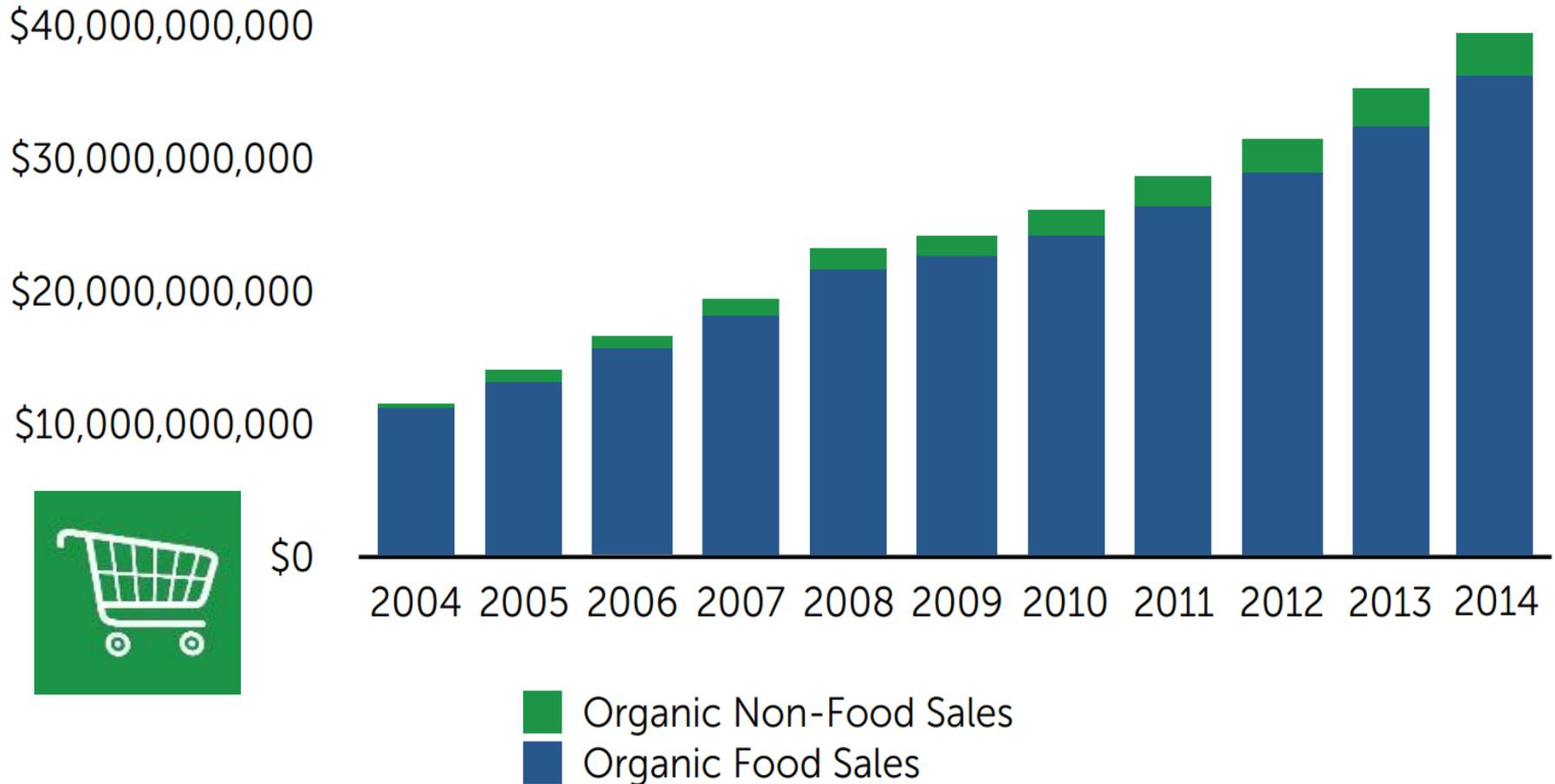


U.S. Sales of Organic Food and Non-food

Sales totaled **\$39.1 billion** in 2014



Organic Food Market



ORGANIC FOOD grew at a strong **11% rate** in 2014 with total sales reaching **\$36B.**

All organic food categories experienced growth.

U.S. Organic Food Sales by Product in 2014

Fruits & Vegetables [36.3%]

Dairy [15.2%]

Packaged & Prepared Foods [14.7%]

Beverages [12.0%]

Breads & Grains [11.4%]

Snack Foods [5.6%]

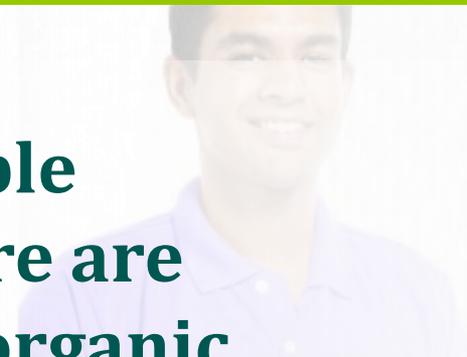
Condiments [2.7%]

Meat, Poultry & Fish [2.1%]



Source: Organic Trade Association's 2015 Organic Industry Survey conducted 2/10/2015 – 4/3/2015 (consumer sales).

