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The Outlook for Organic Agriculture

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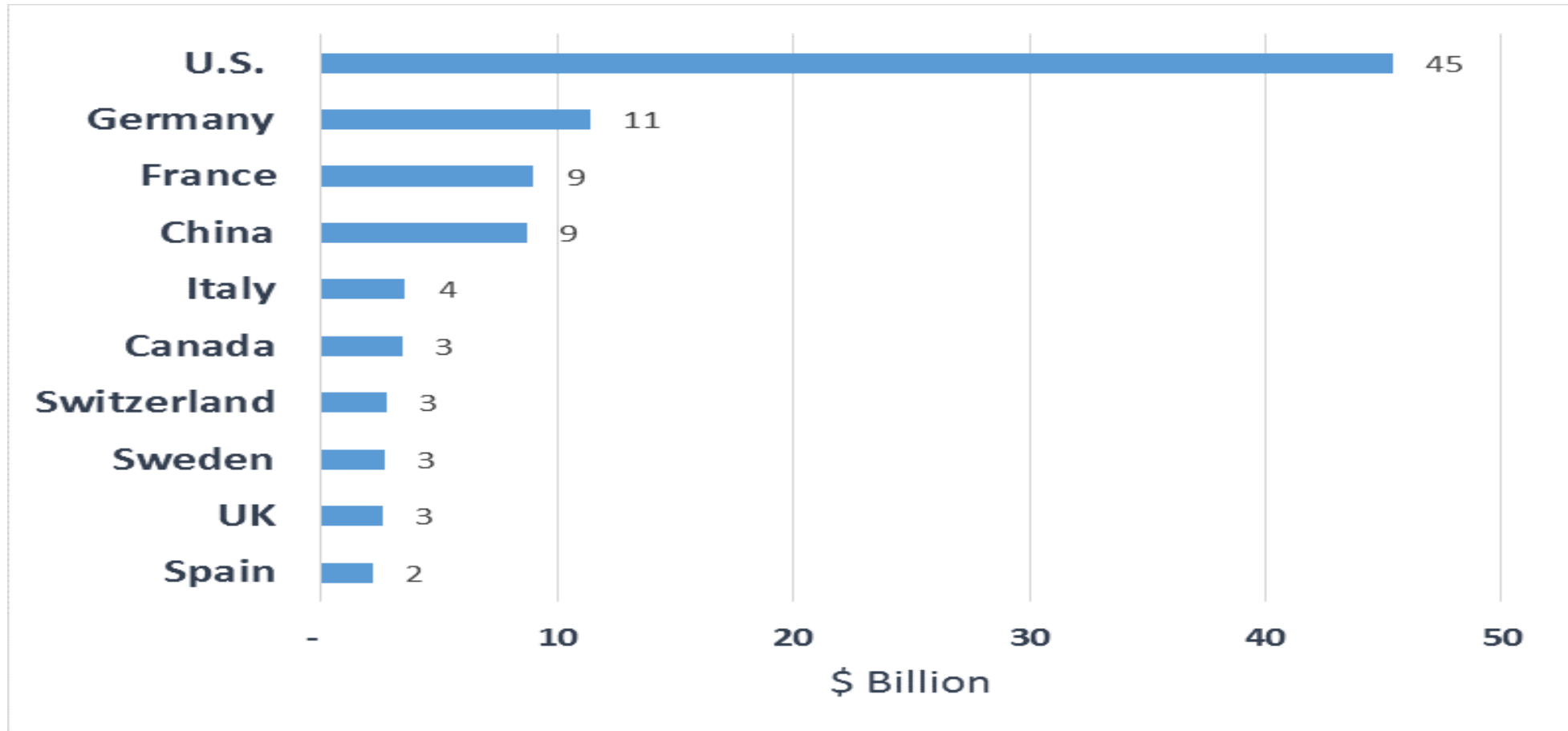
The Findings and Conclusions in This Preliminary Presentation Have Not Been Formally Disseminated by the U.S. Department of Agriculture and Should Not Be Construed to Represent Any Agency Determination or Policy. This research was supported by the intramural research program of the U.S. Department of Agriculture, Economic Research Service.

