

USDA Organic Presentation

October 2019





- Background of USDA National Organic Program
- General Overview of US Organic Food Trends
- Specific Product Summary
 - Beverages
 - Infant formula
 - Nutritional Supplements



History of the U.S. Organic Program

Organic Foods
Production Act
signed into law

1990

U.S. organic
sales reach
\$1 billion

Final organic rule
implemented and
"USDA Organic"
seal introduced

2002

U.S. organic
sales reach
\$8.6 billion



Over 24,000
certified organic
operations
nationwide

2016

U.S. organic sales
reach nearly
\$50 billion

Organic food sales
exceed
5% of **TOTAL**
RETAIL
SALES



NOP Functions



- Develops and maintains organic standards
- Accredits and oversees third party organic certifying agents
 - 80 certifying agents worldwide
 - 33,000 certified organic operations worldwide; 24,650 of those in the U.S.
 - >\$50 billion in U.S. organic sales (food and non-food)
- Manages the National Organic Standards Board
- Investigates complaints of violations
- Implements international organic trade agreements
- 40 staff and FY19 budget of \$16.5m (FY12 only \$6.9m)

NOP Functions II - Organic *INTEGRITY* Database



A database of certified organic operations -

- www.ams.usda.gov/nop

United States Department of Agriculture
Agricultural Marketing Service

Contact Us About

ORGANIC INTEGRITY DATABASE

Log In Register

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Advanced Search Export To Excel

Operation	Certifier	Info	Status	City	State/Province	Country	Certified Products
<input type="text"/>			Certified	<input type="text"/>	<input type="text" value="Enter State/Province"/>	All	<input type="text"/>
"EBA" Empresa Boliviana De La Almendra Y Derivados	[CERES] Certification of Environmental Standards - GmbH (Ltd.)		Certified	La Paz	La Paz	Bolivia (Plurinational State of)	HANDLING: Other: brazil nut kernels
010 Ranch	[ISDA] Idaho State Department Of Agriculture		Certified	Fairfield	Idaho	United States of America	CROPS: Other: Alfalfa Hay, Barley, Grass Hay
100 (Por Cento) Amazônia Exportação E Representação Ltda	[IBD] IBD Certifications, Ltd.		Certified	Belem	Para	Brazil	HANDLING: Other: Acai Clarified and Concentrated... More

