



ORGANIC TRADE ASSOCIATION

BENCHMARKING TRUST IN ORGANIC

Presented by

Angela Jagiello | Director of Education and Insights
Organic Trade Association

Everett Eissenstat | Chair of North America
Edelman Global Advisory



Edelman Trust Barometer 2022



2022 EDELMAN TRUST BAROMETER

Methodology

27-market global data margin of error: General population +/- 0.6% (n=31,050); half-sample global general online population +/- 0.8% (n=15,525).
Country-specific data margin of error: General population +/- 2.9% (n=1,150); half-sample +/- 4.1% (n=575).

Annual online survey in its 22nd year

Fieldwork conducted: Nov 1 – Nov 24, 2021

28

countries

36,000+

respondents

1,150+

respondents/country

GLOBAL AVERAGES vary based on the number of countries surveyed each year:

GLOBAL 27 does not include Nigeria*

GLOBAL 22 does not include Colombia, Kenya, Nigeria, Saudi Arabia, S. Africa and Thailand

GLOBAL 24 Not asked in China, Russia, Thailand

the sensitive nature of the question prevented this data from being collected in these markets

Other global averages detailed in technical appendix

**To prevent skewing the global results, Nigeria is not included in any global averages because the online population is not representative of the true population*

Argentina
Australia
Brazil
Canada
China
Colombia
France
Germany
India
Indonesia
Ireland
Italy
Japan
Kenya
Malaysia
Mexico
Nigeria
Russia
Saudi Arabia
Singapore
S. Africa
S. Korea
Spain
Thailand
The Netherlands
UAE
UK
U.S.

22 YEARS OF TRUST

| | | | | | | | | | | |
|--------------------------|---------------------------|---|--|--|---|---|--|------------------------------|---|---|
| '01 | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 |
| Rising Influence of NGOs | Fall of the Celebrity CEO | Earned Media More Credible Than Advertising | U.S. Companies in Europe Suffer Trust Discount | Trust Shifts from "Authorities" to Peers | A "Person Like Me" Emerges as Credible Spokesperson | Business More Trusted Than Government and Media | Young People Have More Trust in Business | Trust in Business Plummet | Performance and Transparency Essential to Trust | Business Must Partner With Government to Regain Trust |
| '12 | '13 | '14 | '15 | '16 | '17 | '18 | '19 | '20 | '21 | '22 |
| Fall of Government | Crisis of Leadership | Business to Lead the Debate for Change | Trust is Essential to Innovation | Growing Inequality of Trust | Trust in Crisis | The Battle for Truth | Trust at Work | Trust: Competence and Ethics | Business Most Trusted | The Cycle of Distrust |

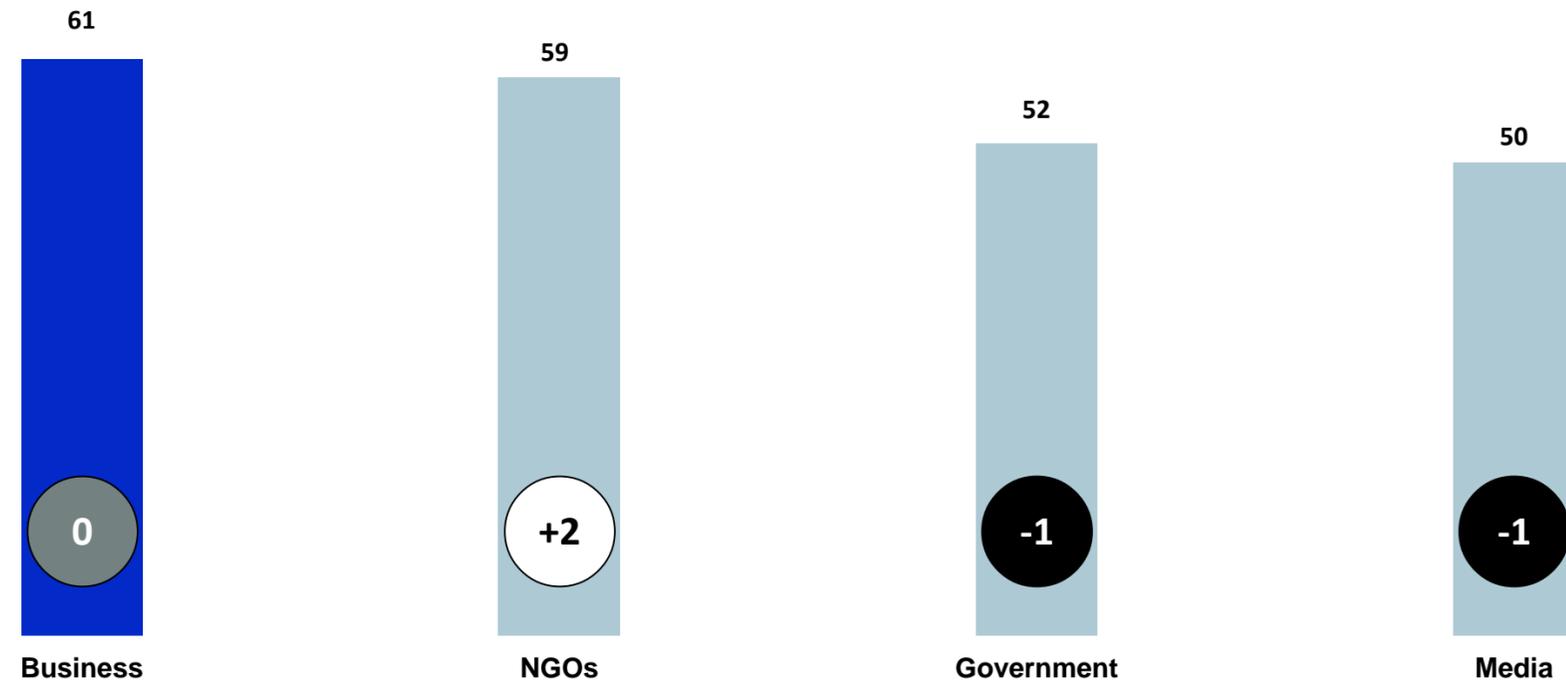
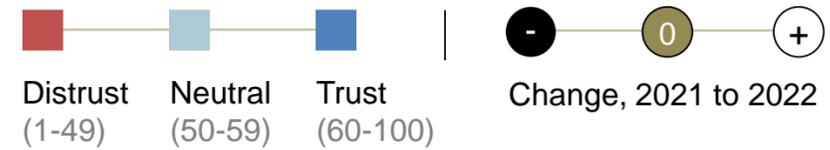


GOVERNMENT AND MEDIA FUEL A CYCLE OF DISTRUST

TRUST DECLINES FOR GOVERNMENT AND MEDIA; BUSINESS STILL ONLY TRUSTED INSTITUTION

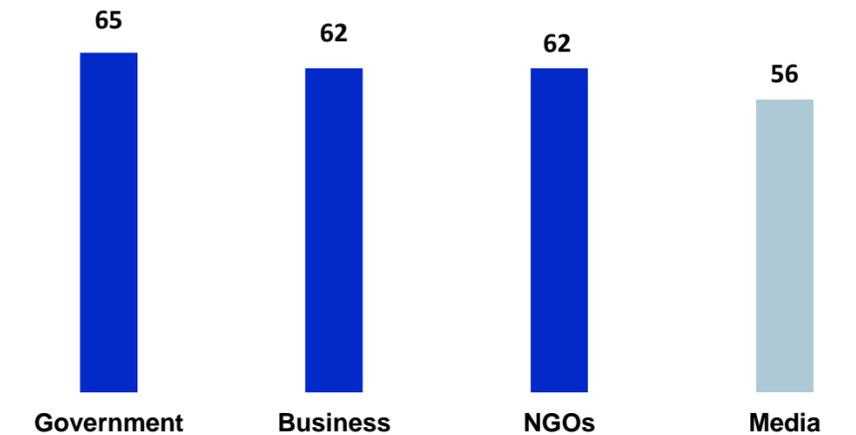
Percent trust

Global 27



IN MAY 2020, GOVERNMENT MOST TRUSTED

Global 11



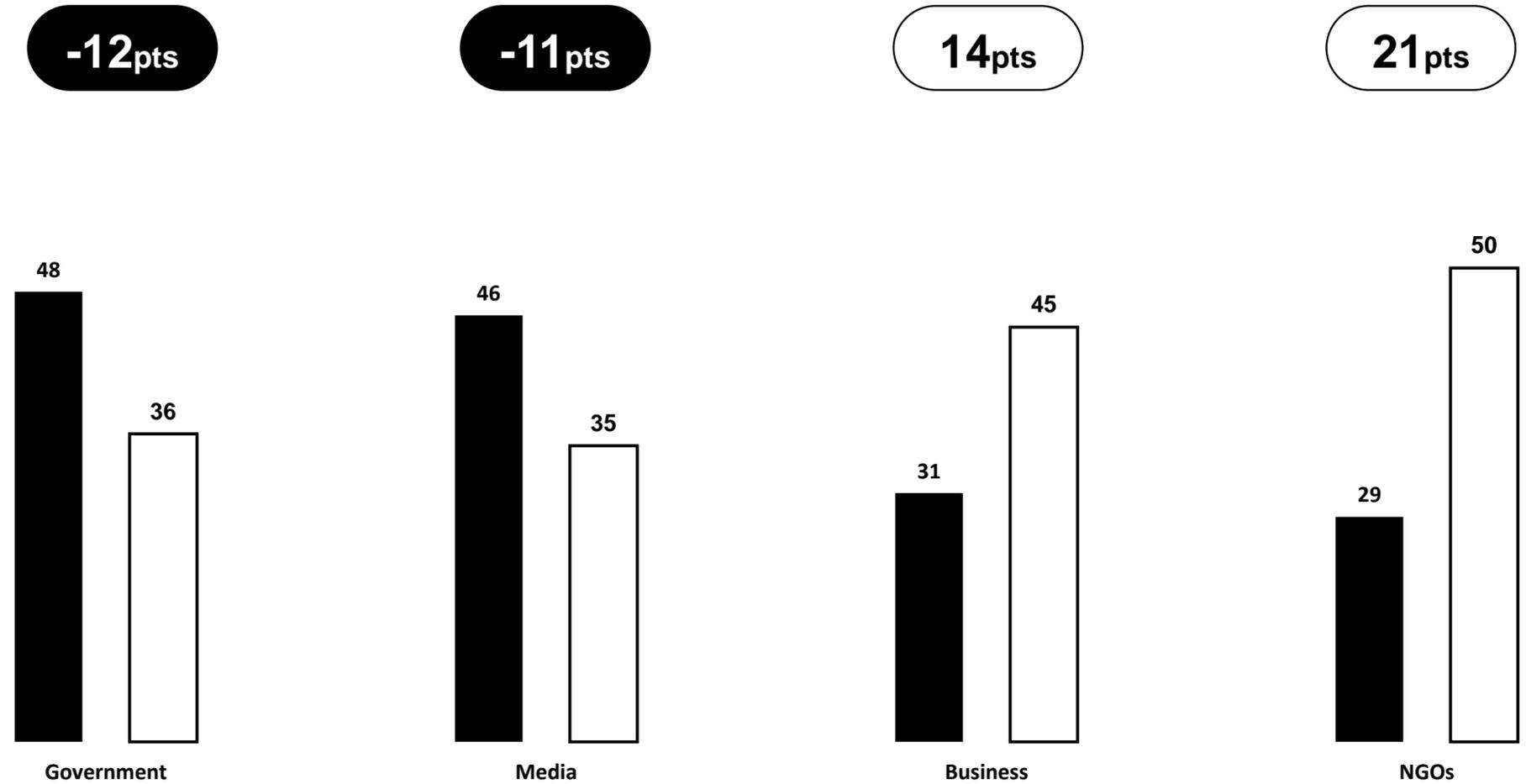
GOVERNMENT AND MEDIA SEEN AS DIVISIVE

Percent who say

These institutions are...