There is No Longer A Typical Organic Consumer



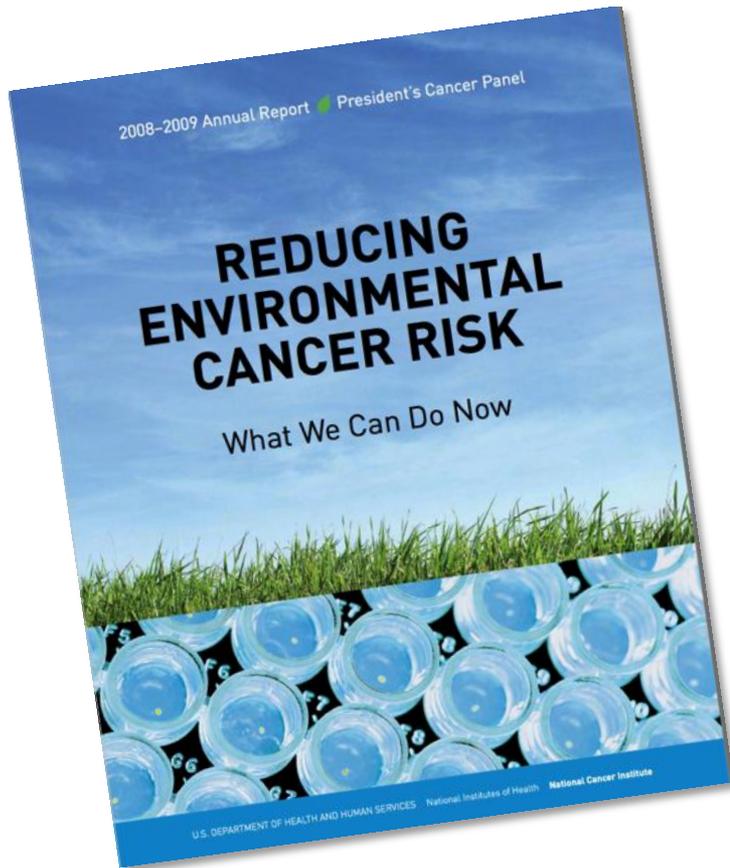
**More people
everywhere are
choosing organic**



**Organic cuts across all
regions, all ages, all
income groups, all
states**



PRESIDENTS CANCER PANEL REPORT 2008-9



**“41% of Americans
alive today will be
diagnosed with one or
another type of cancer
in their lifetimes”**

Recommends consumers choose food grown without pesticides or chemical fertilizers, antibiotics, and growth hormones to help decrease their exposure to environmental chemicals that can increase their risk of contracting cancer.

Organic is Better for People

A young child with curly hair is shown eating a red apple. The image is split vertically down the middle. The left half shows the child in a natural, outdoor setting with green trees and a wooden fence in the background. The right half is a faded, semi-transparent version of the same child, overlaid with text. The child is wearing a purple shirt and a white long-sleeved shirt underneath.

**Reduces exposure to
toxic pesticides**

**Reduces pesticide
residues in your body**

**Reduces antibiotic
resistance**

More nutritious

Largest Organic Food Category: Fruits and Vegetables



Organically Grown

Fruits & vegetables reached \$13.1 billion in sales, accounting for 36% of sales in 2014.

Sales actually increased 12% in 2014, maintaining above-average growth.

It is easy for consumers to make the connection to pesticides on fruit & vegetables and what they are putting into their bodies.

Demand for Organic Dairy is Also High



Sales reached \$5.5 billion

Second largest category in organic food

- **organic dairy accounted for 15% of total organic food sales**
- **penetration of nearly 7% in the overall dairy market**

Groundbreaking Studies on Organic Meat + Milk



50% higher levels of **beneficial omega-3** fatty acids

Lower concentrations of **two saturated fats**

Beneficial increases in **nutritional minerals and antioxidants**

40% more of the **heart-healthy** conjugated linoleic acid (CLA)

Organic Non-Food Sales on the Rise



ORGANIC NON-FOOD MARKET added **\$382 million** in new sales and crossed the **\$3 billion sales mark** for the first time in 2014.

ORGANIC FIBER is leading growth and sales, accounting for **36% of total organic non-food sales** with **\$1.1 billion** in sales and **18% growth**.

U.S. Organic Non-Food Sales by Product in 2014

Fiber (Linen & Clothing) [35.9%]

Supplements [31.4%]

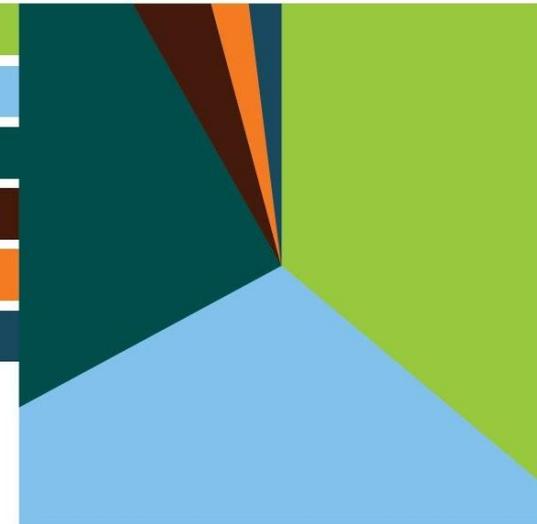
Personal Care [24.3%]

Pet Food [4.1%]

Household Products [2.3%]

Flowers [1.8%]

Source: Organic Trade Association's 2015 Organic Industry Survey conducted 2/10/2015 – 4/3/2015 (consumer sales).



