

# The Organic Market

---

Sustainable Growth, Sustainable Success



**VIVATIERRA®**  
ORGANIC



**Eurofruit Congress**  
Southern Hemisphere

# US Organic Market Growth

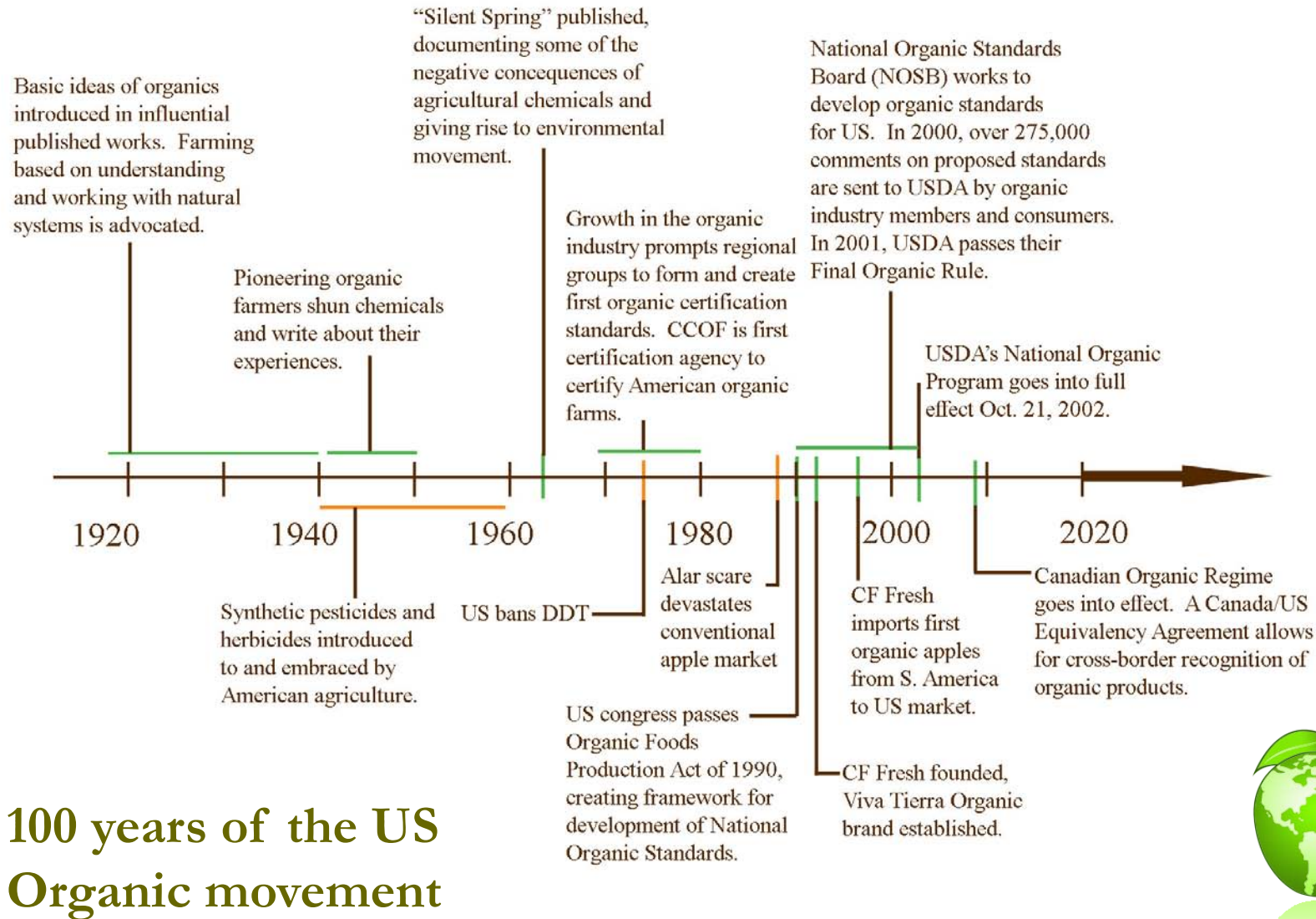
- ❑ U.S. sales of organic food and beverages have grown from \$1 billion in 1990 to \$26.7 billion in 2010. Sales in 2010 represented 7.7% growth over 2009 sales.
- ❑ Organic fruits and vegetables experienced the highest growth in sales during 2010, **up 11.8%** over 2009 sales.
- ❑ Organic food and beverage sales represented approximately 4 percent of overall food and beverage sales in 2010. Leading were organic fruits and vegetables, now representing over 11% of all U.S. fruit and vegetable sales.
- ❑ Total U.S. organic sales, including food and non-food products, were \$28.682 billion in 2010, up 9.7% from 2009.
- ❑ Mass market retailers (mainstream supermarkets, club/warehouse stores, and mass merchandisers) in 2010 sold 54% of organic food. Natural retailers were next, selling 39% of total organic food sales. Other sales occur via export, the Internet, farmers' markets/ Community Supported Agriculture, mail order, and boutique and specialty stores.