■ a **dividing force** in society □ a **unifying force** in society

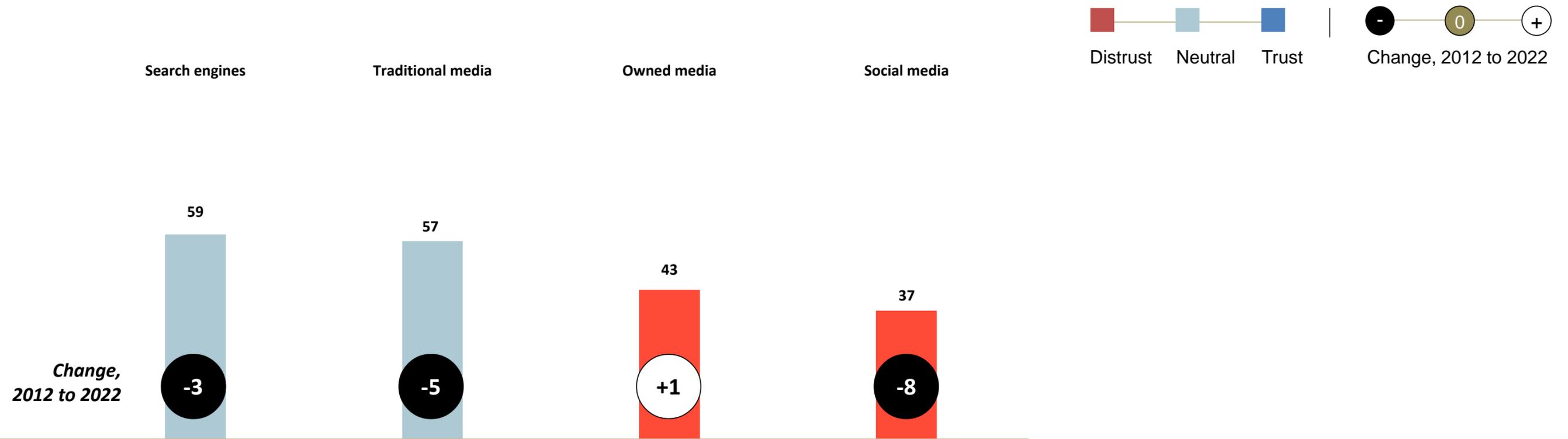
Gap, difference between unifying force vs. dividing force



NEWS SOURCES FAIL TO FIX THEIR TRUST PROBLEM

Percent trust

Global 22



Least-trusting countries for each source

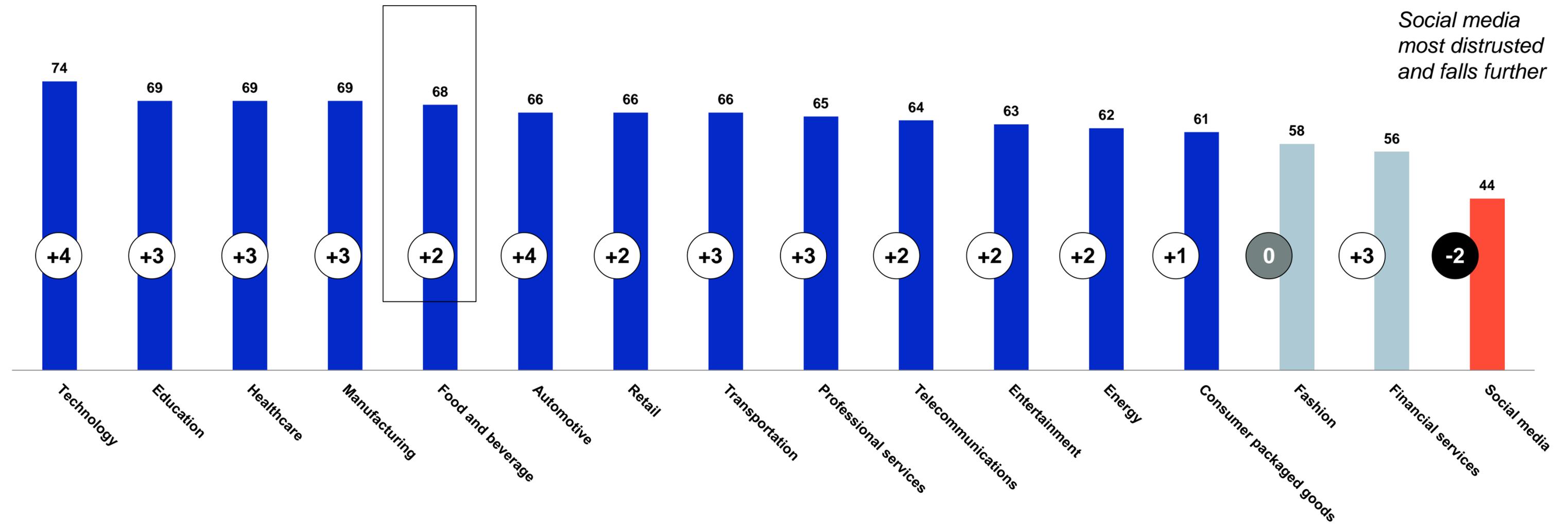
| | | | | | | | |
|-----------|----|----------------|----|----------|----|---------|----|
| U.S. | 45 | Russia | 35 | S. Korea | 24 | France | 19 |
| Australia | 47 | Japan | 39 | Russia | 28 | Germany | 20 |
| Japan | 47 | S. Korea, U.S. | 43 | U.S. | 28 | Canada | 21 |



**TRUST IN FOOD AND BEVERAGE
FACES HEADWINDS**

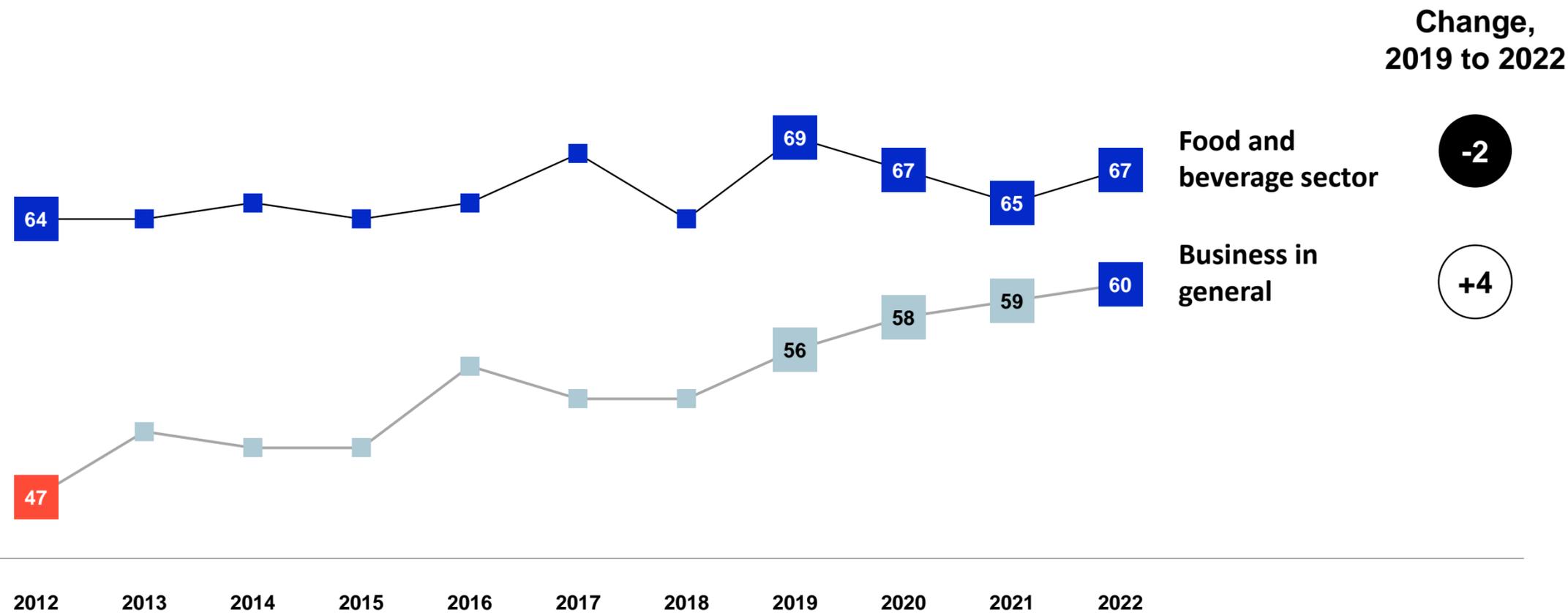
TRUST INCREASES ACROSS MOST SECTORS

Percent trust



TRUST IN FOOD AND BEVERAGE SECTOR REMAINS BELOW PRE-PANDEMIC HIGHS

Percent trust in the food and beverage sector vs. trust in business

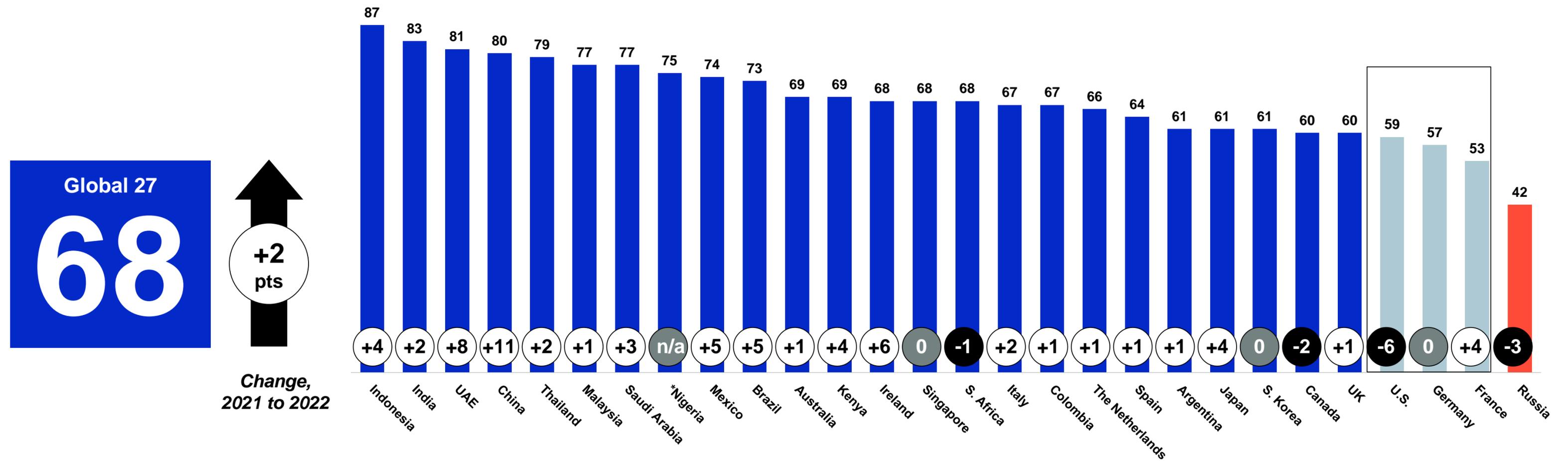


Countries with double-digit declines in food and beverage trust since 2019

| | % trust, 2022 | Change, 2019 to 2022 |
|--------|---------------|----------------------|
| Canada | 60 | -13 |
| U.S. | 59 | -12 |