Organic is Better for the Environment

Helps combat climate change

Fosters biodiversity

Supports pollinators

Creates healthy soil



Organic Still Less Than 1% of Total Acreage



2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014



■ Percentage of Organic Acreage of Total U.S. Acreage
■ Percentage of Organic Food Sales of Total Food Sales

GRO Organic

A Dedicated Organic Check-off

Promotion | Research | Education | Information



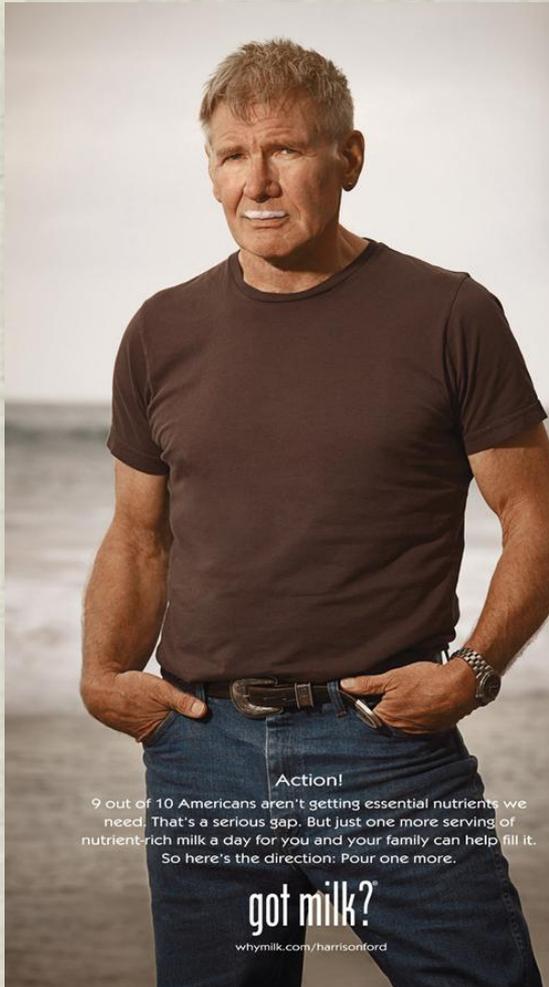
Confusion | Tight Supplies | R&D

“We are at a critical juncture for the future of organic. We can be solely dependent on others for research funds to help solve challenges, or we can generate a pool of funds to help ourselves.”

“Organic food companies and retail stores face shortages of organic ingredients and products every year because domestic organic production just can’t keep up with the robust demand for organic.”

“We still have a ways to go in explaining what it means to be organic. An Organic Check-Off program would allow us to work together to educate consumers. It would encourage more manufacturers to launch organic products and give existing organic companies help to level the playing field with our non-organic competitors.”

What is a Check-off?



A Check-off Program Will:



Eating **organic** fruits and vegetables could **increase** your **antioxidant** intake by **20-40%**.

Educate consumers about the benefits of organic



Distinguish organic from unregulated seals like “natural”



Confirm environmental and public health benefits of organic



Research on-the-farm problems like weed control, invasive pests, etc.



Bring new farmers into organic through technical assistance

Who pays? How much?

In order to accomplish fair and equitable participation the assessment is **broad and shallow**.

Organic producers, handlers and importers with **gross organic revenue of \$250,000+** would be assessed.

Based on 1/10 of 1% of **Net Organic Sales for processors**, and 1/10 of 1% of **Net Organic Sales or Producer Net Profit for producers**.

There would be a **maximum \$1,000 assessment for every \$1 million net**.



What is possible with \$30M?

year after year after year after year...

