

# The State of Organic



**Matthew Dillon**  
*Organic Trade Association*



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# State of Organic

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## Organic Market, Policy Landscape, and Consumer Marketing Update

Presented by

**Tom Chapman**

Co-CEO

**Matt Dillon**

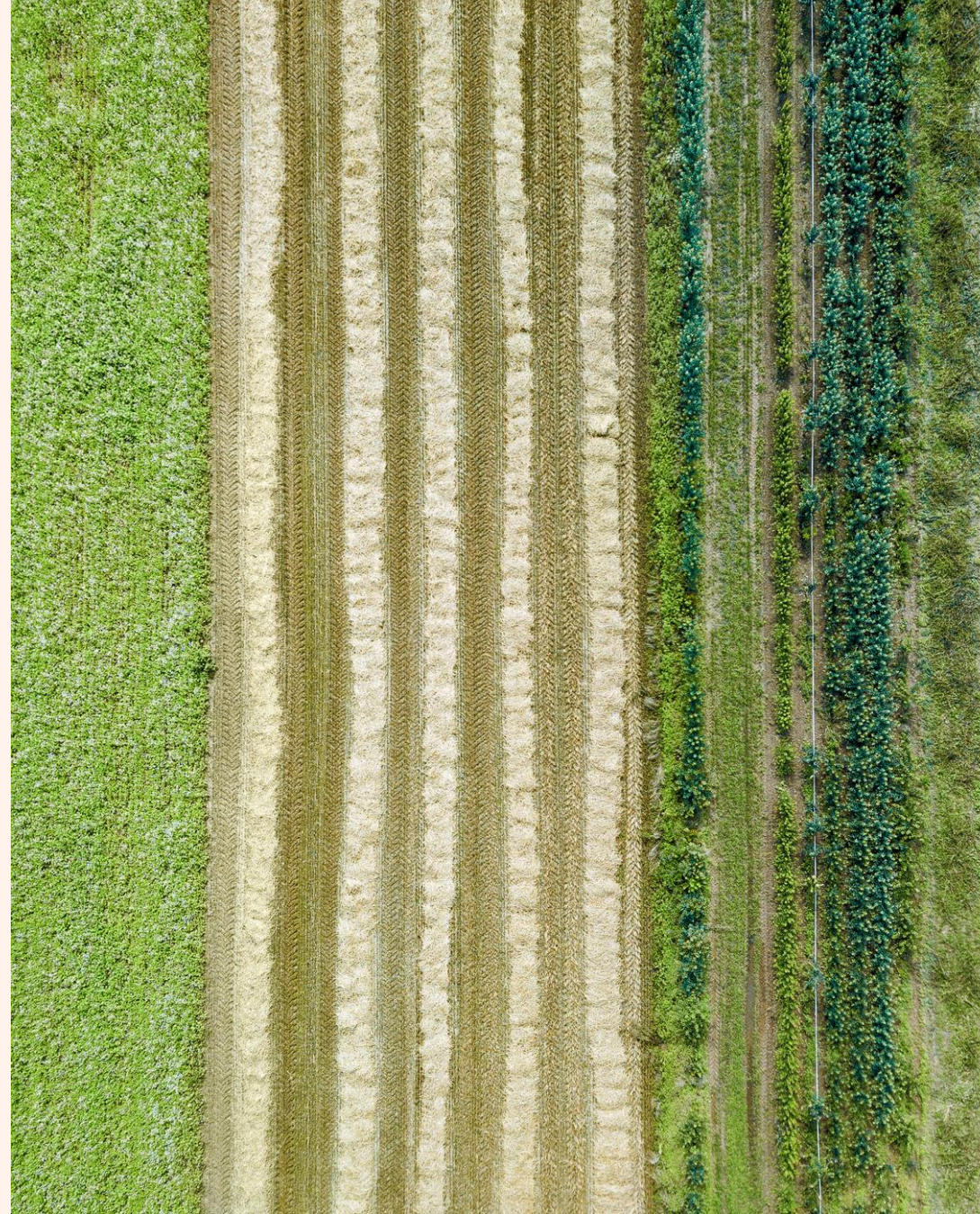
Co-CEO

**Sandy Pfaff**

VP, Public Relations



**ORGANIC  
TRADE  
ASSOCIATION**





The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in North America.

**OTA IS THE LEADING VOICE FOR THE \$76+ BILLION ORGANIC INDUSTRY IN THE UNITED STATES, REPRESENTING ORGANIC BUSINESSES AND PRODUCERS ACROSS THE NATION.**

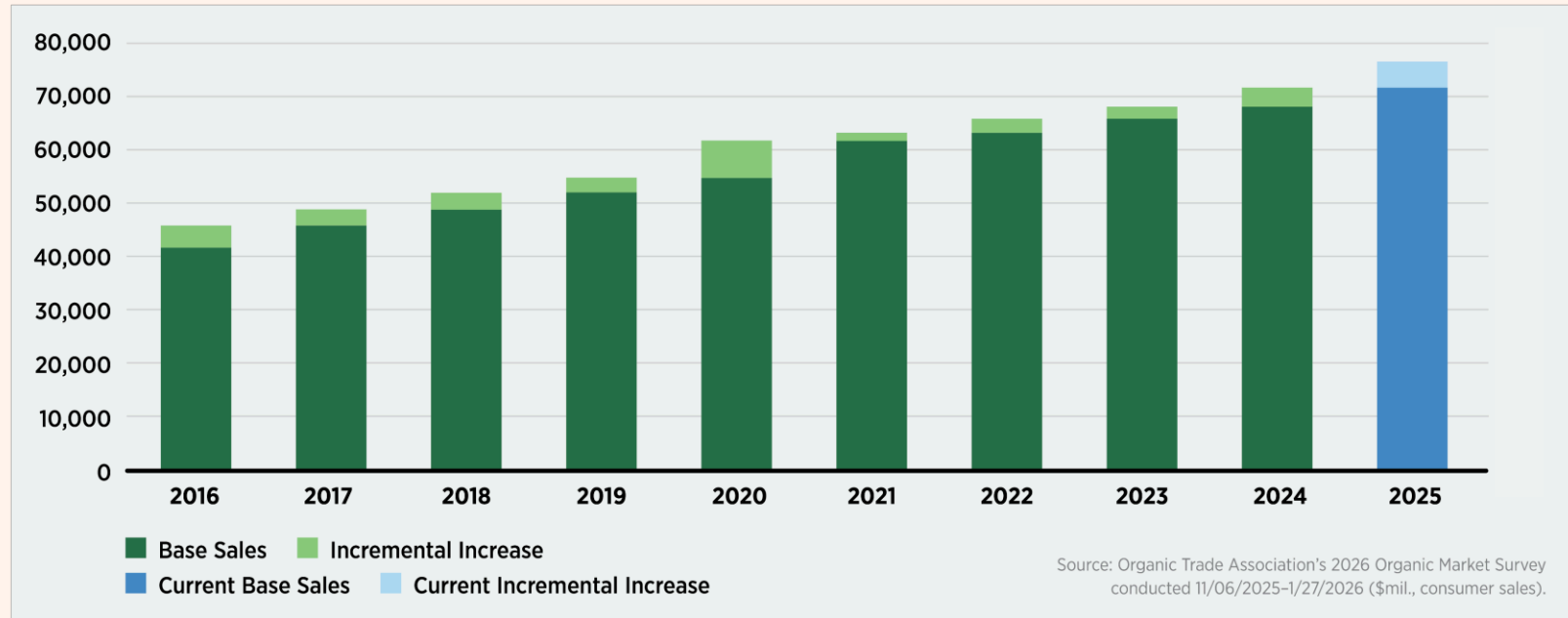
Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, brands, retailers and others. OTA's mission is to promote and protect ORGANIC with a unifying voice that serves and engages its diverse members from farm to marketplace.





# Organic market reached \$76.6 billion

Total U.S. Organic Sales & Growth, 2016–2025



- Added \$4.8B in revenue over last year
- 10-Year CAGR at 5.8%
- Added \$35 billion in last decade



# Organic growth outpaces total market

U.S. Organic vs. Total Store Sales, Growth & Penetration, 2016–2025

CATEGORY	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Organic Food	42,100	44,900	47,642	49,996	56,568	57,626	60,174	62,251	65,599	70,096
Growth (%)	9.6%	6.7%	6.1%	4.9%	13.1%	1.9%	4.4%	3.5%	5.4%	6.9%
Total Food	793,736	803,154	821,620	841,126	946,397	971,584	1,065,638	1,102,961	1,128,583	1,154,955
Growth (%)	0.7%	1.2%	2.3%	2.4%	12.5%	2.7%	9.7%	3.5%	2.3%	2.3%
Organic Food Penetration (as % Total Food)	5.3%	5.6%	5.8%	5.9%	6.0%	5.9%	5.6%	5.6%	5.8%	6.1%
Organic Textiles, Supplements, HBC, & Pet	3,715	3,992	4,429	4,847	5,250	5,635	5,728	5,893	6,157	6,521
Growth (%)	8.8%	7.5%	10.9%	9.4%	8.3%	7.3%	1.6%	2.9%	4.5%	5.9%
Total Textiles, Supplements, HBC, & Pet	536,404	546,049	565,493	583,839	528,838	583,548	617,101	650,303	669,286	704,565
Growth (%)	0.6%	1.8%	3.6%	3.2%	-9.4%	10.3%	5.7%	5.4%	2.9%	5.3%
Organic Textiles, Supplements, HBC, & Pet Penetration (as % Total Textiles, Supplements, HBC & Pet)	0.7%	0.7%	0.8%	0.8%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%
Total Organic Products	45,814	48,892	52,071	54,843	61,818	63,261	65,902	68,144	71,756	76,617
Growth (%)	9.6%	6.7%	6.5%	5.3%	12.7%	2.3%	4.2%	3.4%	5.3%	6.8%
Total Store	1,330,140	1,349,202	1,387,112	1,424,965	1,475,234	1,555,132	1,682,739	1,753,264	1,797,869	1,859,520
Growth (%)	0.7%	1.4%	2.8%	2.7%	3.5%	5.4%	8.2%	4.2%	2.5%	3.4%
Organic Penetration (as % Total)	3.4%	3.6%	3.8%	3.8%	4.2%	4.1%	3.9%	3.9%	4.0%	4.1%

Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026 (\$mil., consumer sales).