FOOD AND BEVERAGE SECTOR NOT TRUSTED IN THREE OF WORLD'S LARGEST FOOD EXPORTERS

Percent trust, in food and beverage sector

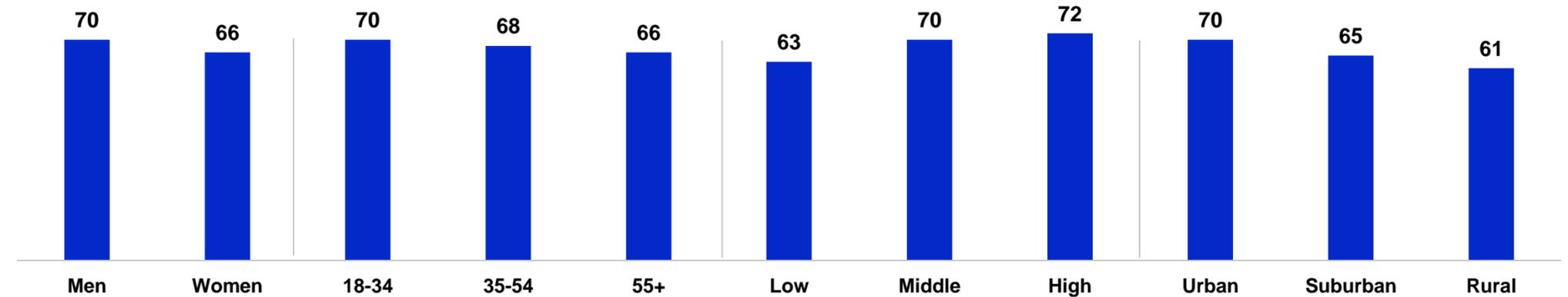


TRUST IN FOOD AND BEVERAGE SECTOR DIFFERS BY INCOME, GEOGRAPHY, RACE/ETHNICITY AND POLITICS

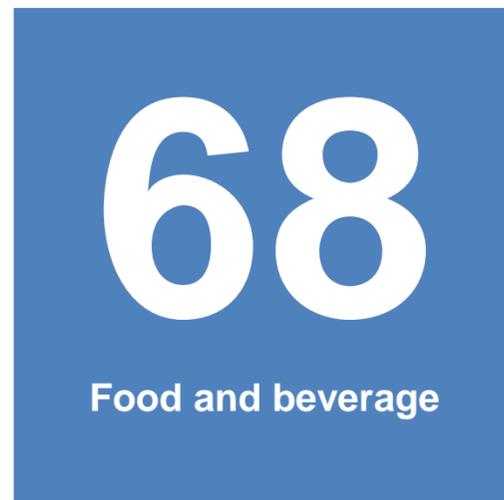
Percent trust, food and beverage sector



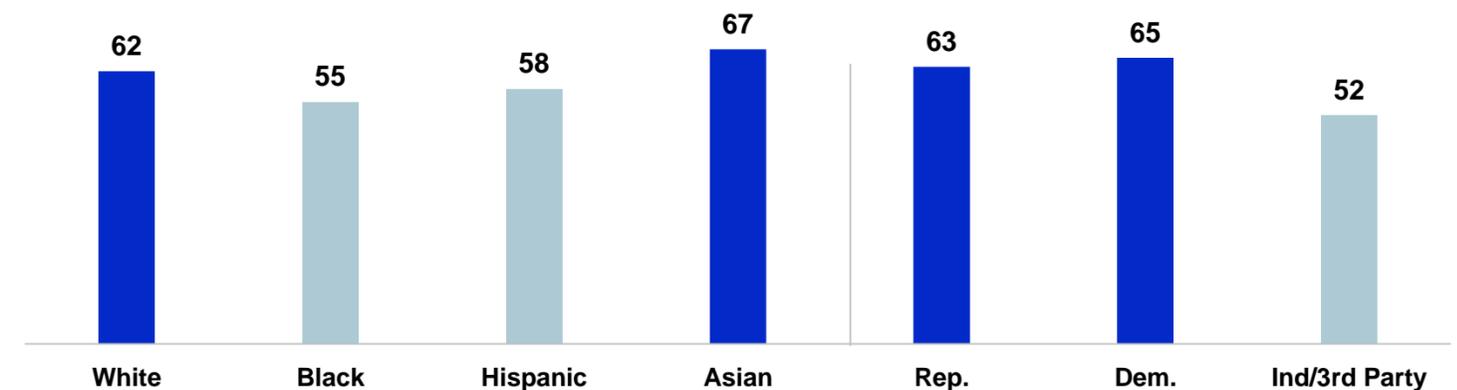
Gender | Age | Income | Location



Global 27

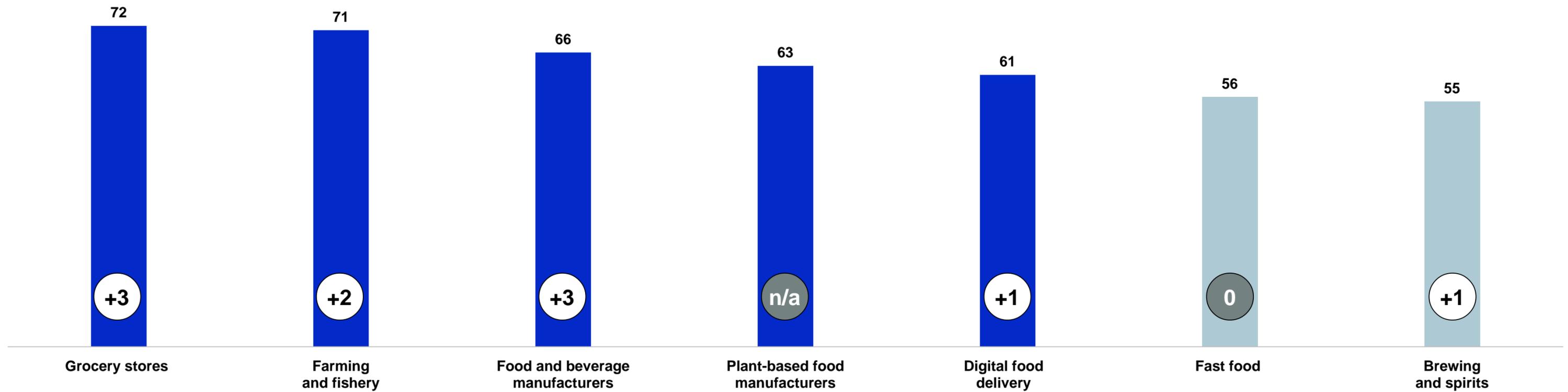


U.S. Race and Ethnicity | Political Affiliation



TRUST RISES IN 5 FOOD AND BEVERAGE SUBSECTORS

Percent trust, in food and beverage subsectors

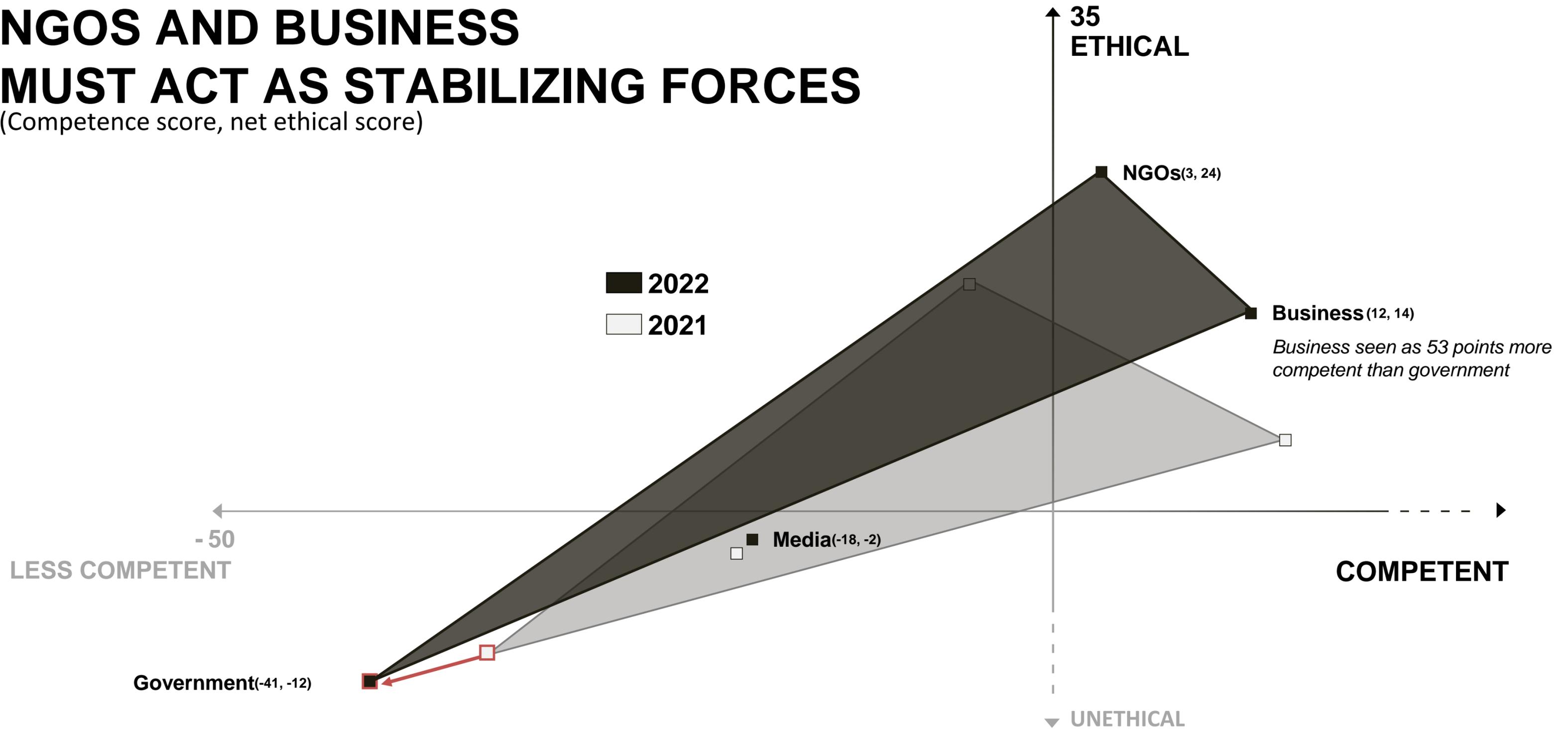




**BUSINESS MUST ADDRESS
FEARS TO BREAK THE
CYCLE OF DISTRUST**

NGOS AND BUSINESS MUST ACT AS STABILIZING FORCES

(Competence score, net ethical score)



ALL STAKEHOLDERS HOLD BUSINESS ACCOUNTABLE

Percent who agree

Global 27

58%

**Buy or advocate
for brands**
based on their beliefs
and values

60%

**Choose a place
to work**
based on their beliefs
and values

64%

Invest
based on their
beliefs and values

Global 7

Source: 2021 Edelman Trust Barometer
Special Report: Institutional Investors

88%

of **institutional investors**
subject ESG to the same scrutiny
as operational and financial
considerations

