

The U.S. organic market in 2018 shattered the US\$50 billion mark for the first time, with sales hitting a record US\$52.5 billion, up 6.3% from the previous year.

According to the 2019 Organic Industry Survey released last week by the Organic Trade Association, new records were made in both the organic food market and the organic non-food market.

Organic food sales reached US\$47.9bn, an increase of about 6%, while sales of organic non-food products jumped by over 10% to US\$4.6bn.

The association notes that this accomplishment was largely influenced by changing social perspectives - Millennials are pushing for transparency and integrity in the food supply chain, and with this focus comes a renewed interest in the USDA Organic seal.

Speaking on the rise of these once-"niche" items, Laura Batcha, CEO and executive director of the Organic Trade Association, comments: "Organic is now considered mainstream...In 2018, there was a notable shift in the mindset of those working in organic toward collaboration and activism to move the needle on the role organic can play in sustainability and tackling environmental initiatives.

"Activism is a natural reaction from an industry that is really close to the consumer. When we are in an environment where government is not moving fast enough, the industry is choosing to move to meet the consumer rather than get stalled."

Produce is a gateway to organic for consumers, especially Millennials and those with young families, adds the association.

Industry experts note that the more people learn about health and wellness, the more people buy fresh produce.

It may come as no surprise then that fruits and vegetables now account for over 36% of all organic food sales. Organic fruits and vegetable make up close to 15% of all the produce sold in the U.S., and have nearly doubled their market share in the last ten years.

Carrots, greens, apples, bananas are particularly popular in the organic produce aisles. Also hitting stride are organic berries, avocados, brussel sprouts, cauliflower, as well as tropical fruits like mangoes and papayas.

Outside the fresh produce section, the frozen, canned, and dried vegetable and fruit

sections are also making gains, says the association.

As for organic dairy and eggs, this category still makes up the second-largest organic sector, with sales reaching US\$6.5bn in 2018, up 0.8% from 2017.

However, the association comments that sales in this sector have slowed for the second straight year due largely to "shifting diet trends".

To satisfy today's consumer, the importance of innovation in the organic dairy sector has never been greater, it says.

Therefore, when Millennials started moving away from livestock-based products in lieu of products high in healthy fats and protein, the association stresses how the industry responded - with milk beverages with increased protein, more full-fat dairy products, new flavors, and grass-fed products.

The association hopes to apply this same responsiveness to all sectors of the organic category. When assessing consumer needs, it emphasizes that today's consumers want clean labels and to reduce the chemical load on their bodies.

It believes that this, along with customers' heightened awareness around supply chain transparency and sustainability, bodes well for the future of the organic non-food industry.

"Organic is in a unique and tough environment...but the positive news is that the industry is finding ways to innovate and get closer to the consumer", says Batcha.

"The industry is committed to standards and giving consumers what they want."