Topics Today: U.S. Organic Sector Expansion

- ❑ U.S. is top market worldwide for organic products
- ❑ U.S. organic production sector continues recent expansion
- ❑ Organic opportunities exist across commodity sectors—
Fruits and vegetables, animal products and grains
- ❑ 2018 Farm Bill provides support for production challenges
- ❑ Synergies exist between public support and
private investment



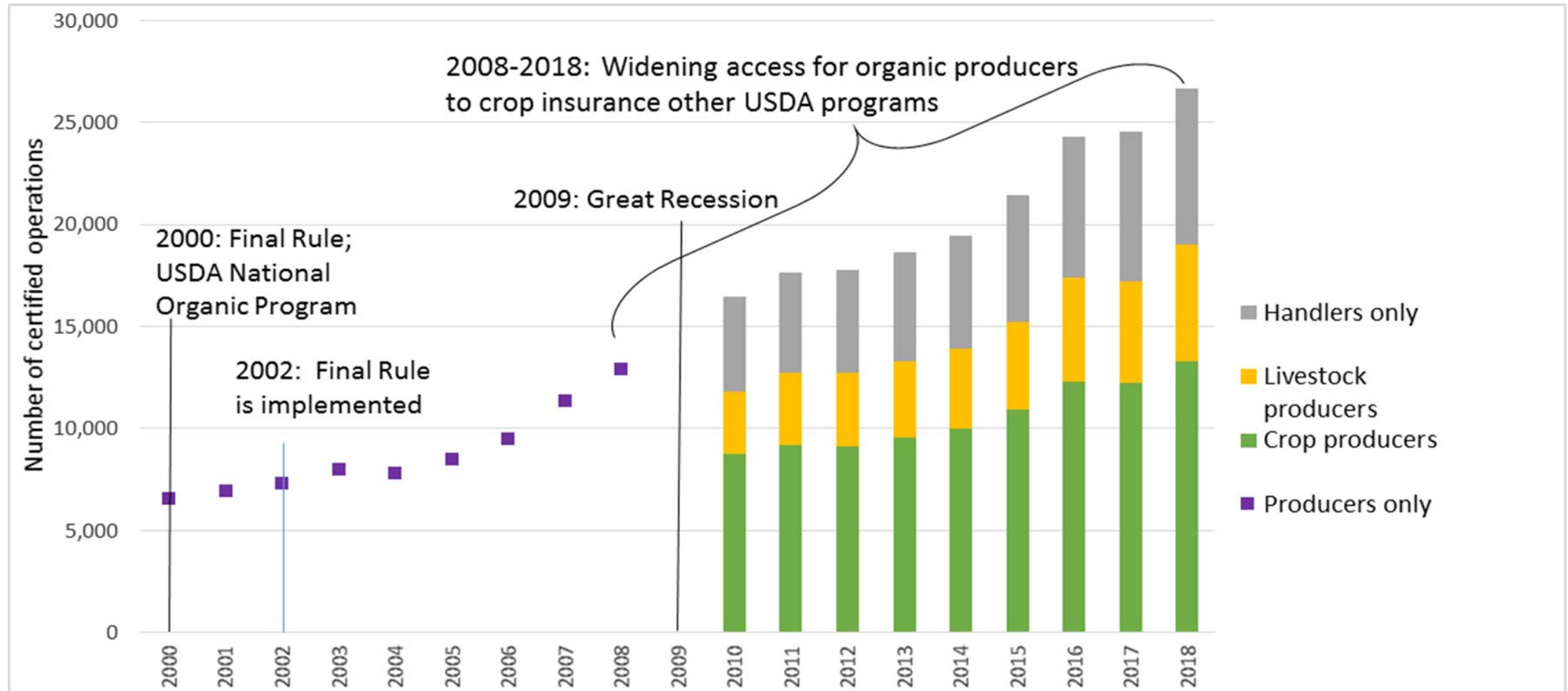
In 2017, the United States Led the Top Ten Countries with the Largest Markets for Organic Products



Source: Willer and Lernoud (Eds.) *The World of Organic Agriculture. Statistics and Emerging Trends 2019*. Research Institute of Organic Agriculture (FiBL), Frick, and IFOAM-Organics International, Bonn.