- Food reached 70 billion
- Growth rate up 1.5 pp
- Grew 3x total food market

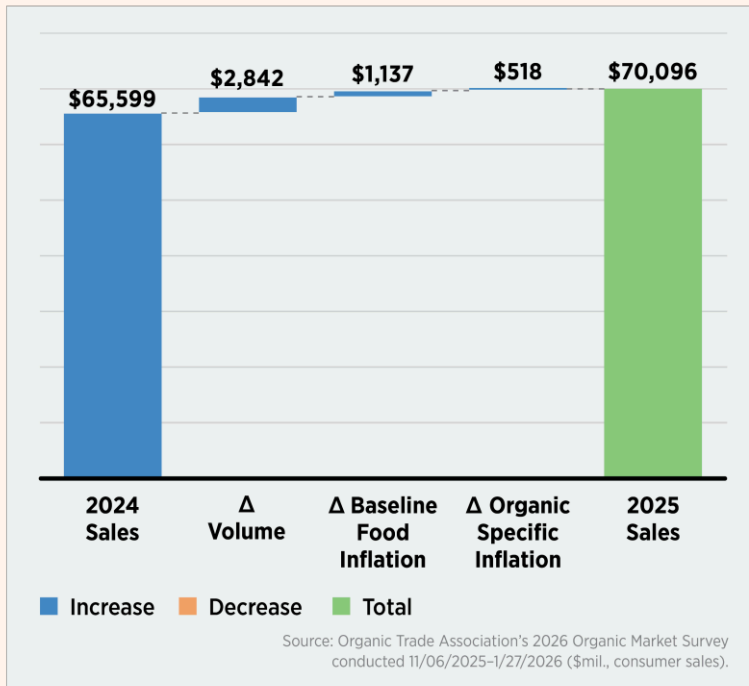
- Non-Food reached 6.5 billion
- Growth rate up 1.4 pp
- Grew faster than total non-food growth

- Total Market reached 76.6 billion
- Grew 2x total market

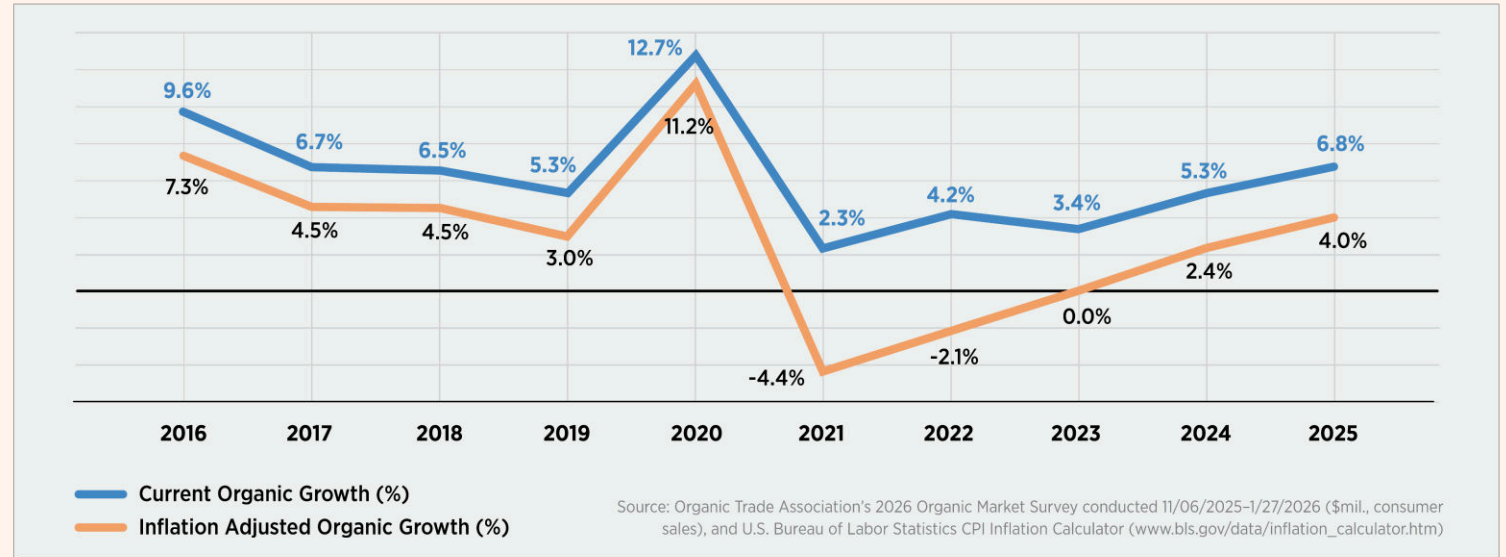


# 2/3's of growth from volume

U.S. Organic Food Inflationary Factors, 2024 to 2025



U.S. Organic Growth, Current vs. Inflation Adjusted



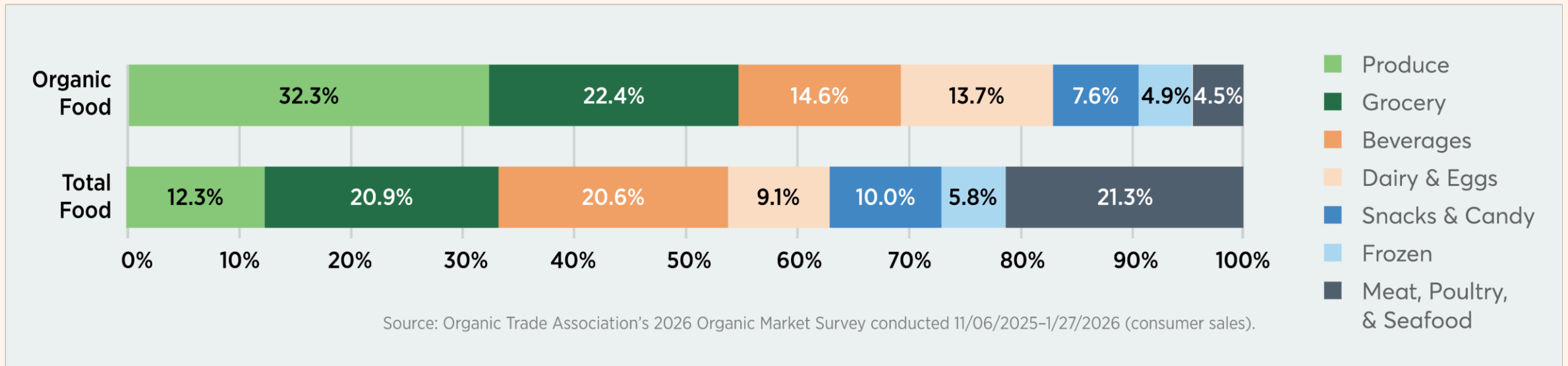
- 4<sup>th</sup> straight year of accelerating growth
- Grew 4% inflation adjusted, 5.5x total market growth rate





# Produce and Grocery over half of the marketplace

### U.S. Organic Food vs. Total Food Sales by Product in 2025

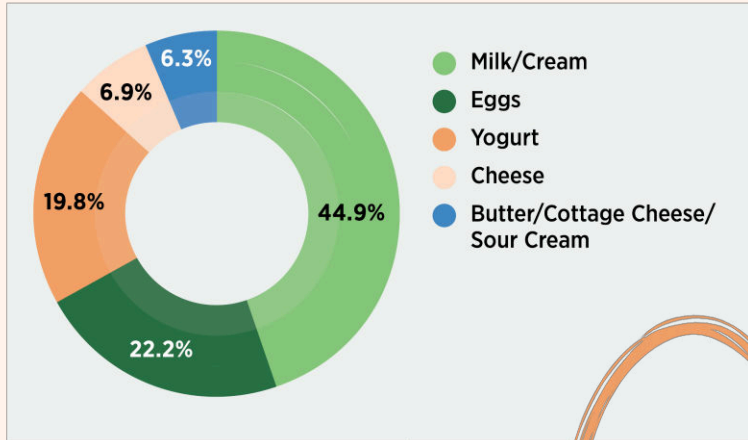




Section Title (remove if the whole presentation is on the same topics)

# Growth lead by animal protein categories

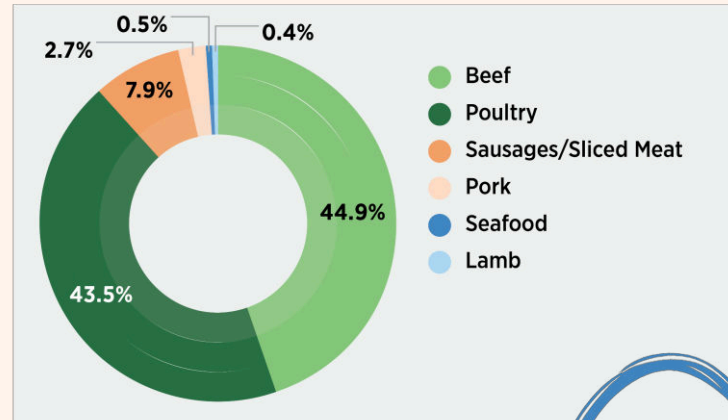
U.S. Organic Dairy & Eggs Sales by Subcategory in 2025



SUBCATEGORY	2025 SALES	2025 GROWTH
Milk/Cream	4,295	9.3%
Eggs	2,122	22.4%
Yogurt	1,893	16.6%
Cheese	664	3.6%
Butter/Cottage Cheese/Sour Cream	601	8.0%
<b>Total</b>	<b>9,573</b>	<b>12.8%</b>

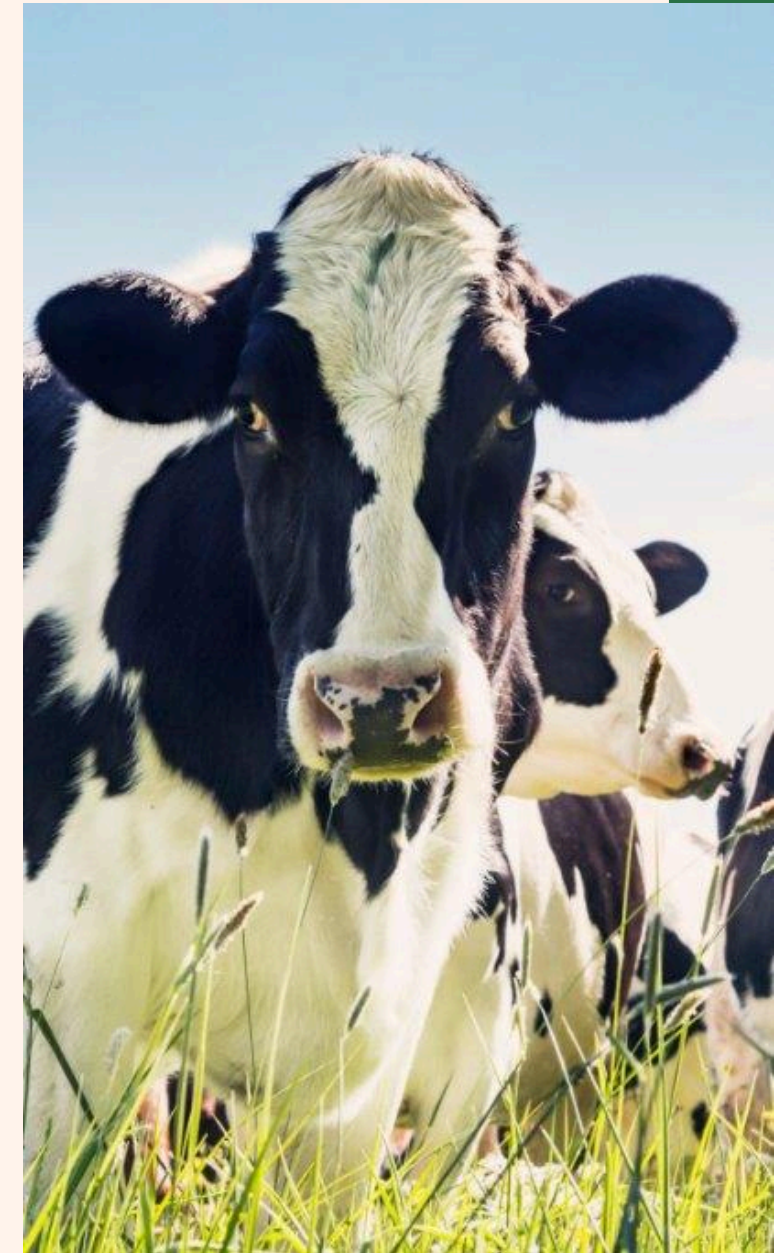
Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026 (\$mil., consumer sales).

U.S. Organic Meat, Poultry, & Seafood Sales by Subcategory in 2025



SUBCATEGORY	2025 SALES	2025 GROWTH
Beef	1,412	44.3%
Poultry	1,371	9.1%
Sausages/Sliced Meat	249	8.9%
Pork	86	12.1%
Seafood	17	2.3%
Lamb	13	-0.1%
<b>Total</b>	<b>3,148</b>	<b>22.5%</b>

Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026 (\$mil., consumer sales).

