
State of Organic

Presented by

Name

Tom Chapman

Co-CEO

Organic
SINCE 1985
trade association™





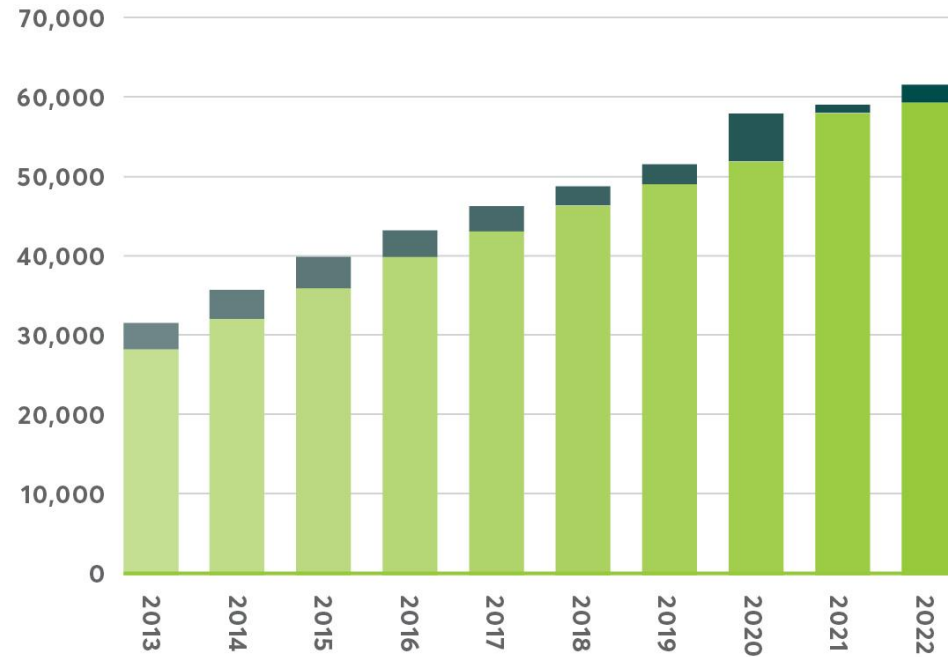
**TODAY, OTA IS THE VOICE OF THE \$67+ BILLION ORGANIC INDUSTRY,
REPRESENTING 10,000 BUSINESSES ACROSS 50 STATES.**

OTA members come from across the industry and supply chain, including growers, shippers, processors, consumer brands, certifiers, farmers' associations, distributors, consultants, retailers, and more.

2022 Recap - \$67 Billion

- Organic food sales broke through **\$61+ billion**
- Non-food sales hit nearly **\$6 billion**
- Organic market grew despite challenging headwinds
- Sector's **growth in sales** twice the pace of 2021
- Organic now accounts for **6% of total food sales** in the U.S.

U.S. Organic Food Sales and Incremental Growth, 2013–2022



Source: Organic Trade Association's 2023 Organic Industry Survey conducted 1/13/2023–4/1/2023 (\$mil, consumer sales).

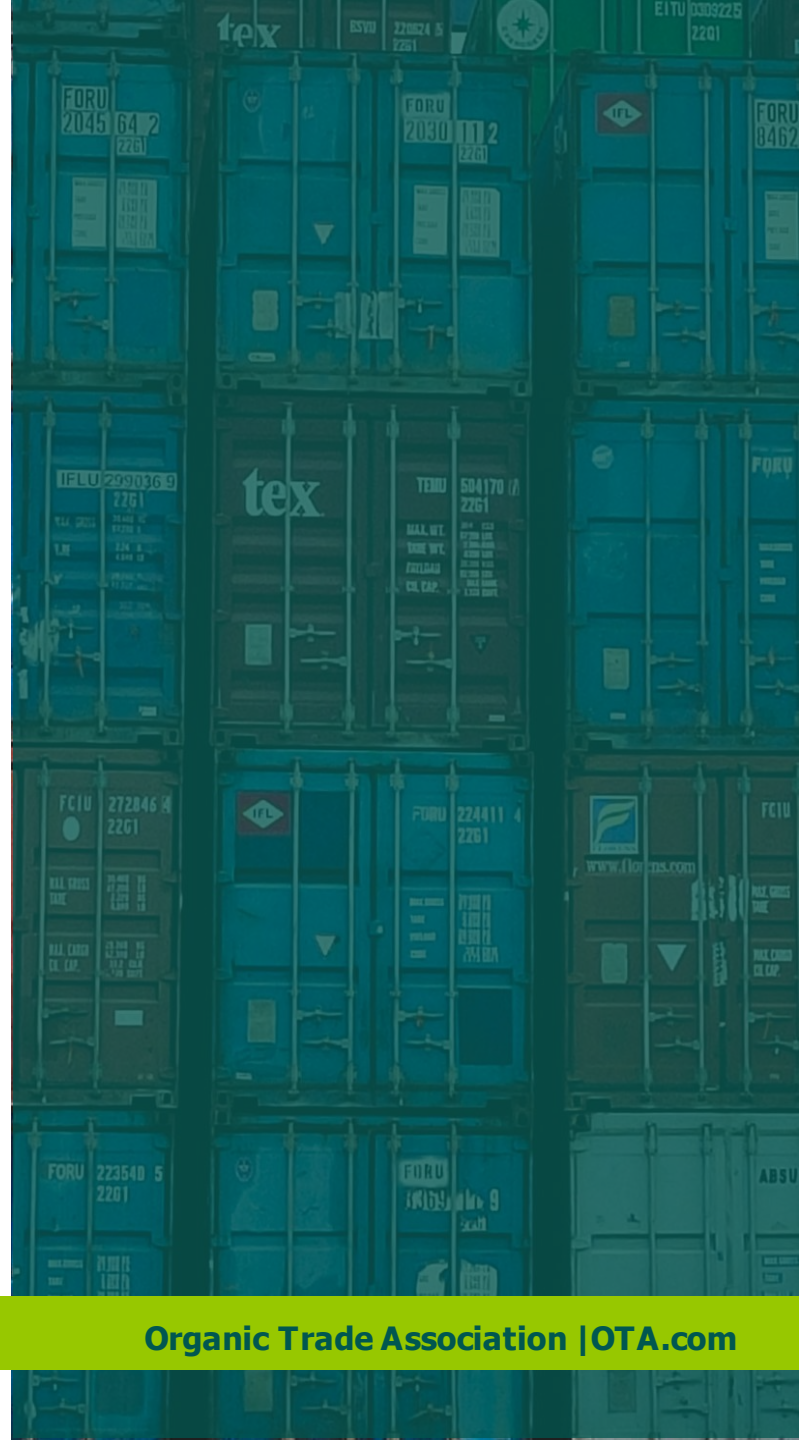
■ Sales ■ Incremental Growth

First Look: 2023 Organic Growth



Total organic food and non-food sales reached \$69 billion

Growth in the range of 3%



Results are Category Dependent

Organic Product Categories	2023
Produce	2.7%
Grocery	4.0%
Beverages	3.4%
Dairy & Eggs	5.3%
Snacks & Candy	2.8%
Frozen	-2.4%
Meat, Poultry, and Seafood	6.3%
Fiber, Supplements, HBC, & Pet	1.1%
TOTAL	3.1%



US Census of Agriculture 2017 vs 2022

+4%

Certified organic farms

+32%

Value of sales

+75%

Farms in transition

+6%

% Women farmers
(at 59%)



Changes and Updates in Organic Standards

- Strengthening Organic Enforcement – **effective March 19, 2024**
- Organic Livestock and Poultry Standards – effective January 2, 2025
- Proposed Mushroom and Pet Food Standards – **Open for comment now**
- 1st Year of Organic Transition Initiative - \$300 Million

Farm Bill 2024 or 2025



8+ Organic Marker Bills

- Continuous Improvement and Accountability in Organic Standards Act (CIAO)
- Organic Market Development Act
- Organic Dairy Data Collection Act
- Strengthening Organic Agriculture Research Act (SOAR)
- Organic Science and Research Investment Act (OSRI)
- Opportunities in Organic Act