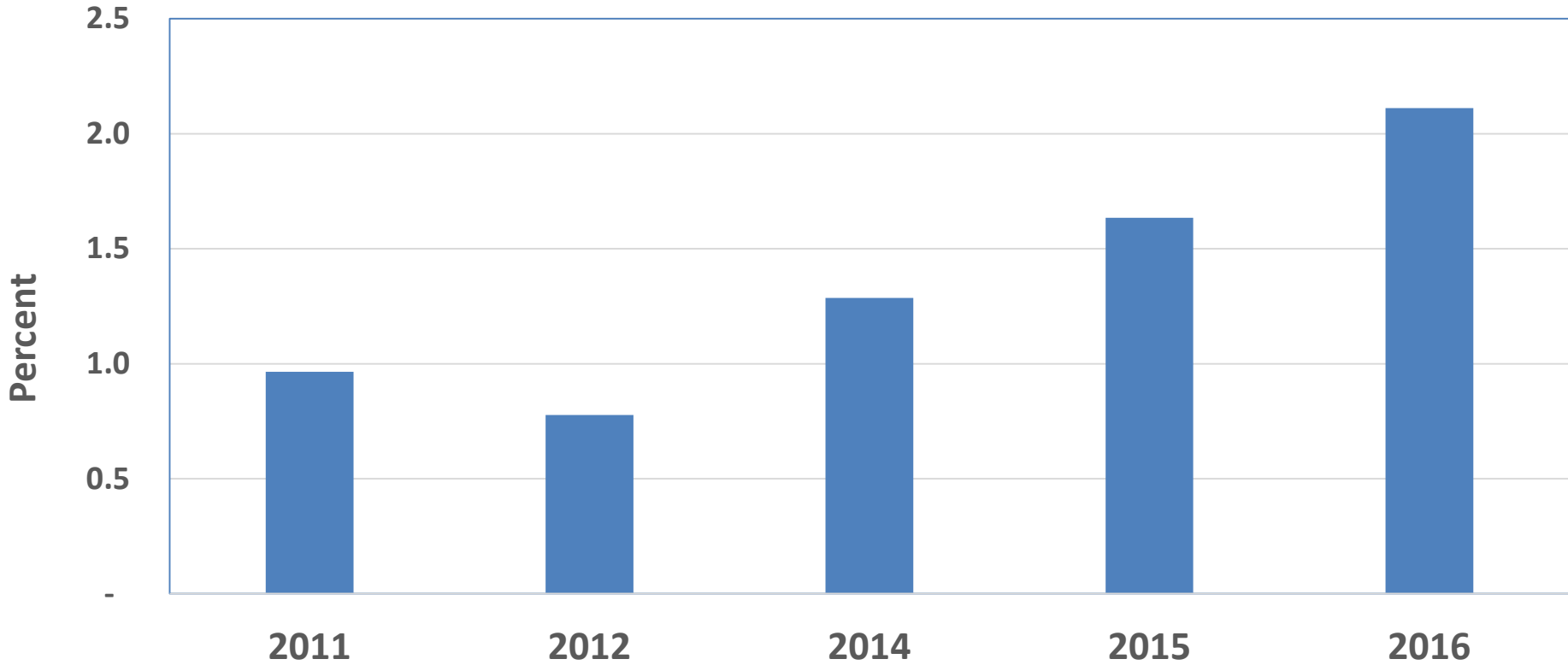
U.S. Certified Crop and Livestock Producers Dipped in 2010, but have increased steadily since then.



Source: USDA-ERS Data Product, Organic Production; USDA-AMS, National Organic Program, Organic Integrity Database: 2018 estimates are through mid-November.



