

THE Organic REPORT

THE MEMBER NEWS MAGAZINE OF THE ORGANIC TRADE ASSOCIATION

LOOKING TOWARD 2025:

The organic industry of the future

As 2005, OTA's 20th anniversary year, draws to a close, it is an appropriate time to ponder what is in store for the organic industry in the next 20 years. With an eye toward the future, OTA during 2005 conducted a survey of industry research organizations and long-time member companies to envision what the organic industry might look like in 20 years.

Here is a brief recap of their expectations, as voiced in the survey:

- The organic industry can be expected to continue to grow and thrive at a sturdy rate over the next 20 years, but at a slower pace than the current 20 percent average annual growth in sales.
- The average consumer household in 2025 will contain organic products on a regular basis. These will include food items as well as organic clothing, household cleaning products, and personal care items.
- Organic products by 2025 will be sold anywhere and everywhere. Increased sales in restaurants are among the expected trends.
- Increases in organic sales and acceptance will result in increased U.S. organic acreage.
- Younger shoppers will continue to be interested in organic foods, particularly as Gen Xers pass down their belief systems. Ethnic shoppers, including Asian Americans and Hispanic Americans, will continue to be more likely to buy organic products in proportion to their representation in the general population.
- Government support of organic

agriculture will be crucial to maintain the industry's growth potential. The U.S. government will need to support farmers in their transition to organic

production, and to enforce the standards to minimize consumer confusion.

Respondents predict the average annual

growth rate per year for 2025 will be closer to five to ten percent. However, annual sales increases in the \$2 billion range were seen as feasible. If this occurs, U.S. organic food sales could reach \$50 billion by 2025, representing just under six percent of total U.S. food sales.

Asked what percentage of U.S. and world farmland would likely be certified organic by the year 2025, respondents gave answers ranging

from 8 to 15 percent, for a projected average of 12.6 percent of acres certified organic, versus the less than one percent that is today certified.

CHALLENGES

Among the challenges cited were consumer confusion about definitions around the organic labels, unbalanced governmental support and promotion of conventional farming methods at the expense of organic agriculture, and the acceptance of value of organic packaged products versus perishables in the marketplace.

Overall, however, survey participants indicated that all kinds of organic products will be accepted and used as part of every day life by the year 2025. Through both strong consumer and government support, the organic industry will continue to thrive and grow in its innovative and unique way. ♥

"Where do you see OTA and the Organic Industry 20 years from now?"

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Photo: Stephanie Wells

OTA's Congressional Education Day participants stand on the U.S. Capitol steps