Agenda

- Consumer Attitudes and Beliefs
 - **Violet Batcha**, Director of Marketing and Communication, OTA
- California Regenerative Agriculture Definition
 - **Elizabeth Whitlow**, Executive Director, Regenerative Organic Alliance
- USDA Consumer Education Project
 - **Erin Healy**, Standards Division Director for the National Organic Program USDA
- USDA Special Announcement
 - **Honorable Xochitl Torres Small**, Deputy Secretary of Agriculture, USDA
 - **Honorable Jennifer Lester Moffitt**, Under Secretary for Marketing and Regulatory Programs, USDA



STATE OF ORGANIC

Consumer Attitudes and Beliefs

Presented by

Violet Batcha

Director of Marketing
and Communications

SINCE 1985
Organic
trade association™



RESEARCH OBJECTIVES



Evaluate consumer knowledge and attitudes regarding USDA organic products and willingness to pay



Compare USDA Organic against various certifications to assess its standing in the marketplace and consumer perception



Identify effective strategies for educating consumers and promoting USDA organic products

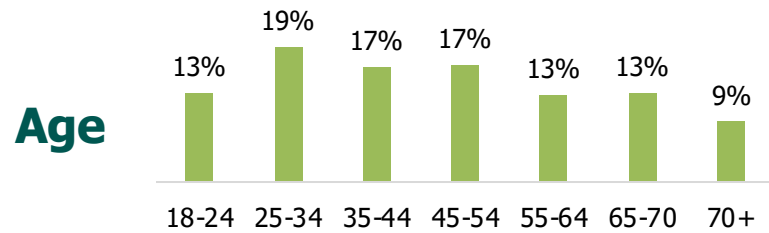




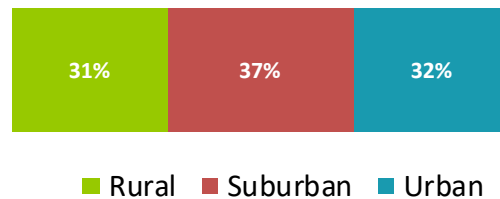
**CONSUMER ATTITUDES
AND WILLINGNESS TO PAY
FOR USDA ORGANIC**

THE ORGANIC CONSUMER

Consumers who prefer organic products are more likely to be millennials or Gen Z and live in suburban communities



\$ 51% of Organic-conscious Consumers make over \$43,000 per year

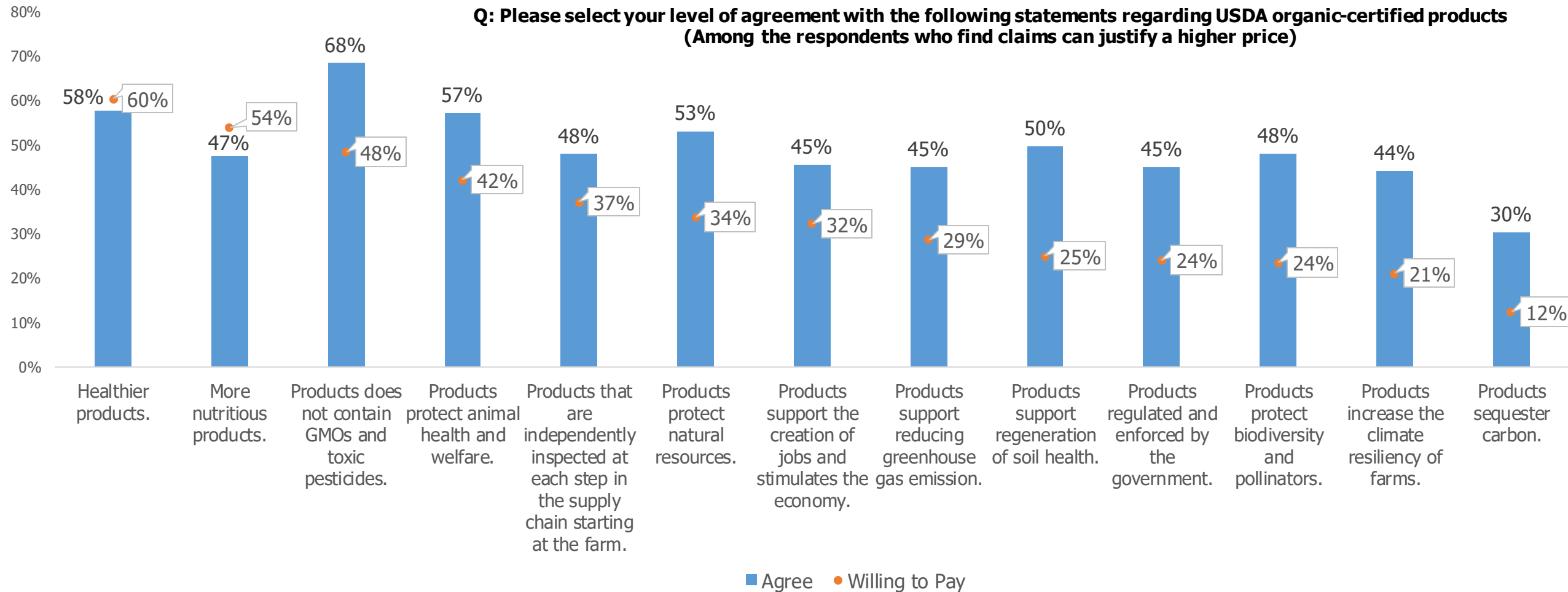


48%
experience a health issue



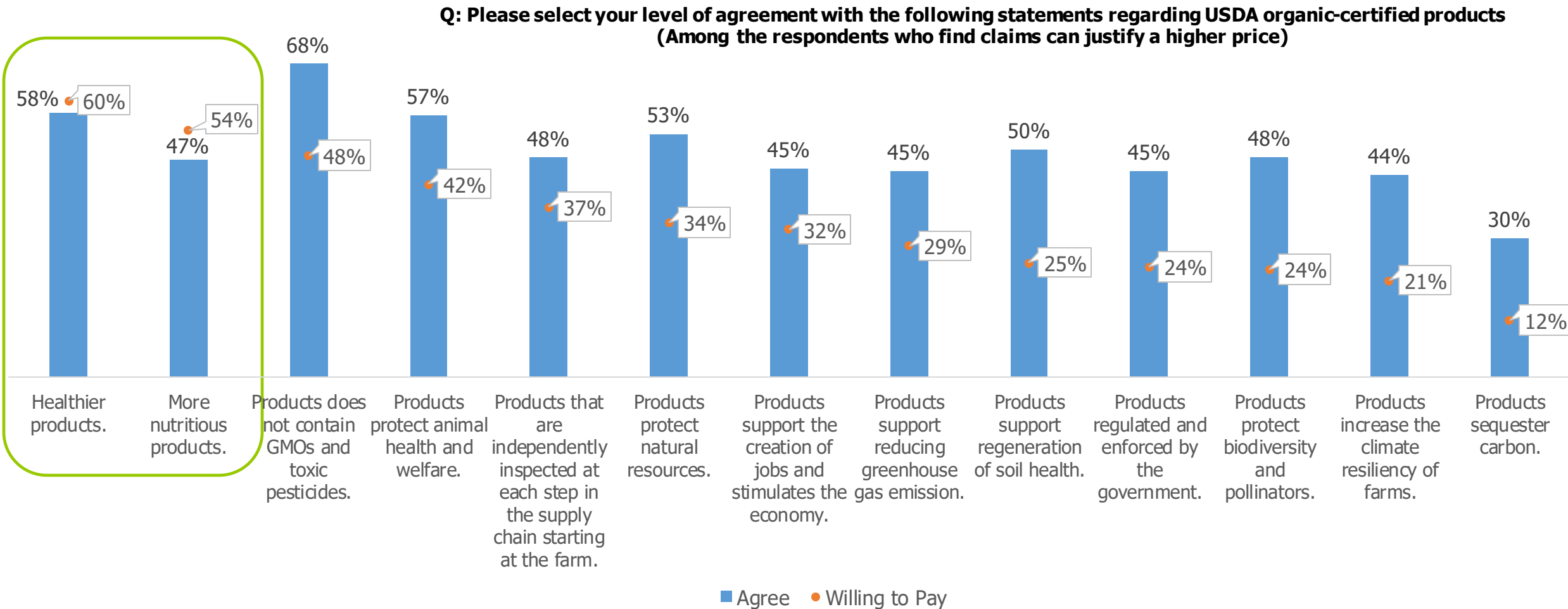
US consumers are willing to pay for individual claims validated by organic certification