NOP & the Organic Community

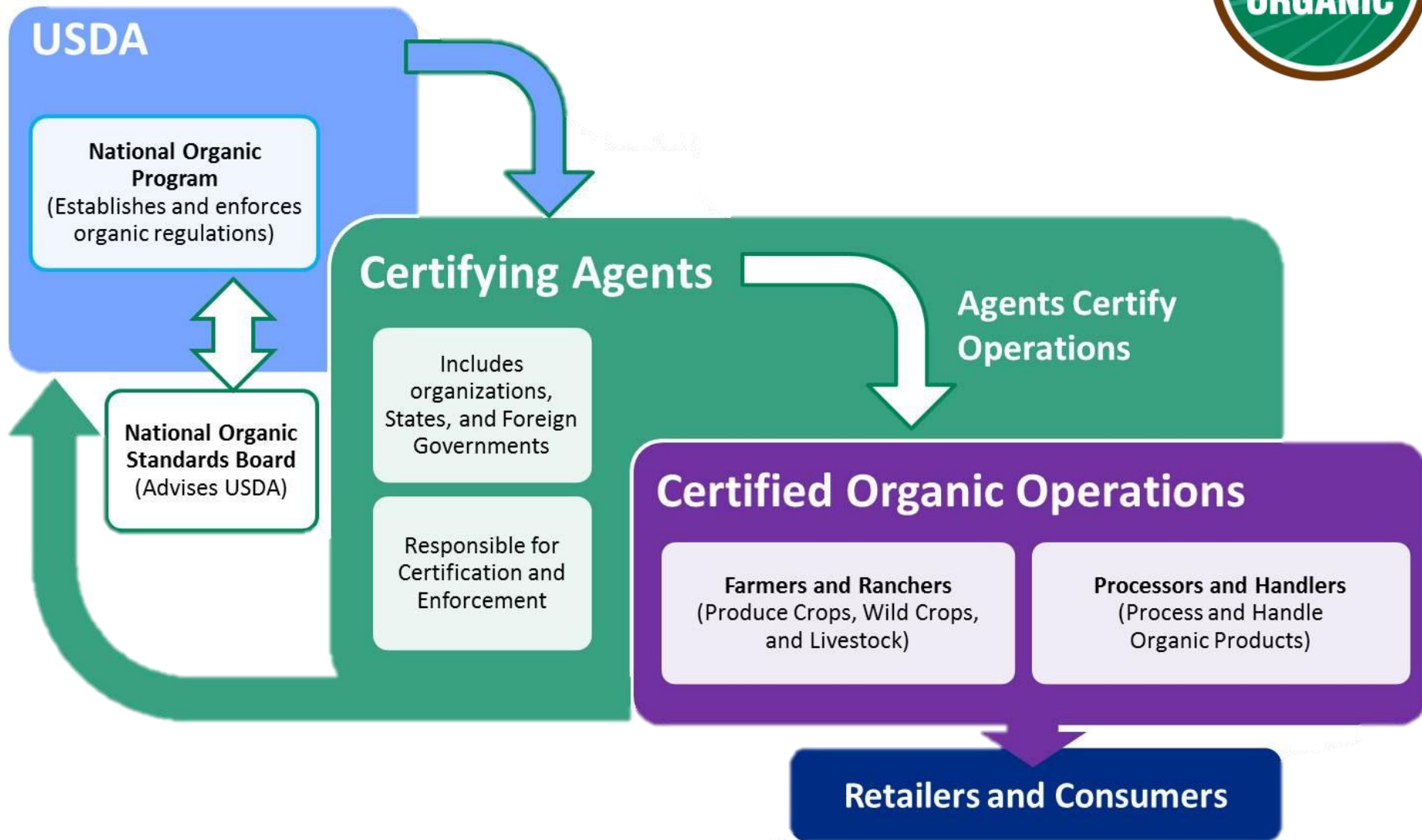
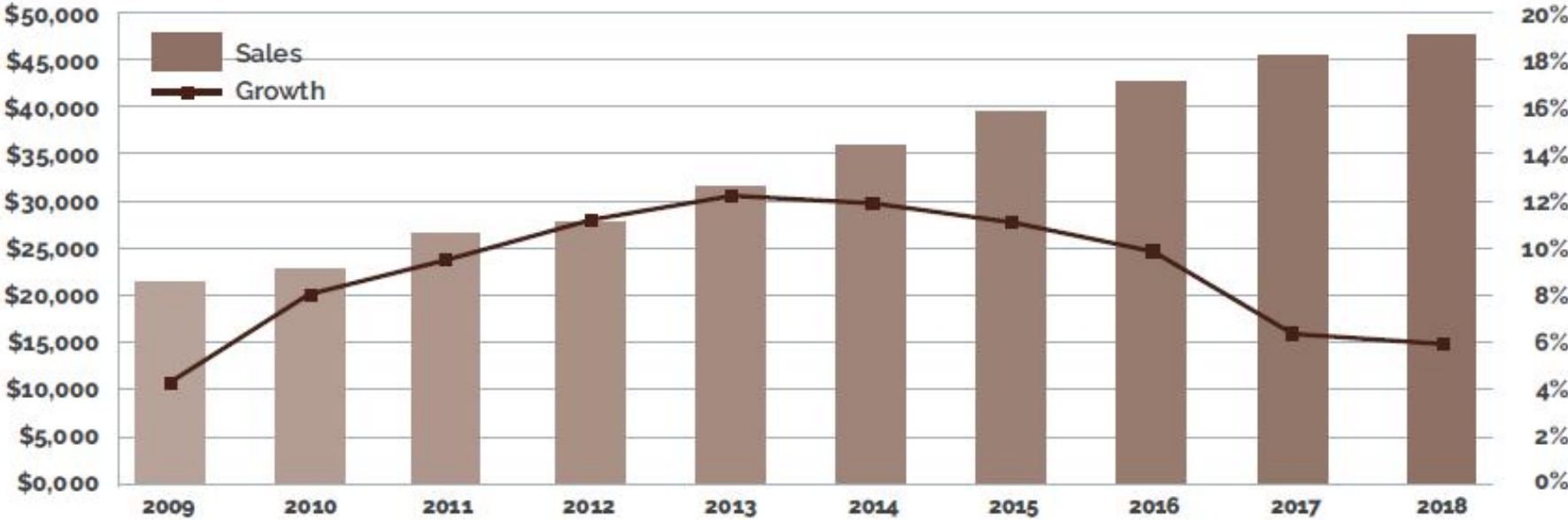