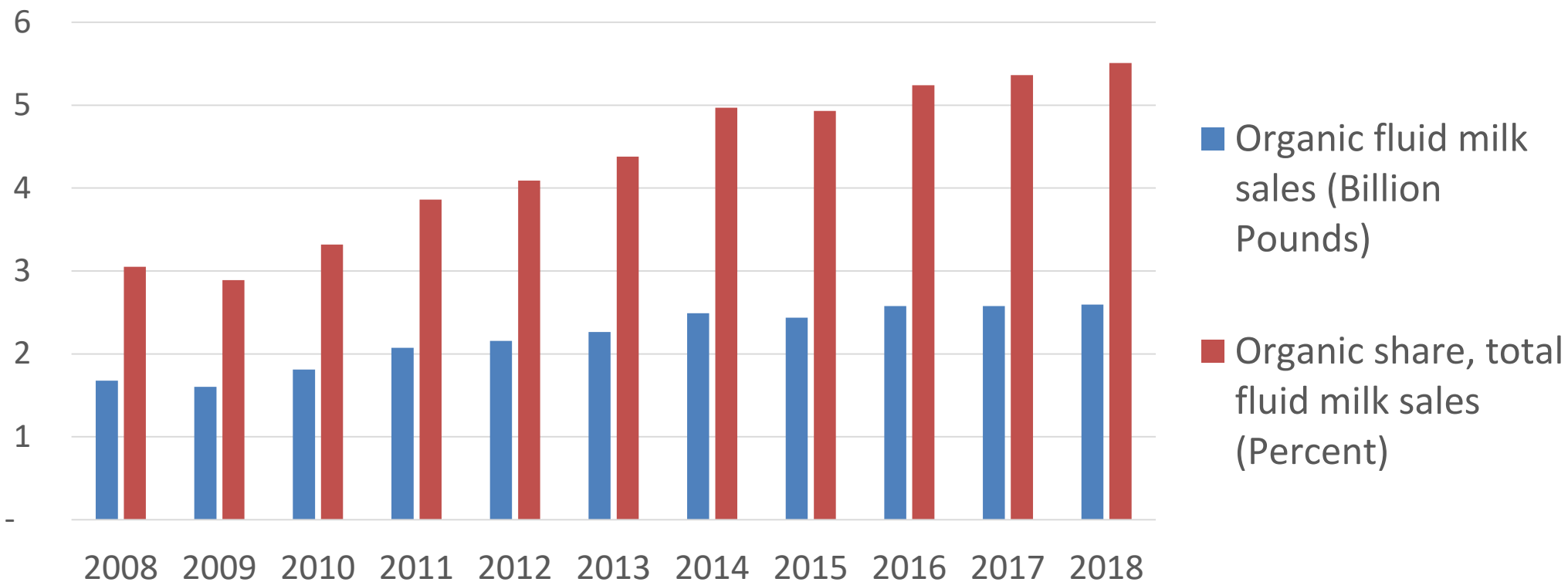
U.S. Organic Commodity Cash Receipts were \$7.6 Billion in 2016— Organics share of total commodity cash receipts topped 2 percent



Source: USDA-NASS Agricultural Census and National Organic Producer Surveys;
USDA-ERS Data Product, Annual U.S. Cash Receipts.



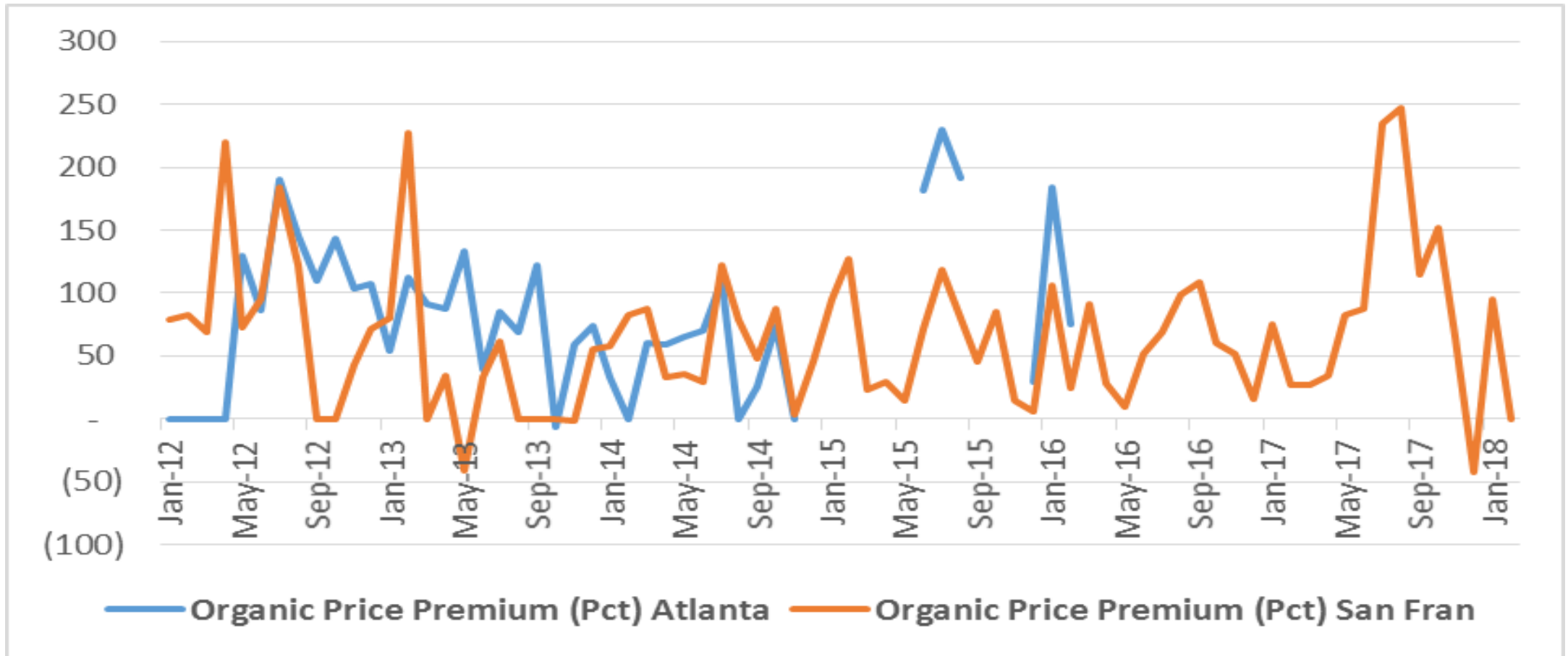
DAIRY MARKETS: U.S. Organic Fluid Milk Sales Volume as a Share of Total Sales Volume has Nearly Doubled since 2008—to 5.5 Percent