Source: *Organic Trade Association's 2011 Organic Industry Survey.*

# Global Organic Sales & Production

- According to Organic Monitor estimates, global organic sales reached \$54.9 billion in 2009, up from, \$50.9 billion in 2008.
  - ❖ The countries with the largest markets are the United States, Germany, and France.
  - ❖ The highest per capita consumption is in Denmark, Switzerland, and Austria
  
- Acreage managed organically in 2009 in the world totaled 37.2 million hectares, up 2 million hectares from 2008.
  - ❖ Of the total area managed organically, 23 million hectares were grassland.
  - ❖ Counted in the report was data from 160 countries.
  - ❖ Countries with the largest area of organically managed land were Australia (12 million hectares), Argentina (4.4 million hectares), and the United States (1.9 million hectares).
  - ❖ The largest increase in organic agricultural land occurred in Europe, with an increase of one million hectares.
  - ❖ Regionally, the greatest share of organic agricultural land was in Oceania (33 percent), followed by Europe (25 percent) and Latin America (23 percent).

Source: *The World of Organic Agriculture: Statistics & Emerging Trends 2011.*



## 100 years of the US Organic movement



VIVATIERRA  
ORGANIC PRODUCE

# Organic: Why?



## □ Consumers

- ❖ Healthier for me & mine
  - Less pesticide exposure
  - Especially for young children
- ❖ Avoid GMOs
- ❖ Better for the Environment
  - Water and soil conservation
  - Protects biodiversity
  - 35% of consumers surveyed “will pay more for environmentally friendly products” (Mintel 2010)
- ❖ Value, Flavor and Quality
  - Heirloom & unique varieties
  - Cook more at home; eat out less

## □ Producers

- ❖ Healthier for me & mine
  - Less chemical exposure
  - Protect children, grandchildren, workers, neighbors
- ❖ Better for the Environment
  - Preserve & improve fertility for future generations to farm
  - Protect biodiversity
- ❖ Flavor and Quality
  - Recognition for unique varieties & superior flavor
- ❖ Sustainable, profitable
  - Organic certification adds value



# Organic: a few misconceptions

- ❑ Organic agriculture is **not** just “not using chemicals”
  - ❖ Organic growers actively work with nature to produce their crops.
    - ❑ Improve soil fertility, tilth and moisture
    - ❑ Healthier plants are less prone to diseases & pests
    - ❑ Utilize beneficial insects & natural predators
    - ❑ Suit cultivars to environmental conditions
  
- ❑ Organic agriculture is **not** “giving up on technology”
  - ❖ Organic growers use modern techniques & equipment
  - ❖ Organic growers benefit greatly from cutting edge research such as:
    - ❑ Pheromone disruption to prevent codling moth infestation
    - ❑ Root-stock grafting for resistance to soil-borne diseases
    - ❑ Bacterial controls for infectious nematodes
    - ❑ Mineral applications for control of fungal diseases



# Organic: a few misconceptions

- ❑ Organic produce is **not** inferior in appearance or quality
  - ❖ Organic consumers demand produce that is beautiful, delicious, and fresh
  - ❖ Grading & packing standards are enforced
  - ❖ Quality is monitored at every step
  - ❖ Consumers expect more because they are paying more
  - ❖ Organic shippers depend on state-of-the-art refrigeration, storage, handling, monitoring and testing technology, as well as precise logistics to ensure farm-fresh quality to consumers.



VIVATIERRA<sup>®</sup>  
ORGANIC PRODUCE

# Organic: Current Regulations

- ❑ Organic certification by a USDA National Organic Program (NOP) accredited third-party agency required to sell organic products in US. Both farms (producers) and packers (handlers) are required to be certified.
- ❑ Storage facilities, loading points, transportation providers and other entities which only handle packaged organic products **without opening the packages** do not have to be formally certified, but should agree in writing to ensure no contamination occurs.
- ❑ Canadian Organic Regime (COR) equivalency agreement with US requires any organic products sold in Canada to additionally document producer compliance with COR regulations.
  - ❖ Canadian organic market is an extension of US organic market – border is porous to trade
  - ❖ Canadian Compliance Affidavit required in conjunction with NOP certificate
  - ❖ EU Organic certification eliminates need for COR affidavit
- ❑ Phytosanitary requirements for entry into US exclude some organic items from being imported from some production areas.
  - ❖ Cold treatment is acceptable for organic products
  - ❖ Fumigation with Methyl Bromide immediately revokes organic status
- ❑ Labeling and packaging must meet market expectations as well as national regulations specific to organics.



# Organic and Food Safety

- ❑ US consumers (and produce industry) are very concerned about food safety.
  - ❖ Organic consumers are even more focused on health & safety than general population.
  - ❖ Retailers trending towards requiring additional documentation from all producers.
  - ❖ “Local” food activism casts extra doubt on imports.
  - ❖ GlobalGAP certification of farm virtually required.
    - ❑ GAP standards are compliant with organic systems
  - ❖ Packing plant must have HACCP/GMP certification.
  - ❖ PTI compliance and GTIN case-level coding will be uniformly required within 1-2 years.



# Sustainability & Organics

- ❑ Business must be profitable to be sustainable
- ❑ Organic is a good start, but it's still just the start
- ❑ Small changes add up
  - ❖ Conservation (water, energy, paper, etc.)
  - ❖ Upgrade equipment & logistics for better efficiency
  - ❖ Reduce waste
  - ❖ Recycle
  - ❖ Redesign / Reduce packaging
  - ❖ Renewable energy
  - ❖ Look for ways to incorporate sustainability in everyday decisions
- ❑ Don't get overwhelmed trying to fix everything at once.
  - ❖ "The perfect is not the enemy of the good."



# Thank You!

Addie Pobst  
Imports, Integrity & Sustainability  
CF Fresh Inc.  
[addie@cffresh.com](mailto:addie@cffresh.com)  
[www.vivatierra.com](http://www.vivatierra.com)



VIVATIERRA  
ORGANIC PRODUCE