FIGURE 2.7. U.S. Organic Food Sales & Growth, 2009–2018



SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019–3/26/2019 (\$MIL., CONSUMER SALES).

FIGURE 1.1 Total U.S. Organic Sales & Growth, 2009–2018

CATEGORY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Organic Food	21,266	22,961	25,148	27,965	31,378	35,099	39,006	42,507	45,209	47,862
Growth (%)	4.3%	8.0%	9.5%	11.2%	12.2%	11.9%	11.1%	9.0%	6.4%	5.9%
% of Total Organic	92.2%	92.1%	92.0%	91.9%	91.9%	91.8%	91.6%	91.7%	91.6%	91.3%
Organic Non-Food	1,800	1,974	2,195	2,455	2,770	3,152	3,555	3,866	4,151	4,589
Growth (%)	9.1%	9.7%	11.2%	11.8%	12.8%	13.8%	12.8%	8.8%	7.4%	10.6%
% of Total Organic	7.8%	7.9%	8.0%	8.1%	8.1%	8.2%	8.4%	8.3%	8.4%	8.7%
Total Organic	23,065	24,935	27,343	30,420	34,147	38,251	42,561	46,373	49,360	52,451
Growth (%)	4.6%	8.1%	9.7%	11.3%	12.3%	12.0%	11.3%	9.0%	6.4%	6.3%

SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019–3/26/2019 (\$MIL., CONSUMER SALES)

FIGURE 1.2 U.S. Organic Food Sales by Product in 2018

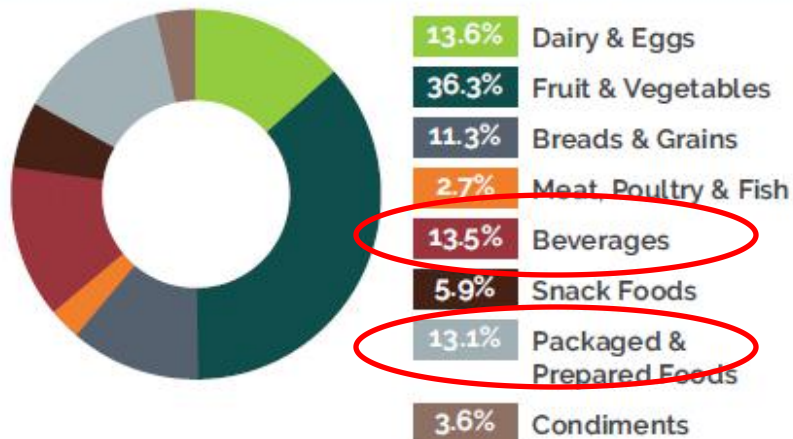
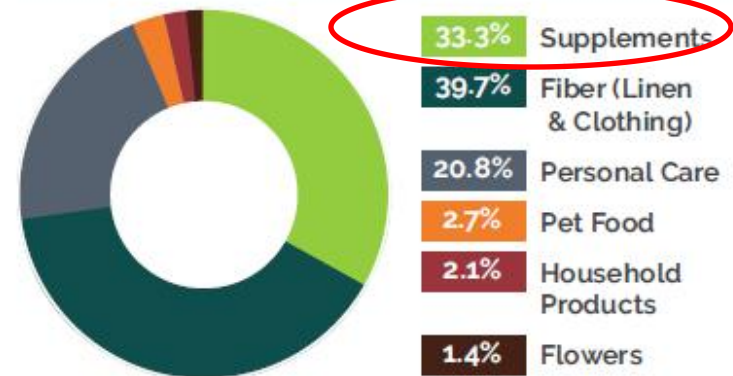


