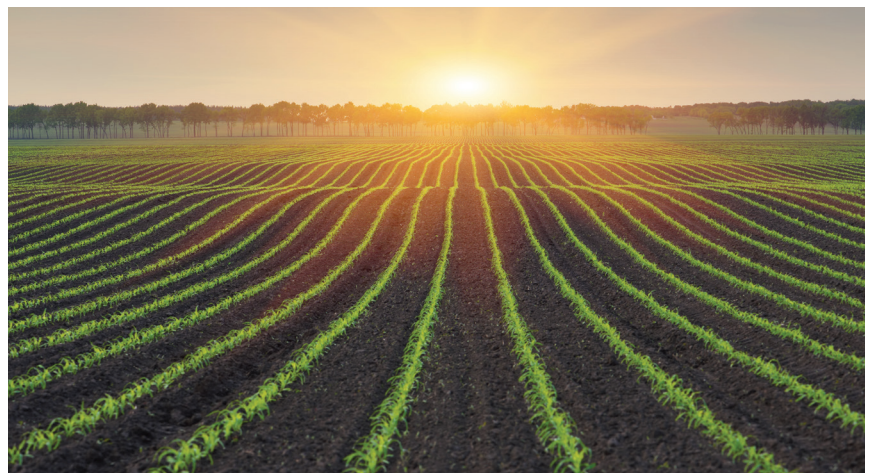




# U.S. ORGANIC WORLDWIDE 2015

—  
Annual Report for OTA's International Work



SINCE 1985  
*Organic*  
trade association



**WE TAKE U.S. ORGANIC GLOBAL** Around the world, the desire for traceable, sustainably-produced food is growing. Global demand for U.S. organic has never been stronger. Online and in-person, the Organic Trade Association helps connect U.S. businesses with buyers worldwide hungry for bringing the USDA Organic Seal to their markets. Whether you are a large brand or distributor with export programs in place, or a small manufacturer just breaking in to global markets, U.S. Organic Worldwide is your go-to resource to help grow your international presence, and business.

## SUCCESS BY THE NUMBERS

**13**

**Number of OTA Led MAP Activities**

*(representing an additional 5 activities from 2014 & 2013)*



**\$14,275,000**

**Total Projected Sales from Participation in OTA Activities**

*(up 69% from 2014)*



**Over 50 Companies**

**Participated in OTA Export Activities**



**1 New**

**Organic Equivalency Arrangement Signed with Switzerland**



**Over 430**

**OTA Organized 1:1 Buyer Meetings at Expo West**



**7 Export Focused Webinars**

**Hosted for Industry and Government Participants**



**OTA was in 11 Countries**

**including 2 countries in the Middle East, the region with the largest growth rate for U.S. organic imports in 2015.**



**Release of 2 Benchmark Studies on the Global Organic Trade**

### MAP SUCCESS STORIES

**Andy Wright, Founder, Acme Organics**, Minneapolis participated in OTA's Anuga activity. He left the show with 50 active leads. "This wouldn't have happened without OTA," said Wright, maker of the organic Triple Crown BBQ sauce. "OTA not only gave us a platform to show our products to an international audience, but it also connected us to the right people, the decision makers, and that was huge." At the time of publication, Wright was closing deals with Sweden, Switzerland, and Australia.

**To Your Health Sprouted Flour Co.** in rural Alabama has taken part in OTA's export activities for three years, and as a direct result is selling products in the UK, South Korea, Mexico and Japan, and is getting business inquiries every day from all over the world. "We're building a new 26,000-square-foot facility, and this will allow us to quintuple our production capacity. We now employ 30, but we'll be pushing 45 employees within the next year. Our involvement with OTA's export activities has been a tremendous asset in helping us get started in the export market and creating these opportunities for growth."