NEARLY 2 IN 3 FOOD & BEVERAGE WORKERS CHOSE EMPLOYER BASED ON BELIEFS

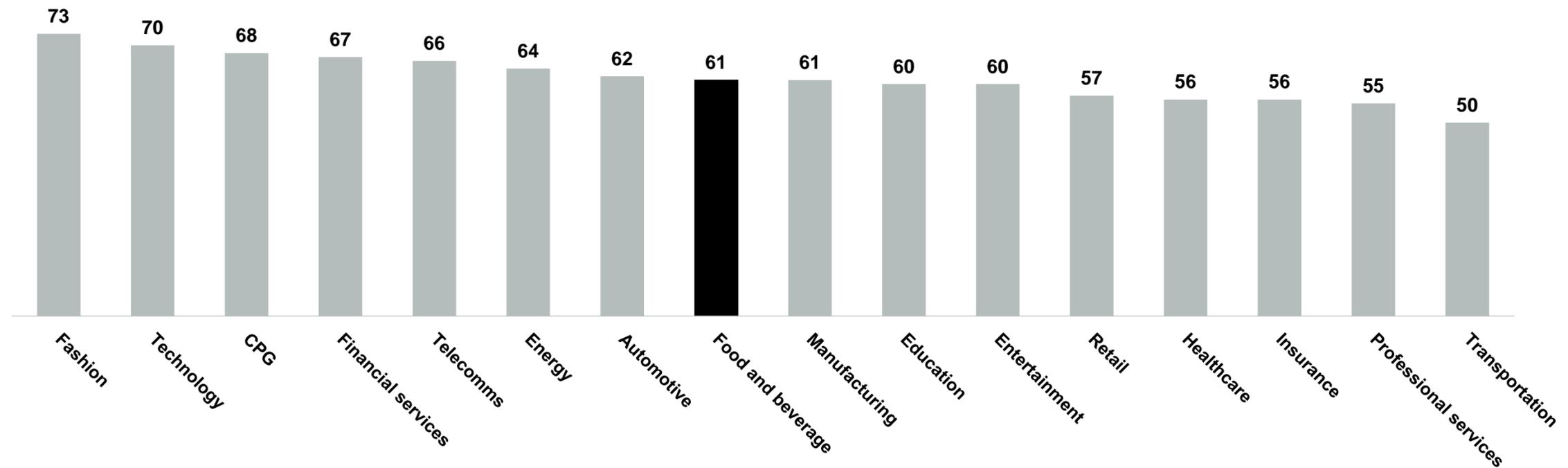
Percent who agree, among employees

I choose a place to work based on my beliefs and values

Those employed in...

Global 27,
All employees

60%



CEOS EXPECTED TO BE THE FACE OF CHANGE

Percent who say

CEOs should be personally visible when discussing public policy with external stakeholders or work their company has done to benefit society

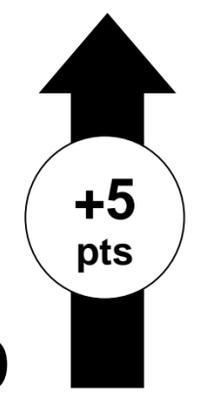
When considering a job, I expect the CEO to speak publicly about **controversial social and political issues that I care about**

Global 27,
General population

81% (net)

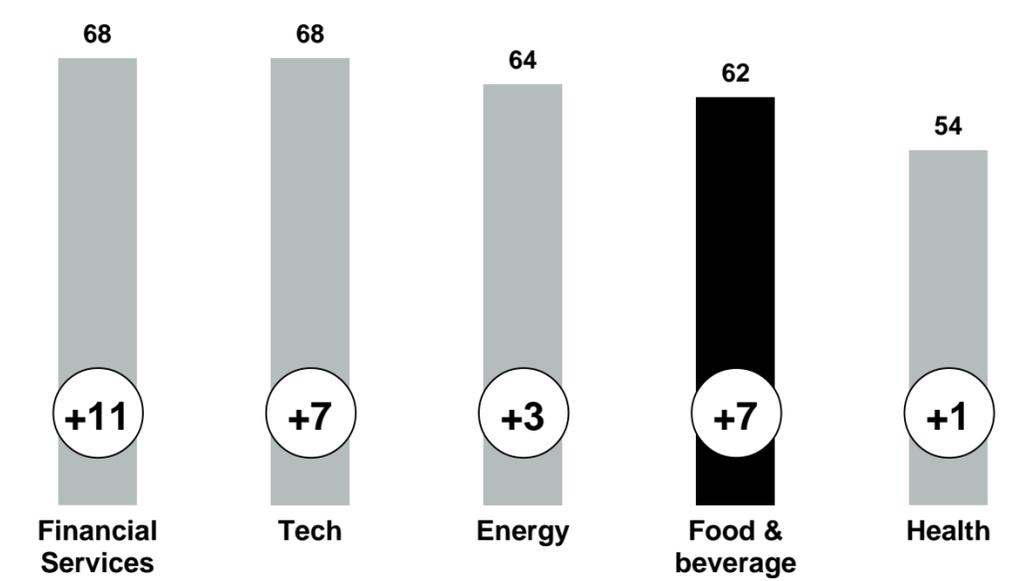
Global 25,
All employees

60%



Change,
2019 to 2022

Those employed in...





RESTORING TRUST IN FOOD AND BEVERAGE

WANT MORE, NOT LESS, BUSINESS ENGAGEMENT ON SOCIETAL ISSUES

Percent who say among food and beverage employees

On addressing each **societal issue**,
business is...

■ not doing enough
□ overstepping



GOOD INFORMATION CAN HELP CLOSE THE SOCIETAL DIVIDE

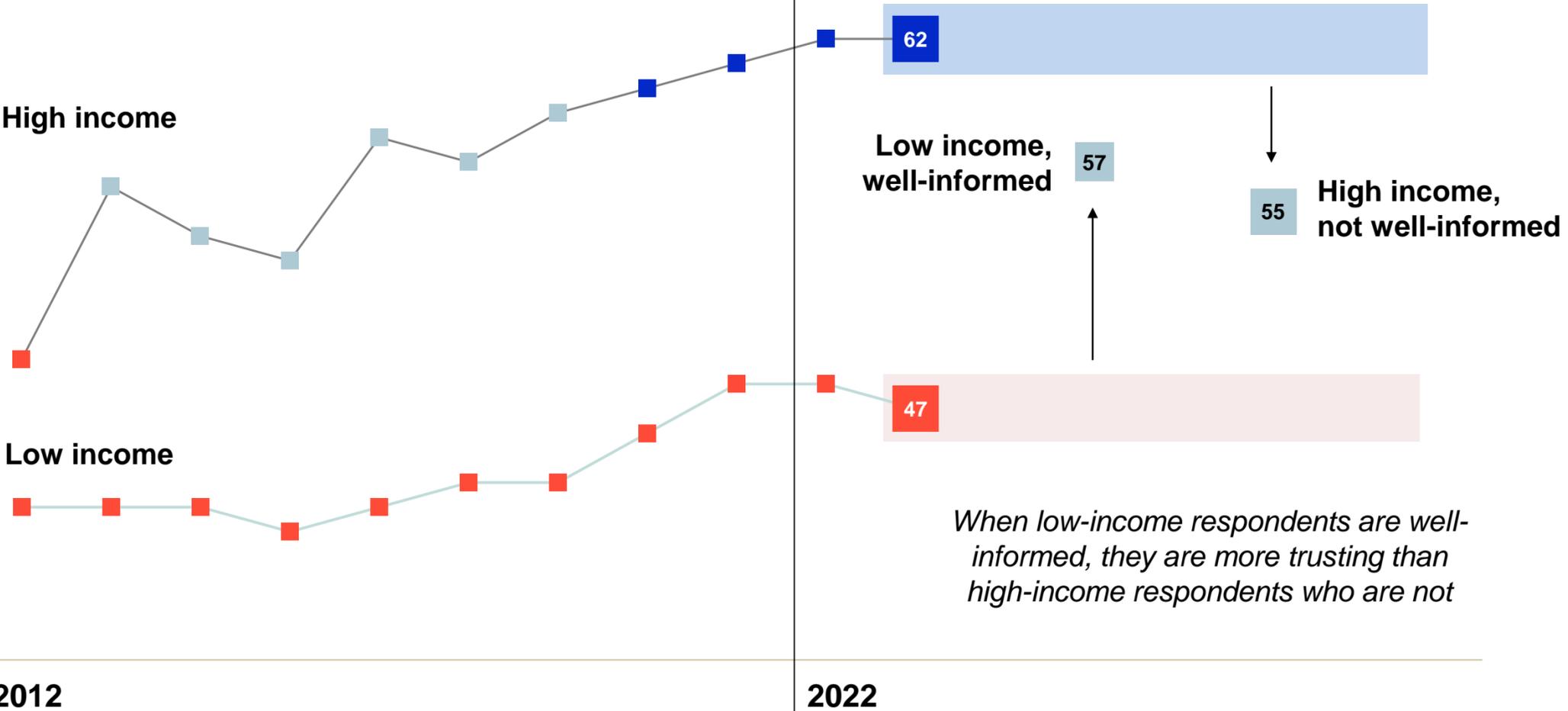
Trust Index



Global 22

High income

Low income



Well-informed

regularly do the following:

Follow news regularly

- Consult 3+ news sources daily
- Read business and/or public policy news

Seek quality information

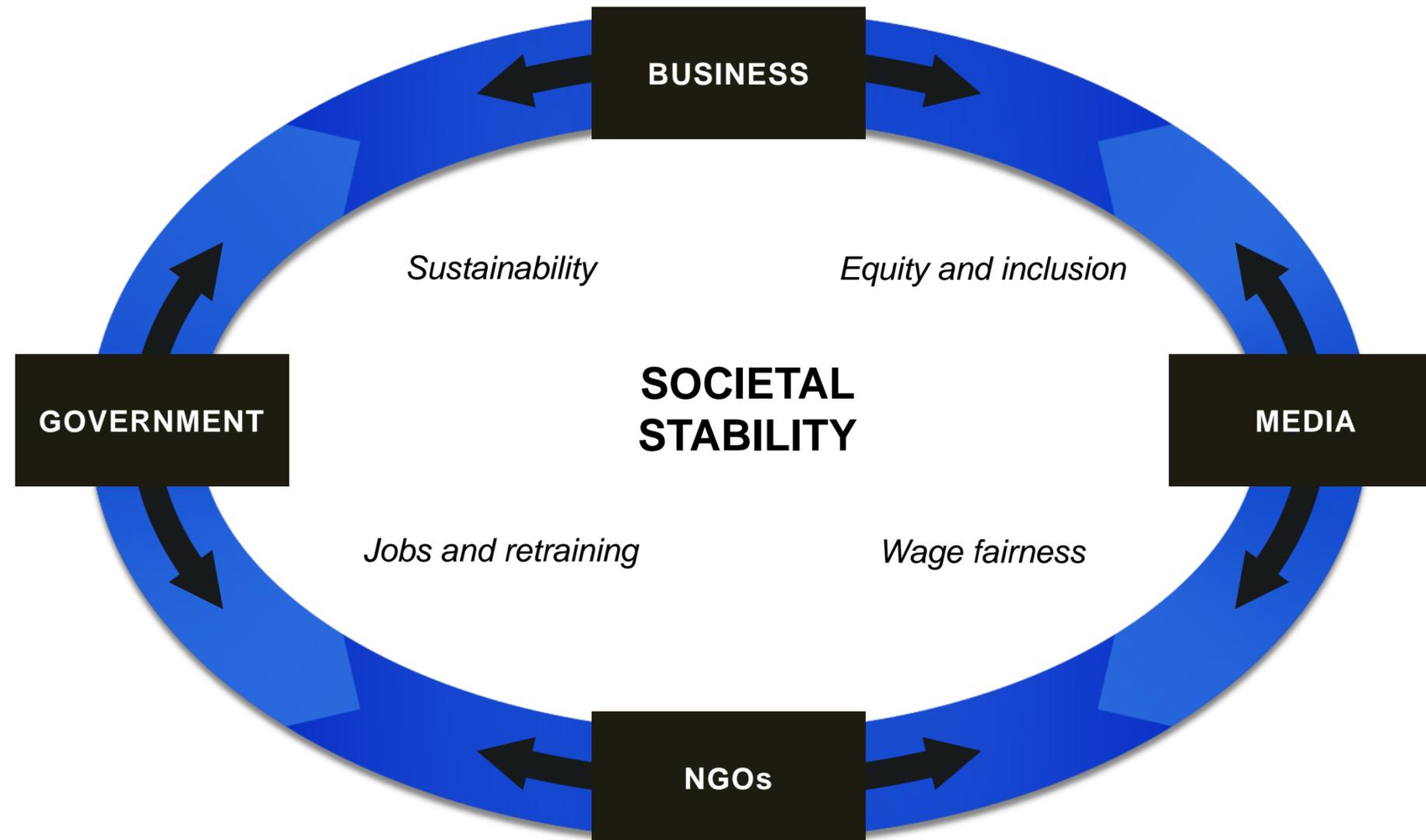
- Consult news sources with which they disagree
- Check information against multiple sources