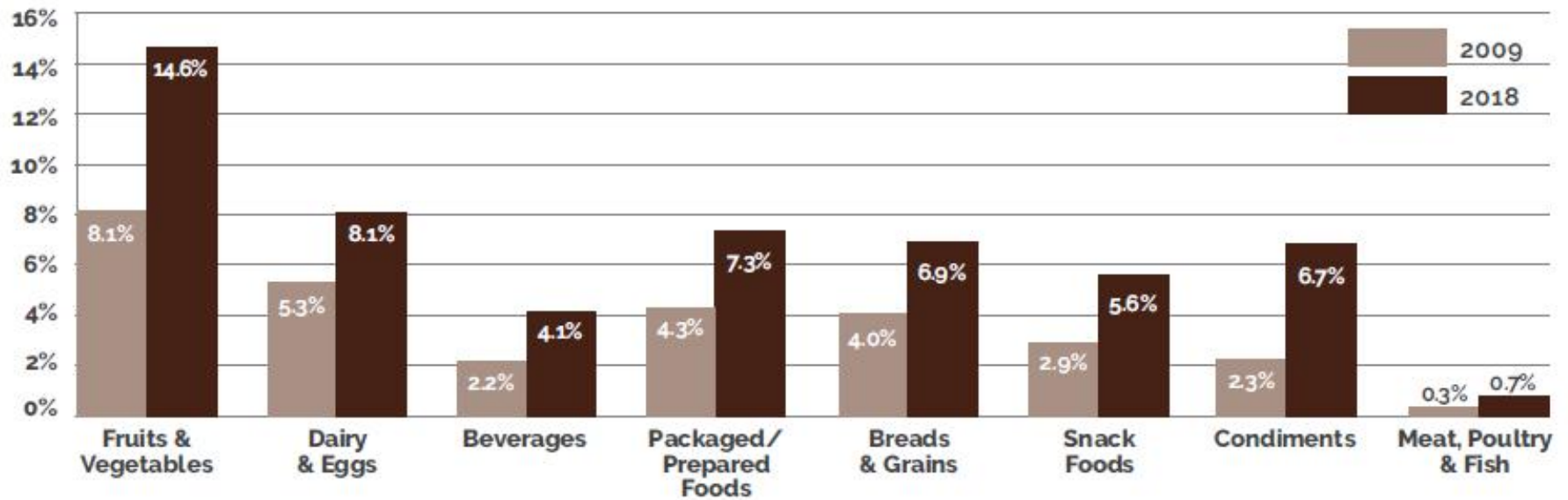
FIGURE 1.3 U.S. Organic Non-Food Sales by Product in 2018



SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019–3/26/2019 (CONSUMER SALES)