Q: Please select your level of agreement with the following statements regarding USDA organic-certified products (Among the respondents who find claims can justify a higher price)



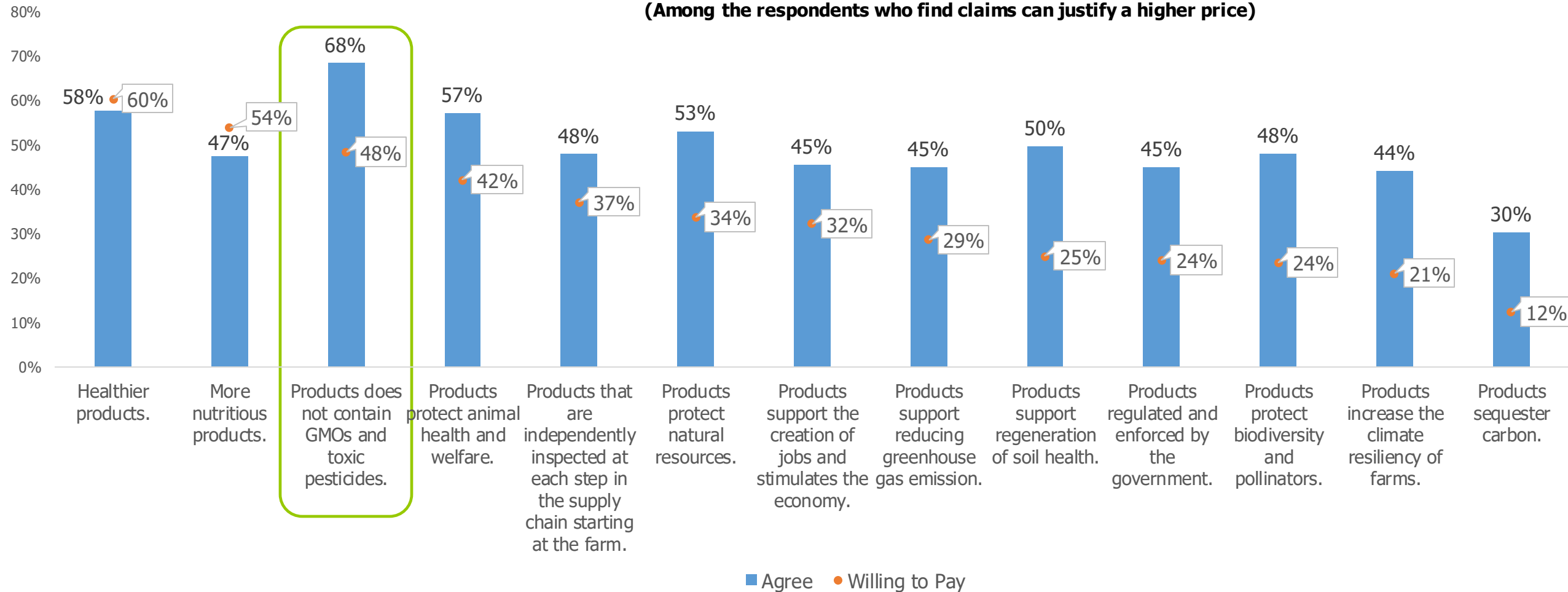
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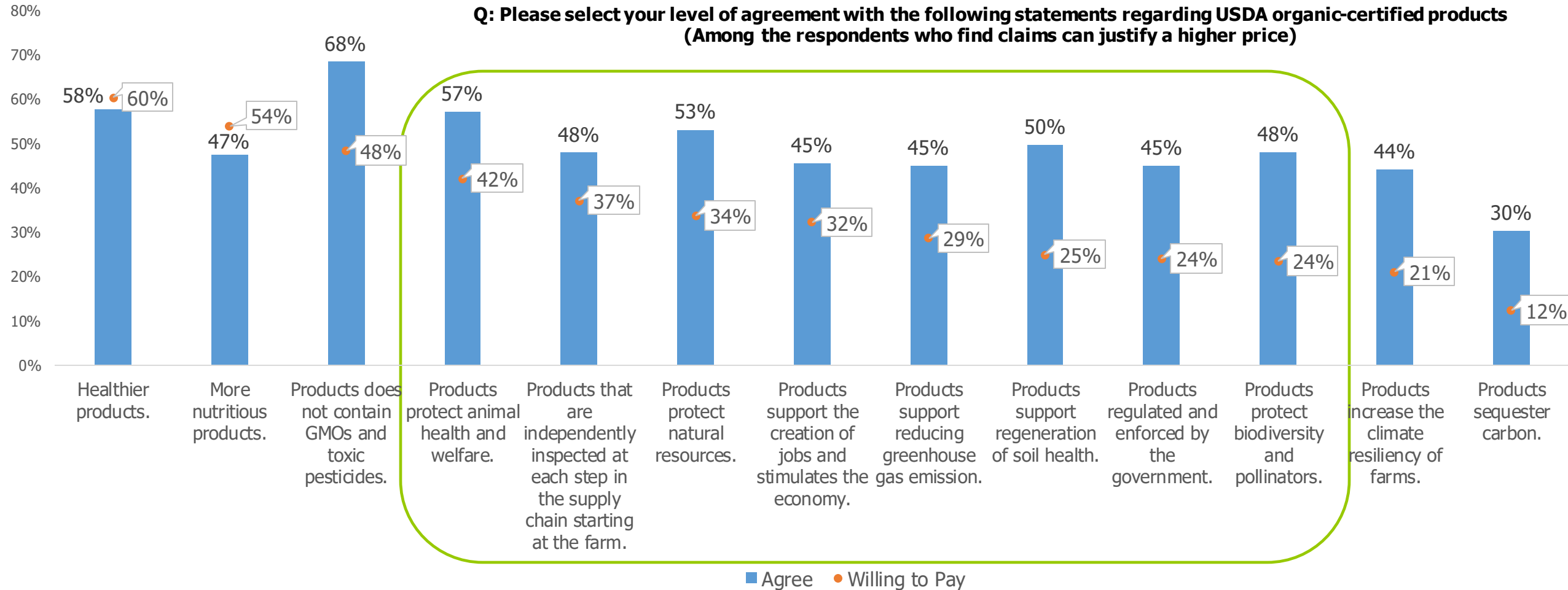
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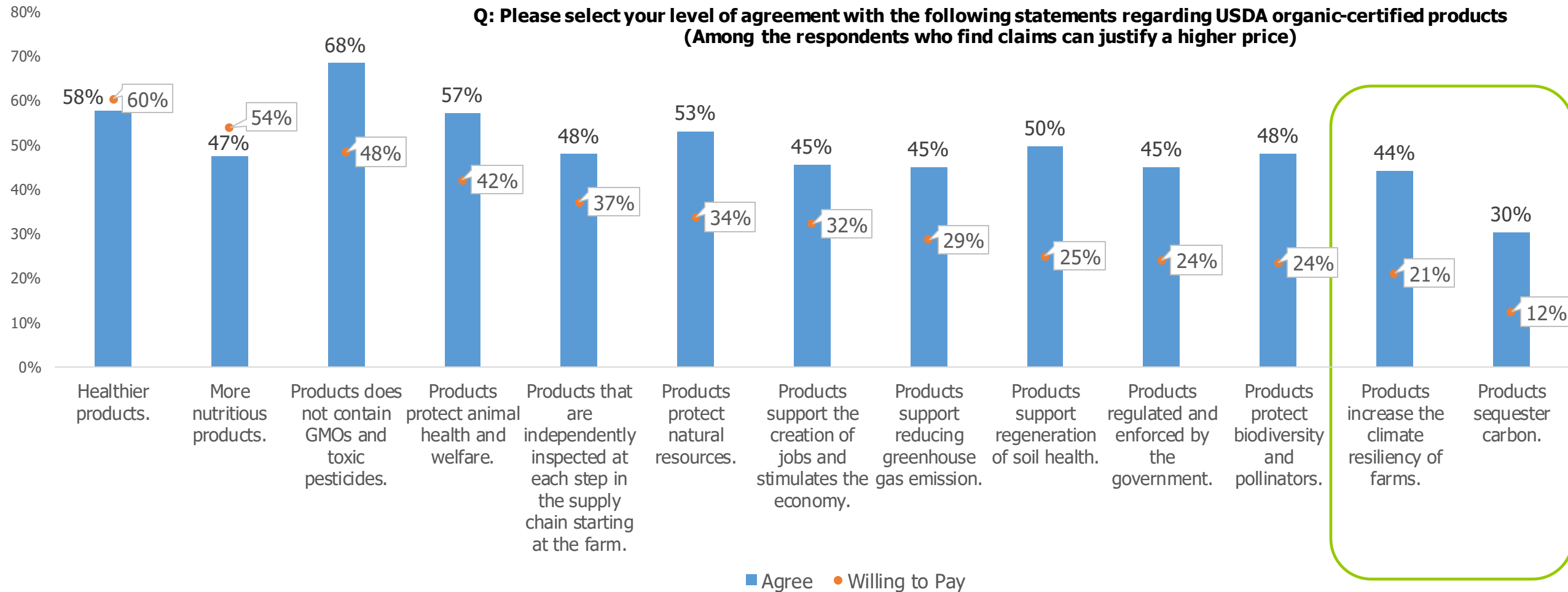
US consumers are willing to pay for individual claims validated by organic certification