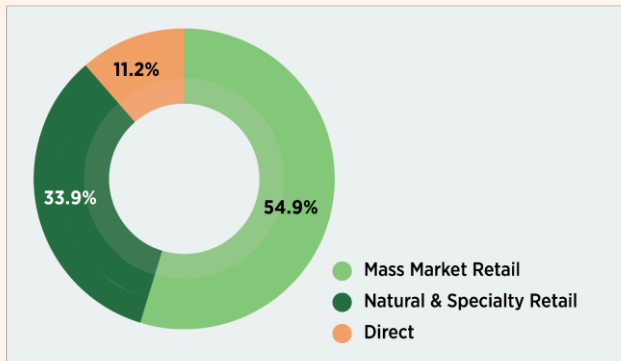




Section Title (remove if the whole presentation is on the same topics)

# Mass and Club continue to outpace regional natural

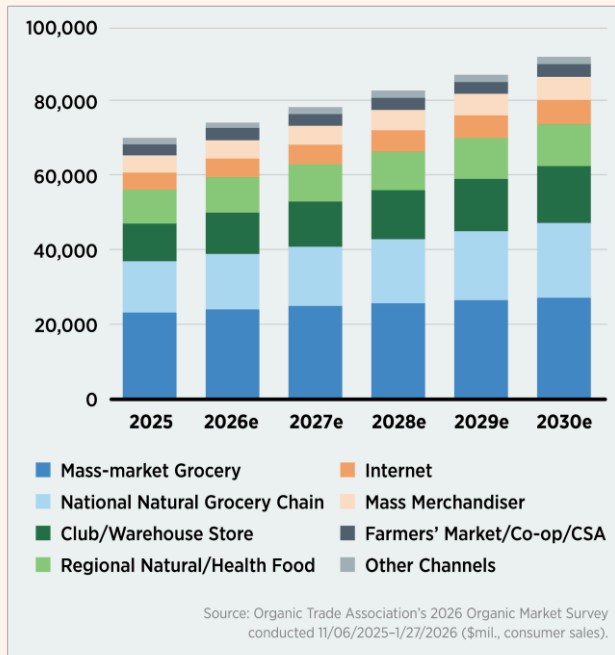
U.S. Organic Food Sales by Channel in 2025



MASS MARKET RETAIL		2025
Mass-market Grocery		33.0%
Club/Warehouse Store		14.7%
Mass Merchandiser		6.5%
Convenience Stores		0.6%
Drugstores		0.1%
NATURAL & SPECIALTY RETAIL		2025
National Natural Grocery Chain		19.6%
Regional Natural/Health Food		12.9%
Boutique/Specialty		1.4%
DIRECT		2025
Internet		6.7%
Farmers' Market/Co-op/CSA		4.4%
Mail Order/Other Direct		0.2%

Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026 (\$mil., consumer sales).

U.S. Organic Forecasted Food Sales by Channel, 2025-2030e



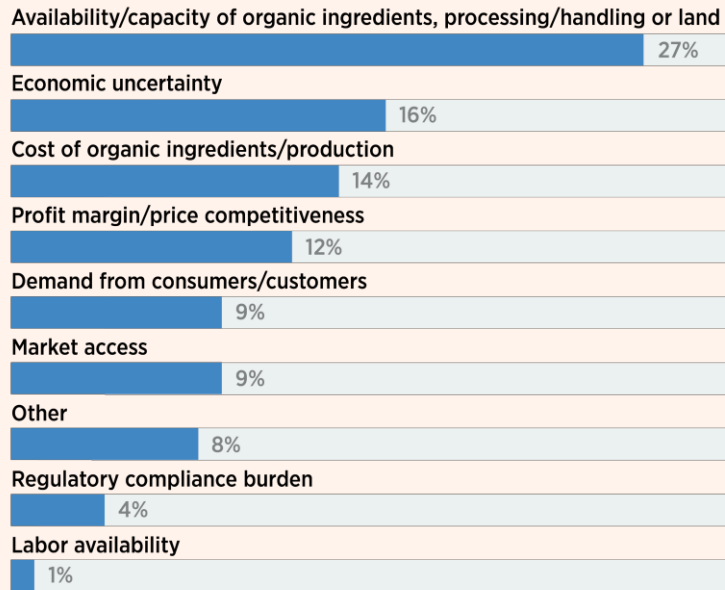
Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026 (\$mil., consumer sales).





# Organic business outlook cautiously optimistic

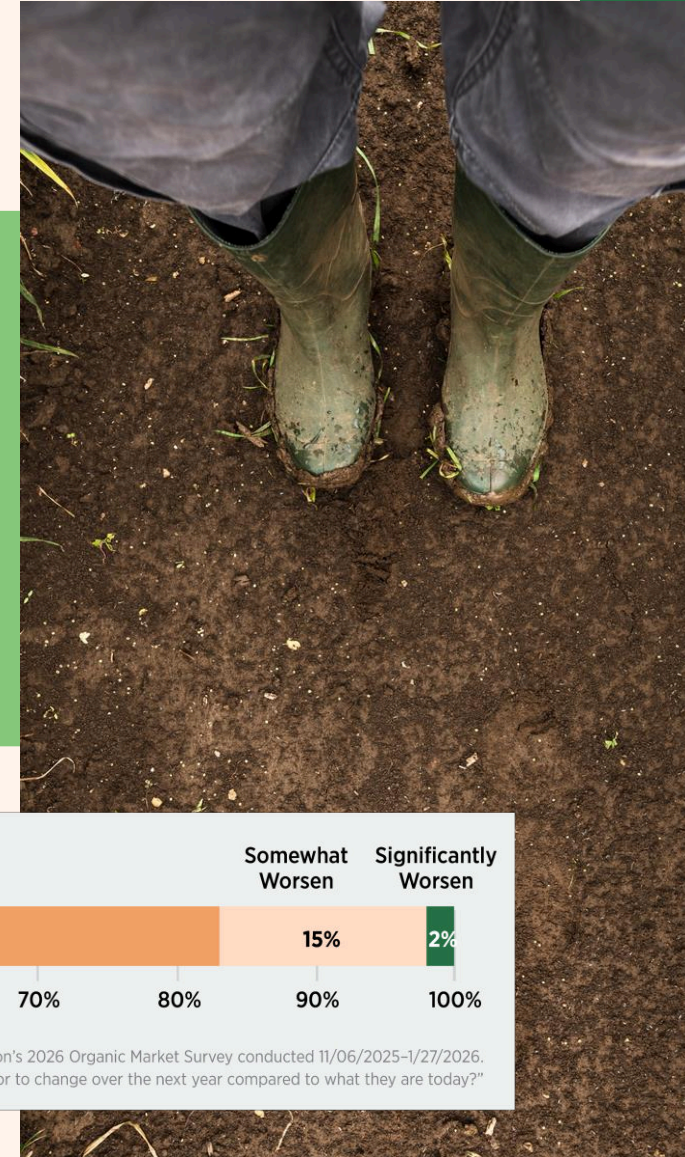
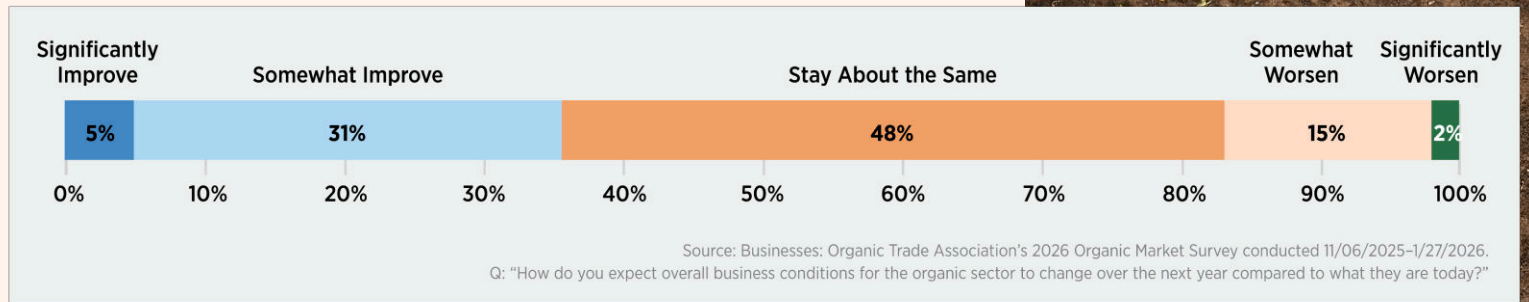
## Limiting Factors



Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026. Q: "What is the most limiting factor in expanding your organic offerings? (Choose one)". Answered by manufacturers only.

- Availability and uncertainty rise to being top concerns
- Cost and profitability drop as top concerns
- Regulatory compliance remains low concern

## Organic Business Outlook

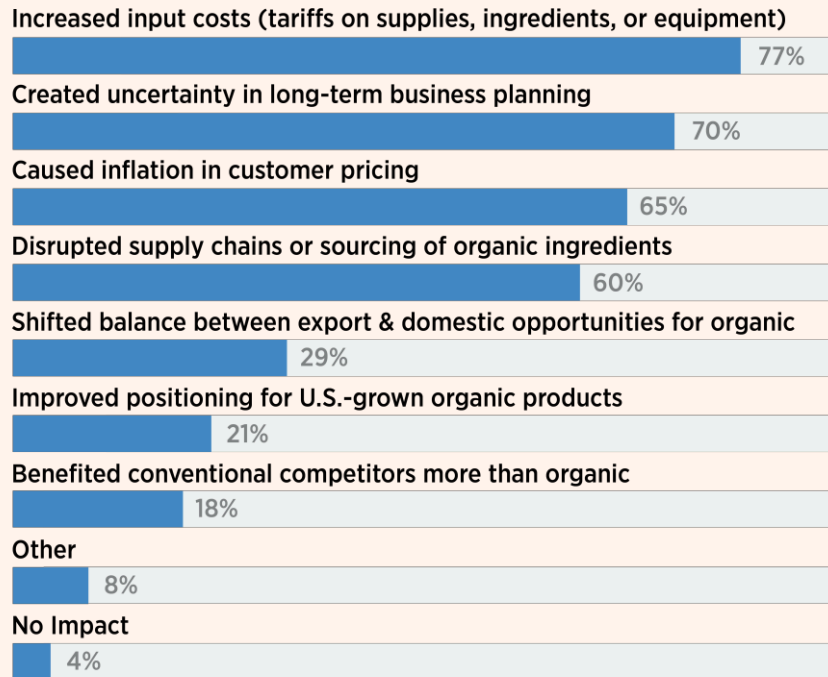




# Headwinds from trade agenda

- Uncertainty a top concern
- Cost, uncertainty, inflation and disputed supply chains shared by majority of respondents
- A fifth of respondents benefited from improved U.S. positioning
- A fifth of respondents thought conventional benefited further

