Big ag boom – organic food soon to double in revenue

There is a lingering recession in America; a giant swath of the country has been unemployed or underemployed for so long they no longer can get unemployment benefits and they have dropped off the rolls, leading the government to claim during election season that it has plummeted.

But it's not all doom and gloom, some areas are booming and so college students are getting degrees where the jobs are. Michigan State University is reporting its highest agriculture enrollment in 40 years, and the reason is simple: Big Ag is back and one area of Big Ag is leading the pack. It's just not the Big Ag you are used to picturing. If you really want a high-paying job in a growing market, go into organic farming. And if you really, really want to be in demand, go into organic food *marketing*.

In 2010, organic food was a \$57 billion a year business. Certainly not the quaint, non-corporate boutique operation portrayed in organic mythology but that shows you how terrific their marketing is: If McDonald's was smart, they would cure their stagnant growth by invading the public relations groups at organic food conglomerates like Hain Celestial and White Wave Foods and handing suitcases full of money to their spin doctors in order to get them to sell hamburgers instead. Their approach – promote the belief that their process is not only nutritionally superior, but that it tastes better and will turn you into a nicer human being – will be taught in marketing classes for the next hundred years. Most companies have to "find and friend" influential customers, but organic marketing convinces its buyers that their corporations are doing them a favor.

The proof is in the numbers. What was a business just over \$50 billion at the beginning of the decade will be \$105 billion by next year, according to the latest analysis by MarketsandMarkets, which parses the organic food, beverages, and supplements market for industry insiders.

The advantage that organic farmers have, thanks to marketing, is that they don't need to sell more in order to make more money – they can just raise the price. You can't put a price on your health, after all. So while the precision farming market – which scientifically optimizes environmental strain, yield and efficiency – will only grow by 2% this year, organic will grow by a compound annual growth rate of 12.8%, and that is the worldwide average, brought down by countries that can't afford an intellectual placebo and just have to buy the most affordable food. While traditional food is eking out razor-thin margins, organic food will grow by almost 100% in 6 years.

Not all of it is direct marketing, it is clever lobbying – Europe alone is \$27.8 billion in organic revenue and that is in large part to organic marketing companies getting their conventional farming competitors banned by politicians. All that E. coli from organic food three years ago did not slow them down. Tomorrow, Oregon will decide another battle in the ongoing U.S. war to use government to achieve what marketing alone has not – they will decide whether or not to put warning labels on genetically modified food (unless you buy it in a restaurant, in alcohol, or in Gary Hirshberg's organic yogurt, since cows fed GMOs can still be organic milk).

Which segment is growing the fastest, though? It's easy to know just by looking at the websites of anti-

science doomsday prophets like Vani Hari and Mike Adams. Their alternative to evidence-based reasoning is to sell supplements, and the organic supplements market is growing at a CAGR of 22.3%.

Hank Campbell is founder of <u>Science 2.0</u> and an award-winning science writer who has appeared in numerous publications, from Wired to the Wall Street Journal. In 2012 he was co-author of the bestselling book *Science Left Behind*. Follow him on Twitter @HankCampbell.