



ORGANIC IS GOOD FOR THE U.S. ECONOMY

GROWTH

The almost \$50 billion dollar a year organic industry is a bright spot in the U.S. farm economy. U.S. organic sales have grown exponentially from \$14 billion in 2005 to \$43.3 billion in 2015, a 209% increase. Organic has posted double-digit growth in each of the last five-years, including 11% growth in 2015.¹

JOBS

Organic farms, suppliers and handlers are creating jobs across the country, including expanding, opening and retooling handling, manufacturing and processing facilities. Sixty percent of organic businesses reported their operations had increased full-time employment during 2015.² More than 65 percent of organic farms sell in wholesale markets creating a distinct value chain in the greater food economy. From processors to packers, distributors to marketing cooperatives, the organic industry is employing Americans across the entire supply chain.

RURAL DEVELOPMENT AND COMMUNITIES

Organic hotspots kick start rural economies—counties with high levels of organic agricultural activity whose neighboring counties also have high organic activity—boost median household incomes by an average of \$2,000 and reduce poverty levels by an average of 1.3 percentage points.³ 225 counties across the United States are identified as organic hotspots and are as diversified as the organic industry, and represent the various kinds of organic agricultural activity and accompanying businesses: crop production, livestock production, organic processors.

DOMESTIC PRODUCTION

The \$50 billion per year industry is supported by more than 24,000 certified organic operations nationwide, from strawberries to beef, wheat to eggs, organic farms and businesses can be found in all 50 states. When viewed as a commodity class organic is the fourth largest food and feed economy in the U.S. with over 6.2 billion in 2015 farm gate sales, up 13% since 2014.⁴ Still demand regularly outpaces supply making organic an opportunity for U.S. farmers.

FARM NET INCOME

Organic farms are 35 percent more profitable than the average farm and have higher gross receipts. Premiums paid to organic farmers can range from 29 to 32 percent above non-organic prices. The difference in on farm net-income in many cases is what makes staying on the farm possible.



¹ The Organic Trade Association's 2016 *Organic Industry Survey*

² The Organic Trade Association's 2016 *Organic Industry Survey*

³ *U.S. Organic Hotspots and their Benefit to Local Economies* by Penn State Agricultural Economist Dr. Edward Jaenicke

⁴ USDA, NASS 2015 Certified Organic Survey

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ORGANIC IS A CHOICE



ELECTIVE STANDARD

Bottom line – organic is voluntary regulatory program for producers and handlers who choose to market their products under the USDA organic seal. The program is not mandatory for all agricultural products, but provides uniform standards and enforcement for those who choose to participate⁵ The market rewards businesses that opt-in. Likewise, consumers are free to make choices to support organic products every time they make a purchase.

MARKET-BASED LABEL

Competition and choice are the bedrocks of the entire American economy. Consumers drive demand in the marketplace and the US food and agriculture industry continues to evolve. American farmers and consumers should be able to decide which foods they want to grow and buy. A healthy market for organic products requires a clear market distinction backed by a trusted, verified and enforced claim. The result is valued added agriculture- and organic options are now found in 75% of all categories on supermarket shelves.⁶

CONSUMER DRIVEN

The USDA Organic Label is highly trusted by over 75% of families⁷. This standard means something valuable and tangible in a sea of sometimes confusing claims. U.S. families respond by increasing their purchases of organic every year. In fact, between 68% and 86% of households in all census divisions across the U.S. purchase some organic products.



ORGANIC relies on a STRONG USDA ORGANIC PROGRAM

Meeting the increased demand for Organic production is good for the greater US agriculture industry – a rising tide lifts all boats. The return on investment for organics is well performing. Federal spending on organics, including the annual \$9 million National Organic Program, is miniscule in the grand scope of the agriculture-spending basket. Compared to the benefit sowed from the initial investment, it is impressive. The industry relies on a few critical public institutions to support this burgeoning industry including: the National Organic Program for global oversight and uniform standards, research investment targeted to organic production, basic data collection for market transparency, and limited state administered support for certification- critical to new and beginning farmers. Importantly organic is fueled by consumers and thrives when USDA recognizes the importance of organic to rural economies and clears the path for organic to invest in itself.



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⁵ A Better Way-Our Vision for a Confident America, The Economy, June 2016, House GOP

⁶ SPINS Consumer insights powered by IRI Shopper Network for year ending 12/28/2014, UPC coded items only

⁷ The Organic Trade Association's U.S. Families' Organic Attitudes and Beliefs 2016 Tracking Study