## Impact of America First Trade Agenda



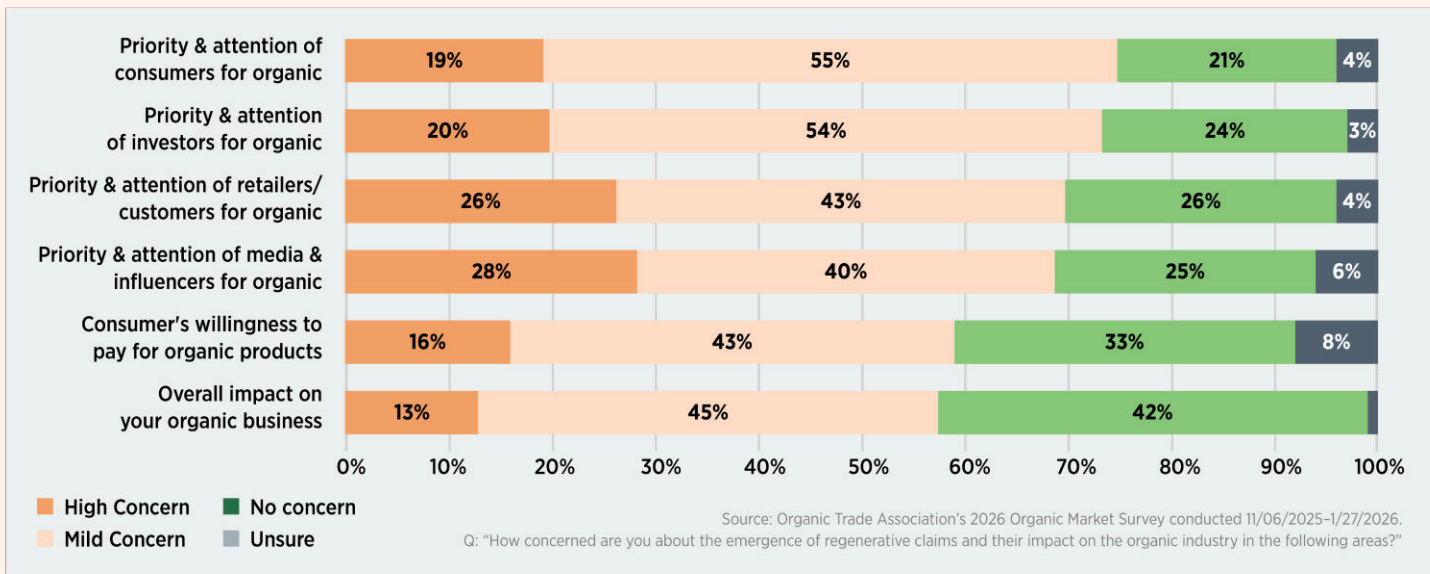
Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026.  
 Q: "How has the America First and broader trade agenda (ie. tariffs) affected your competitiveness in the U.S. organic marketplace? (Choose all that apply)"



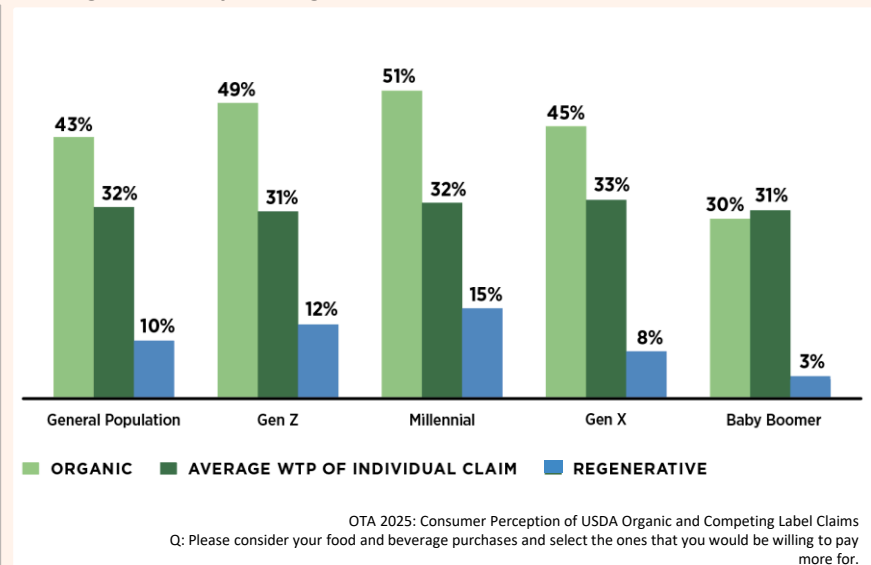


# Regenerative viewed as a concern

### Regenerative Claims Effect on Organic



### Willingness to Pay for Regenerative

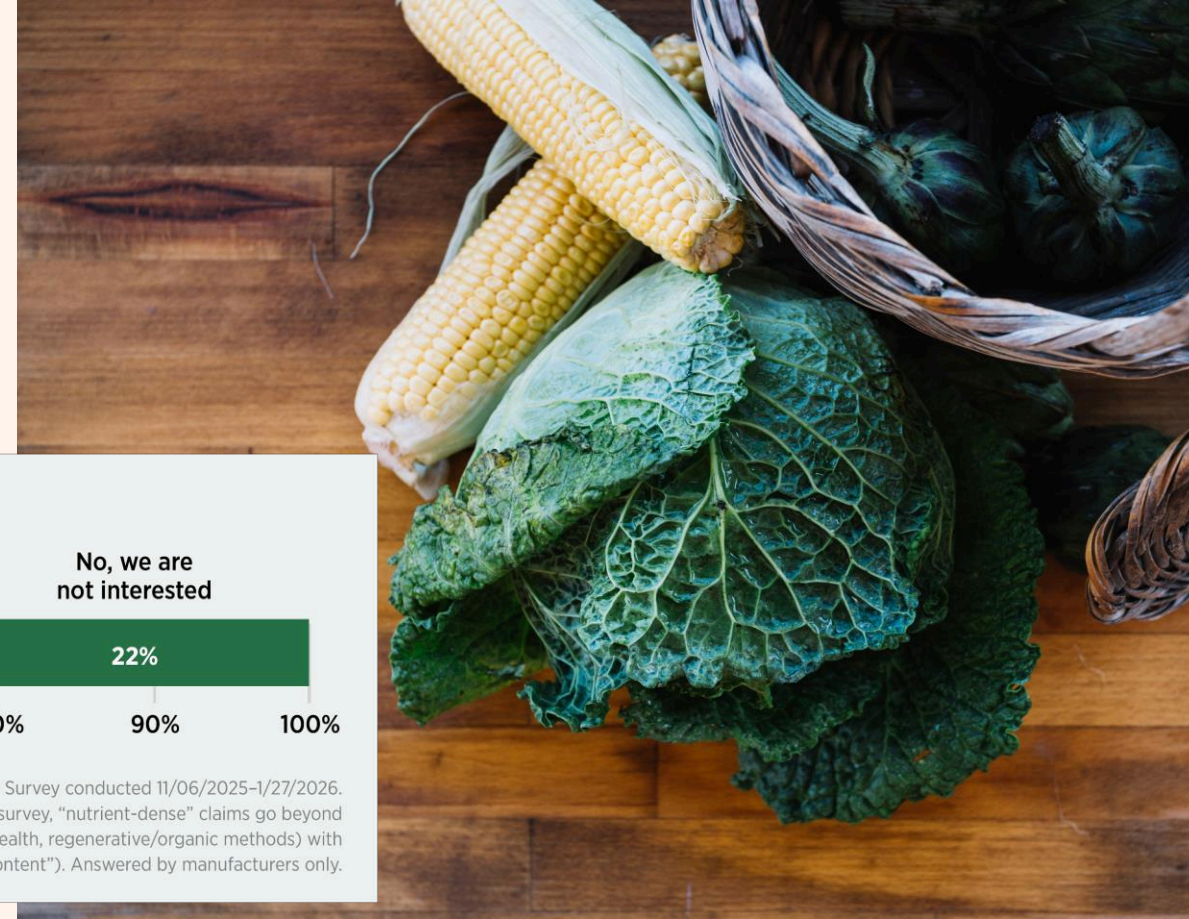


- ¾ of respondents are concerned about consumers and investors attention
- Over ¼ of respondents have high concern about retailers and influencers attention
- ½ of respondents concerned about impact on their business

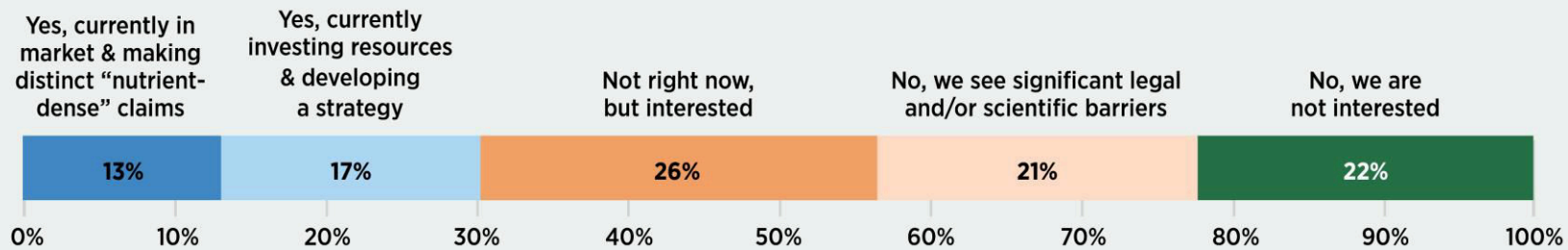


# Brands mixed on nutrient dense opportunity

- 3 in 10 respondents pursuing opportunities
- 7 in 10 respondents not pursuing now with 4 in 10 not interested or not possible



## Nutrient Dense Strategies



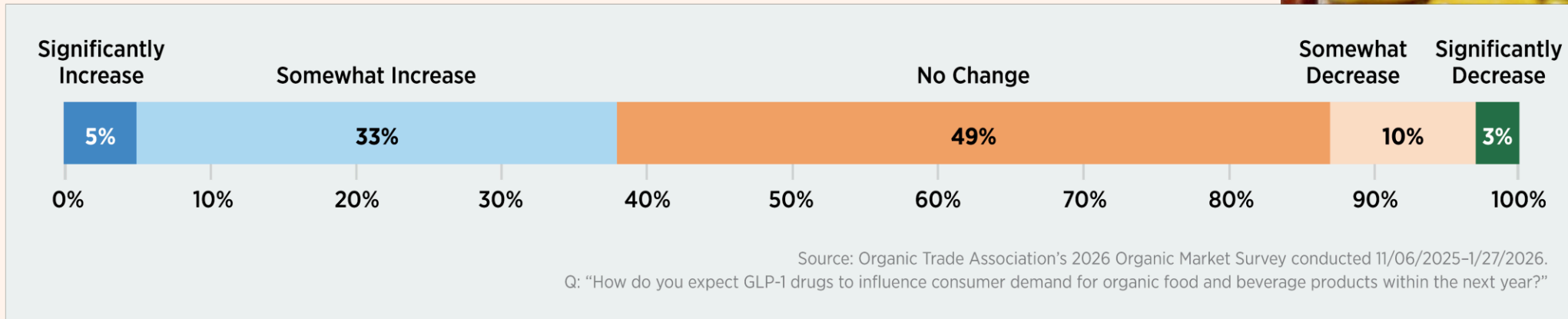
Source: Organic Trade Association's 2026 Organic Market Survey conducted 11/06/2025-1/27/2026.  
Q: "Is your company working on any strategy related to making "nutrient-dense" claims for organic foods? For the purposes of this survey, "nutrient-dense" claims go beyond general nutrition statements (like "good source of calcium" or "low in sugar"). These claims link production practices (e.g., soil health, regenerative/organic methods) with specific nutrient outcomes in the finished product (e.g., "higher in antioxidants," "more protein," or "greater vitamin content"). Answered by manufacturers only.