Source: USDA Economic Research Service, using data from USDA Agricultural Marketing Service, Federal Milk Marketing Order Statistics.



PRODUCE MARKETS: Many Wholesale Price Premiums are Holding Steady— For ex., organic cauliflower premiums in Atlanta and San Francisco



Source: USDA Economic Research Service, using data from USDA Agricultural Marketing Service, Specialty Crop Market News.

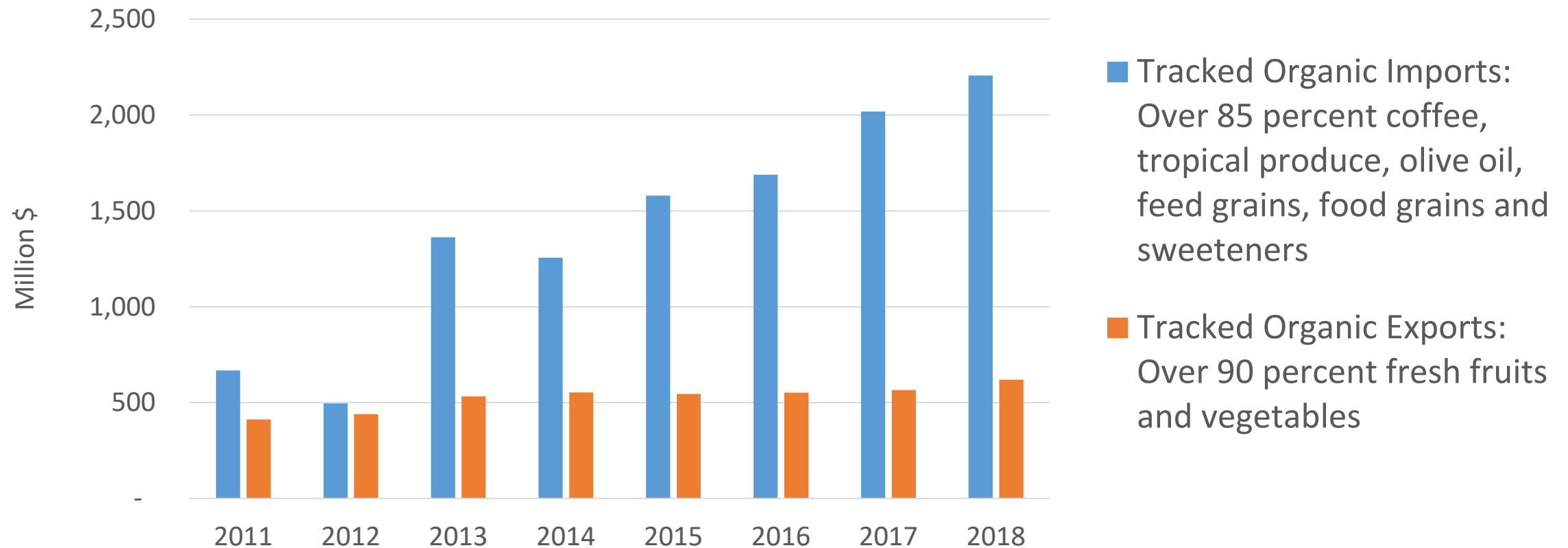


GRAIN MARKETS: Organic Price Premiums More Than Offset Higher Production Costs for Organic Grain Crops

