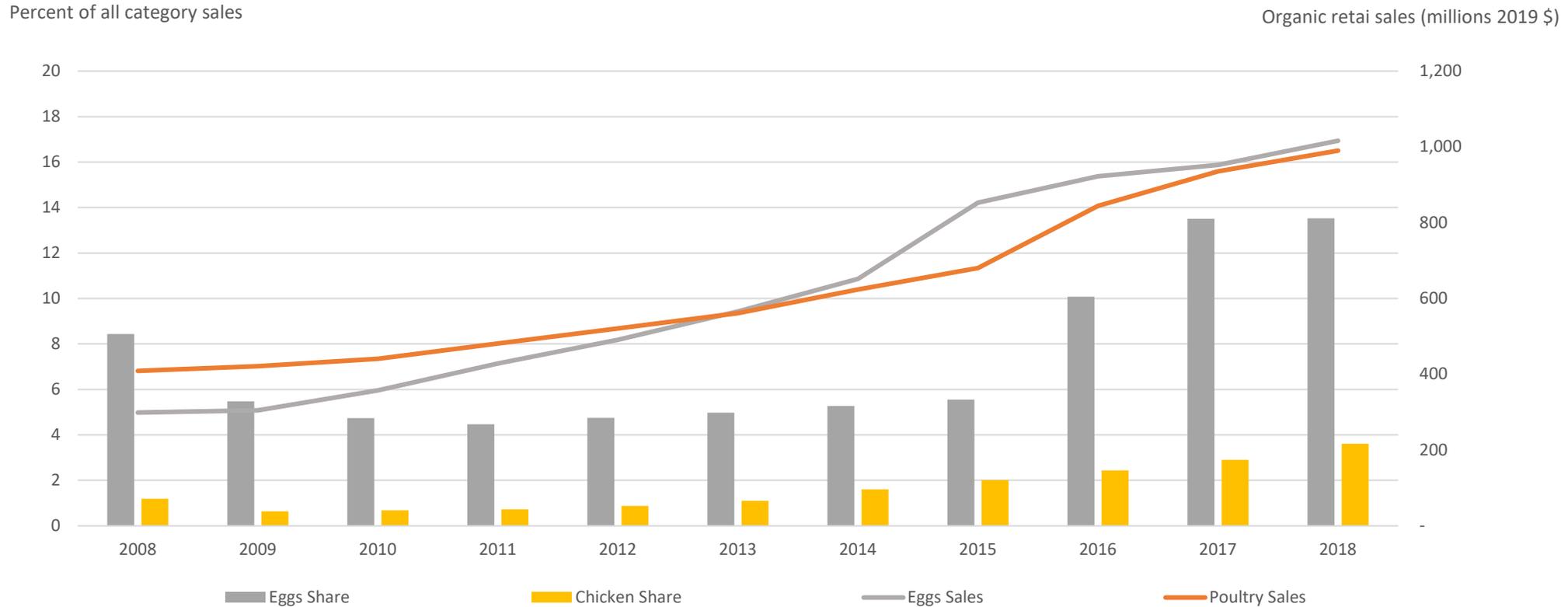


# Organic Poultry and Egg Production

- 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.

Source: USDA Economic Research Service using data from IRI InfoScan and the Nutrition Business Journal (2020).



# 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.

For more information:

[www.ers.usda.gov](http://www.ers.usda.gov)

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Economic Research Service exhibit hall booth:  
2 to 4:30 ET today.