# GLP-1: Organic opportunity or threat?



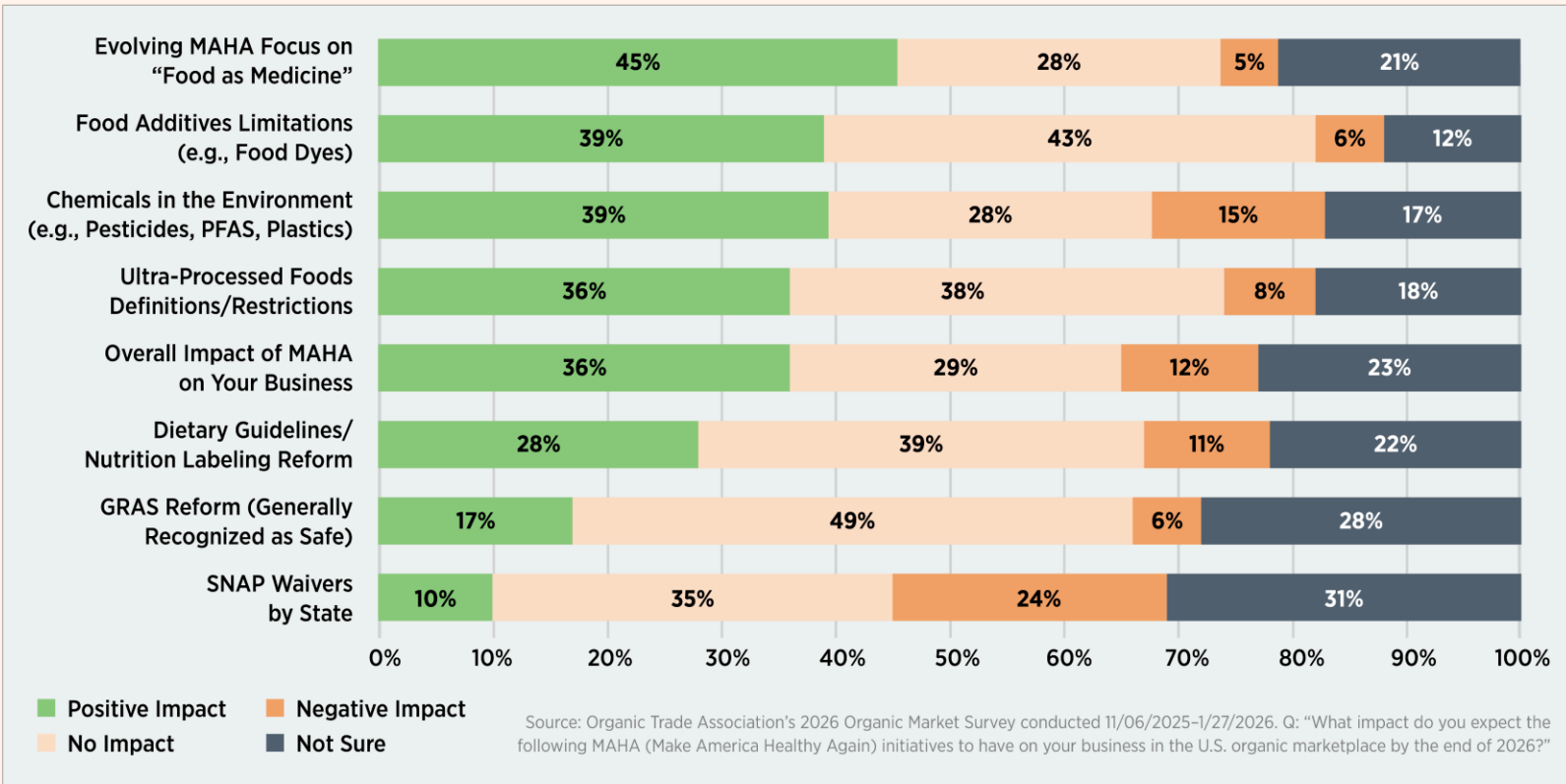
## Influence of GLP-1 Drugs on Consumer Demand for Organic





# MAHA's positive momentum for organic

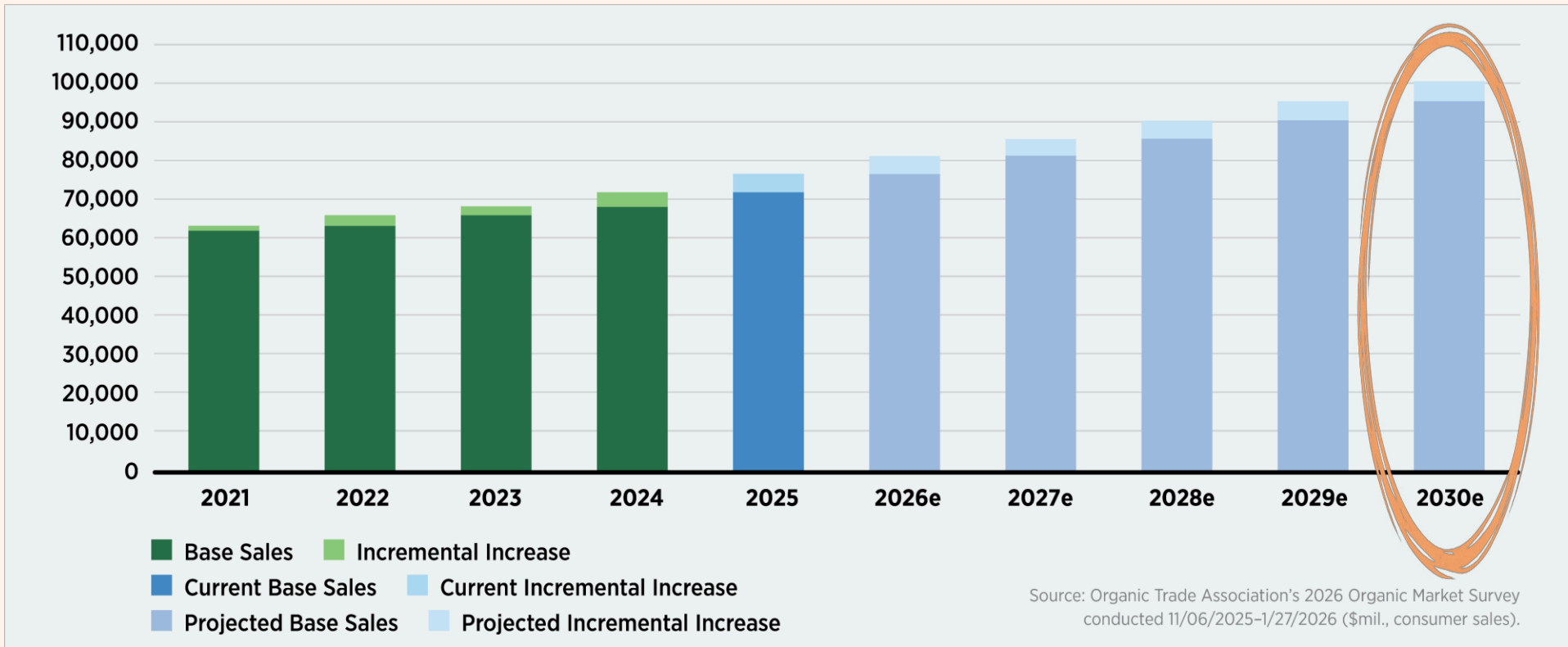
## Impact of MAHA Initiatives on Organic Operations





# Future Look: Organic Market surpassed \$100 Billion in 2030

Total U.S. Organic Sales & Growth, 2021-2030e



- 5.6% CAGR forecasted
- \$24 Billion in incremental growth

# US Market Resources

2025

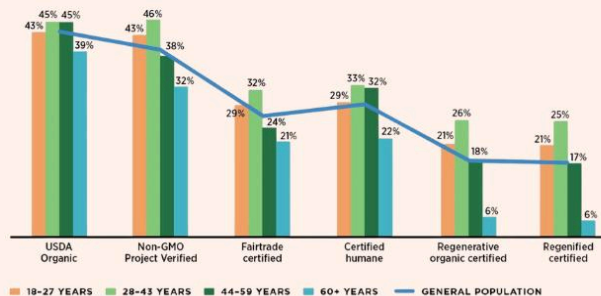
## CONSUMER PERCEPTION

of USDA Organic and Competing Label Claims



### Generational Trust Levels for Certifications

High trust by *generation* for various certifications  
Organic consistently has highest trust across all generations.



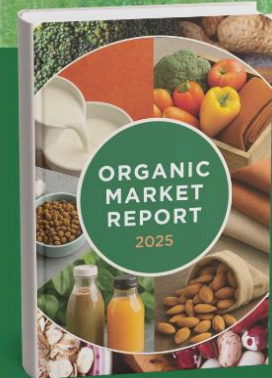
[ota.com/ConsumerPerception](https://ota.com/ConsumerPerception)



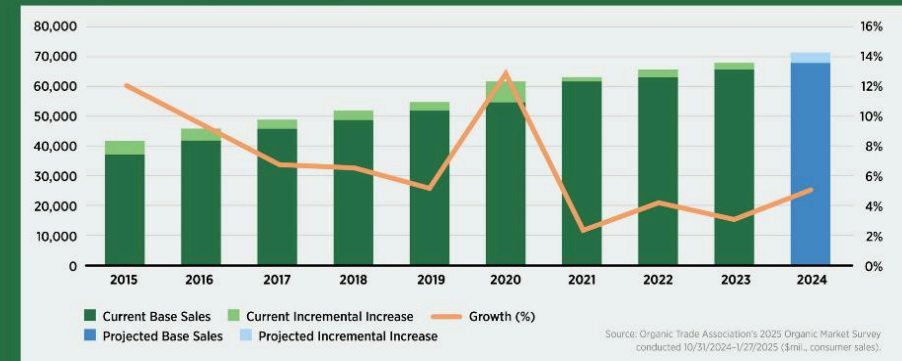
Full 2026 Organic Market Report Available March 13<sup>th</sup>

## 2025 Organic Market Report

Available Now



Total U.S. Organic Sales and Growth, 2015-2024



Source: Organic Trade Association's 2025 Organic Market Survey conducted 10/31/2024-1/27/2025 (\$mil., consumer sales).