### TASC SUCCESS STORY

#### Years of OTA TASC Work Showing Strong Results

The Organic Trade Association has received TASC grants totaling \$1.4 million since 2009 to further work on Organic Equivalency Arrangements. A trade arrangement between countries that recognize the other's organic certification designation to be "equivalent" allows products produced, processed, and certified to either country's organic standards to be sold as organic in both countries. Five equivalency arrangements have been adopted since 2009: U.S.-Canada Organic Equivalency Arrangement (June 2009), U.S.-EU Organic Equivalency (June 2012), U.S.-Japan Organic Equivalency (January 2014), U.S.-South Korea Organic Equivalency (June 2014), and most recently the U.S.-Switzerland Organic Equivalency (July 2015). Benefits to trade in organics have correspondingly increased, with Canada trade up 14%, EU trade up 44%, Japan trade up 17% (after steady declines), and Korea trade up 50% (rebuilding from a total market close). In total the U.S. global trade in organics, estimated at \$3.2 billion dollars, is up 20% since 2011, when the organic HTS codes were first issued that allowed for the tracking of organic trade data.

**MAP** = Market Access Program    **TASC** = Technical Assistance for Specialty Crops    **3PSP** = 3rd Party Service Provider    **FAS** = Foreign Agriculture Service    **MRL** = Maximum Residue Level    **NOP** = National Organic Program    **ACA** = Accredited Certifying Agent  
**AMS** = Agriculture Marketing Service    **HS/HTS** = Harmonized Schedule / Harmonized Tariff Schedule

# 2015 YEAR IN REVIEW

## New HS Codes

JANUARY | USA | TASC

Tracking global trade of organic products is important to showing the growth and sophistication of our industry. In January 2015, 11 new organic HS were added to the U.S. Schedule B system per OTA's applications.

## Biofach 2015

FEBRUARY | GERMANY | MAP

Biofach is the world's largest trade show for organics. OTA sponsored 14 companies' participation. OTA participants projected \$4,200,000 in sales as a result of participation in the show. The German Minister of Agriculture met with OTA suppliers.

## Reverse Trade Mission at Expo West

MARCH | USA | MAP & TASC

OTA partners with Food Export Midwest to host buyers from all over the world to meet 1:1 with U.S. organic suppliers. Buyers from over 16 countries met with OTA suppliers. Participants projected \$4,800,000 in sales as a result of the meetings.

## SIAL Toronto

APRIL | CANADA | MAP

OTA spoke on U.S. organic trends to show attendees in Toronto. OTA's session was the most registered and most attended session at the show. Canada remains our #1 trading partner.

## Preliminary Analysis of USDA's Organic Trade Data: 2011 to 2014

APRIL | USA | MAP

In partnership with Penn State University, OTA spearheaded a benchmark study to quantify global organic trade. Never before has such a comprehensive study on U.S. organic exports and imports been completed. The figures found in the report have been cited by ERS, IFOAM, and the international community at large.

## Seoul Hotel & Food

MAY | SOUTH KOREA | MAP

After re-opening organic trade with Korea in summer 2014, OTA seized the first opportunity to take processed product suppliers to the country's largest trade show. Five participants reported \$2,400,000 in projected sales from the show. ROI calculation for this activity: 4000%.

## Exploring E-Commerce

MAY | CHINA | TASC

The E-commerce market in China is still growing, even though the overall economy in China is slowing down. According to China E-business Research Center, total online retail in the first half of 2015 is about \$250 billion dollars, up 48% percent compared to the same period last year. Total online retail sales are estimated to exceed \$585 billion in 2015. OTA met with dozens of online platforms, 3PSPs, and FAS. Direction from these meetings led to the OTA sponsored China Brand Registration Webinar, a critical first step for any exporter to the country.

## Organic Diplomacy

MAY/JUNE | TAIWAN | TASC

Taiwan is a key destination for U.S. organic exports. Nevertheless, exporting products to Taiwan can be challenging; for example, there are differences in MRL standards particular to Taiwan that impact various parts of the organic supply chain. OTA met with U.S. and Taiwanese officials to discuss the current state of organic trade between the U.S. and Taiwan. OTA spent an afternoon with the only NOP accredited certifier in Taiwan and learned best practices on how ACAs should work with Taiwanese organic program officials. Learnings from this mission were shared with NOP and U.S. ACAs.

