

Conclusions

The organic industry has experienced growing pains since publication of the “USDA organic” label and standards in 2000, which strengthened consumer demand for organic products. Adoption of organic production systems has been uneven across production sectors and regions in the United States, and supply shortages have emerged in some organic food sectors. New public investments in organic research, technical assistance, and support for organic farmers and handlers were included in the 2008 Farm Act. This public investment complements ongoing private efforts to expand organic supply and procure organic products closer to the point of sale. Technical assistance on organic production and financial incentives for organic transition are aimed at providing the tools to help expand the domestic organic grain supply—which in turn supports the fast-growing milk, meat, and poultry sectors—and facilitate organic production in U.S. regions where adoption has been slow. Most American consumers now buy organic products at least occasionally, and could benefit from wider accessibility and enhanced product selection.

Significant price premiums exist for fresh organic produce and organic milk, the two top organic food sales categories, compared with conventional products, reflecting short supply and higher organic production costs. Even if price premiums for organic products can be maintained, the public-goods nature of environmental services, such as biodiversity and water quality, implies that prices do not reflect the true social value of these services. Public investment in organic agriculture facilitates wider access to organic food for consumers and helps farmers capture high-value markets and boost farm income, as well as conserve nonrenewable natural resources and protect U.S. soil and water.