

Trends in Organic Agriculture

1. Demand for organic is rising consistently year over year.

- In Maine, sales of organic products *increased 74%* from 2008 to 2014: from \$31M to \$54M
- Total U.S. organic sales posted a new record of \$43.3 billion in 2015: *the largest dollar gain yet*. This is up 11% from 2014 and far surpasses the overall food market growth rate of 3%. Nearly 5% of all food sold in the U.S. in 2015 was organic.
- Nationally the growth of organic products is expected to *continue to outpace* the growth in total food sales in the year ahead and beyond.
- Among U.S. families 35% "*make a great deal of effort*" to choose organic foods and products – a figure that jumps to 74% when families that "*make at least a minor effort*" are added.

2. What factors are driving the increased demand for organic food?

- *New purchasing influences* such as health and wellness, safety and social impact are motivating customers, whereas traditional factors such as price, taste and convenience are holding less sway over consumer decisions.
- Over 50% of Generation Z consumers (those born from mid-1990s to mid-2000's) perceive organic food as *healthier* and believe it tastes better. Among baby boomers 39% percent also perceive organic as healthier, and each of these demographics makes up about 23% of the U.S. population.
- Consumers are *redefining food safety* to include their increasing interest in products made with non-GMO ingredients or that are certified organic.
- Increased consumer demand for organic in 2015 is also attributed to *greater access* to these products from mainstream retailers. As supermarkets, big box stores, membership warehouse clubs and other outlets continued to increase organic offerings, organic options have become more available than ever before. In 2015 conventional grocery sold 50% of all organic food in the U.S.
- Food service is one of the *primary growth sectors* within organic food sales. In 2014 United Natural Foods, Inc., demonstrated a 25% increase in sales of organic and natural products to its food service division.
- Retailers and food distributors are *going digital* – providing menu information, product details and transparency information online; enabling consumers to get the information they want more conveniently.
- Organic food is becoming *more convenient*; organic options are increasingly available in snack foods, prepared and frozen meals, and in restaurants and cafes.
- Americans *want to be educated* about the health impact of each ingredient and how to optimize their diet in order to look and feel their best. In that vein, today's consumers want products made with ingredients that are understood, expected, authentic and easily pronounced.
- 82% of consumers make some type of effort to learn about organic, sustainable and clean living, and 73% say they think it is important that food

products be made in a *sustainable way*. Within that 73%, 44% consider conserving natural habitat as an important aspect of sustainability, which was followed by reducing the amount of pesticides used to produce food (43%) and ensuring an affordable food supply (37%).

3. Supply of organic products is rising to meet demand.

- From 2008 to 2014 Maine experienced a *36% increase* in the total number of organic farms and a *107% increase* in total acreage in organic production. Additionally 45% of Maine's organic farms indicated that they intend to increase organic production.
- Maine is *number 10* in the nation for number of organic farms and number 2 in New England after Vermont. Most of that product stays in Maine: 80+% of Maine organic farms sell their products within 100 miles.
- *Over 21,000* certified organic operations exist in the U.S. – an increase of almost 12 percent between 2014 and 2015.

4. Beyond the numbers, why do your customers CARE?

- **Better for the environment.** Waterways and farmland are contaminated by agricultural run-off - primarily from conventional farms. More than 600 active chemicals are registered for agricultural use in America; billions of pounds are applied annually. The decline of birds, bees and other pollinators has been linked to some synthetic pesticides. Natural pesticides that are allowed for use on organic farms tend to be less toxic and degrade faster. One study showed that organic farms are home to about 30% more wildlife species than conventional farms.
- **Healthier for us.** In some studies plants nurtured by healthy soil on organic farms produce crops with higher levels of antioxidants, minerals and vitamins. The international team behind the most recent work on this subject suggests that switching to organic fruit and vegetables could give the same benefits as adding one or two portions of the recommended "five a day."
- **More humane.** Livestock raised organically must have access to the outdoors and room enough to move, graze and develop in a manner that supports natural behavior. They cannot be given growth hormones or be treated with antibiotics, which many consumers seek to avoid.
- **Better for the economy.** Recent research identified 225 U.S. counties as "organic hotspots" – counties with high levels of organic agricultural activity that have neighboring counties with high levels of organic agricultural activity. Organic hotspots boosted median household incomes by more than \$2,000 and lowered a county's poverty rate by as much as 1.35% – greater rates than general agricultural activity and even more than major anti-poverty programs.

For full citations and more in-depth information about any of these points, please contact Heather Omand at homand@mofga.org or 207-568-6024.