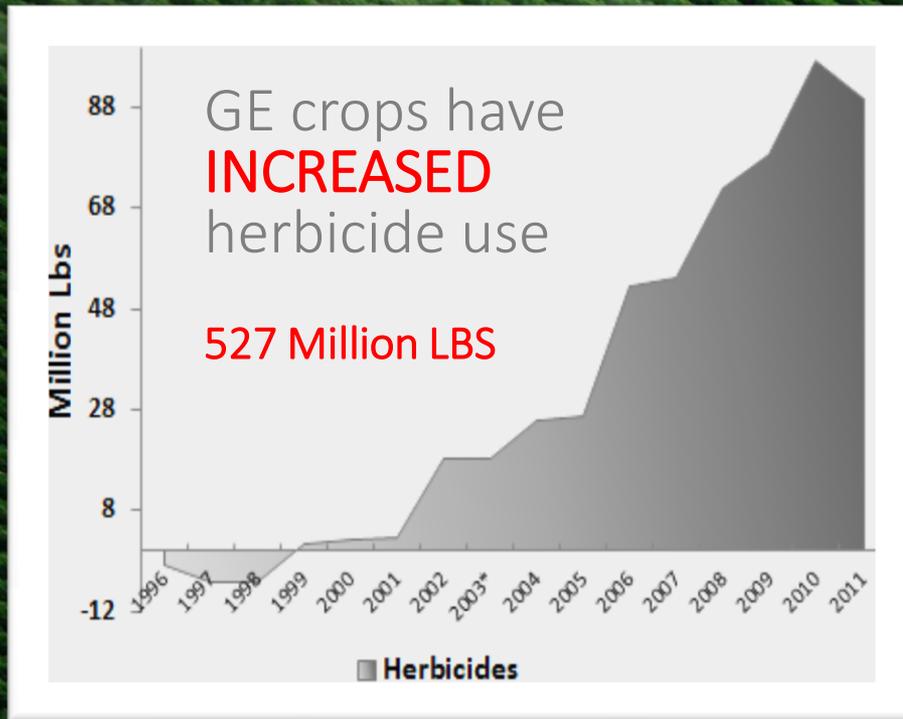
**\$7.5M up
to \$15M
research**

↑
**\$7.5M
discretionary**
↙ ↘

**\$7.5M up
to \$15M
promotion**

**\$7.5M up
to \$15M
information**

IMPACTS OF HT CROPS ON HERBICIDE USE: 1996 - 2011



IMPACTS OF HERBICIDE TOLERANT (HT) CROPS ON HERBICIDE USE: 1996 - 2011

2011 Herbicide Rates of HT Crops

0.41 lbs/acre



Corn

0.73 lbs/acre



Soybean

0.86 lbs/acre

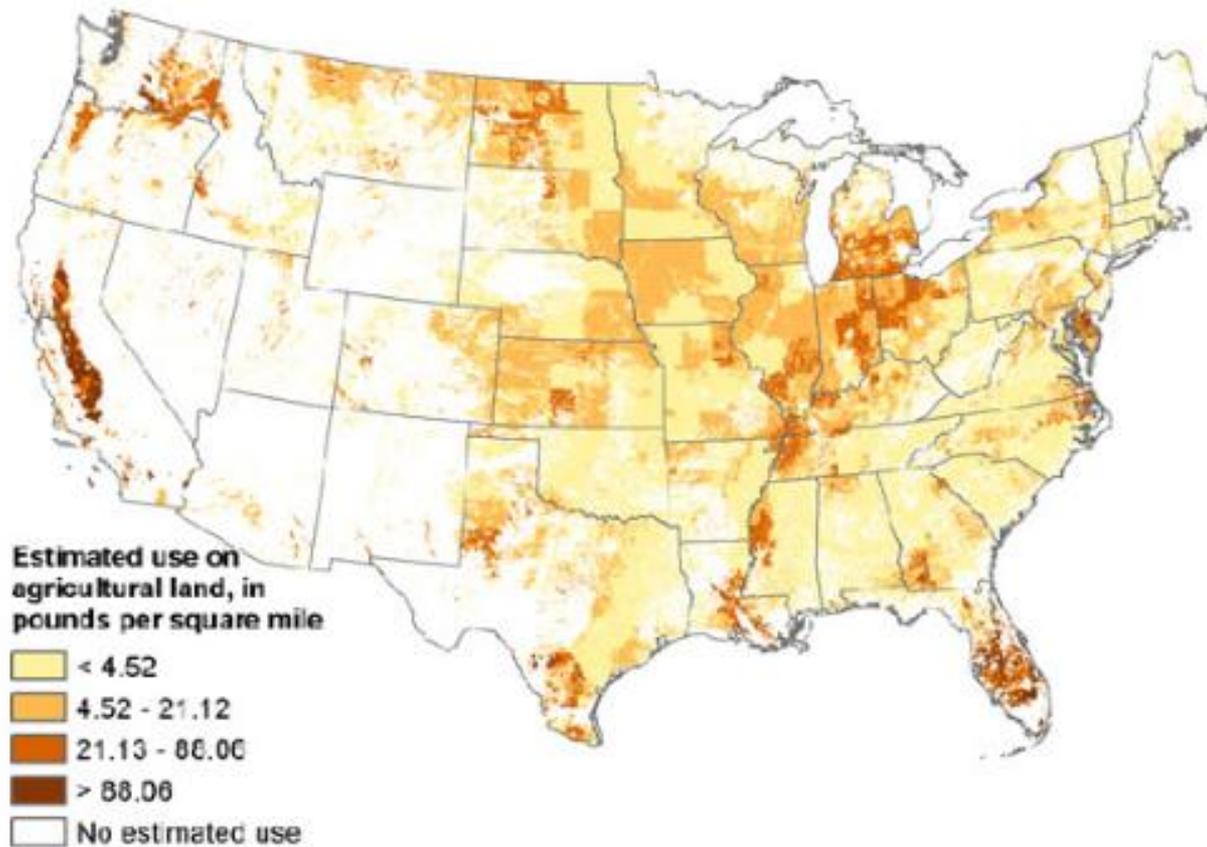


Cotton

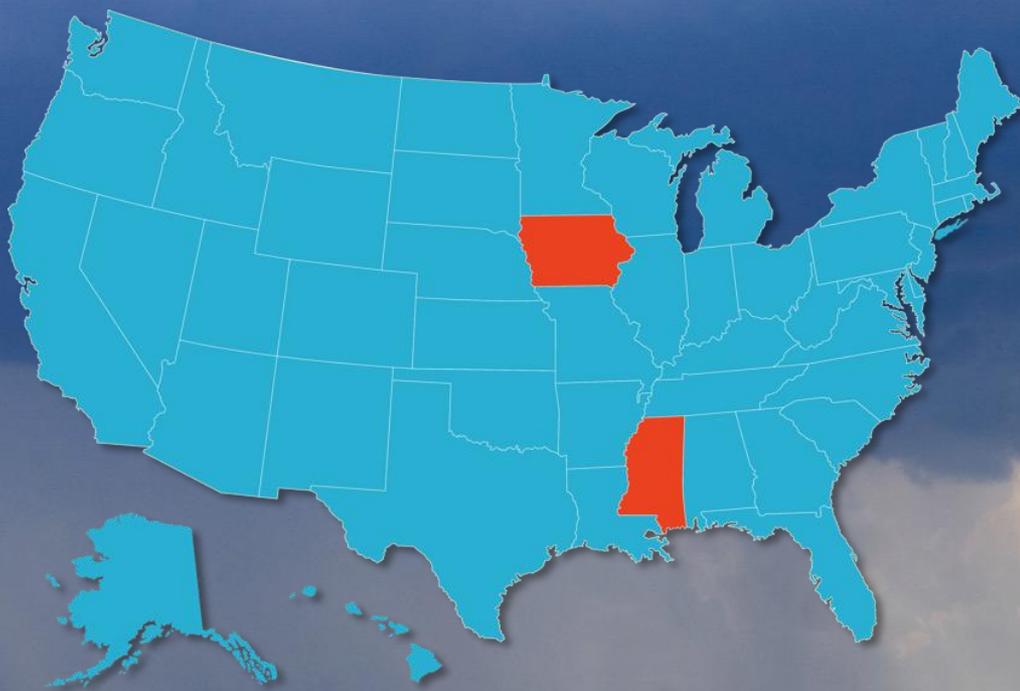
Each acre planted to an HT variety required substantially more herbicides than acres not planted to HT crops