## Retailer Training and USG Hosted Luncheon

JUNE | JAPAN | MAP

OTA was asked to train staff at Japan's largest retailer on how to sell organic. And, U.S. Minister Counselor Greenberg co-hosted an all organic luncheon with OTA at his home in Kobe. OTA trained more than 200 staff at the retailer's headquarters. For the luncheon 100% of the invites were accepted and 100% of the RSVPs were in attendance to learn the latest news about U.S. organics.

## OTA/OMRI Materials Training

JULY | MEXICO | TASC

Mexico is in the process of implementing their own organic standards. As they move towards this goal, OTA aims to serve as a resource. OTA sponsored the OMRI led training in Mexico for Mexican government officials. OTA is following developments in Mexico closely. A letter of intent for organic equivalency was signed in late 2015 between SAGARPA and AMS.

## Expo East

SEPTEMBER | USA

MAP & TASC

The international department led one session during All Things Organic, gathered industry to discuss trade issues, and recruited new participants for OTA spring activities. OTA also organized meetings for Korean and Japanese buyers attending the show. One meeting has already proved successful with product sent to Japan for its first Organic Day.

## EXPO 2015

OCTOBER | ITALY | MAP

OTA participated in the World's Fair to showcase, educate on, and expose the U.S. organic system to a global audience through public speaking events and acting as ambassadors for the industry. OTA's message reached over 26 million visitors at the USA Pavilion. OTA hosted 3 events, participated in 5, and had the most watched Periscope session, "Women Leading the Organic Way" for the USA Pavilion during the 6 month run of the fair.

## 8th Asia Organic & LOHAS Expo

OCTOBER | TAIWAN | TASC

OTA led a dynamic session on organic trade and markets at the show, and met with key government officials as well as influential public interest groups.

## Anuga 2015

OCTOBER | GERMANY | MAP

Anuga was the largest food industry trade show in the world in 2015. Participating at the show was an OTA first. OTA sponsored 8 companies to participate at Anuga in the OTA pavilion. Projected sales from participation in the activity was \$2,875,000. Post activity, OTA hosted a webinar discussing the top trends presented at the show.

## Organic Day Japan

OCTOBER/NOVEMBER | JAPAN  
MAP

Japan and the United States entered into the first organic equivalency arrangement in Asia in July 2014. While Japanese importers are eager and ready to import USDA certified organic products, consumer exposure is low. OTA hosted the largest scale consumer facing promotion ever executed in Japan for organics. Results: 13 retail partners, 11 importer partners, 5 distinct events capturing more than 5000 consumers in Tokyo for the first ever Organic Day. Next year Organic Day will be absorbed into a larger scale event with in-country Japanese sponsors.

## GACCNY Presentation

NOVEMBER | USA | MAP

The German American Chamber of Commerce sponsored a trade mission to the United States focusing on beverages. OTA was asked to lead a session on U.S./EU organic equivalency and U.S. organic market trends. OTA's participation in the November event has led to an expanded relationship with the GACC resulting in a co-led education session and study tour to Germany scheduled for April and June 2016.

## SIAL Middle East

DECEMBER | UNITED ARAB  
EMIRATES | MAP

OTA was invited to speak on the U.S. organic industry and the growing trade relationship between the United States and the GCC. UAE Q1/2 Imports of organic products from the U.S. had already more than doubled their total imports for 2014. OTA's session was slotted immediately following the GCC Food Security Alliance signing and key note presentation. There was so much interest in the session OTA's talk was the featured event in a show press release and featured in the wrap video. OTA gathered leads at the show and has already connected several GCC buyers with U.S. businesses.

## Food Export Trade Mission

DECEMBER | KUWAIT | MAP

OTA shadowed a Food Export Trade Mission to Kuwait. OTA learned firsthand best practices for implementing similar programs for the organic industry. There was great interest in organics from many of the buyers meeting with Food Export suppliers.