[ota.com/OrganicMarketReport](https://ota.com/OrganicMarketReport)





**Questions?**

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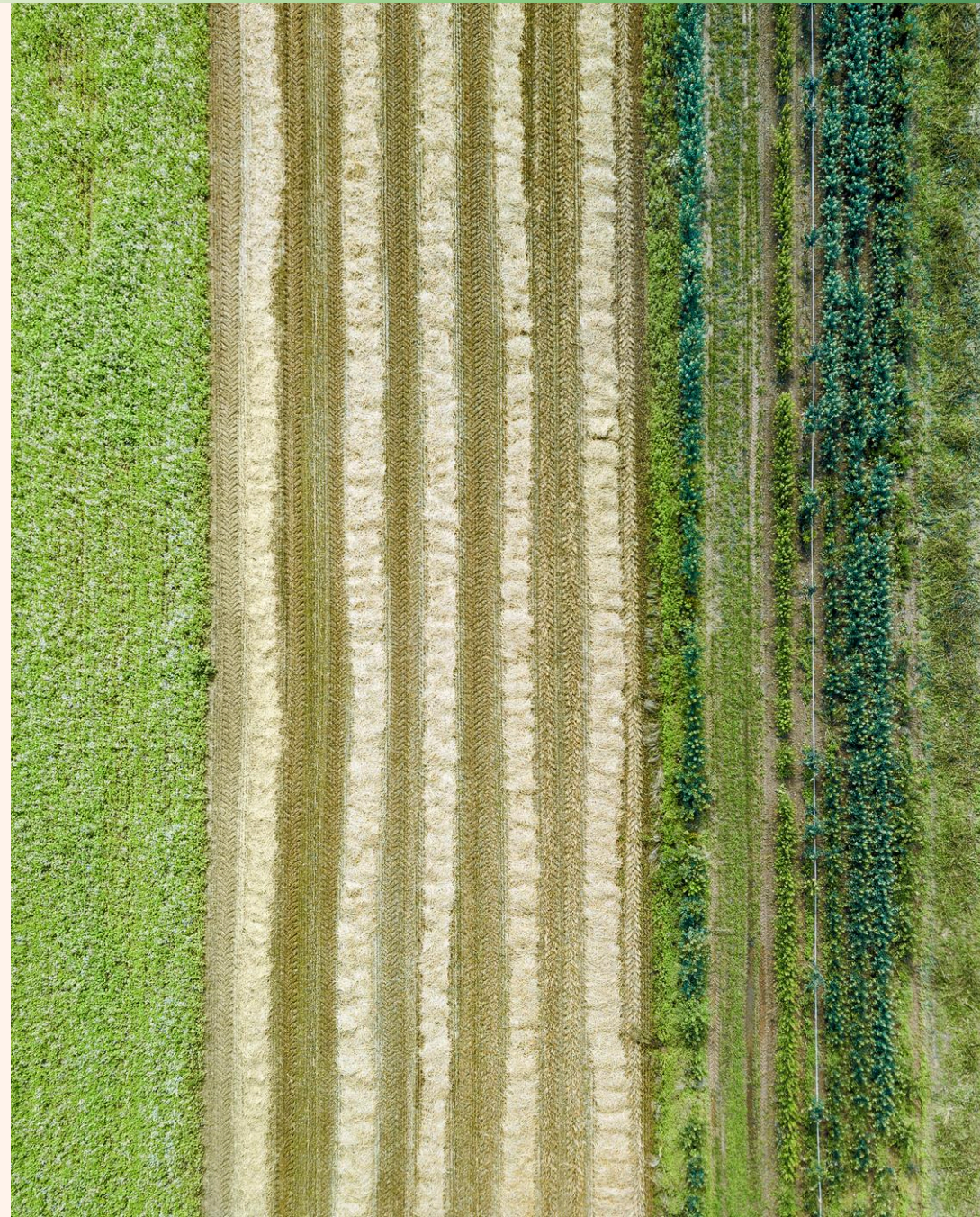
# State of the Hill 2026: One Year In

Presented by

Matthew Dillon



**ORGANIC  
TRADE  
ASSOCIATION**





## A NewISH Administration

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- Domestic focused
- Fiscally conservative
- Anti-regulatory
- Changes in USDA personnel
- NOP Uncertainty
- MAHA



## **Current DC Landscape**

- **Partisan & Uncertain Atmosphere**

- Repercussions from reconciliation bill (BBB) & curtailing of congressional power
- MAHA conflicts

- **Farm Bill Markup**

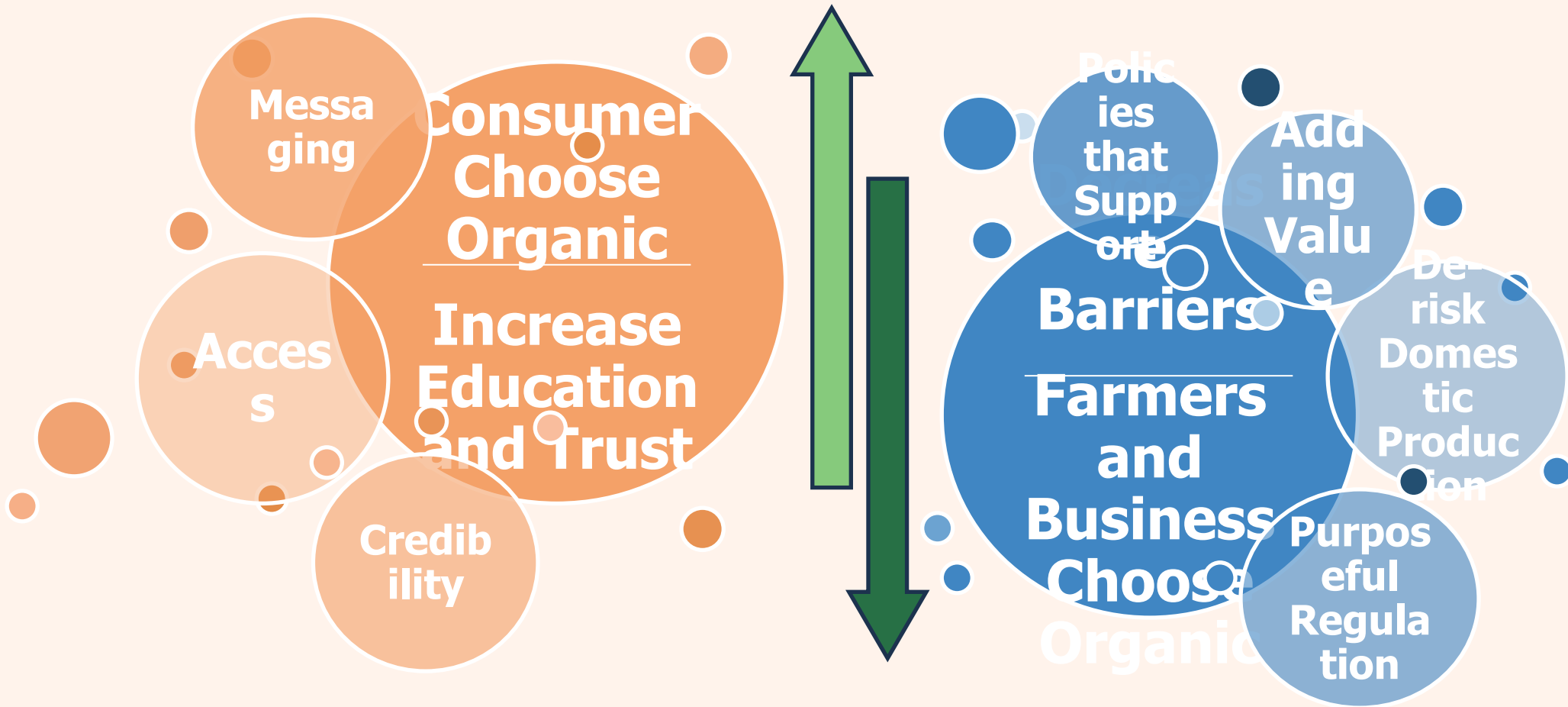
- Steps: Committee vote (bipartisan?). Floor vote? Poison pills?
- Senate? Majority sending (cautious) signals in media.

- **USDA**

- South Building Announcement and Relocation
- Regenerative pilot program
- Major delays in funding dispersal for Organic Research (OREI) and Organic Certification Cost Share



## > OTA STRATEGIES TO PROTECT & GROW ORGANIC



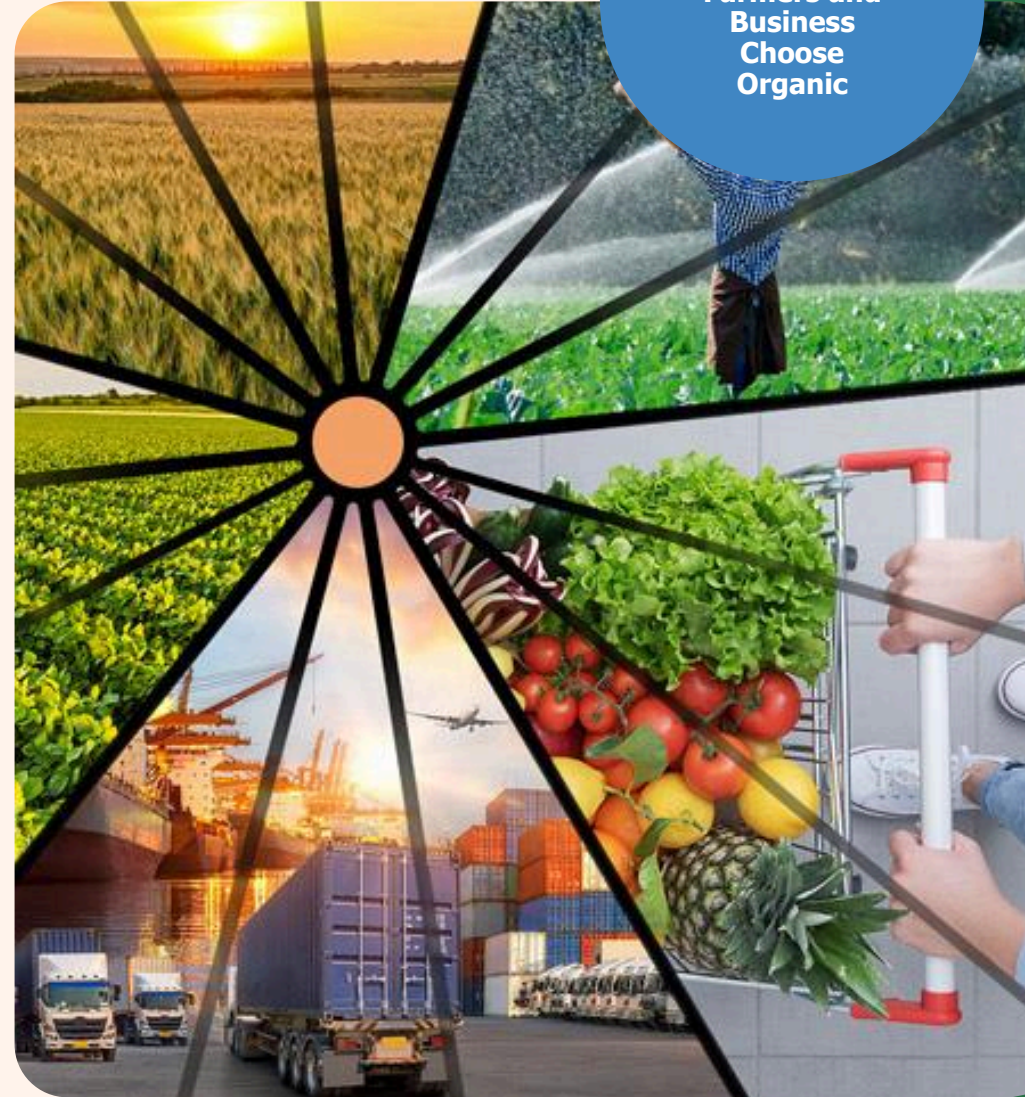


# Domestic Organic Investment Act (DOIA)

## Appropriations Update & Co-Sponsorship Strategy

- DOIA invests in domestic organic infrastructure, supporting processing capacity and supply chain resilience with the aim of bolstering domestic organic production.
- Letter of support from more than 175 organic farmers, businesses, certifiers and NGO.
- Current status of appropriations language in FY27 process.
- Building bipartisan support in both chambers.

Decrease  
Barriers  
Farmers and  
Business  
Choose  
Organic





# Risk Based Oversight for Integrity Act (ROI)

Decrease  
Barriers  
Farmers and  
Business  
Choose  
Organic

## Challenge

- OFPA specifics limits potential of risk-based reform.
- Inefficiencies add cost and burden without reciprocal benefit.
- USDA's 2022 NASS Organic Survey cited "Regulatory problems (excessive paperwork/record keeping, certification costs, etc.)" as number one issue and was cited by 55% of the respondents. This issue registered above issues with production (yield), market or price.

## Solution

- Authorized Secretary of Agriculture to create flexibility around on-site inspections for domestic operations based on risk.
- Directs the Secretary of Agriculture to study and implement risk-based policy changes that would reduce cost and burden in oversight for certifiers, businesses and farmers.