Q: Please select your level of agreement with the following statements regarding USDA organic-certified products (Among the respondents who find claims can justify a higher price)



US consumers are willing to pay for individual attributes validated by organic certification

Q: Please select your level of agreement with the following statements regarding USDA organic-certified products (Among the respondents who find claims can justify a higher price)



**WEIGH
YOUR
CONTAINERS
HERE**

THEN GRAB A
MARKER AND
WRITE WEIGHT
ON CONTAINER

**NUTS &
SEEDS**

**CEREALS
& GRAINS**

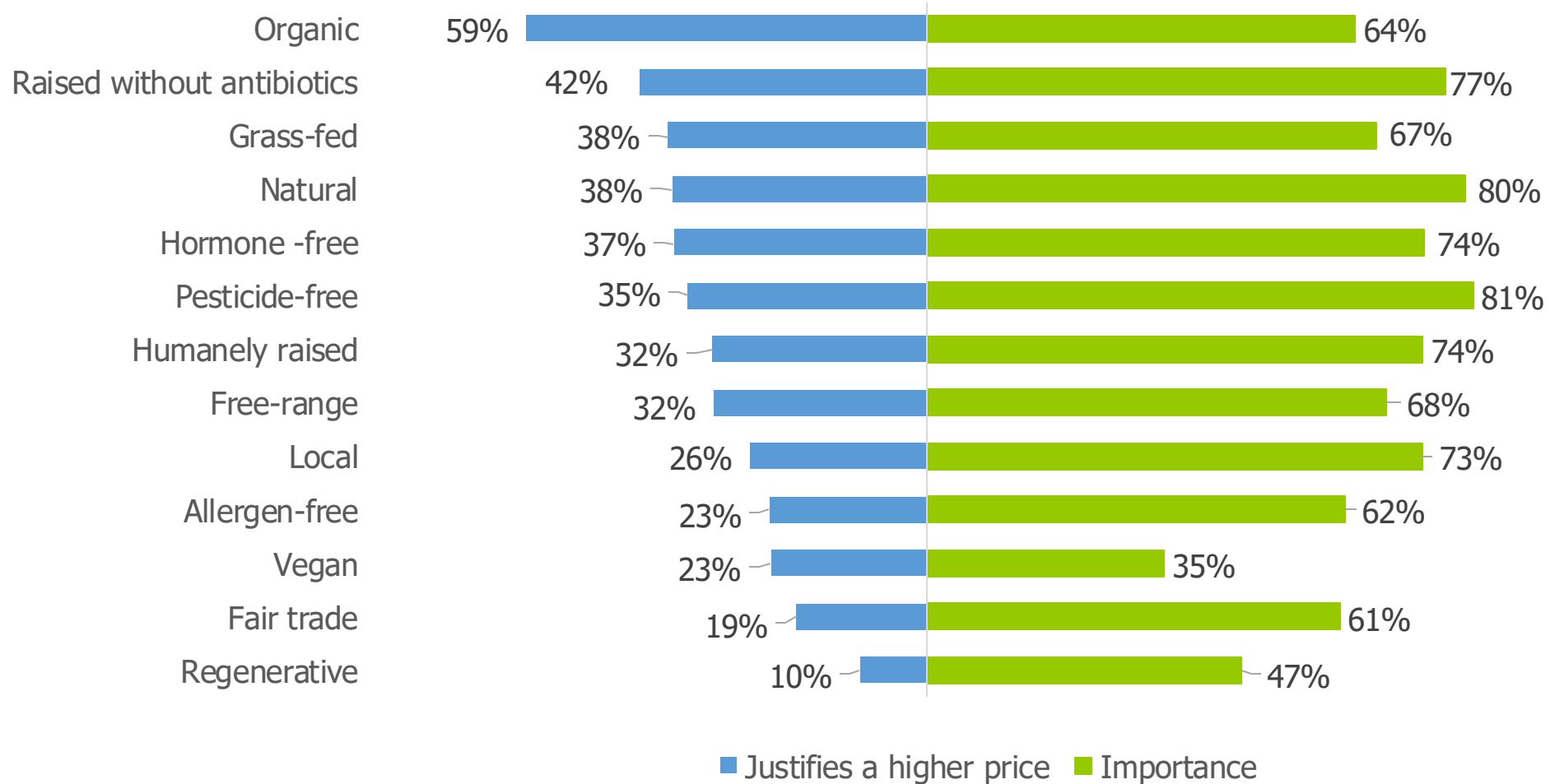
Bring your own or use
one of our containers