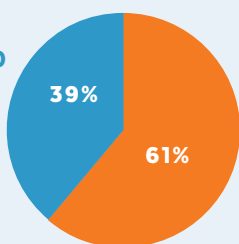
## Impacts of Organic Equivalency

DECEMBER | USA | TASC

OTA has helped achieve 5 organic equivalency arrangements since 2009. But have these policies worked as intended? Phase two of OTA's organic trade research with Penn State answers that question. Conducted by Dr. Edward Jaenicke, Associate Professor of Agricultural Economics at Penn State, the study for the first time scientifically evaluates whether the organic equivalency policy is having its intended results. The report's conclusion: The policy collectively increased annual U.S. organic exports by 58% during 2011-2014 over what exports would have been without any agreements in place.

## 2015 USDA GRANT FUNDING

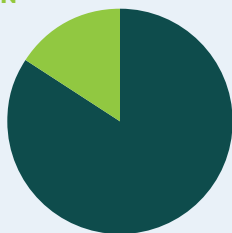
TASC  
\$498,000



MAP  
\$785,113

## 2015 SPENDING CATEGORIES

ADMIN  
16%



PROGRAMMING  
84%



## A LOOK AHEAD

### Worldwide

#### GLOBAL PROGRAM EVALUATION

OTA will review its export program for effectiveness and efficiency to ensure industry participants benefit as much as possible from OTA led activities.

### European Union

#### BIOFACH 2016

OTA will host 14 companies in the OTA pavilion and lead educational sessions at Biofach, the largest trade show in the world for organic products.

### Worldwide

#### NATURAL PRODUCTS EXPO WEST REVERSE TRADE MISSION

OTA will host buyers from around the world at NPEW to meet 1:1 with U.S. organic producers; OTA will also lead several educational sessions on trade.

### Korea

#### RETAILER & MEDIA EDUCATION

OTA will also lead an in-country promotion in South Korea this year highlighting the USDA organic seal and growing consumer brand recognition for U.S. organic products. OTA will also return to Seoul Hotel and Food, South Korea's largest food sector trade show.

### Taiwan

#### RETAILER & MEDIA EDUCATION

OTA will lead a trade mission to Taipei showcasing American companies to the Taiwanese market.

### European Union

#### SIAL 2016

OTA will participate in SIAL, the world's largest food industry show in 2016.

### Switzerland

#### CONSUMER EXPOSURE

OTA will lead a trade mission to Switzerland showcasing American companies to the Swiss market.

### Mexico

#### CONSUMER & RETAILER EDUCATION

As Mexico continues to develop its organic market and standards, OTA will begin to plant seeds of partnership to increase the profile of USDA certified organic products in Mexico.

### Worldwide

#### EDUCATION OUTREACH

OTA will continue to bring new international market data to U.S. organic producers and showcase U.S. producers ready to export through resources like usorganicproducts.com, other online resources, and through seminars, conferences, and other learning opportunities.

### Multiple

#### EAST COAST ORGANIC TOUR

OTA will lead a media and industry tour for key trading partners showcasing the quality, diversity, and integrity of U.S. organic products through a hands-on learning experience of the organic industry along the East Coast.

### Japan

#### ORGANIC FORUM

OTA will lead educational sessions and showcase American producers at the first ever Organic Lifestyle Forum in Japan. An evolution from the recent successful Organic Day, the Organic Lifestyle Forum will include dozens of educational sessions geared at amplifying the benefits of organic and showcasing market opportunities in the industry.

### About OTA

The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in North America. OTA is the leading voice for the organic trade in the United States, representing over 8,500 organic businesses across 50 states. Its members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others. OTA's Board of Directors is democratically elected by its members.

### About OTA Export Program Funding

OTA's organic export initiatives are funded through the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) Market Access Program (MAP). Since 1999, FAS has awarded millions of dollars to OTA to help expand commercial export markets for U.S. organic products. OTA aims to showcase and educate key target markets on the quality, integrity and variety of USDA-certified organic products available for export around the world.

#### Organic Trade Association (OTA)

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