When low-income respondents are well-informed, they are more trusting than high-income respondents who are not

2012

2022

RESTORING TRUST IS KEY TO SOCIETAL STABILITY





PRODUCED BY EDELMAN IP FOR

Organic Trade Association

MARCH 2022



RESEARCH OBJECTIVES



Identify potential risks to Trust in organics and understand how Trust in organic and challenges to organic integrity are perceived across diverse audiences



Identify the value that organic provides to the lives of a wide range of consumer audiences



Understand what sources of information key stakeholders use to gather information about organic products



Discover what expectations consumers have for organic products—and how these expectations differ from conventional products

METHODOLOGY

Edelman DXI fielded a 20-minute online survey from September to October, 2021 for a total of n=7,500 respondents* across 6 markets:

| AUDIENCES | MARKETS | SAMPLE SIZE | MARGIN OF ERROR |
|--------------------------|-----------------------|-------------|-----------------|
| Gen Pop | U.S | N=2,000 | +/- 2.19% |
| | U.K. | N=500 | +/- 4.38% |
| | France | N=500 | +/- 4.38% |
| | Germany | N=500 | +/- 4.38% |
| | Japan | N=1,000 | +/- 3.1% |
| | UAE | N=500 | +/- 4.38% |
| Food Forward | U.S. | N=1,000 | +/- 3.1% |
| US Ethnicity Oversamples | U.S. Asian Americans | N=500 | +/- 4.38% |
| | U.S. African-American | N=500 | +/- 4.38% |
| | U.S. Hispanic | N=500 | +/- 4.38% |

The survey was conducted for 10 audiences across 6 markets with the following definitions:

Gen Pop: Adults, age 18+

Purpose: To uncover perceptions on the Organics industry as well as examine the factors that influence trust and buying habits.

US Food Forward: Adults, age 18+, *'Food Forward' consumers are defined as those who take action regarding news about the food and beverage industry and agreed with certain statements relating to their habits and beliefs.

Purpose: To provide insight into those more influential and attuned to news and information related to food production, nutrition and trends

US Oversamples: Ethnicity oversamples for US Asian Americans, African-American, and Hispanics audiences.

Purpose: To gain insight into target populations

CORE NARRATIVE

1

There is widespread confusion about what it means to be organic.

2

The things people say they care about coincide with many of the elements of the organic standards.

3

Americans cite purchasing organic for reasons related to their health and the environment.

4

Trust in Organics is being held back by a lack of familiarity—Producers of raw materials are more trusted than manufacturers.

5

Consumers are using labels to make purchases—even when they are not verified in any way.

6

People are searching for a go to source—and they don't think it exists.

7

Consumers expect organic standards to keep pace with evolving knowledge about human and planetary health.

KEY FINDINGS

There is
widespread
confusion about
what it means to
be organic



And Many Are Not Knowledgeable About Specific USDA Organic Standards

Knowledge About USDA Organic Standards—US Gen Pop

(Shown: % Selected Response)



Q27: To the best of your knowledge, which of the following are standards for a product to receive the USDA organic label?

Base sizes: US Gen Pop n=2000

1 in 4 Don't Know Who is Responsible for Enforcing Organics—and Only a Third Cite the USDA

Regulatory Bodies Responsible for Enforcement—US Gen Pop
(Shown: % Selected Response)



Q19: Which of the following government or non-profit organizations do you believe is responsible for creating and enforcing organic standards in the United States?
Base sizes: US Gen Pop n=2000

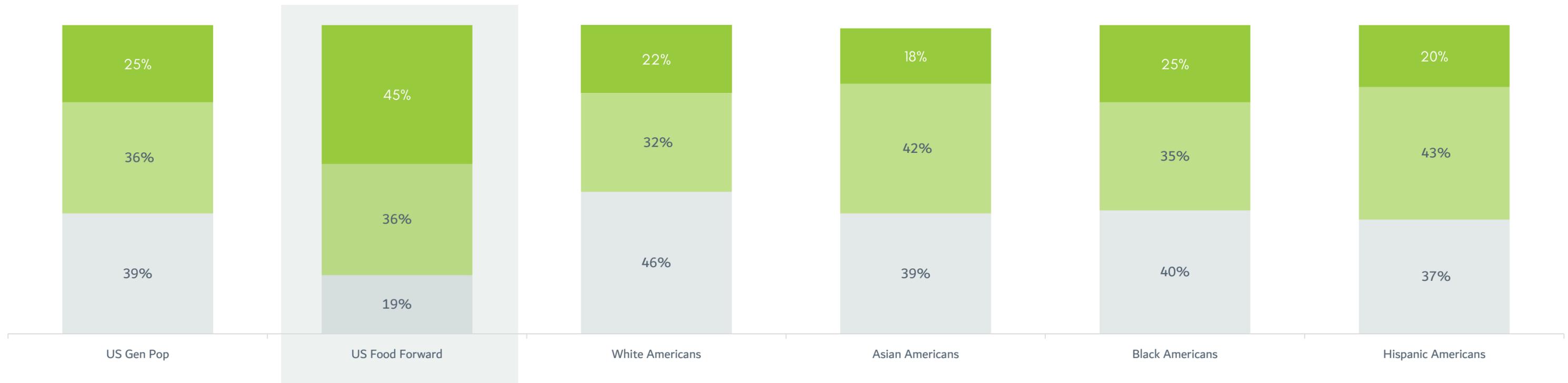
Familiarity the USDA's NOP is Equally Low Within Different Ethnic/Racial Groups

A majority of US Food Forwards are familiar with the program

Familiarity with the USDA's National Organic Program—US Audiences

(Shown: % Top 2 Familiar)

Very/Extremely Familiar Somewhat/Moderately Familiar Not at All Familiar



Q16: How familiar are you with the following organizations or regulatory bodies?

Base sizes: US Gen Pop n=2000, US Food Forward n=1001, Asian American n=500, Black Americans n=505, Hispanic Americans n=510

KEY FINDINGS

The things people care about most coincide with many of the elements of the organic standards

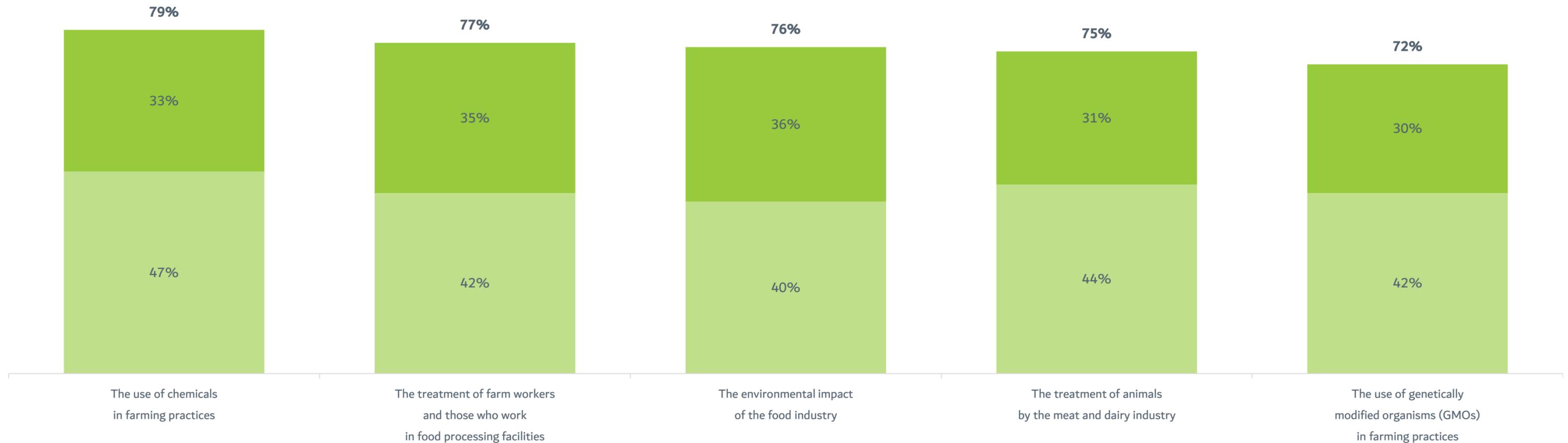


Americans Have Many of the Same Concerns That Are Core Values Addressed by the NOP

Concerns about the Food & Beverage Industry—US Gen Pop

(Shown: % Selected Response)

■ Somewhat Concerned ■ Very Concerned



Q4: Please rate how concerned you are about the following as it relates to the food & beverage industry.

Base sizes: US Gen Pop n=2000

Most Americans Believe Organic Products are Healthier, Have Less Pesticides, and Less GMOs Than Conventional Products

Perceptions About Organic Products—US Gen Pop
(Shown: % Top 2 Agree)

68%

Organic products
do not contain
pesticide residues

65%

Organic products
are **healthier** than
conventional products

64%

Organic products
do not contain **GMOs**

Q14: How much do you agree or disagree with the following statements about organic products?
Base sizes: US Gen Pop n=2000

Americans Think That Organic Practices Are Better for Farmers and Livestock

Perceptions About Organic Products—US Gen Pop

(Shown: % Top 2 Agree)

63%

Of Americans say buying organic products **helps support small farms**

60%

Of Americans say organic farming practices are **better for animal welfare** than conventional farming practices

60%

Of Americans say organic farming is **more ethical** than conventional farming

Q14: How much do you agree or disagree with the following statements about organic products?