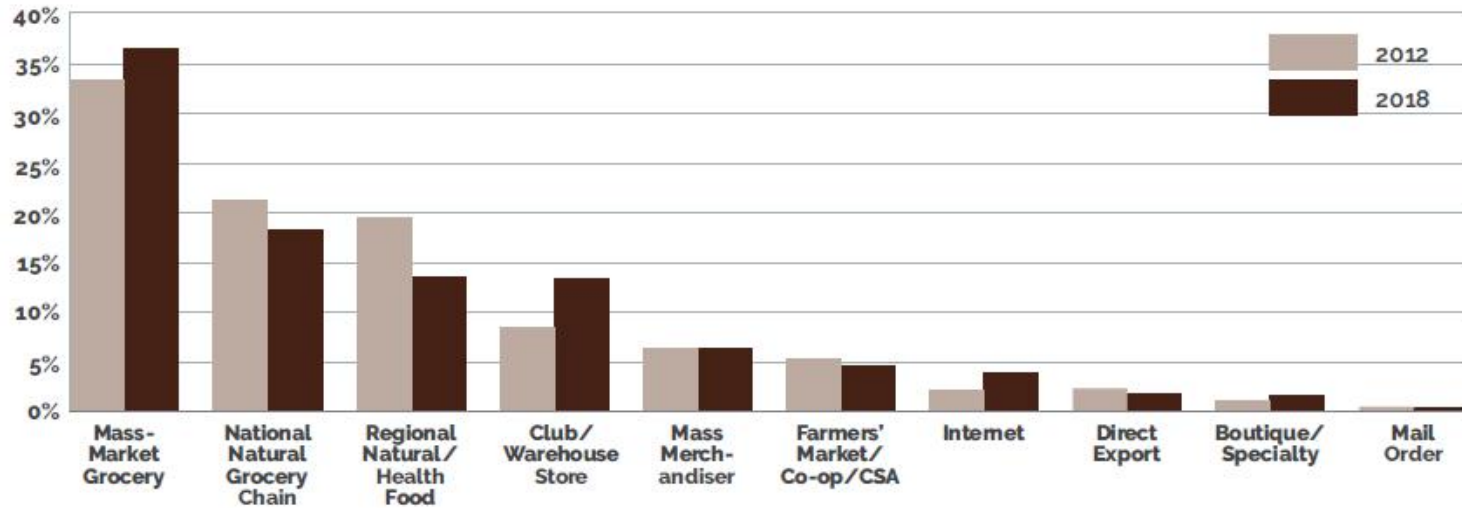


FIGURE 2.4. U.S. Organic Food Penetration of Total Food Market by Category, 2009 vs. 2018



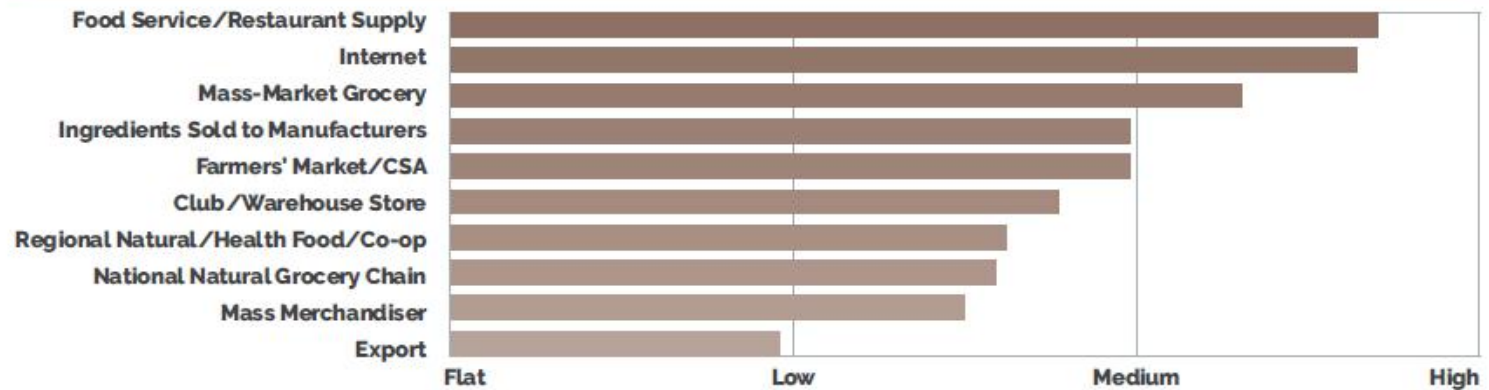
SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019-3/26/2019 (CONSUMER SALES).

FIGURE 2.10. U.S. Organic Food Percent of Market by Channel, 2012 vs. 2018



SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019-3/26/2019 (CONSUMER SALES).

FIGURE 2.11. Fastest Growing Sales Channels for Organic Food Manufacturers & Growers in 2018



SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019-3/26/2019. MANUFACTURERS & GROWERS. RESPONSES BASED ONLY ON COMPANIES PARTICIPATING IN EACH INDIVIDUAL SALES CHANNEL

Organic Beverages



FIGURE 3.7. U.S. Organic Beverages vs. Total Organic Food Sales, Growth & Penetration, 2009–2018