**GR
YO
OV**

COMPETITIVE ANALYSIS CLAIMS AND CERTIFICATION

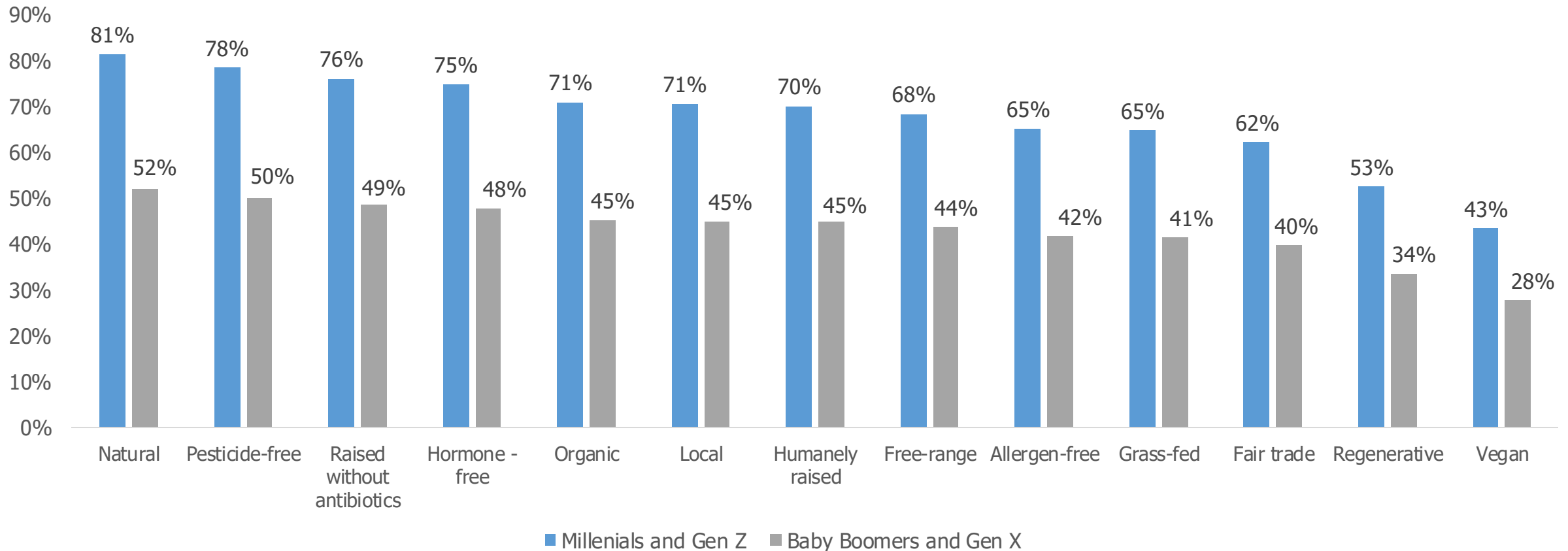


Consumers match the importance of organic with justification for higher price; other claims see a significant gap between price justification and importance



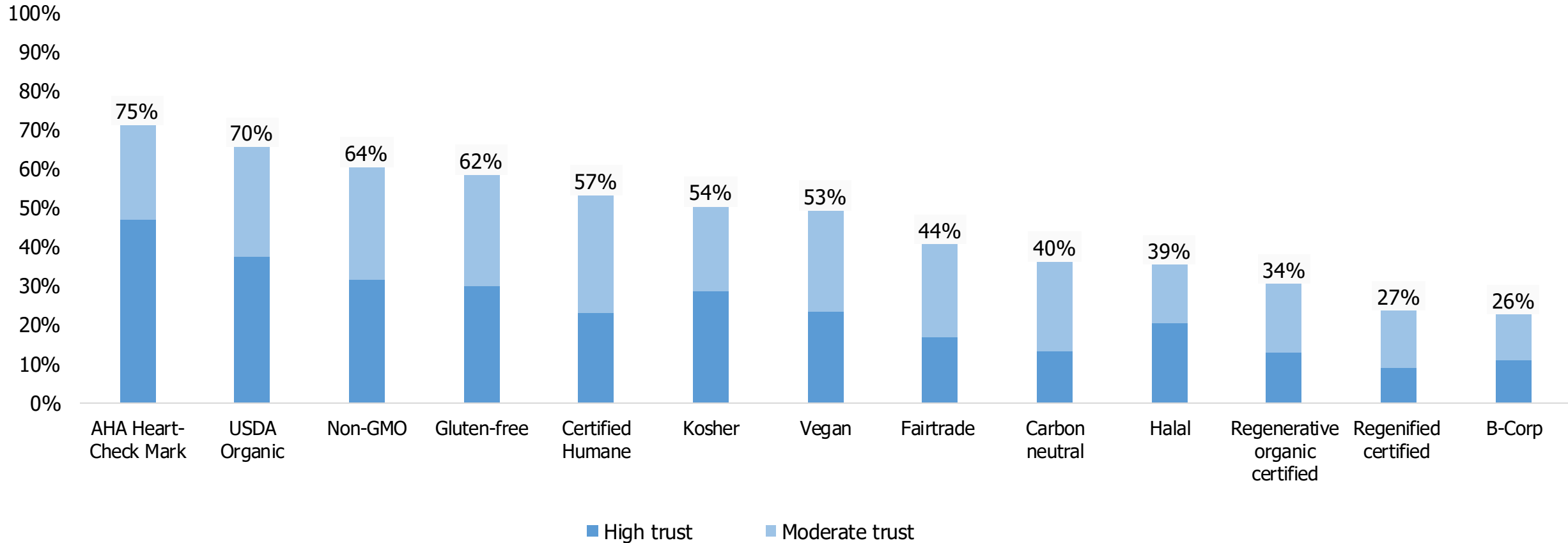
Millennials and Gen Z consumers find claims more important than Gen X and Baby Boomers. On average, Millennials and Gen Z consumers find claims 24% more important

Q: Which of the following claims are important to you when purchasing a food or beverage?

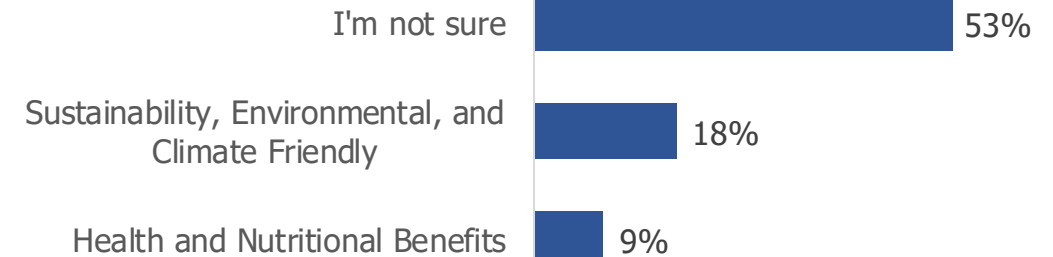
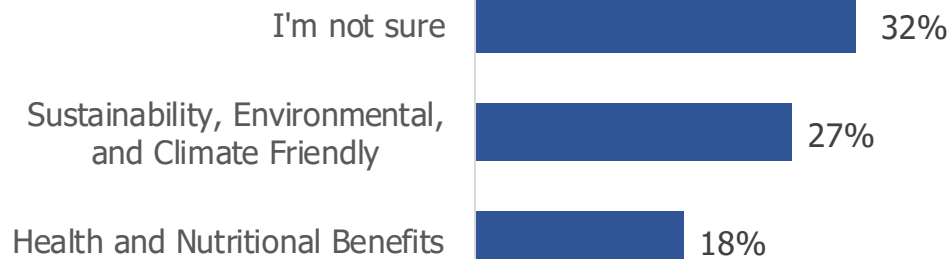
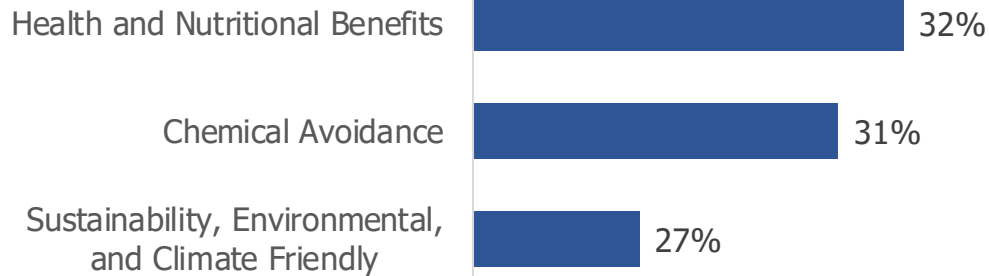


US consumers tend to have more trust in certifications they are more familiar with

Q: What is your level of trust regarding each of the certifications?



Consumer understanding of competitive claims



KEY TAKEAWAYS



When it comes to purchasing decisions, consumers care more about personal health benefits than sustainability and planetary outcomes



Consumers understand single attribute claims more than comprehensive certifications, creating an opportunity to market USDA organic products with individual attributes included in certification

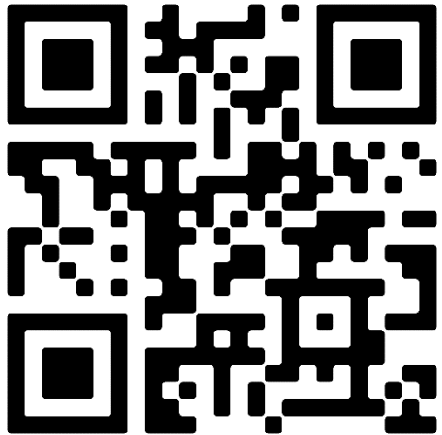


Emerging claims lack consumer recognition and a willingness to pay – longevity matters



Report: Consumers' Perception of USDA Organic and Competing Label Claims

Coming in April



[OTA.com/ConsumerSurvey](https://ota.com/ConsumerSurvey)





Farm like the world depends on it.