Base sizes: US Gen Pop n=2000

KEY FINDINGS

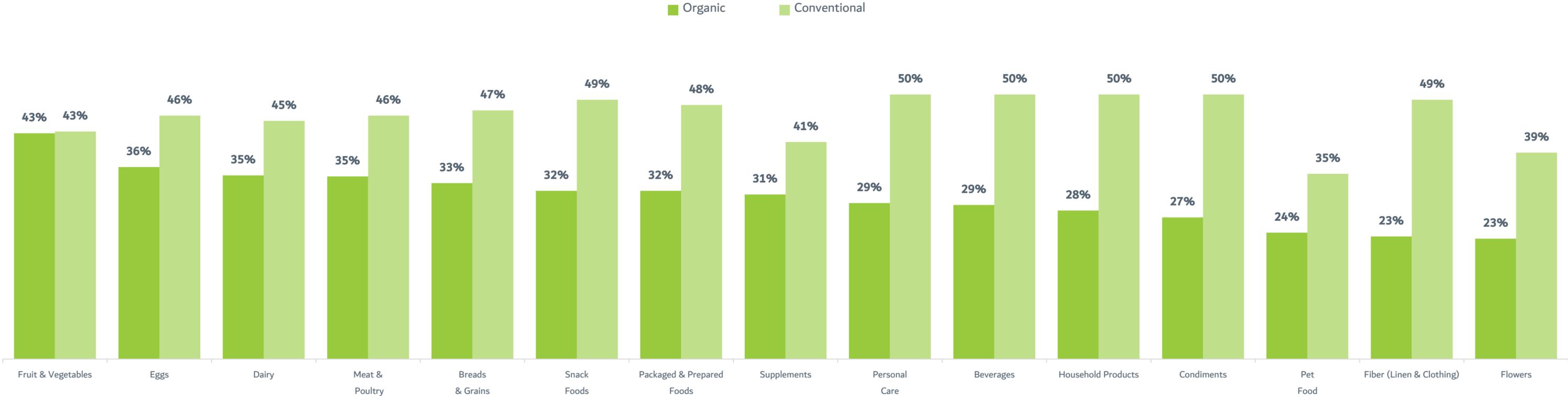
Americans cite purchasing organic for reasons related to their health and the environment



Gaps Exist in Purchase Decisions of Organic and Conventional Products

Larger gaps exist for non-food products

Buys Organic or Conventional—US Gen Pop
(Shown: % Sometimes + Usually Buy Organics, Sometimes + Usually Buy Conventional)



Q9: When considering purchasing the following products, do you tend to buy organic or conventional (i.e., not organic)?
Base sizes: US Gen Pop n=2000

Across International Markets, Consumers Say Environmental Impact is a Main Reason They Buy Organic Non-Food Items

Top Reasons for Buying Organic Fiber

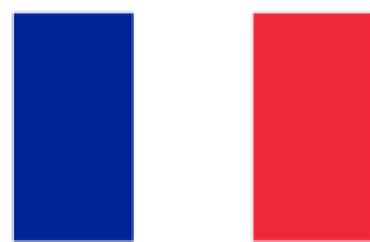
(Shown: Top Ranked Reasons)



HEALTH
(25%)



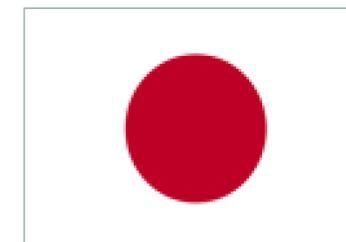
ENVIRONMENTAL
IMPACT
(21%)



ENVIRONMENTAL
IMPACT
(38%)



ENVIRONMENTAL
IMPACT
(38%)



QUALITY
(31%)



ENVIRONMENTAL
IMPACT
(20%)

Q12: Which of the following is your primary reason for buying the selected organic products?
Base sizes: differ based on product

KEY FINDINGS

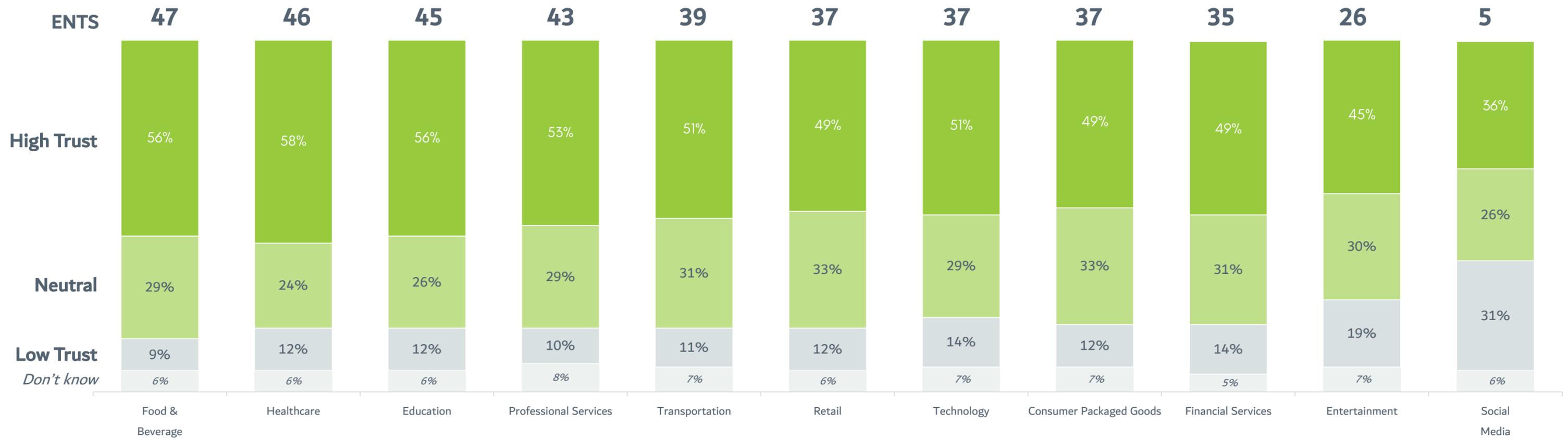
Trust is being held back by a lack of familiarity—producers of raw materials are more trusted than manufacturers



Food and Beverages is Among the Most Trusted Industries in the United States

Trust in Industries—US Gen Pop

(Shown: % Selected)

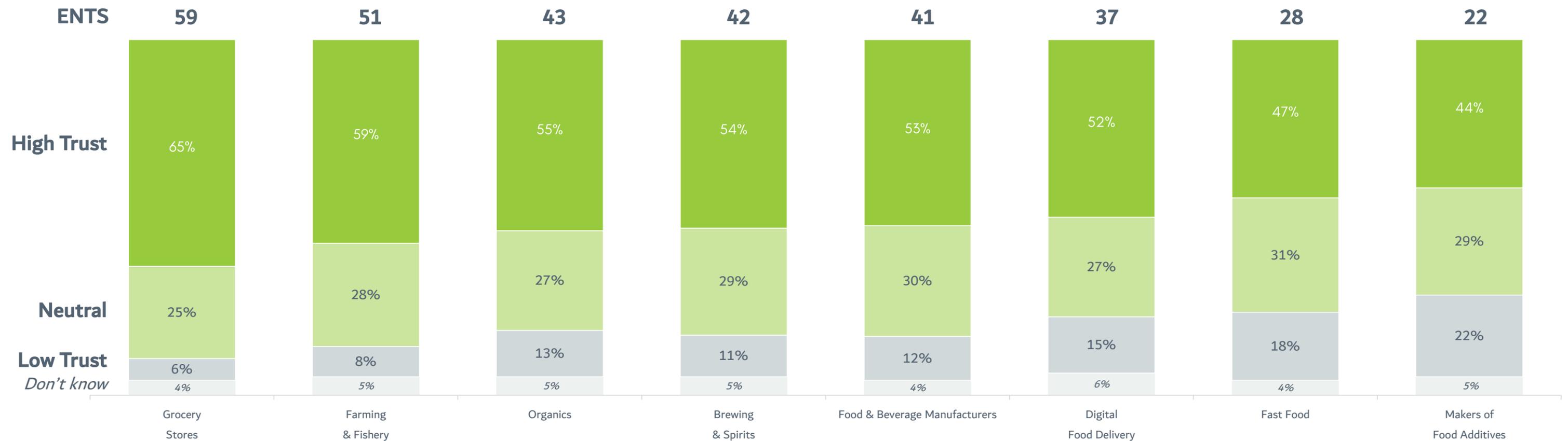


Q2: Please indicate how much you trust each of the following industries to do what is right. Please use a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”.

Base sizes: Varies by familiarity in industries and across audiences

Organics are Trusted But Not the Most Trusted Part of the Food and Beverages Industry

Trust in Food Sectors—US Gen Pop
(Shown: % Selected)



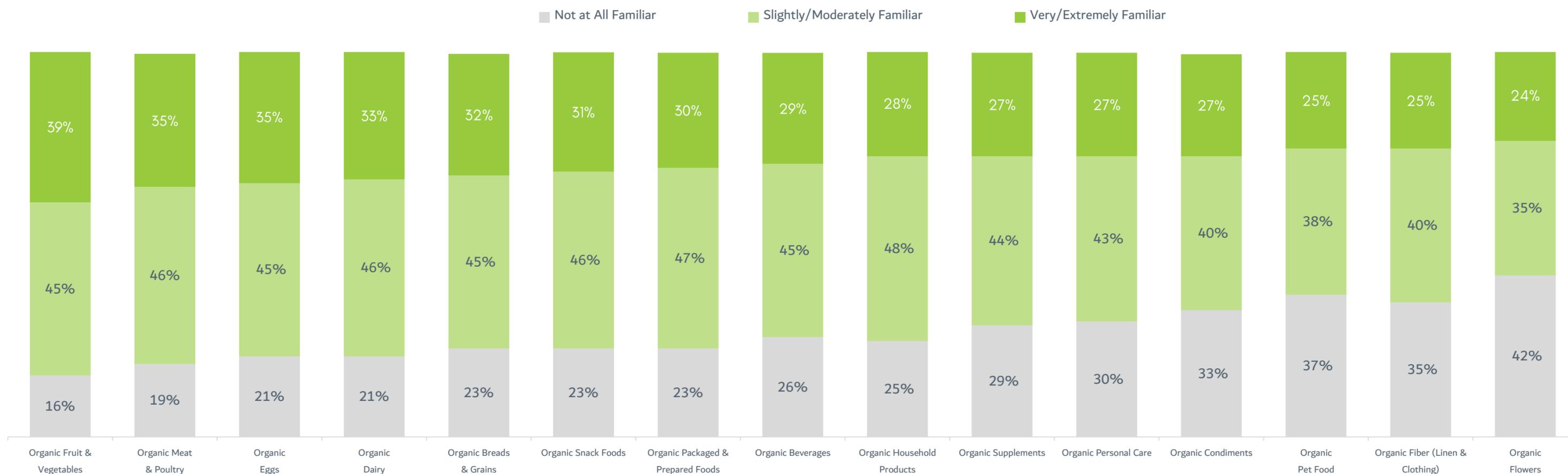
Q3: Thinking about these specific sectors within the food & beverage industry, please indicate how much you trust businesses in each of the following sectors to do what is right. Please use the same 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”.

Base sizes: Varies by familiarity in product and across audiences

Americans Are Generally More Familiar with Organic Whole Foods Than Processed Products

Familiarity with Organic Products—US Gen Pop

(Shown: % Selected)



Q6: How familiar are you with the following organic products?