SUBCATEGORY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Organic Beverages	2,612	2,737	2,963	3,389	3,701	4,172	4,804	5,374	5,938	6,440
Growth (%)	1.4%	4.8%	8.3%	14.4%	9.2%	12.7%	15.1%	11.9%	10.5%	8.5%
Total Organic Food	21,266	22,961	25,148	27,965	31,378	35,099	39,006	42,507	45,209	47,862
Growth (%)	4.3%	8.0%	9.5%	11.2%	12.2%	11.9%	11.1%	9.0%	6.4%	5.9%
Beverages (as % Total)	12.3%	11.9%	11.8%	12.1%	11.8%	11.9%	12.3%	12.6%	13.1%	13.5%

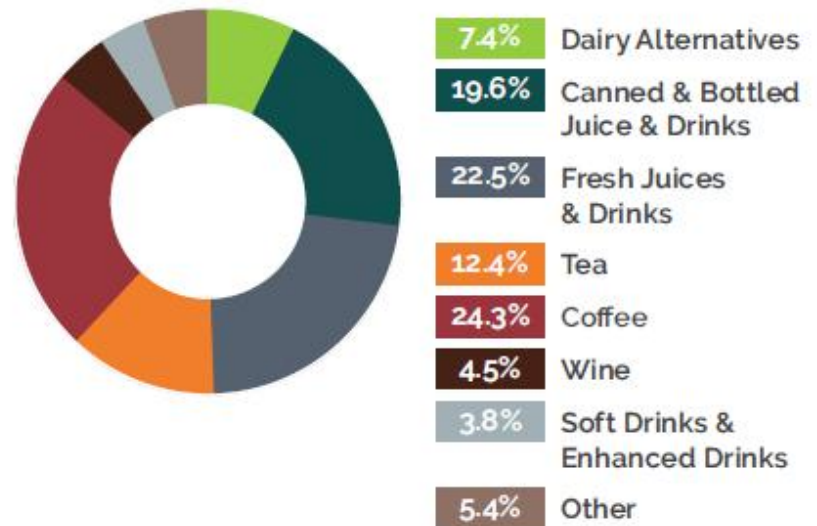
SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019–3/26/2019 (\$MIL., CONSUMER SALES).

Organic Beverages - Detail



FIGURE 3.8. U.S. Organic Beverages Sales by Subcategory in 2018

SUBCATEGORY	2018 Sales	2018 Growth
Coffee	1,565	10.3%
Fresh Juices & Drinks	1,451	13.3%
Canned & Bottled Juice & Drinks	1,259	0.3%
Tea	801	8.6%
Dairy Alternatives	479	13.8%
Wine	291	9.1%
Soft Drinks & Enhanced Drinks	247	12.6%
Coffee Sub/Cocoa	193	0.9%
Beer	108	3.4%
Liquor	36	6.5%
Frozen Juice	8	-0.7%
Total	6,440	8.5%

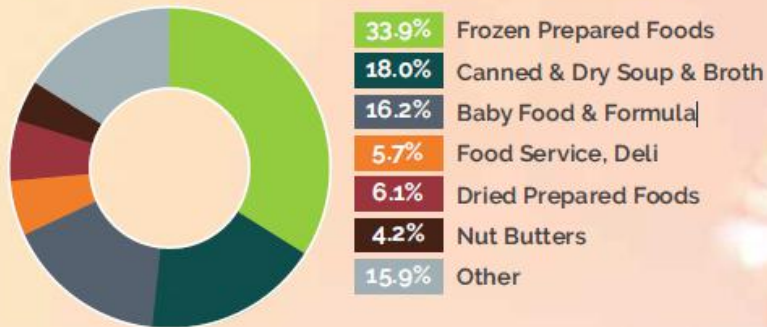


SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019-3/26/2019 (\$MIL., CONSUMER SALES).

Infant Formula



FIGURE 3.10. U.S. Organic Packaged & Prepared Food Sales by Subcategory in 2018



SUBCATEGORY	2018 Sales	2018 Growth
Frozen Prepared Foods	2,117	7.7%
Canned & Dry Soup & Broth	1,125	9.1%
Baby Food & Formula	1,016	7.8%
Food Service, Deli	380	11.8%
Dried Prepared Foods	357	7.2%
Nut Butters	262	0.9%
Tofu/Tempeh	254	5.8%
Desserts	241	2.4%
Pasta Sauces	202	7.9%
Refrigerated Prepared Foods	103	20.3%
Canned Prepared Foods	100	4.1%
Meat Alternatives/ Veggie Burger	97	-3.3%
Total	6,252	7.5%

SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019-3/26/2019 (\$MIL., CONSUMER SALES).