# Risk Based Oversight for Integrity Act (ROI)

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## Co-Sponsorship Strategy

- Next step is Bipartisan introduction into House – lead by Congressman Tony Wied (R-WI) and Congressman Josh Riley (D-NY)

Decrease  
Barriers

Farmers and  
Business  
Choose  
Organic





# Addressing Fraud

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## Challenge

- The organic sector has serious concerns about fraudulent imports
- Fraudulent products make domestic production less viable and put the USDA brand reputation at risk with consumers
- There is not a "One Size Fits All" solution

## Solution

- Prioritized and targeted testing
- Fixing a broken and often-gamed appeals process
- In country capacity requirements for certifiers

➤ **This solution is further supported by DOME**





# FY27 Appropriations

- Similar requests to FY26 with emphasis on:
  - Organic research
  - Organic data
  - Enforcement focused report language
  - DOIA
  - NOP staffing number
- Timing

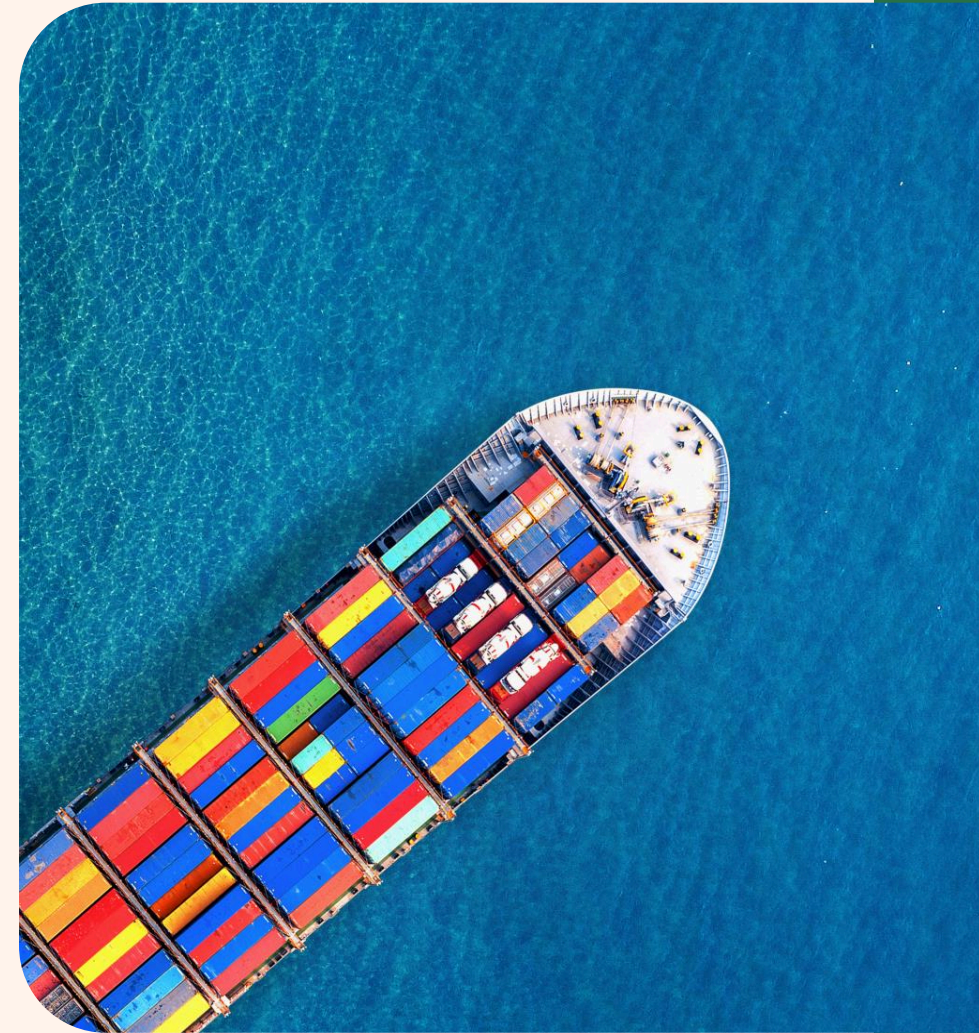




# Tariffs

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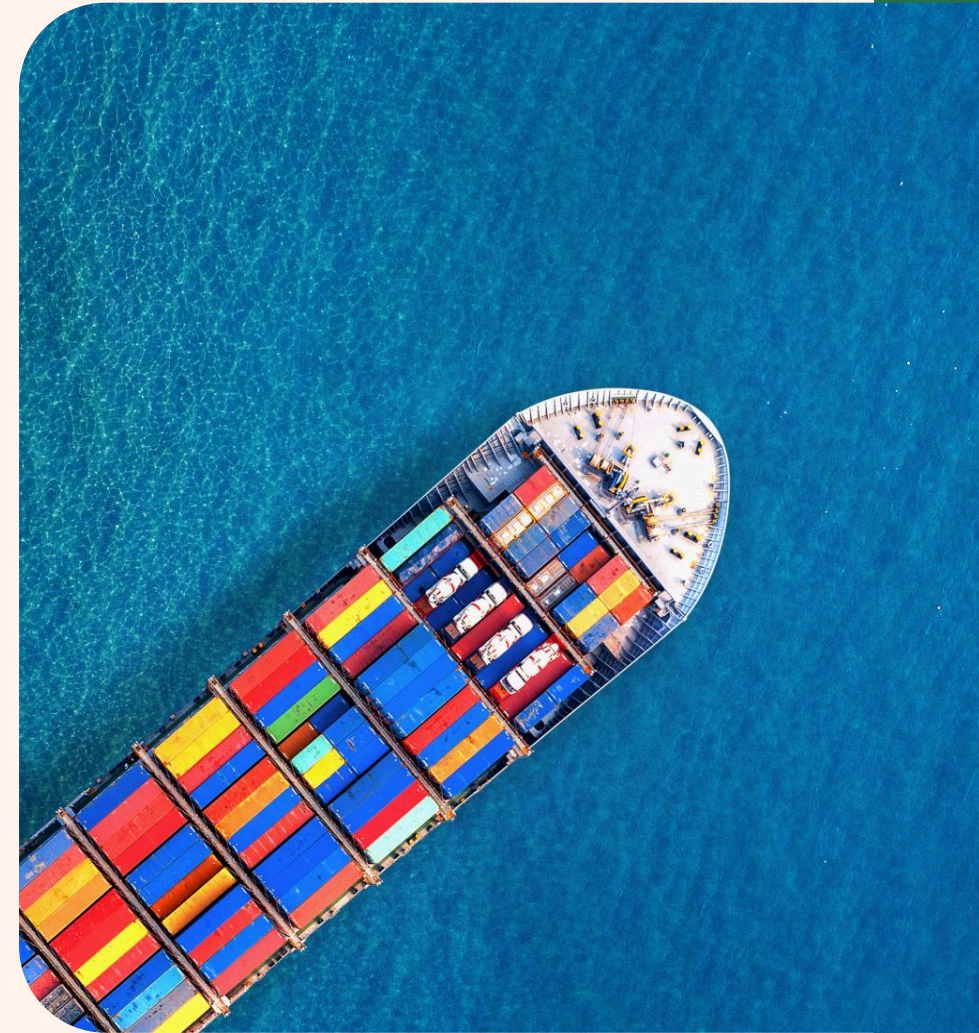
- Supreme Court decision removed IEEPA tariffs
  - Invalidated country specific tariffs – IE 25% on Dominican Republic
  - Invalidated Brazil “Free speech” tariffs of 40%
  - Invalidated Canada, China and Mexico “Fentanyl” Tariffs 10-40%
  - Determined Court of International Trade to have jurisdiction
- Refunds not addressed by Supreme Court
- Implemented new Section 122 – 10% global tariff
  - Threatened to raise to 15%
  - Can only last 150 days to address “Balance of Payments” issues
  - May face legal challenges
  - Administration has acknowledge desire to maintain “deals”
- Reminder: USMCA renegotiations are scheduled for 2026 and still pursue Section 232, 301, 201, 338 tariffs





## EU-US Equivalency

- New EU regulations triggered renegotiation
  - Original deadline: end of 2026
  - New proposed: 2036
- EU Court of Justice Case “Herbaria” on Equivalency
  - Threatens EU organic label access for non-EU countries
  - Proposed solution includes additional restrictions on US trade – vitamins/minerals, hydroponics, Animal transport requirements
- EU requires Trade Agreement vs Arrangement.
  - Congressional action needed for agreement
  - Executive only action needed for arrangement
- Major Trade imbalance in tracked trade
  - Trade imbalance made worse by limited export tracking but would still remain.





**Questions?**

# Consumer Marketing

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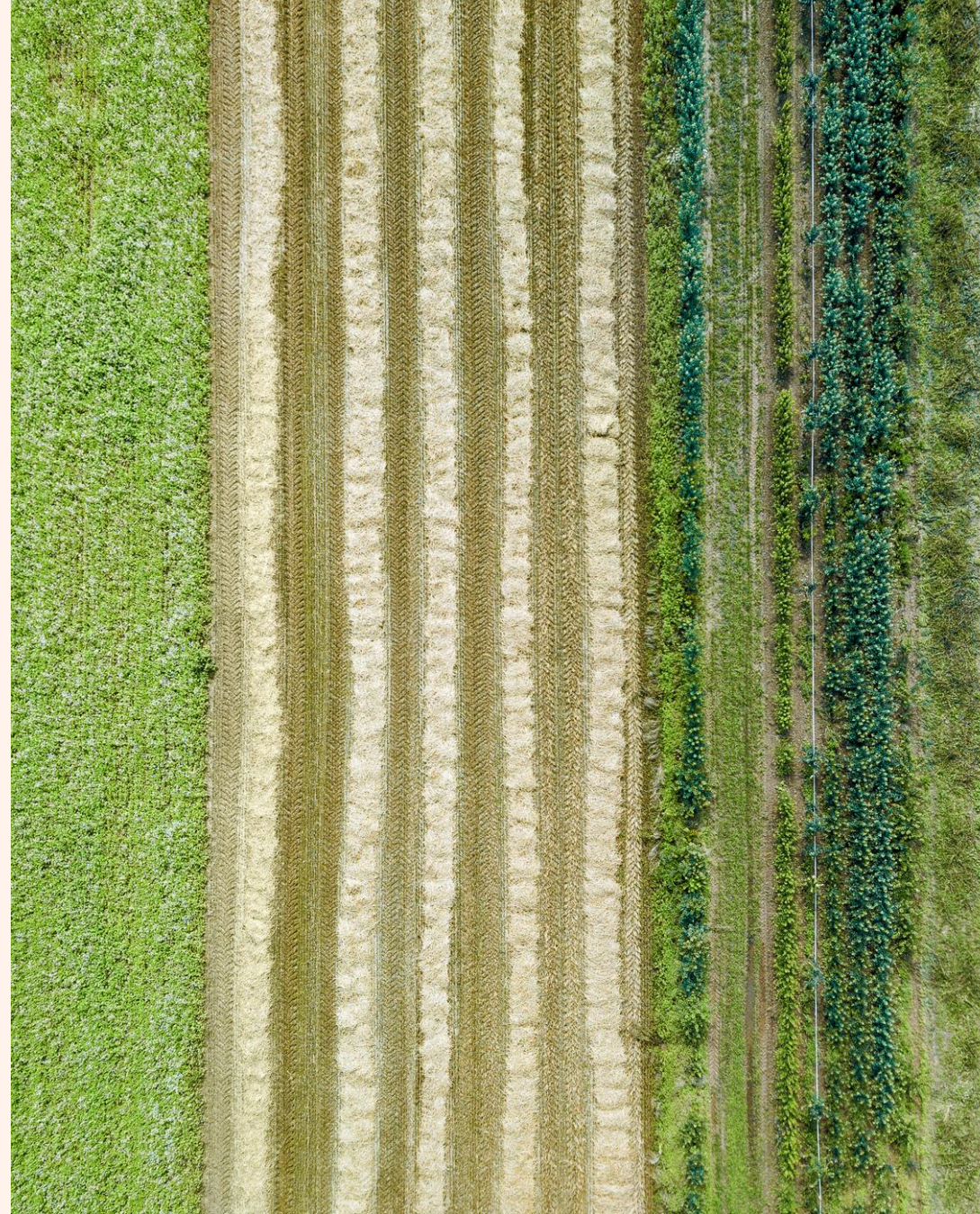
## Nearly One Year In