Estimated Agricultural Use for Glyphosate, 1992



CONSEQUENCES OF GLYPHOSATE RELIANCE



Glyphosate is found in 60 to 100% of rain & air samples tested in Iowa and Mississippi by USGS



International Journal of *Environmental Research and Public Health*

Apr 23, 2014

Non-Hodgkin Lymphoma and Occupational Exposure to Agricultural Pesticide Chemical Groups and Active Ingredients: A Systematic Review and Meta-Analysis [Leah Schinasi*](#) and [Maria E. Leon](#)

This paper describes results from a systematic review and a series of meta-analyses of

nearly three decades worth of epidemiologic research on the relationship between non-Hodgkin lymphoma (NHL) and occupational exposure to agricultural pesticide

active ingredients and chemical groups. Estimates of associations of NHL with 21 pesticide chemical groups and 80 active ingredients were extracted from 44 papers, all of which reported results from analyses of studies conducted in high-income countries. Random effects meta-analyses showed that phenoxy herbicides, carbamate insecticides, organophosphorus insecticides and the active ingredient lindane, an organochlorine insecticide, were positively associated with NHL. In a handful of papers, associations between pesticides and NHL subtypes were reported;

B cell lymphoma was positively associated with phenoxy herbicides and the organophosphorus herbicide glyphosate

Diffuse large B-cell lymphoma was positively associated with phenoxy herbicide exposure. Despite compelling evidence that NHL is associated with certain chemicals, this review indicates the need for investigations of a larger variety of pesticides in more geographic areas, especially in low- and middle-income countries, which, despite producing a large portion of the world's agriculture, were missing in the literature that were reviewed.

JUST LABEL IT!

We have the right to know • justlabelit.org

WORLD HEALTH ORGANIZATION CLASSIFIES GYPHOSATE A PROBABLE CARCINOGEN

MARCH 2015

**IARC (International Agency for Research on Cancer) designated
glyphosate as “probably carcinogenic to humans”**



**World Health
Organization**

International Agency for Research on Cancer

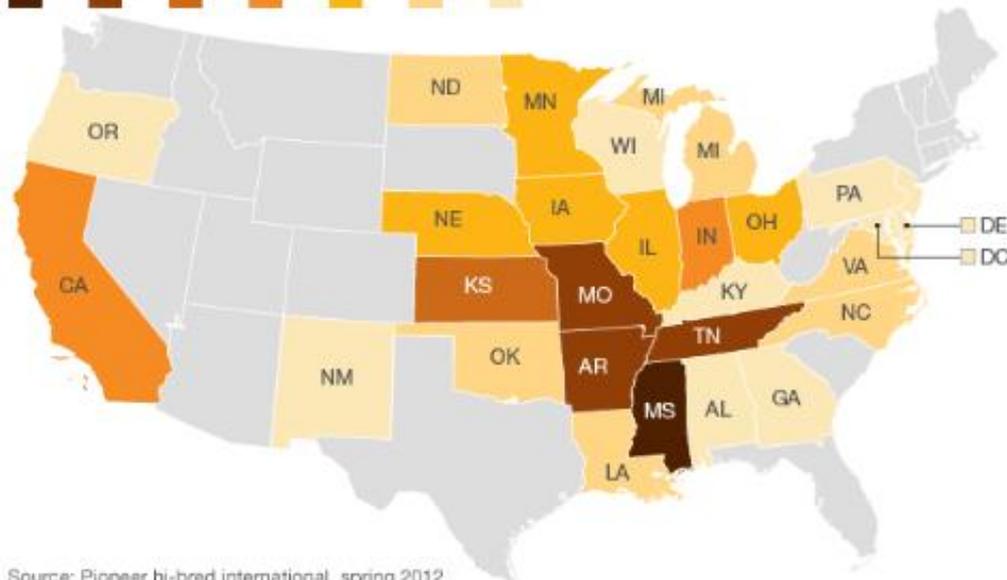


**World Health
Organization**

NEW CHALLENGES OF GE: *SUPERWEEDS*

Spread of resistant weeds in the US

Number of glyphosate-resistant species per state



Source: Pioneer hi-bred international, spring 2012

Today, more than 61.2 million acres of U.S. farmland are infested with weeds resistant to Roundup

A 2012 survey showed that **49% of U.S. farmers reported finding superweeds in their fields.**

28 weed species worldwide are already resistant to stronger herbicides, like 2,4-D and/or Dicamba.