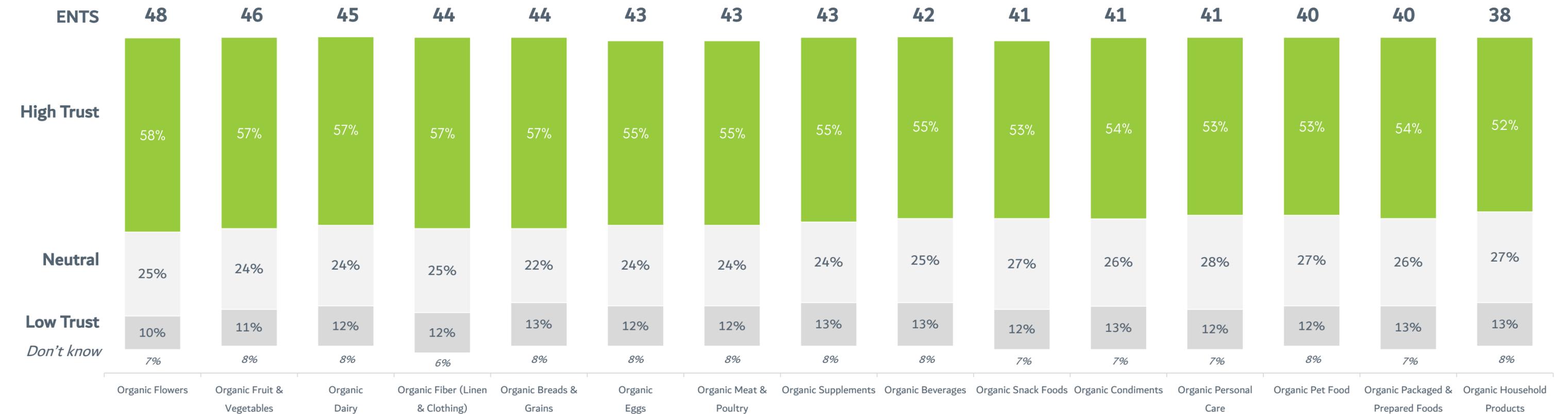
Base sizes: US Gen Pop n=2000

Americans are More Trusting of Whole/Less-Processed Products

There is an opportunity for OTA to focus on converting people who feels neutrally

Trust in Organic Producers—US Gen Pop

(Shown: % Selected)



Q8: How much do you trust the producers of the following organic products to do what is right? Please use the same 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”.

Base sizes: Varies by familiarity in product

There is Room for the USDA NOP to Improve on Core Trust Dimensions

Dimensions of Trust—US Gen Pop
(Shown: % Top 3 Agree)

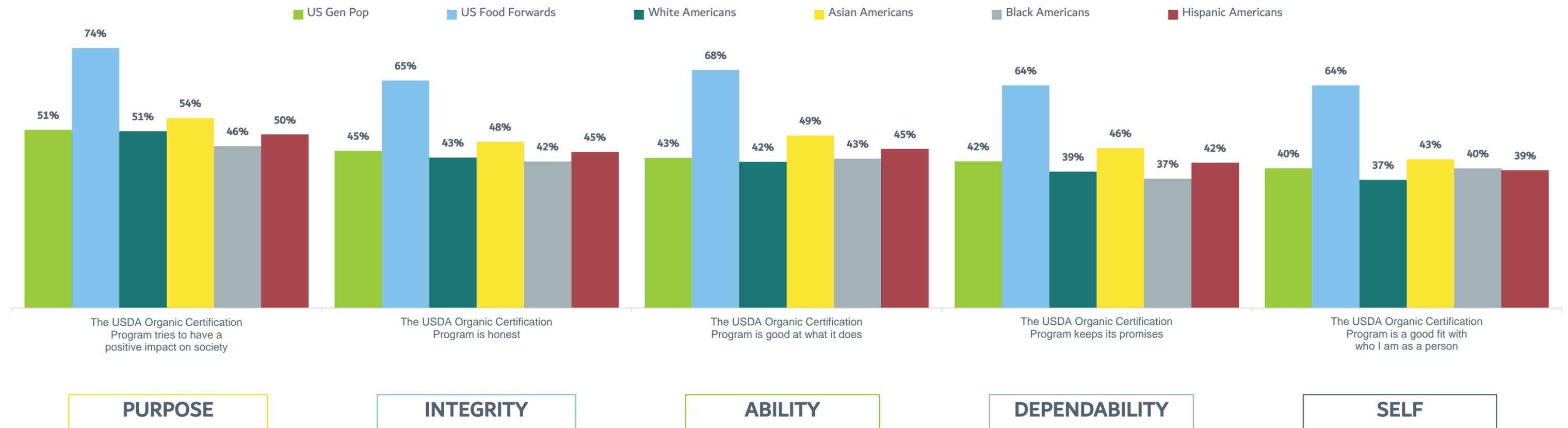


Q22: To what extent do you agree or disagree with the following statements?
Base sizes: US Gen Pop n=2000

Food Forwards Rate the USDA NOP Highly on All Dimensions

Dimensions of Trust—US Audiences

(% Top 3 Agree)



Q22: To what extent do you agree or disagree with the following statements?

Base sizes: US Gen Pop n=2000, US Food Forward n=1001, White Americans n= 1200, Asian Americans n=500, Black Americans n=505 Hispanic Americans n=510

KEY FINDINGS

Consumers are using labels to make purchases—even when they are not verified



Labels Have an Impact on Purchase Decisions—and Most Americans Lack a Fundamental Understanding of What the USDA Organic Standard Means

Impact on Purchase Likelihood—US Gen Pop

(Shown: % Top 2 More Likely To Purchase)



Q23: Are you generally more or less likely to purchase products that have the following labels?

Base sizes: US Gen Pop n=2000

KEY FINDINGS

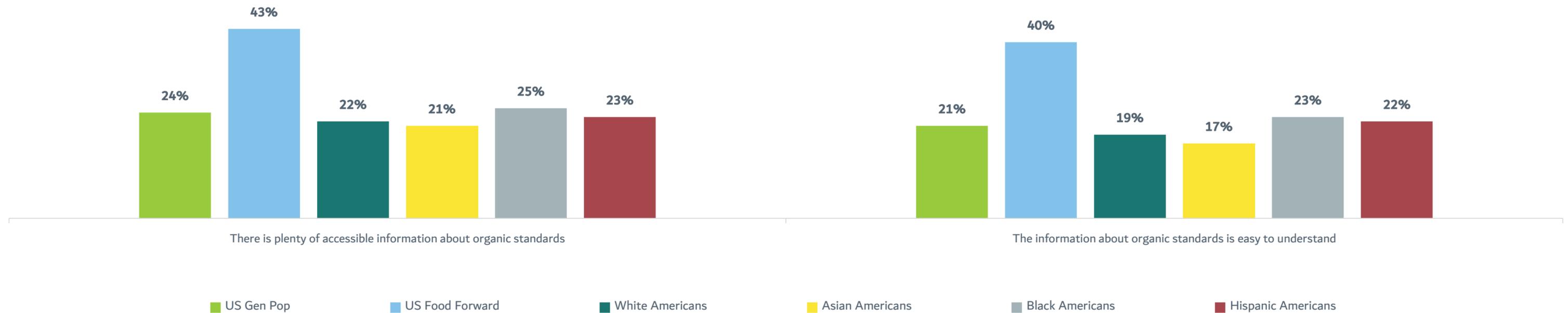
People are searching for a go to source—and they don't think it exists



Only a Quarter of Americans Strongly Believe There is Enough Accessible, Easy to Understand Information About Organics Out There

Perceptions of Organic Products and Standards—US Audiences

(Shown: % Top 1 Strongly Agree)



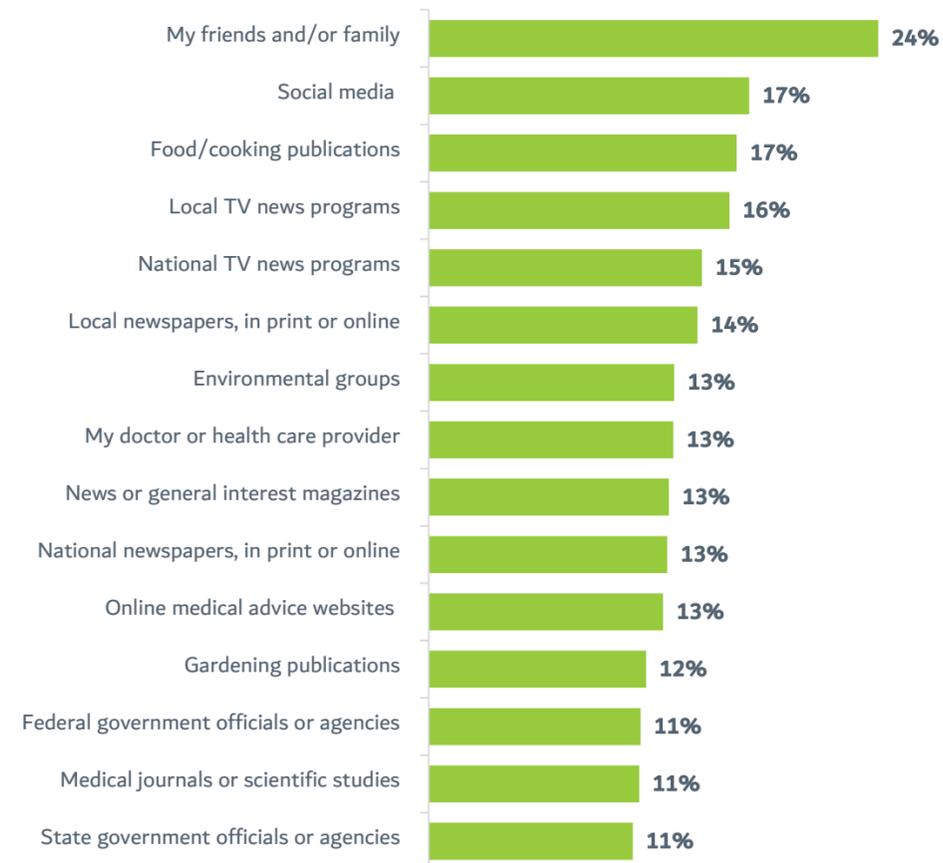
Q30: To what extent do you agree or disagree with the following statements about organics?

Base sizes: US Gen Pop n=2000, US Food Forward n=1001, White Americans n=1200, Asian Americans n=500, Black Americans n=505 Hispanic Americans n=510

There is Not One Dominant Source of Information About Organic Products for Americans to Turn to

Sources of Information About Organic Products—US Gen Pop

(Shown: % Selected Response—Shown Top 15)



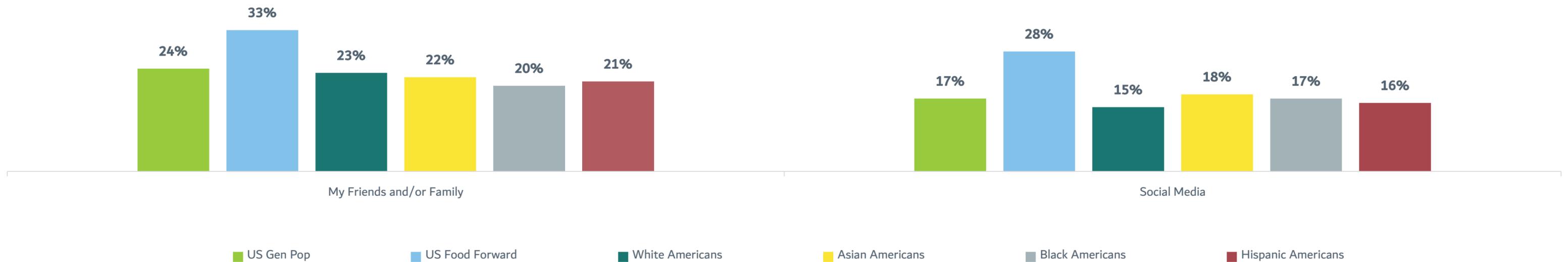
Q31: Which of the following sources do you use to get information about organic products?

Base sizes: US Gen Pop n=2000

Food Forwards Are More Likely to Turn to Friends and Family for Information About Organic Products

Sources of Information About Organic Products—US Audiences

(Shown: % Selected Response—Shown Top 15)



Q31: Which of the following sources do you use to get information about organic products?