- ❑ USDA survey data show that organic corn and soybean production have lower yields and higher total economic costs than conventional systems.
- ❑ ERS research findings show that organic price premiums more than offset higher production costs for organic corn and soybean production.
- ❑ Increased research on organic farming systems may help farmers with weed management and other challenges in organic grain production.



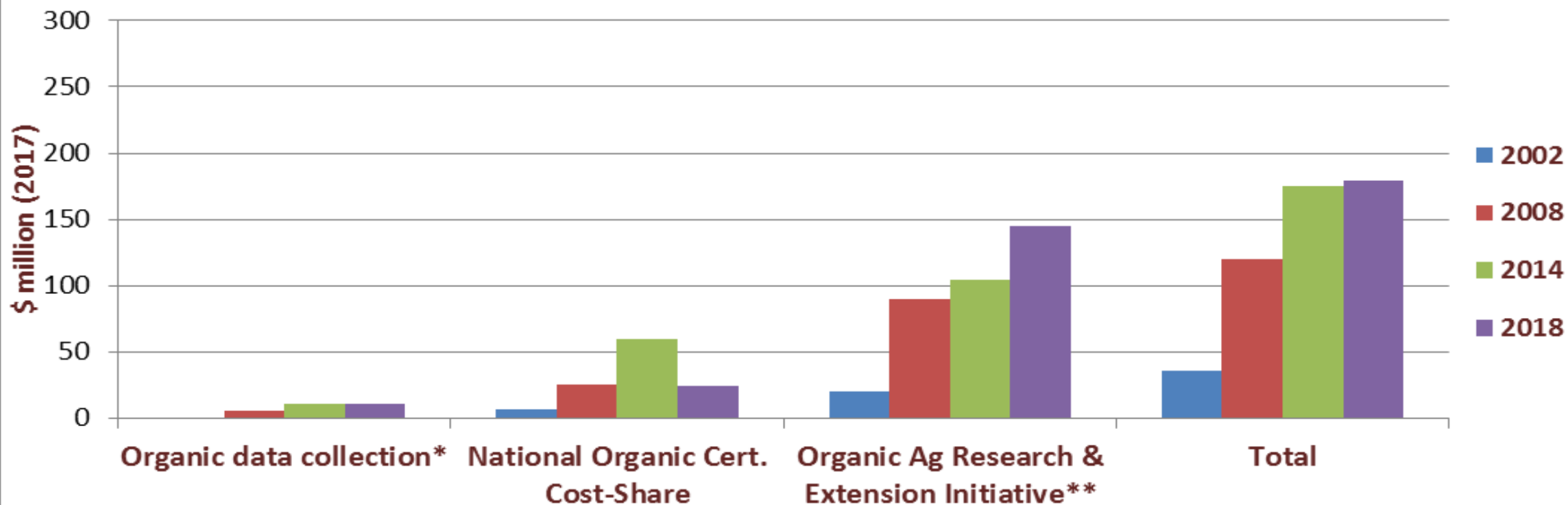
U.S. TRADE: Tracked U.S. Organic Exports are Mostly Fresh Fruits and Vegetables— Tracked U.S. Organic Imports Include Tropical Products, Grains and Other Products



Source: USDA, Economic Research Service, using data from USDA Foreign Agricultural Service Trade Database; U.S. Department of Commerce, U.S. Census Bureau.



Inflation-Adjusted Mandatory Spending on Organic Agriculture, 2002-2018 Farm Acts



* Includes \$5 million in 2018 to improve organic import tracking and verification.

** Does not include intramural organic research funds in USDA's Agricultural Research Service.

Source: USDA Economic Research Service, using data from USDA budget summary data (2002); Congressional Budget Office (2008); 2014, 2018 Farm Acts.



For more information

USDA-ERS Organic Agriculture Topic Page:

<http://www.ers.usda.gov/topics/natural-resources-environment/organic-agriculture.aspx>

USDA Organic Topic Page:

<https://www.usda.gov/topics/organic>

