



United States
Department of
Agriculture

Foreign
Agricultural
Service
March 2013

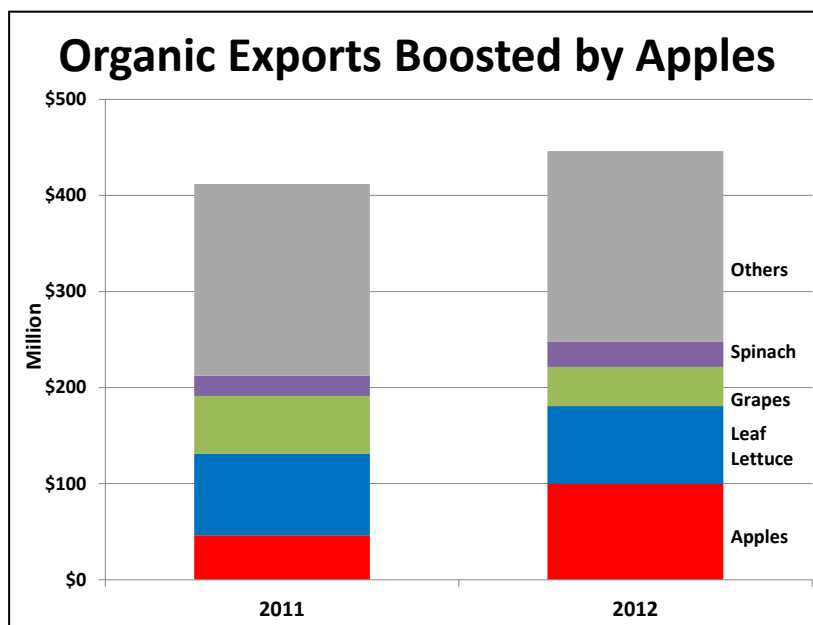
Organics: World Markets and Trade

U.S. Organic Exports Grow in 2012

Exports of “selected” organic products expanded to nearly \$450 million in 2012, with apples accounting for virtually all of the growth. Canada and Mexico remain top markets for the vast majority of the selected organic trade, although exports to the European Union (EU) could expand following the recently implemented Organic Equivalence Arrangement. U.S. imports plunged on weaker demand for organic coffee.

The market for organic commodities has grown in recent years, although it remains a small proportion of the total food market. According to USDA’s National Organic Program, “Organic is a labeling term that indicates that the food or other agricultural product has been produced through approved methods that integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.”

U.S. harmonized tariff codes for 23 organic commodities for export and 20 for import were established in January 2011; an additional 3 export and 3 import codes were introduced in January 2012. Exports of the original 23 organic commodities grew by 8 percent in 2012 to \$446 million, as a rise in apples more than offset a decline in grapes and cherries. The three additional codes added in 2012 (cucumbers, grapefruit, and cabbage) contributed another \$2.6 million to total “selected” exports.



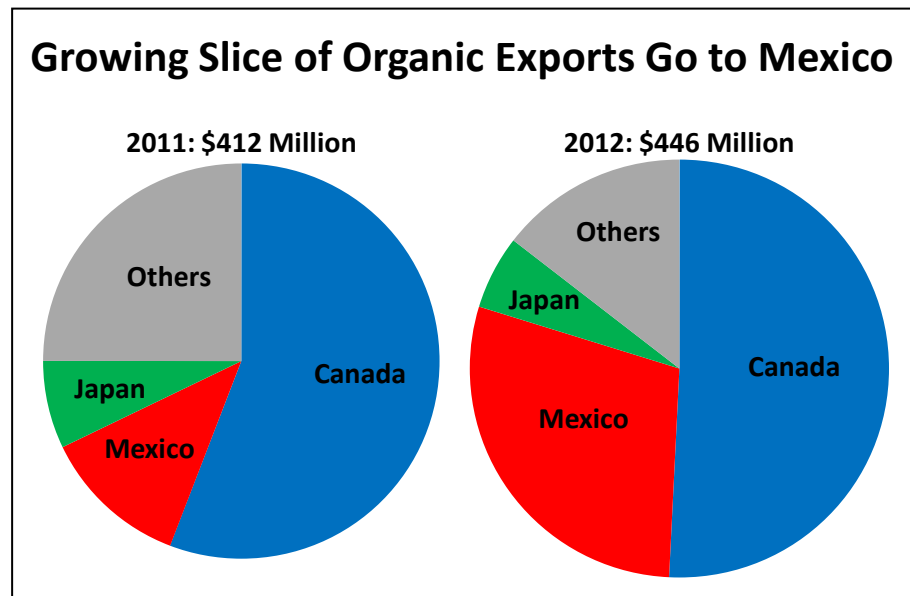
Organic Exports Up On Strong Apple Shipments