Supplements



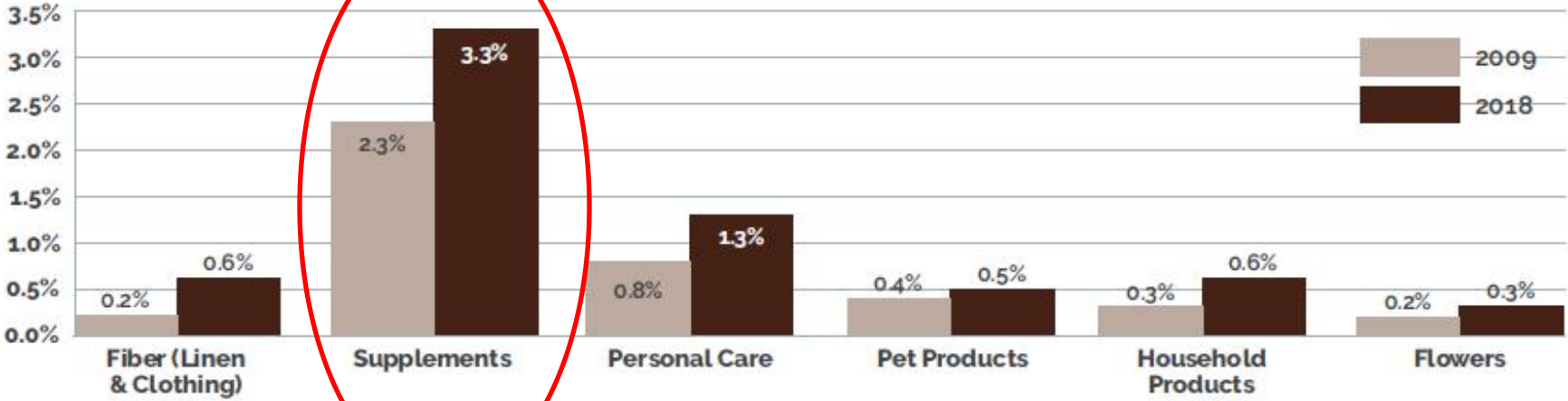
FIGURE 4.4. U.S. Organic Supplements vs. Total Organic Non-Food Sales, Growth & Penetration, 2009–2018

SUBCATEGORY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Organic Supplements	634	681	739	812	894	991	1,115	1,234	1,345	1,529
Growth (%)	12.0%	7.4%	8.5%	9.9%	10.1%	10.8%	12.5%	10.7%	9.0%	13.7%
Total Organic Non-Food	1,800	1,974	2,195	2,455	2,770	3,152	3,555	3,866	4,151	4,589
Growth (%)	9.1%	9.7%	11.2%	11.8%	12.8%	13.8%	12.8%	8.8%	7.4%	10.6%
Supplements (as % Total)	35.2%	34.5%	33.7%	33.1%	32.3%	31.4%	31.4%	31.9%	32.4%	33.3%

SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019–3/26/2019 (\$MIL., CONSUMER SALES).



FIGURE 2.5. U.S. Organic Non-Food Penetration of Total Non-Food Market by Category, 2009 vs. 2018



SOURCE: ORGANIC TRADE ASSOCIATION'S 2019 ORGANIC INDUSTRY SURVEY CONDUCTED 1/25/2019-3/26/2019 (CONSUMER SALES).

Resources



- FAS Organic Page: www.fas.usda.gov/commodities/organic-products
- Global Agricultural Trade System (organic selected product group): <https://apps.fas.usda.gov/gats/>
- National Organic Program (ams.usda.gov/nop)
 - Organic Integrity Database (<https://organic.ams.usda.gov/integrity/>)
- Organic Trade Association (www.ota.com)
 - www.globalorganictrade.org