

Organic Situation Report, 2025 Edition

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What Is the Issue?

Demand for organic agriculture at the retail level has risen substantially over the past two decades. From 2012 to 2023, the compounded annual growth rate of inflation-adjusted organic retail sales was more than 7 percent. However, acreage and transitioning acreage decreased in recent years. This report provides an overview of domestic and international organic production trends, USDA initiatives to ease the transition to organic production, exports and imports of organic commodities, organic prices and price premia, and retail sales. The report also discusses regenerative agriculture and the available regenerative labels.

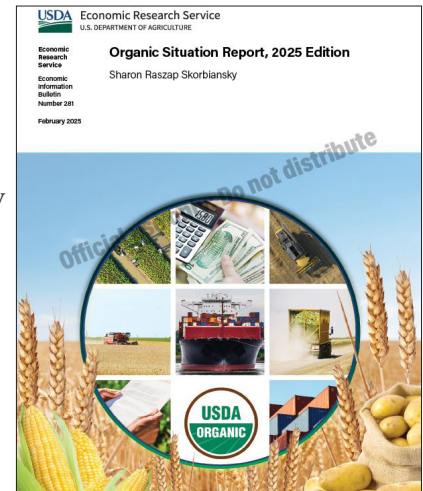
What Did the Study Find?

In the United States, organic acreage has decreased in recent years:

- The latest USDA, National Agricultural Statistics Service Organic Survey conducted in 2021 reported a 10.9-percent decline in organic acres relative to 2019, driven by a drop in pasture and rangeland.
- Argus, a private company, forecast organic harvested acreage decreased by 6.8 percent in the marketing year 2023/24. Decreases in nonfield crop acreage and pasture and rangeland drove the decline.
- California is the leading State in organic acreage and organic value of production. The California Department of Food and Agriculture showed a 4-percent decline in California organic production acreage between 2018 and 2022. California experienced a severe drought from 2020 to 2022.

In response to a decrease in acreage transitioning into organic agriculture and large barriers to entry, in 2022, USDA announced an investment of \$300 million for the Organic Transition Initiative. This initiative includes programs by the Risk Management Agency, the Natural Resources Conservation Service, and the Agricultural Marketing Service—all USDA agencies.

- In fiscal year 2023, USDA, Agricultural Marketing Service's Transition to Organic Partnership Program funded \$99.5 million in technical assistance support. As of December 31, 2023, the program held 404 events for more than 20,000 attendees.



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- In fiscal year 2023, USDA, Natural Resources Conservation Service created the Environmental Quality Incentives Program Organic Transition Initiative. In fiscal year 2023, 112 program contracts were supported covering 15,700 acres and obligating \$12.1 million.
- USDA, Risk Management Agency's Transitional and Organic Grower Assistance Program automatically provided subsidized crop insurance to organic growers who purchased policies. In 2022, there were 10,646 certified organic crop insurance policies and 1,004 transitional organic crop insurance policies.

Globally, organic acreage is increasing:

- In 2022, global organic and transitioning to organic land comprised almost 240 million acres. Australia has the most organic and transitioning to organic acreage (131 million acres), with 97 percent devoted to extensive grazing.
- As U.S. organic acreage declined, so has its rank as a top global producer. The United States was ranked ninth for organically managed land in 2022, down from third in 2016.

Information on organic imported goods continues to improve:

- The number of organic-specific Harmonized Tariff Schedule codes used to identify organic products entering the country has increased.
- USDA, Agricultural Marketing Service created the Global Integrity Database which includes information on certified operations under governments with equivalence and recognition agreements with the National Organic Program. The database sheds additional light on organic products produced to be exported to the United States.

In 2023, the organic retail market experienced a third year of decreased inflation-adjusted sales. Despite the drop, inflation-adjusted sales are higher than the prepandemic level.

Some farmers have looked to alternative-to-organic labels to certify and market their products.

- Regenerative agriculture is an approach to farming, ranching, forestry, and aquaculture that seeks to create measurable enhancements to the health and quality of soil or other natural resources using diverse practices.
- Unlike organic, regenerative does not fall under the purview of USDA.
- The Regenerative Organic Certification label requires producers seeking certification to be USDA Organic certified. However, other regenerative labels do not require producers to be certified organic and do not include all USDA Organic standards within their practices.

How Was the Study Conducted?

This report uses data from various sources, drawing on public, proprietary, and USDA program administrative data that are not publicly available. Publicly available data sources used include USDA, National Agricultural Statistics Service; California Department of Food and Agriculture; Research Institute of Organic Agriculture; International Federation of Organic Agriculture Movements – Organics International; USDA, Risk Management Agency data on use of crop insurance by organic growers; USDA, Foreign Agricultural Service Global Agricultural Trade System; USDA, Agricultural Marketing Service's Global Integrity Database and conventional and organic price data from USDA, Agricultural Marketing Service's Market News. Proprietary market data sources used in this report come from Argus and the Organic Trade Association. Program administrative data from USDA agencies used in this report include Organic Transition Initiative statistics from Agricultural Marketing Service and Natural Resources Conservation Service.