The price premium for organic apple exports over conventional fell in 2012, making organic apples relatively more affordable. As a result, the organic share of the market doubled to 9 percent by volume, while conventional shipments remained relatively unchanged. On the other hand, the organic share of exports for grapes and cherries fell against greater conventionally-produced exports.

The Lion's Share of Selected Organic Exports Stay in North America

The majority of U.S. organic product exports continue to go to Canada, facilitated by an organic equivalence arrangement, under which organic products certified under either system can be sold as organic in both markets. Although shipments are relatively unchanged from 2011, more than 75 percent of organic vegetables were exported to Canada.

Organic exports to Mexico have more than doubled in just a year, spurred by consumer demand. About half of the organic fruit is destined for Mexico. Apple exports more than tripled in 2012, representing more than half the total selected organic shipments to that market. Grape, pear, and cherry trade to Mexico also more than doubled.



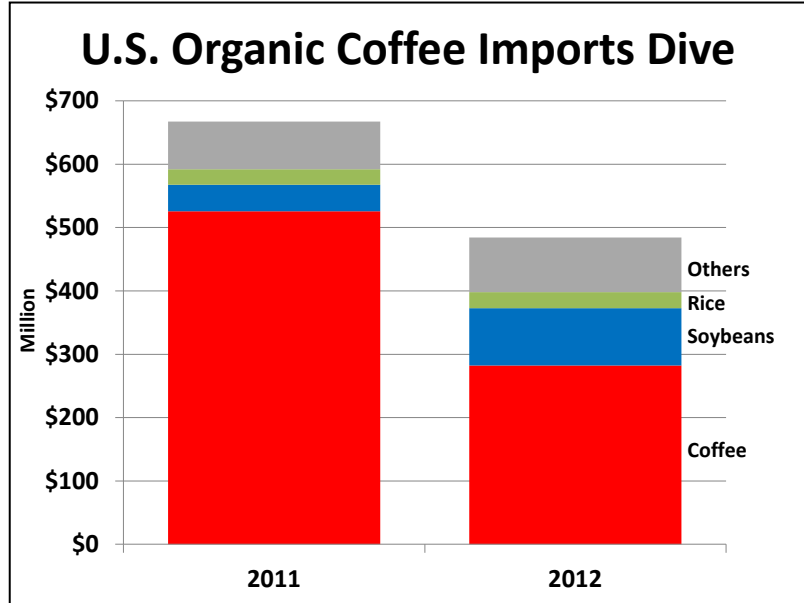
Although only 1 percent of organic exports go to the EU, there is opportunity to expand. The organic equivalence arrangement, which took effect in June 2012, could open the door for additional trade between the two markets. Certified organic products in the United States or EU can now be sold as organic in either market, eliminating the need for multiple certification processes.

The United States is working towards organic equivalence with Japan. Under current arrangements, U.S. organic products are allowed, but must go through a JAS (Japanese Agricultural Standard) certifier or importer in order to affix the required JAS logo. Equivalence arrangements are also being sought with Switzerland and South Korea.

Organic Imports Fall as Coffee Takes a Big Hit

Organic coffee imports, which represented nearly 80 percent of the “selected” organic imports in 2011, plunged roughly 45 percent to \$280 million in 2012 as volumes and unit values fell. The volume drop was mostly offset by rising imports of conventionally-grown coffee, based on price differential.

Organic soybean imports have more than doubled, supported by skyrocketing volume from China.



For more information, including list of “selected” organic tariff lines and instructions for accessing organic trade data from the FAS Global Agricultural Trade System, visit the FAS Organic Products web page at www.fas.usda.gov/http/organics/organics.asp or contact Andrew Sowell at (202) 720-0262 or andrew.sowell@fas.usda.gov.