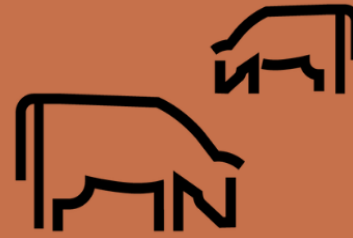
Regenerative
Organic
Certified®

The Three Pillars of



SOIL HEALTH

- Increase Soil Organic Matter
- Enhance Biodiversity
- Protect Water Systems
- Minimize Tillage
- Cover Crops and Crop Rotations
- Livestock Integration
- No GMOs, Gene Editing, or Hydroponics
- No Synthetic Inputs



ANIMAL WELFARE

- No CAFOs
- Grass-Fed / Pasture-Raised
- Suitable Shelter
- Limited Transport
- The Five Freedoms:
 - to express normal species behavior
 - from discomfort
 - from fear and distress
 - from hunger
 - from pain, injury, and disease



SOCIAL FAIRNESS

- Fair Payments for Farmers
- Long Term Commitments from Buyers
- Living Wages for Workers
- Good Working Conditions
- Freedom of Association and Democratic Processes
- Transparency and Accountability
- No Labor Trafficking
- No Child Labor



Baseline Certifications Required for Eligibility

Certifications Required for ROC Eligibility - Choose One Per Pillar



Soil Health



OR an international standard recognized as equivalent by the National Organic Program

Animal Welfare *



* Not required if operation does not produce commercial animal products

Social Fairness **



** Not required if operation is in the Global North (see Program Manual)

The Risk of
**GREEN-
WASHING**

In an era where the term 'regenerative' is at great risk of greenwashing and dilution of its true meaning, third-party certification is an invaluable distinction in a marketplace that is already rife with consumer confusion.

JBS under current lawsuit by prestigious New York law firm for misleading climate pledge labeling: *must "discontinue claims relating to its goal of achieving 'net zero' greenhouse gas emissions by 2040"*

Quorn Foods-Advertising Standards Authority rules misleading ad that their product is a way to address climate change.

Danone's Carbon Neutral claim on Evian bottles - *Judge rules that the term "could mislead a reasonable consumer" and allows lawsuit to continue.*

CDFA Effort to Define Regenerative Agriculture

The CDFA is positioned to advise on how the State's farmers, ranchers and consumers may be best served by agricultural policies in the state.

- The goal is to identify an official definition of regenerative agriculture for state policies and programs. This will inform how the state's funding will be allocated for programming and other farmer support in order to promote regenerative.

APPROACH: an inclusive public process

- (5) Public Listening Sessions
- (3) Work Group Sessions
- Draft a definition of regenerative agriculture to submit to the State Board of Food and Agriculture for consideration



The ROA's Concerns

CA's definition will increase consumer confusion over whether regenerative products can be grown using toxic agrochemicals like synthetic pesticides, herbicides, and fertilizer.

We are concerned about the potential abuse of term if growers who are implementing one or two regenerative practices then can promote their products as legitimately 'CA regenerative'.

How will California prevent the term being used as such, and help protect consumers from the inevitable wave of green-washing that will result?

A few principles that we stand firmly behind:

- We believe in a combination of practice- and outcomes-based approaches combined with qualified, competent third-party verification.
 - We do not support self-assessment checklists via desk audits as a viable substitution to a credible certification program.
- To be regenerative, a farm or brand cannot be using synthetic fertilizers and pesticides
 - AKA organic practices, although we understand that Organic Certification isn't necessarily the only way to get there.
- There needs to be a path accessible to everyone. For that, we recognize that Regenified and Land to Market have solid standards.
 - We are supportive of the farms/brands carrying these seals **if they follow a timebound commitment** to the elimination of synthetic fertilizers and pesticides. How will the state

verify this?

WHERE WE ARE TODAY



**5.7M ACRES
CERTIFIED**



**58K+ FARMS
AND SMALLHOLDER
FARMERS**



**400 TYPES OF
ROC™ CROPS**



**147 BRANDS
LICENSED**

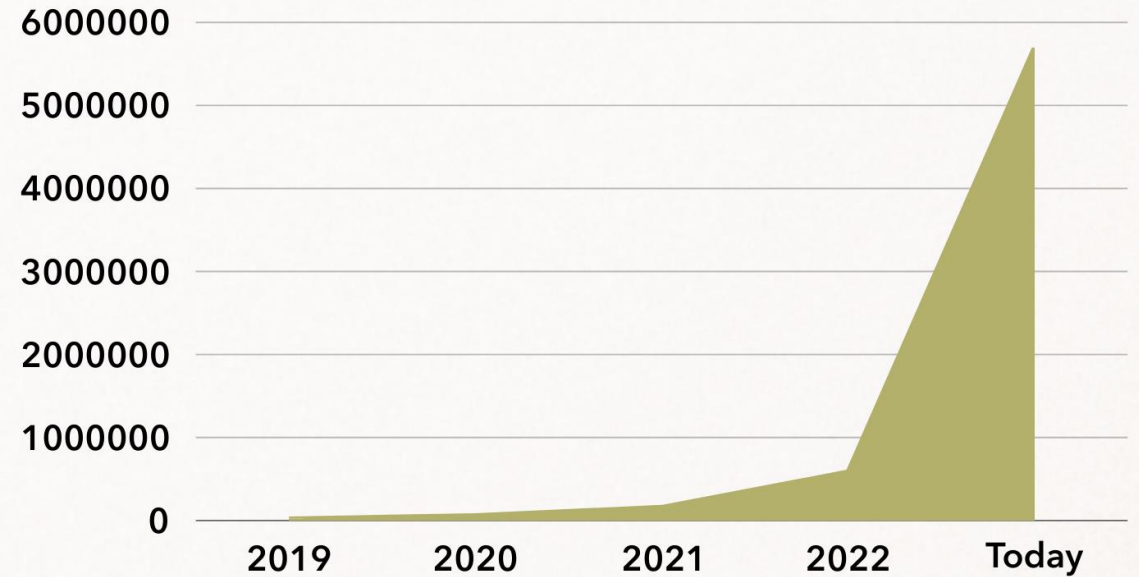


**1,097 ROC™
PRODUCTS**

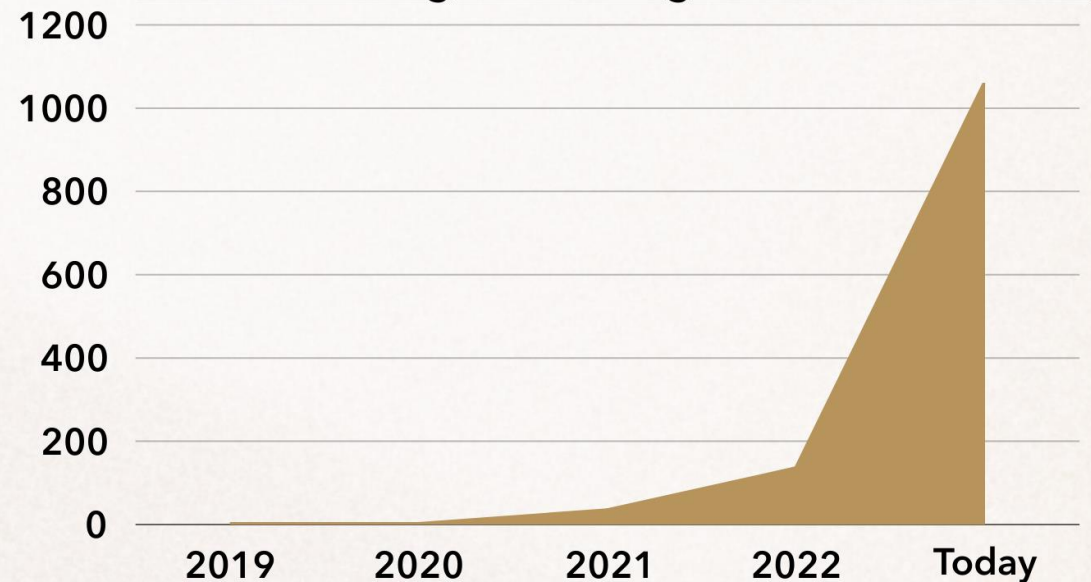


**25% SALES
GROWTH YoY**

Regenerative Organic Certified® Acres



Products with Regenerative Organic Certified® Content



Sustainable Products Show Mixed Results in conventional (MULO) and Natural channels