JUST LABEL IT!

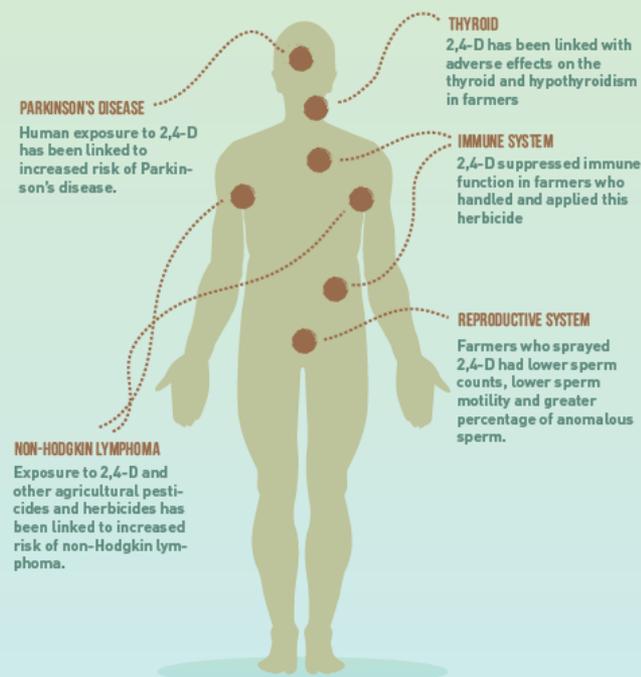
We have the right to know • justlabelit.org

ENLIST DUO

- EPA recently approved deregulation of Enlist Duo, a **toxic herbicide mixture of 2,4-D and glyphosate** for use on 2,4-D resistant superweeds
- USDA: “Enlist Duo will lead to a 3-7X increase in 2,4-D use by 2020”
- Human epidemiological **studies link 2,4-D exposure to a wide range of health concerns**

HUMAN EXPOSURE TO 2,4-D

Human epidemiological studies have linked 2,4-D exposure with a wide range of health concerns:



Learn more about 2,4-D herbicides at ewg.org/24D

Follow Us!

[facebook.com/ewg.org](https://www.facebook.com/ewg.org) twitter.com/ewg

E ENVIRONMENTAL WORKING GROUP

The Environmental Working Group is the nation's most effective environmental health research and advocacy organization.

GMO LABELING AROUND THE WORLD



Currently, **64 countries** around the world label GE ingredients, including nations like China, Russia, India, Saudi Arabia & all of the European Union.

JOIN US AT JUSTLABELIT.ORG



- The DARK Act
- DARK Act Death Star
- Why Label?
- About GMO Foods
- Press
- Blog
- Take Action**
- Q

TAKE ACTION:
Tell the Senate and White House to **oppose the DARK Act NOW**



Tell Big Food:
Support Mandatory FDA Labeling of GMOs

TAKE ACTION



Have GMOs led to an increase in toxic herbicides?



Do we need GMOs to feed the world?



Will labeling GMOs increase food prices?



Just Label It ✓
[@justlabelit](https://twitter.com/justlabelit)

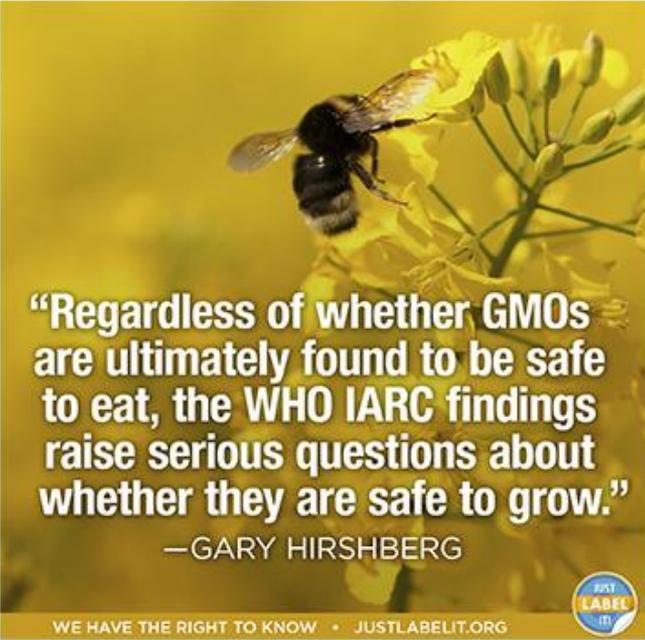
Since 2012, Monsanto has spent more than \$22M fighting state efforts to label #GMOs.
[#justlabelit](https://twitter.com/justlabelit)

RETWEETS **29** FAVORITES **15**



Just Label It
August 16 • 0 • 0

Poll after poll reveals that the public's skepticism has remained unchanged and that people just want to know what they are eating. Read more from Gary Hirshberg here: [#justlabelit](http://www.huffingtonpost.com/.../mandatory-gmo-labeling-i_b...)



