

U.S. Demand for Organic Products Goes Global

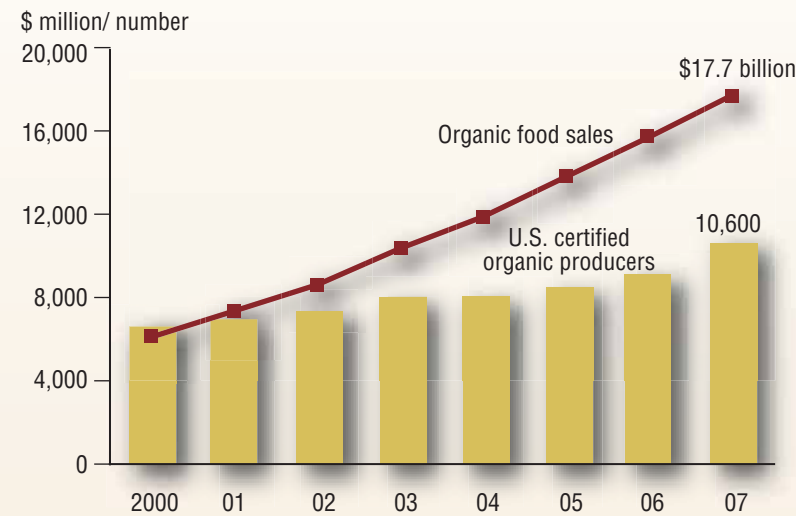


A production system that is managed in accordance with the Organic Foods Production Act and regulations to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

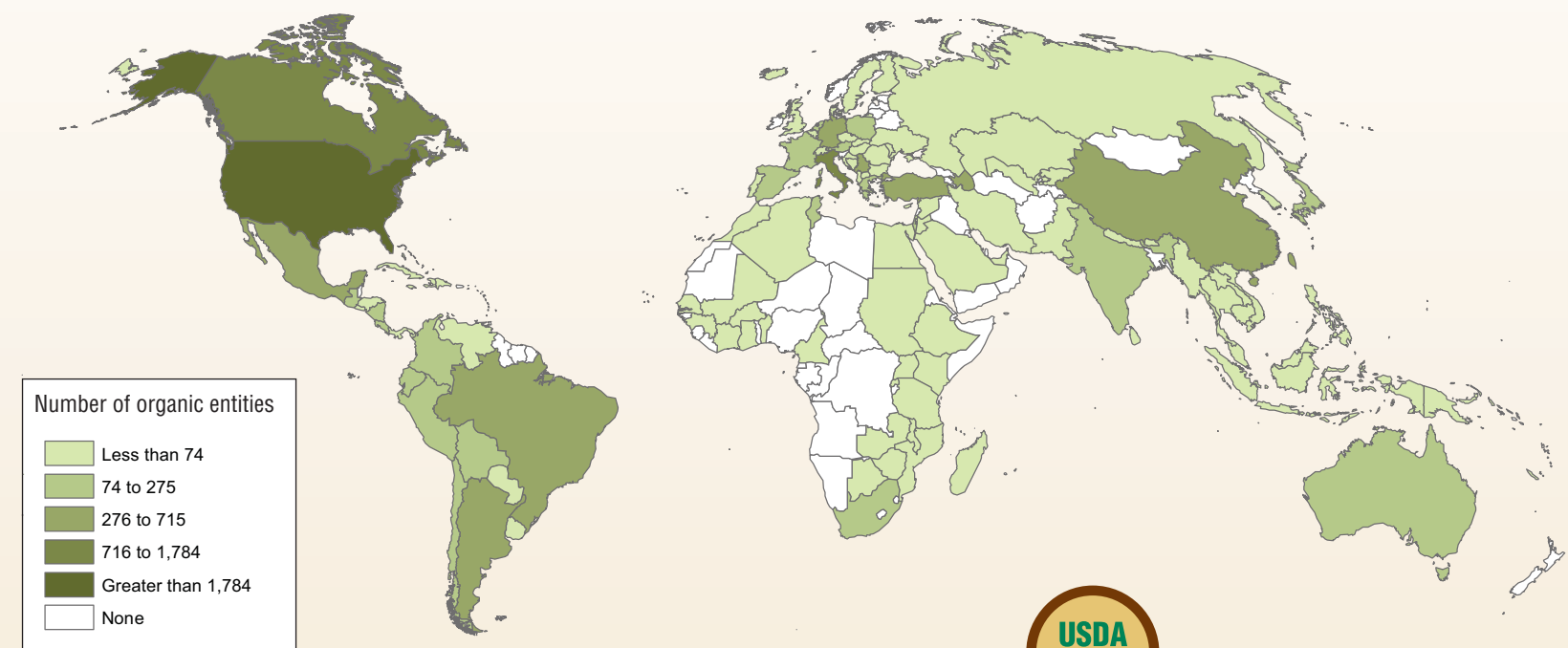
USDA definition of organic production

Organic products have shifted from being a lifestyle choice for a small share of consumers to being consumed at least occasionally by a majority of Americans. While the consumption of organic food and beverages internationally is concentrated in Europe and the United States, the production of certified organic products is scattered worldwide.