+39% U | \$39M

**Regenerative Organic
Certified®**

+13% U | \$13M

**Certified Greener World -
Animal Welfare**

+11% U | \$1B

Labeled Pasture-Raised

+10% U | \$1B

Labeled Grass-Fed

+4% U | \$740M

**Certified Detox Project -
Glyphosate Residue Free**

+1% U | \$51M

Certified Upcycled

-26% U | \$49M

Certified Fair Trade USA

-12% U | \$792M

**Certified Plant Based Foods
Association**

-6% U | \$12B

Certified B Corp

-4% U | \$29B

Labeled Organic

-3% U | \$42B

**Certified Non-GMO Project
Verified**

-3% U | \$6M

**Labeled No Antibiotics
Added**

Join us on the journey



Regenerative
Organic Alliance

www.regenorganic.org



Regenerative
Organic
Certified

info@regenorganic.org

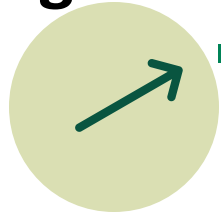
[@regenorganic](https://www.instagram.com/regenorganic)

Consumer Education Project



Erin Healy, M.P.H.
Director, Standards Division
National Organic Program
U.S. Department of Agriculture
March, 2024

Organic is growing.

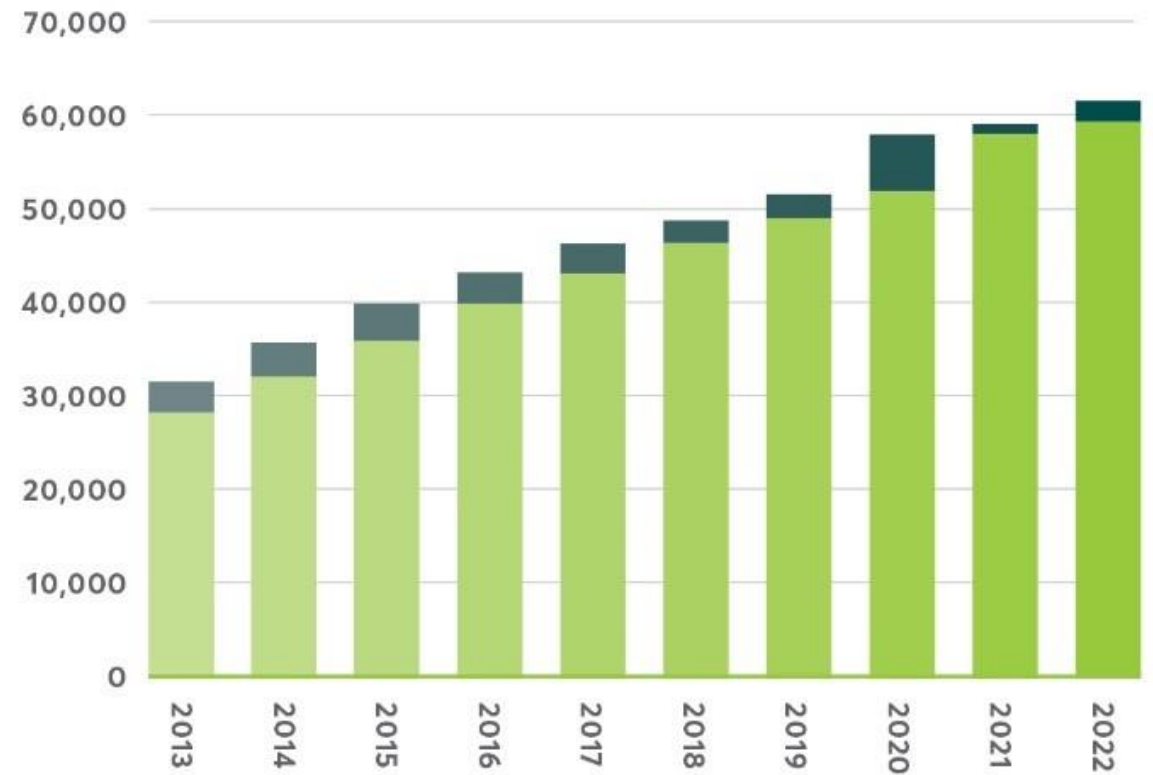


- Organic sales exceeded \$67 billion in 2021-22! (4% more than the previous year)

In 2021, organic farms covered nearly 5 million acres of U.S. farmland.

- Less than 1% of the 895 million total acres nationwide

U.S. Organic Food Sales and Incremental Growth, 2013–2022



Source: Organic Trade Association's 2023 Organic Industry Survey conducted 1/13/2023–4/1/2023 (\$mil., consumer sales).

■ Sales ■ Incremental Growth

Food Label Landscape



The National Organic Program (NOP)

- **Mission:**
Protect the integrity of USDA organic products in the United States and throughout the world
- **Vision:**
Organic Integrity from Farm to Table,
Consumers Trust the Organic Label
- **Core Role:**
Implement the Organic Foods Production Act
and the USDA organic regulations