59,816 people reached

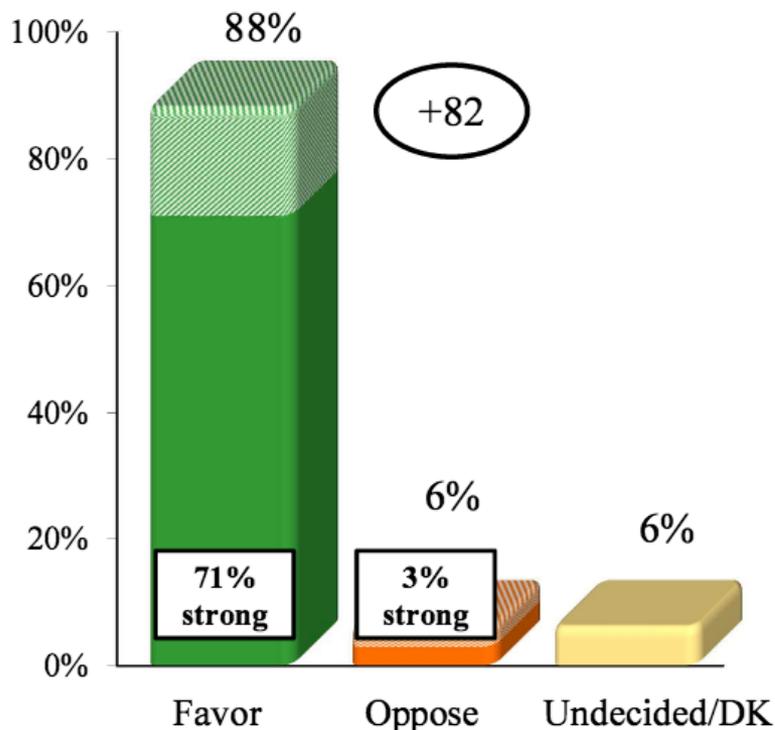
Like Comment Share

Nessa Graub, Lynne Amand Turner, Betty Rose and 1,661 others like this. Most Relevant



Support For Requiring Labels On GMO Foods Is Overwhelming Across All Segments

Would you favor or oppose requiring labels for foods that have been genetically modified or contain genetically modified ingredients?



By Key Group	Favor	Oppose
Democrat ID	93%	3%
Independent ID	86%	7%
Republican ID	86%	9%
Moms	91%	3%
Dads	90%	7%
Young Women	85%	8%
Young Men	92%	4%
Older Women	92%	4%
Older Men	82%	9%
HS or Less	87%	6%
Some College	90%	6%
College+	88%	6%
Upper Middle	79%	13%
College Middle	92%	3%
Non-Coll Middle	90%	5%
Working/Lower	89%	7%
White	87%	7%
Black	89%	3%
Hispanic	94%	2%
Northeast	90%	4%
Midwest	88%	6%
South	90%	5%
West	84%	9%
Referendum States	87%	11%
Heard About GMOs	87%	8%
Not Heard	90%	3%
Primary Groc Shopper	89%	6%



GMO PRODUCTION WORLDWIDE

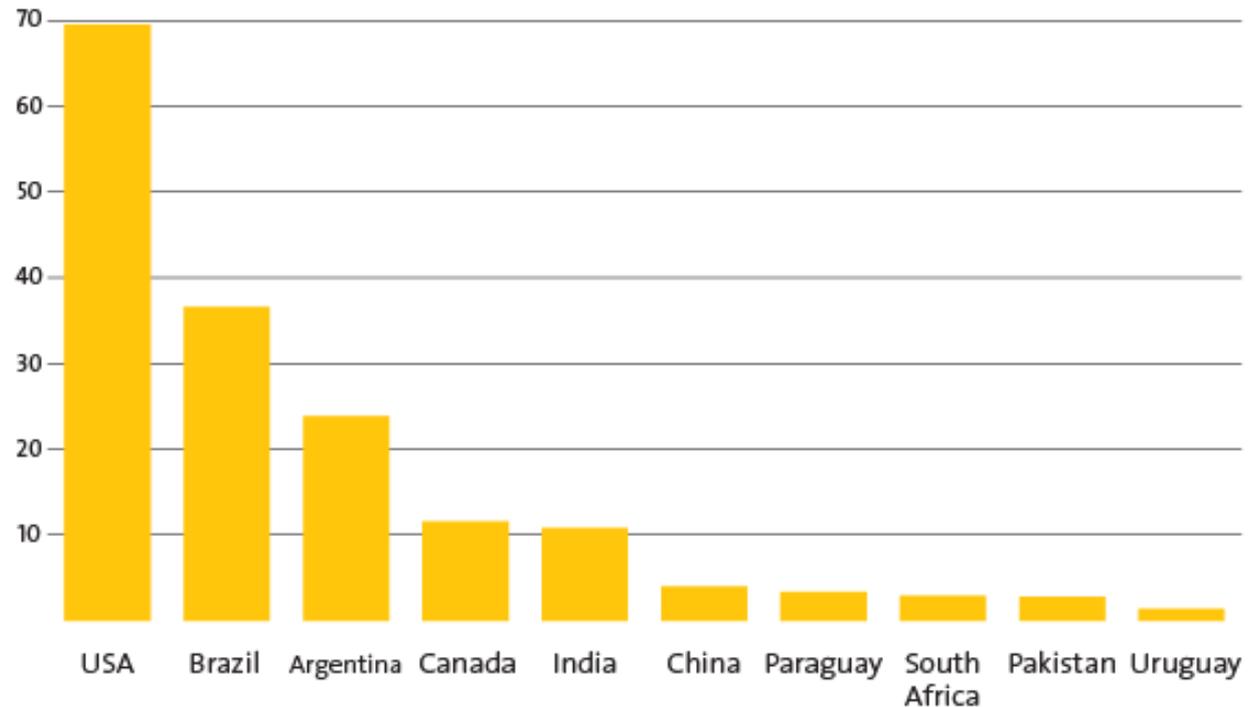
1. **USA (40.8%)**
2. **Brazil (21.4%)**
3. **Argentina (14%)**
4. Canada (6.8%)
5. India (6.3%)
6. China (2.3%)
7. Paraguay (1.9%)