Presented by

Sandy Pfaff  
VP, Public Relations



**ORGANIC  
TRADE  
ASSOCIATION**



**ORGANIC IS A  
\$76+ BILLION  
INDUSTRY ...  
AND GROWING**



# SHOPPERS ARE ENGAGED

SIGNIFICANT  
GROWTH IN

*GEN Z &  
MILLENNIALS*

PRIORITIES  
ALIGN WITH

*HEALTH &  
ENVIRONMENT*

TRUST &  
CREDIBILITY

*USDA ORGANIC  
SEAL*



# BUT, MANY ARE ALSO **CONFUSED**

MESSAGING  
AROUND  
COMPETING  
CLAIMS & SEALS IS  
OVERWHELMING

DON'T  
UNDERSTAND  
CONVENTIONAL  
VS ORGANIC

PRICE REMAINS  
THE GREATEST  
BARRIER TO  
ORGANIC  
ADOPTION



# SO WE CREATED AN **EDUCATIONAL** CAMPAIGN

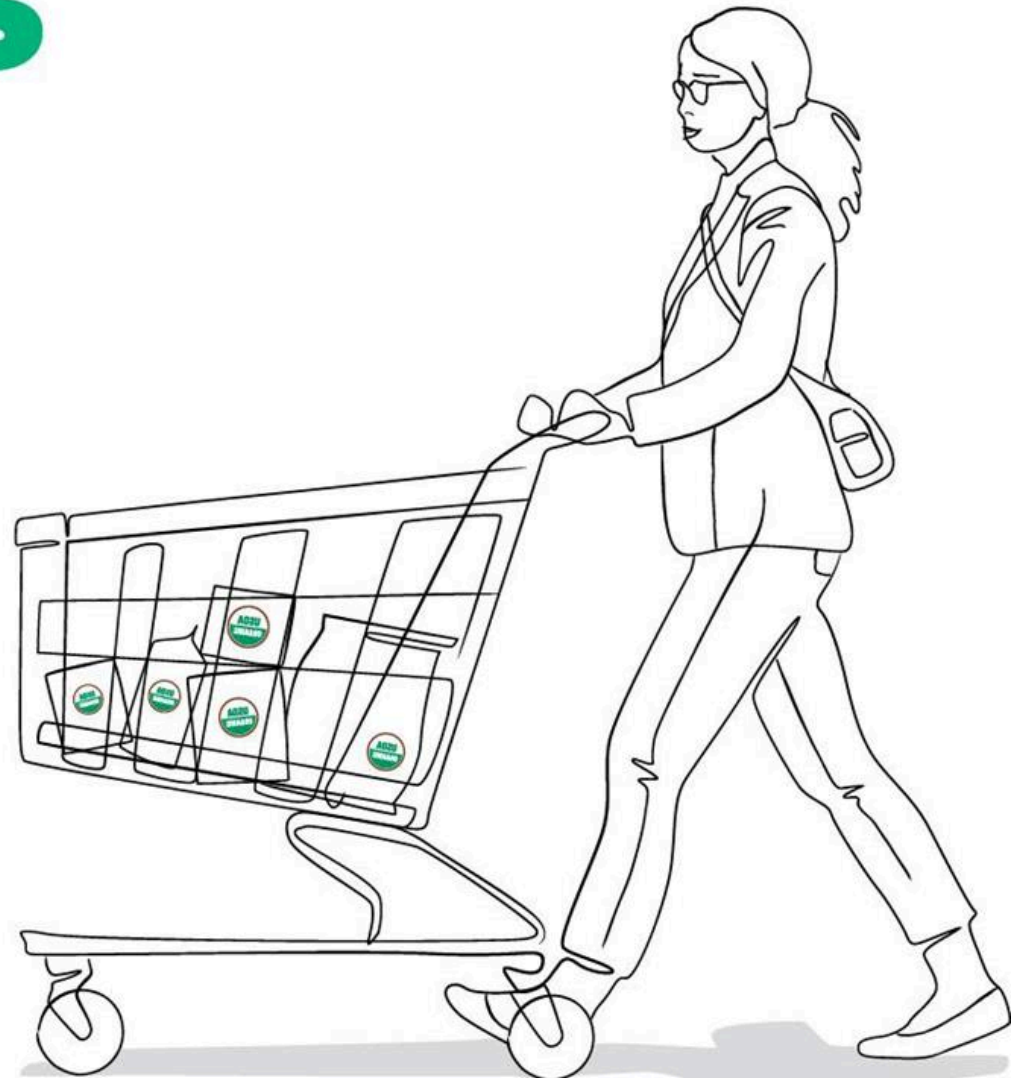


- ✓ **Increase awareness of USDA Organic**
- ✓ **Educate consumers on science-backed benefits of USDA Organic**
- ✓ **Drive sales of USDA Organic products**

# IT'S HARD TO KNOW WHAT'S ACTUALLY IN YOUR FOOD



↑ The seal makes it simple





**THIS CAMPAIGN WAS BUILT TO:**

**CUT THROUGH THE NOISE**



*The seal makes it simple*

**THIS CAMPAIGN WAS BUILT TO:**

**EDUCATE ON BENEFITS**

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The seal makes it simple



**THIS CAMPAIGN WAS BUILT TO:**  
**WITHSTAND THE**  
**TEST OF TIME**



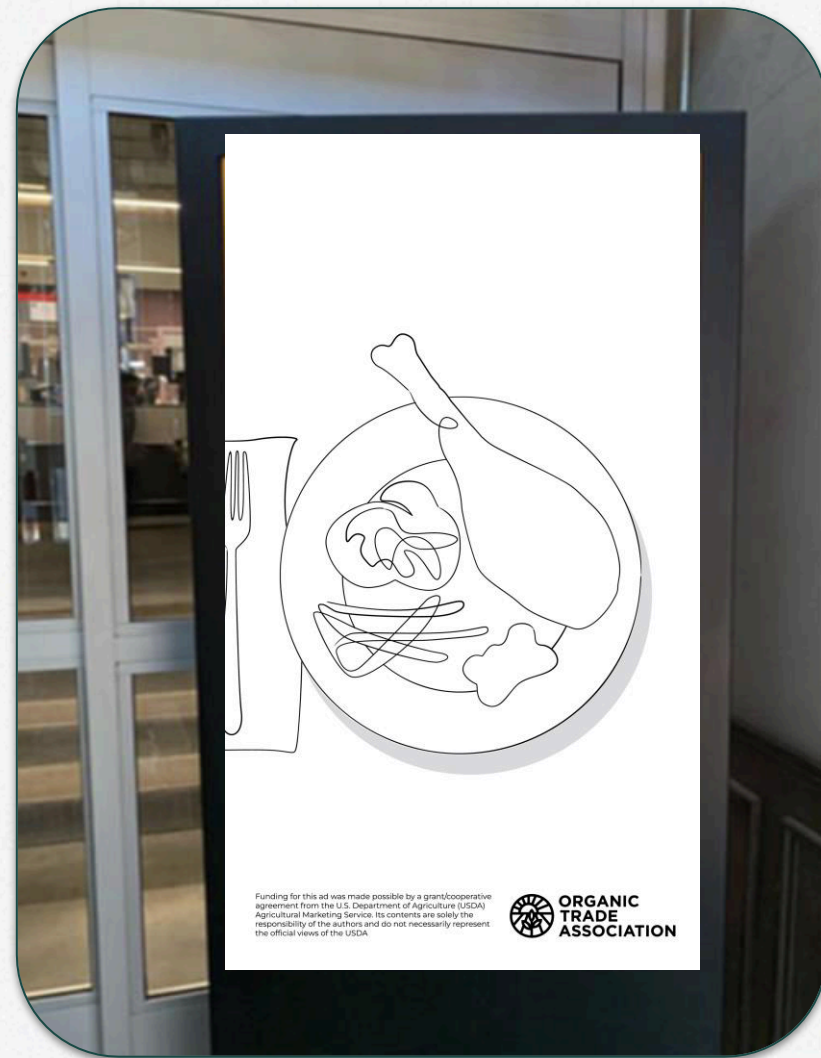
*The seal makes it simple*

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# RETAIL PLACEMENT

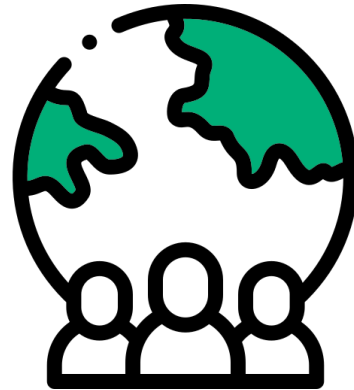
- ✓ *Large-format ad presence in Whole Foods Market during the critical holiday shopping proved to be an effective medium for both increasing awareness and instigating sales.*
- ✓ *With placements at front-of-store entryways across 191 stores in our target markets, we garnered nearly 2 million impressions.*
- ✓ *Among tracked ASINs, we saw an **11.6% sales lift** which was 1.6% higher than category average. Of those purchases, 12.8% came from first-time buyers of the product.*



# TARGET DEMOGRAPHICS



*Gen Z and Millennials* are more likely to buy organic across multiple categories and are willing to pay more for organic products.



*Multicultural Focus:* Hispanic, Asian, and Black consumers over-index on organic purchases.



*\$50K-75K household income* levels are the most likely to be occasional purchasers of organic products.



The seal makes it simple

# LAUNCH MARKETS



The seal makes it simple

# EARLY RESULTS ARE EXCEEDING EXPECTATIONS!

- ✓ *46 million + impressions in just six months*
- ✓ *Video ad at 35.6% completion rate,  
more than 2x YouTube benchmark*
- ✓ *Educational content driving sustained  
engagement online at 2.5x industry  
average*



# WHAT'S AHEAD

- ✓ *Create “out of the box” placements*
- ✓ *Expand geography*
- ✓ *Drive traffic to [sealmakesitsimple.com](https://sealmakesitsimple.com)*
- ✓ *Help us spread the word!*



*The seal makes it simple*

LOOKING FOR FOOD YOU CAN FEEL GOOD ABOUT?



The seal makes it simple.

Learn how SealMakestSimple.com

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Learn how SealMakestSimple.com

ORGANIC TRADE ASSOCIATION

IT'S HARD TO KNOW WHAT'S ACTUALLY IN YOUR FOOD



The seal makes it simple.

Learn how SealMakestSimple.com

DID YOU KNOW THAT ORGANIC IS IN THIS AISLE TOO?



Look for the seal.

LOOKING FOR FOOD YOU CAN FEEL GOOD ABOUT?




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ORGANIC TRADE ASSOCIATION

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IN THE KNOW

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- NO HARMFUL PESTICIDES TO THE ENVIRONMENT—BY LAW



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Thank you!



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