



**Bluegrass**  
INGREDIENTS®



**100% ORGANIC**

## How to Capitalize on the \$61 Billion Organic Food Market

Bluegrass Ingredients is at the forefront of the organic industry, manufacturing organic cheese and dairy powders; citrus fruit powders; concentrates; shortening powders and other organic seasonings.

**Our organic powders and concentrates deliver clean-label flavor and texture while minimizing shipping and storage costs for manufacturers.**

Minimizing costs is essential in today's organic food industry, as rising food costs have impacted consumer shopping habits throughout the United States. Organic food products cost more than conventional products, which is difficult for some consumers to digest even during booming economic times. Amid inflationary pressures and skyrocketing food costs in the United States, it's no surprise that the category has seen a slowing in its growth trajectory.

However, the organic category is still growing, as evidenced in 2022 sales numbers provided by the Organic Trade Association:

- Organic food sales in the United States totaled \$61.7 billion in 2022.
- Certified organic food accounts for 6% of total food sales in the United States.
- Organic produce is the largest organic category, totaling \$22 billion in sales and accounting for 15% of all fruit and vegetable sales in the United States.

Even more impressive, growth is not just coming from increased availability of stalwart organic categories such as fruits, vegetables, dairy and eggs. Growth is happening in packaged foods as well, where consumers are opting for organic options of packaged meals, frozen entrees, snack foods, beverages and more.



We've seen a significant increase in our organic product line as packaged organic foods, such as boxed macaroni and cheese, soups and snack foods, become mainstream items for consumers expanding into the organic category.

Our Agile Kitchen™ team has been busy working with food and beverage manufacturers on new organic product launches, and we compiled this quick list of everything a food and beverage manufacturer needs to know about developing, manufacturing and marketing organic foods.

## What Organic Food Categories Are Trending?

At the onset of the National Organic Program, fresh produce, milk and eggs dominated sales. That has slowly changed as organic ingredients became more readily available in more convenient formats, such as cheese and fruit powders.

Today, organic innovation is most prevalent in center-of-store categories that are luring mainstream consumers who want to add more organic foods to their diets. Here's a list of categories that food and beverage manufacturers should keep their eye on:

- **Organic snacks:** A natural evolution is happening in the snack category, from potato chips to better-for-you snacks like nuts and seeds to now organic snacks such as organic roasted and seasoned chickpeas. The organic snack category is benefitting greatly from an increase in the availability of organic seasonings, especially dairy-based seasonings such as cheese powders.
- **Organic dips:** Every organic snack needs an organic dip, and this category is growing in parallel with the snacking category. Trending dips include organic versions of consumer favorites, such as sour cream and onion and queso.
- **Organic soups:** Cream-based soups with rich flavors are attracting consumers that are craving comfort in either plant-based or organic (or both!) formats.
- **Organic beverages:** The organic beverage category is leading new product introductions as a variety of ingredients, such as organic fruit powders and botanicals, give processors the ability to create exceptional flavors in easy-to-use organic formats.

## What Does Organic Actually Mean?

Now that you know what's trending, let's talk about the specifics of what it means to produce an organic product. In 2000, the National Organic Program established a specific set of rules and guidelines for all products labeled organic. General guidelines include:

- Produce must be grown and processed without the use of toxic and synthetic pesticides and fertilizers and genetic engineering.
- Foods labeled as organic cannot include artificial flavors, colors or preservatives.
- Non-organic ingredients can be used in organic processed foods as long as they are on the [National List](#), and make up 5% or less of the total ingredients used in the product.

## How do you Manufacture Organic Foods?

Interested in manufacturing organic products? First, you'll need to develop an Organic Systems Plan, which provides details on all aspects of sourcing, handling and processing. Essentially, the plan must provide traceability of every ingredient used from the farm to the manufacturing and packaging of the product.

Food and beverage manufacturers also will have to develop a manufacturing protocol, especially if a manufacturer is not using a dedicated organic production facility. These protocols must include cleaning machinery, storing organic ingredients and detailed records to ensure consumers can trust the use of the Organic seal.

## Labeling Organic Foods

There are four designations for labeling organic foods in the United States.

- **100% Organic:** Products produced using organic methods and containing only organic ingredients.
- **Organic:** Products produced using organic methods that contain at least 95% organic ingredients. The other 5% of ingredients must be non-GMO and on the National List.
- **Made with Organic:** Products with 70% to 95% organic ingredients may be labeled as "Made with Organic (ingredients)" on the front panel.
- **Ingredient Panel:** Products with less than 70% organic ingredients can only list the organic items on the ingredient panel.

**The continued growth of the organic category even as most Americans are significantly impacted by rising food costs, has answered many questions on the long-term viability and success of the category.**

If you're not producing organic foods yet, we hope you enjoyed this blog and encourage you to [contact us](#) to brainstorm ideas for your first product.



If you do produce organic products, we invite you to our [Agile Kitchen™](#), where our team of trend experts and culinary specialists will demonstrate a variety of organic new product ideas for your company.

**The Agile Kitchen at Bluegrass™** is a creative space that blends innovation and insights to deliver formulations and products that align with pressing consumer trends. Bluegrass Ingredients food scientists and culinary experts partner with customers to use these powders and all our products to invent and improve the future of food.

### Delivering Great Taste

Bluegrass Ingredients operates at the cutting edge of taste and flavor trends. **The Bluegrass Agile Ingredient Innovation®** Model is custom built to help brands and flavor houses achieve the rapid food innovation they need to stay ahead of today's dynamic consumer taste and dietary demands.

#### Contact Us

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