*Only **3 countries** contain 76.2% of the world's GMO acres

*3.7 billion acres used to grow GMO crops worldwide

The World's Biggest GMO Lovers

Top GMO crop growing countries, in million hectares (2012)



Source: ISAAA

Mother Jones

BIOTECH/CHEMICAL COMPANY LOBBYING EXPENDITURES 1998-2014

	 Bio Biotechnology Industry Organization	 MONSANTO	 DOW	 DU PONT The miracles of science™
1998	\$1,704,000	\$4,000,000	\$2,440,000	\$2,850,000
1999	\$2,558,796		\$2,120,000	\$2,020,000
2000	\$2,857,000		\$2,800,000	\$1,470,000
2001	\$3,506,000		\$2,860,000	\$1,320,000
2002	\$3,540,000		\$2,720,000	\$950,000
2003	\$4,260,000	\$2,513,604	\$4,120,000	\$1,065,000
2004	\$5,180,000	\$3,257,000	\$4,200,000	\$1,370,000
2005	\$5,820,000	\$3,037,000	\$3,720,000	\$1,280,000
2006	\$5,460,000	\$3,640,000	\$2,137,270	\$1,640,000
2007	\$7,160,000	\$4,520,000	\$3,886,000	\$3,240,000
2008	\$7,680,000	\$8,831,120	\$5,187,000	\$4,241,772
2009	\$7,360,000	\$8,694,000	\$6,640,000	\$4,682,110
2010	\$8,440,000	\$8,030,000	\$8,210,000	\$4,829,632
2011	\$7,990,000	\$6,370,000	\$8,070,000	\$4,829,632
2012	\$7,540,000	\$5,970,000	\$11,570,000	\$4,877,684
2013	\$7,970,000	\$6,940,000	\$9,680,000	\$10,241,668
2014	\$8,280,000	\$4,120,000	\$14,430,000	\$9,278,950
2015	\$4,140,000	\$2,550,000	\$6,370,000	\$3,769,162
18 YR Totals	\$101,445,769	\$72,472,724	\$101,160,270	\$63,955,619

Campbell's Supports Federal GMO Labeling

- Campbell's announced in January 2016 they would label GMO ingredients in all of their products.
- They also announced:
 - Support of a federal GMO labeling solution.
 - Withdrawal of any support for anti-labeling campaigns in the future.



EXAMPLE OF A GMO LABEL

Industry's "Smart" Label

In 2015 Industry announced their support for an electronic "Smart" label.

Top reasons this will not work for consumers:

- Less than 65% of Americans own a smart phone
- Consumers don't scan QR codes
- Consumers want a clear on package disclosure
- This "Smart" label would disclose other information making it difficult to find information on GMOs
- Will not protect personal information
 - Once consumers scan a product companies can collect data on location and preferences



Appendix Slides

What's next?

- ✓ **Spring 2015**- Submit application to USDA; USDA begins reviewing proposal and prepares proposed rule for public notice and comment period
- **Early 2016** - USDA publishes proposed rule for public notice and comment period (generally 60-90 days)
- **Mid-2016** - USDA reviews and analyzes comments and finalizes rule based on public input
- **Late 2016** - USDA puts out final rule for referendum



Establish a Framework

YOU determine who pays, exemptions, spending, and decision making process.



Straw Poll
You Vote (need supermajority)



Draft Program
You help build the program to expand organic agriculture



Petition USDA
USDA will evaluate support for the program and decide whether to issue proposal and draft referendum for public comment and vote.

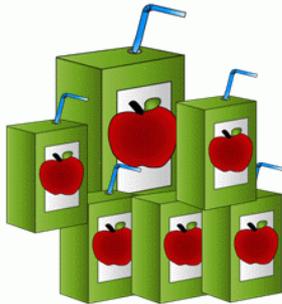
Recap on Key Reforms

- ✓ **Equal representation** on the Board of producers and handlers.
- ✓ Direct election of producer board members through **direct balloting**.
- ✓ A **full value chain assessment**, with all organic stakeholders paying in.
- ✓ A **referendum every seven years** to decide whether or not to continue.
- ✓ The option for farmers and handlers with gross organic revenue below \$250,000 to **voluntarily pay** into the program.
- ✓ The option for organic producers to pay an assessment based on Net Organic Sales or **Producer Net Profit**.
- ✓ Earmarking **up to 75 percent** of the check-off funds for research (including regional priorities), for disseminating information on organic research and studies, and for technical assistance.
- ✓ Ensuring that all the research, inventions and innovations resulting from organic check-off programming remain in the **public domain**.

How does it work for processors?

ORGANIC HANDLERS would pay **one-tenth of one percent of Net Organic Sales**. The assessment would be based on the total gross sales minus the cost of certified organic goods. For processors this would be the cost of certified organic ingredients. For example, an apple juice manufacturer would be assessed on total juice sales less the cost of organic apples.

Gross Organic Juice Sales



Cost of Organic Apples



Net Organic Sales

Net Organic Sales \times $1/10^{\text{th}}$ of 1% $=$ Value Added Assessment