Consumer Reports Survey, 2023

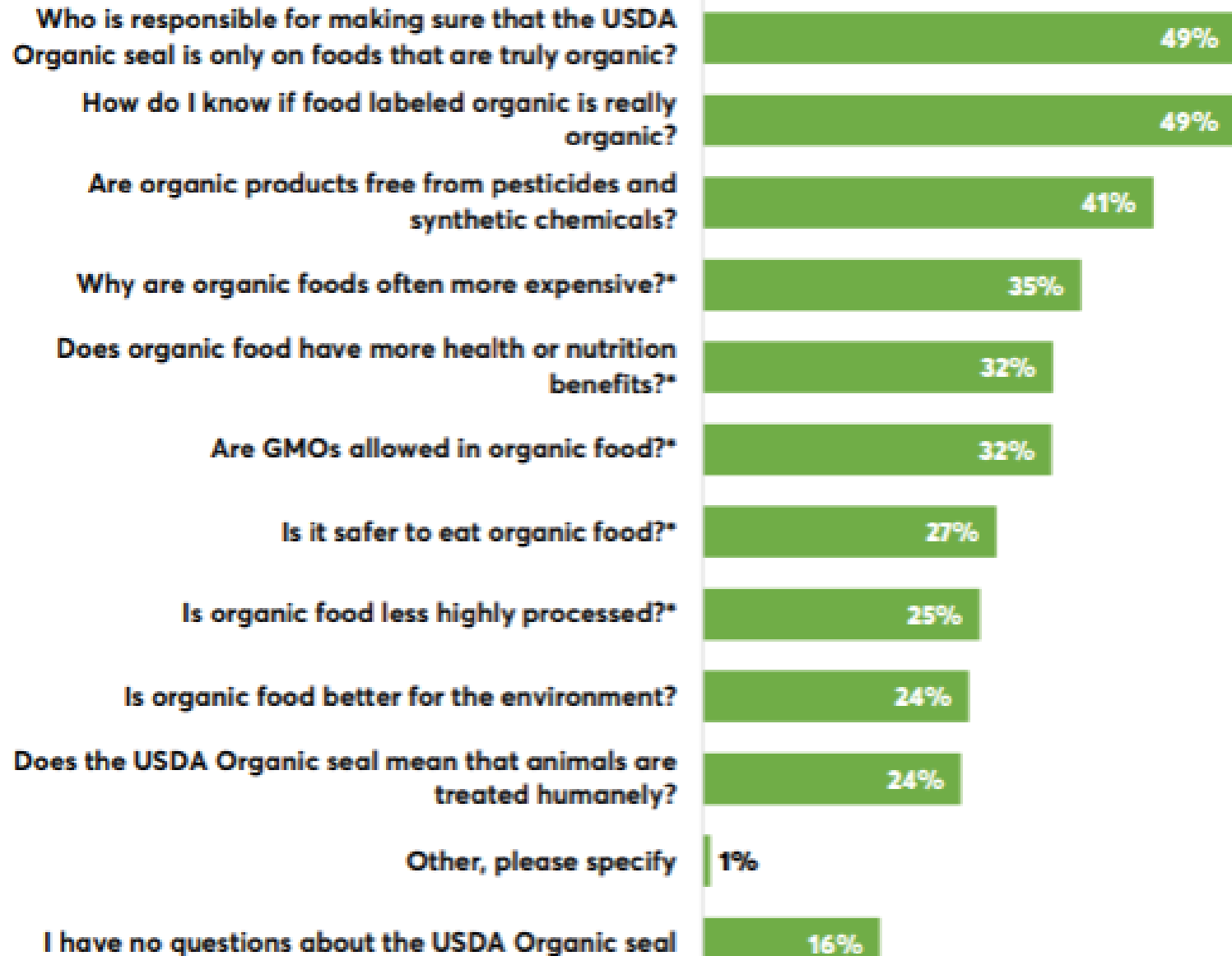


Now we'd like to ask about the "USDA Organic" seal in particular. What do you think the "USDA Organic" seal means, as far as you know?





Below are some questions people may have about the USDA Organic seal. Please indicate which, if any, of these are questions you have about the seal.



Retailer Toolkit

- Download toolkit and graphics from NOP site
- Only use for organic products
- Can be resized but not changed

USDA Organic Consumer Outreach Toolkit:

A toolkit to raise consumers' awareness of, and trust in, the organic label

*Developed and provided by
the USDA National Organic Program*

[DATE]



The 4 Pillars of the Organic Label



Pillar 1: Organic is protected by law

- The only government-backed marketing claim for organic food.
- Only foods produced according to organic standards can use the organic seal.
- USDA develops and strictly enforces standards for organic foods and fiber.
- The USDA organic seal is a registered trademark, which allows USDA to enforce criminal penalties against misuse of the seal.
- NOP investigates complaints and takes action against businesses that violate the regulations.



Pillar 2: Inspected by Experts

- Specially trained organic inspectors visit farms yearly to confirm they meet the organic standards.
- Every organic operation is subject to unannounced inspections and testing.
- To become certified organic, operations go through a rigorous process to show that their practices follow the organic standards.



Pillar 3: Traced from Farm to Store

- The Strengthening Organic Enforcement rule increases the USDA's ability to enforce the organic standards.
- Organic operations must keep detailed records.
- Certifiers audit organic supply chains to deter and detect fraud.



Pillar 4: Shaped by Public Input

- The public provides feedback (public comments) on proposed regulations that shape final policy decisions.
- The National Organic Standards Board is an advisory board composed of volunteers from the organic community. They advise the NOP on organic regulations.
- The public can attend NOSB public meetings to provide input.





Fridge & Freezer Door Stickers

Organic Integrity
from Farm to Store

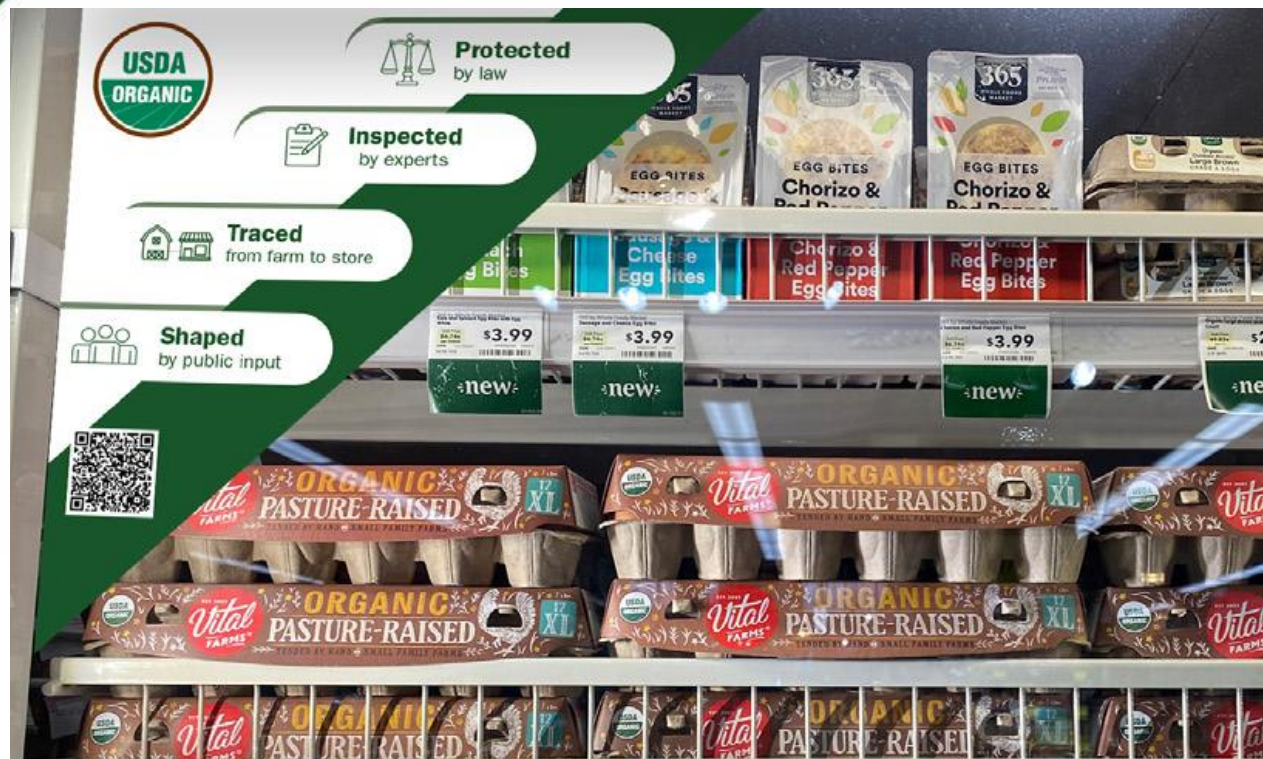
Protected by law

Inspected by experts

Traced from farm to store

Shaped by public input

USDA ORGANIC



Aisle Banners



ORGANIC



Protected
by law

Inspected
by experts

Traced
from farm to store

Shaped
by public input

USDA
ORGANIC





Meat, Dairy, & Eggs

- Raised on pasture
- Humane treatment
- No growth hormones or antibiotics



Meat, Dairy, & Eggs

- Raised on pasture
- Humane treatment
- No growth hormones or antibiotics



Produce & Grains

- Natural fertilizers
- Eco-friendly pest control
- Protects soil and water



Packaged Goods

- No GMOs
- Traced from farm to store
- No artificial colors, flavors, or preservatives



Online & Social Media Banner



Produce & Grains

- Natural fertilizers
- Eco-friendly pest control
- Protects soil and water



Meat, Dairy & Eggs

- Raised on pasture
- Humane treatment
- No growth hormones or antibiotics



Packaged Goods

- No GMOs
- Traced from farm to store
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How To Get Involved

- Download the toolkit from the NOP website:
 - [USDA Certified Organic: Understanding the Basics | Agricultural Marketing Service](#)
- Post materials in stores and/or on online platforms
- Train staff in Talking Points



USDA



Agricultural Marketing Service



THANK YOU

SINCE 1985
Organic
trade association™

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