Base sizes: US Gen Pop n=2000, US Food Forward n=1001, US White Americans n=1200, Asian Americans n=500, Black Americans n=505, Hispanic Americans n=510

KEY FINDINGS

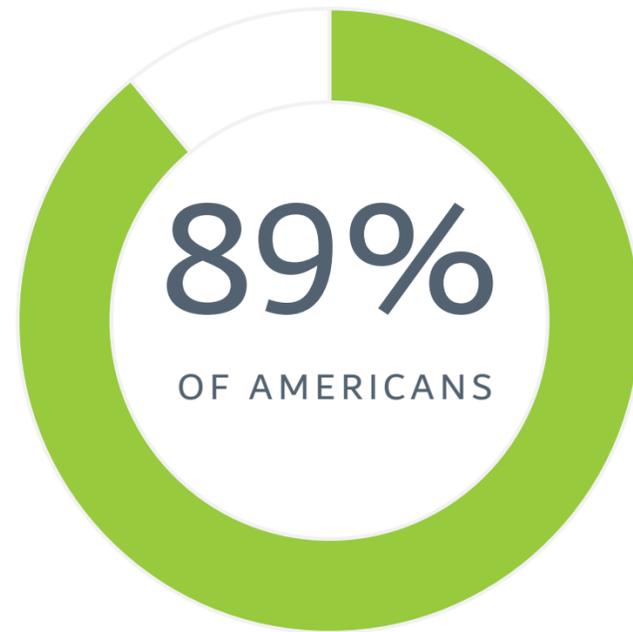
Consumers expect organic standards to keep pace with evolving knowledge about human and planetary health.



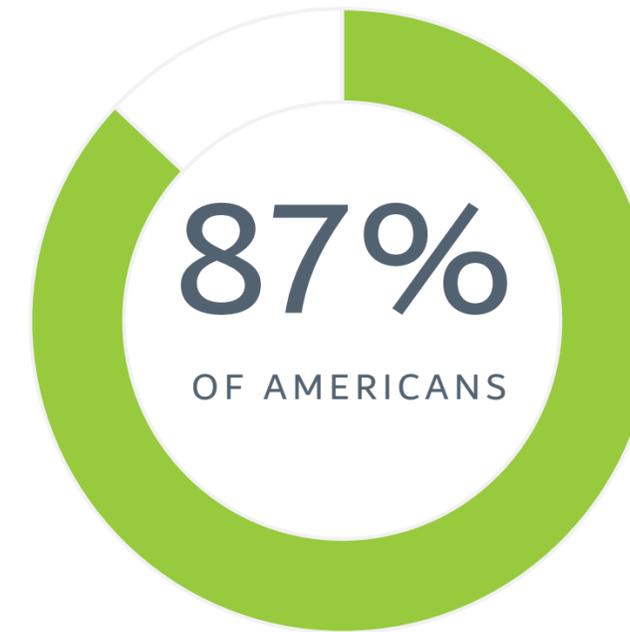
Americans' Expectation is That the Organic Standards are Regularly Updated to Reflect Evolving Knowledge About Human and Planetary Health

Perceptions of Government Oversight of Organics Industry—US Gen Pop

(Shown: % Top 2 Agree)



Say that the USDA should review and **update the organic standards** periodically



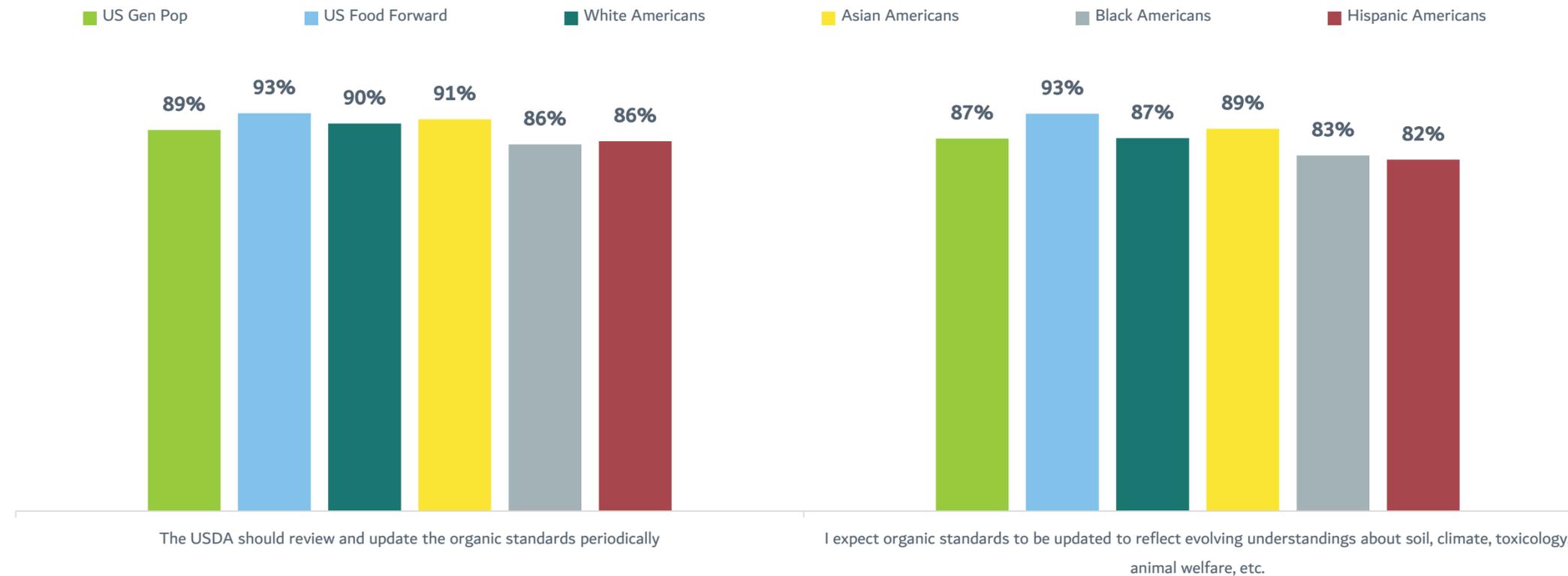
Expect organic standards to be updated to **reflect evolving understandings** about soil, climate, toxicology, animal welfare, etc.

Q15: To what extent do you agree or disagree with the following statements regarding government oversight of the organics industry?
Base sizes: US Gen Pop n=2000

This Sentiment is Shared Across Our US Audiences

Perceptions of Government Oversight of Organics Industry—US Audiences

(Shown: % Top 2 Agree)



Q15: To what extent do you agree or disagree with the following statements regarding government oversight of the organics industry?

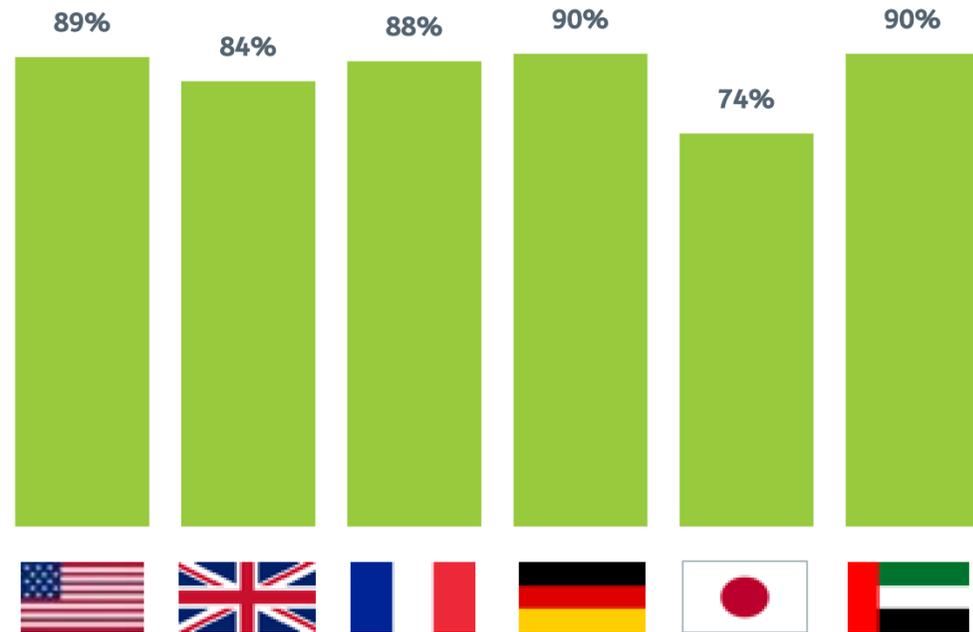
Base sizes: US Gen Pop n=2000, US Food Forward n=1001, US White Americans n= 1200, Asian Americans n=500, Black Americans n=505, Hispanic Americans n=510

And International Markets

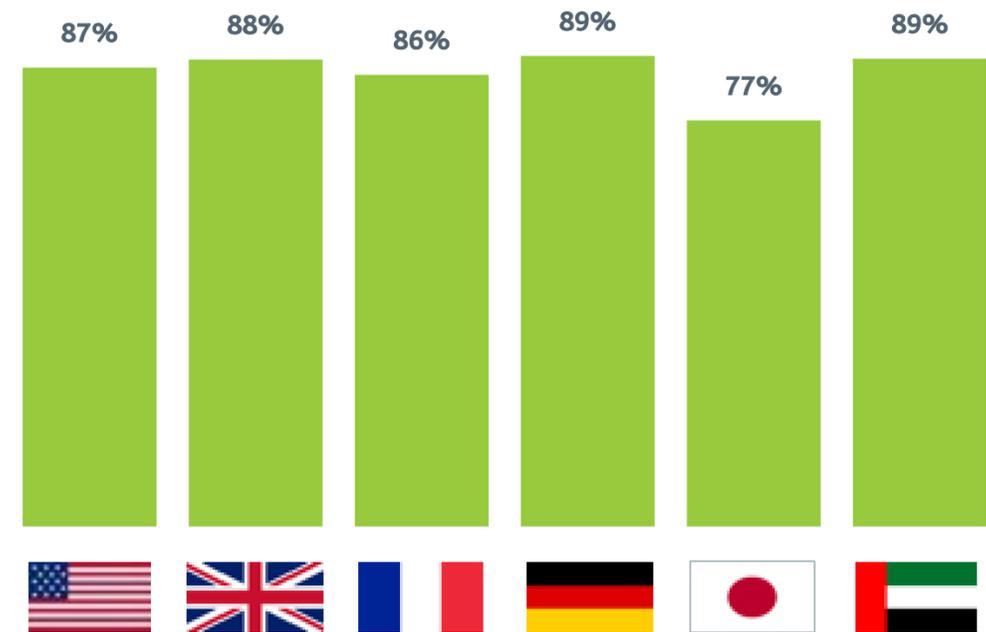
Perceptions of Government Oversight of Organics Industry—International Markets

(Shown: % Top 2 Agree)

The USDA should review and update the organic standards periodically



I expect organic standards to be updated to reflect evolving understandings about soil, climate, toxicology, animal welfare, etc.



Q15: To what extent do you agree or disagree with the following statements regarding government oversight of the organics industry?
Base sizes: US Pop n=2000, UK n=500, France n=500, Germany n=500, Japan n=1000, UAE n=500



STRATEGIC IMPLICATIONS



STRATEGIC IMPLICATIONS



There is work to do for the USDA Organic Label to become the label people look for



As science tells us more about nutrition, practices, and climate, organics will need to continue to evolve



As new labels like regenerative surge, organic needs to make it known that it is at the foundation



There is an opportunity for the industry to establish a go-to source for information.



ANNUAL MEMBERSHIP MEETING

June 1 @ 11:00 Pacific / 2:00 Eastern



THANK YOU

Organic
trade association™
SINCE 1985