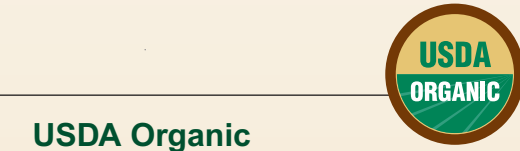
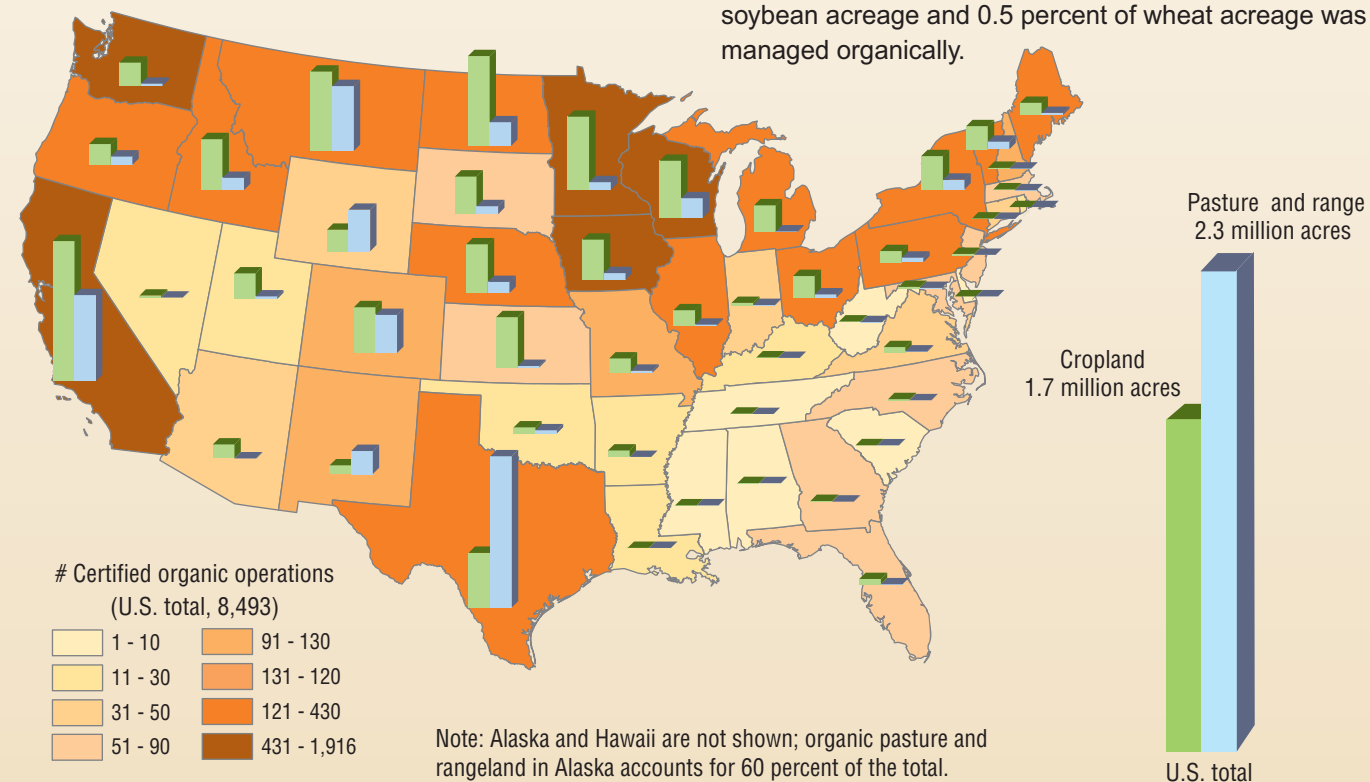
U.S. organic food sales are increasing faster than domestic producers



In 2007, USDA-accredited groups certified 27,000 producers and handlers worldwide to the U.S. organic standard, with approximately 16,000 in the U.S. and 11,000 outside the U.S.



U.S. certified organic acreage and operations, 2005



USDA Organic
The National Organic Program in USDA's Agricultural Marketing Service administers Federal regulations on organic standards and certification (www.ams.usda.gov/NOP). Foreign producers and handlers must also meet U.S. organic standards.

Organic imports have played a significant role in the U.S. market expansion for organic products.

- In 2002, USDA estimated the value of U.S. organic imports was between \$1.0 billion and \$1.5 billion, while the value of U.S. organic exports was \$125 million to \$250 million. While more recent data are unavailable, it seems certain that the gap between the value of imports and exports has widened in recent years as U.S. consumer demand for organic products has grown faster than domestic production.
- Major organic imports include fresh fruits and vegetables, products not grown in the U.S. (such as coffee, tea, cocoa, and tropical produce), and raw ingredients, including soybeans.