

Advancing Regional Organic Markets

A FARMER'S TOOLKIT

Today's Organic Market Opportunities

Organic demand in the U.S. keeps climbing, and it's outpacing the rest of the food market by a wide margin. Shoppers are spending more than \$71 billion annually on organic products, and they're seeking far more than fruits and vegetables. Top selling organic products at retail include produce, dairy, beverages, packaged goods, and value-added foods. Grains, livestock products, and value-added goods are all in demand, and often imported.

That gap between what buyers want and what U.S. farms produce is creating opportunity for transitioning operations to step in, diversify, and earn stronger margins in markets that are actively seeking new suppliers.

To help you assess opportunities as you plan for long-term, resilient organic growth, here's a peek at the national and regional demand trends, supply gaps, and tips to work effectively with buyers.

WHAT'S DRIVING GROWTH

Clean Ingredients Demand for simple, recognizable ingredients

Shrinking Price Gap Organic pricing is more competitive with conventional

Health Trends GLP-1-driven eating habits are increasing demand for cleaner foods

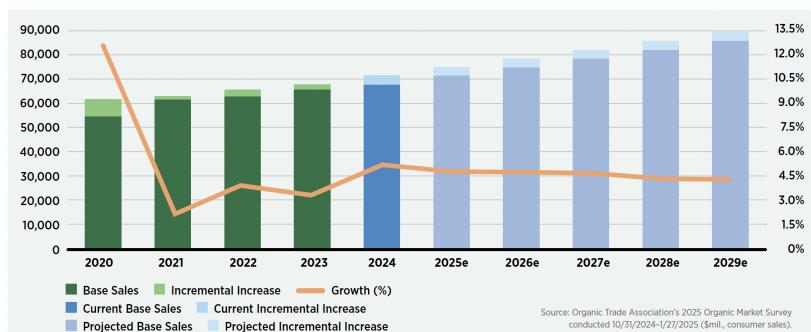
Generational Shift Millennials and Gen Z prioritize sustainability, local foods, and global flavors



WEST/SOUTHWEST TRANSITION TO ORGANIC PARTNERSHIP PROGRAM

NOVEMBER 2025

FIGURE 1.2. Total U.S. Organic Sales and Growth, 2020–2029e



Organic Market Snapshot

- \$71.6 billion in U.S. organic sales (2024), growing at 5.2% year-over-year
- Organic sales outpace the total food market by nearly 2x
- Organic sales are projected to exceed \$85 billion by 2029

| SEGMENT | GROWTH | KEY TRENDS | IMPLICATIONS FOR GROWERS |
|----------------------------|--------|-------------------------------------|--|
| Meat, Poultry, Seafood | 16.10% | Organic beef up +36.7% | High-opportunity segment for U.S. livestock producers. Demand for certified organic meat is outpacing domestic supply, opening doors for ranchers to transition and certify. This growth is also opening doors for grain producers and feed processors to support the growing organic beef sector. |
| Dairy and Eggs | 7.70% | Organic eggs up +16.1% | Strong upside for diversified farms. Requires certified feed supply — a call to expand U.S. organic grain production. |
| Textiles (fibers, apparel) | 7.40% | Lifestyle and sustainability-driven | Opportunity for fiber crop growers. Cotton and hemp may see expanded demand if currently limited domestic supply chains and processing capacity can be rebuilt. |
| Beverages | 5.20% | Functional drinks, clean labels | Growth in value-added processing. Organic fruit and botanical growers can tap into beverage markets with the right processing partners. |

Fast-Growing Organic Categories

Animal products, textiles and beverages offer potential for organic growers, particularly those willing to supply feed, diversify or add value.



WEST/SOUTHWEST TRANSITION TO ORGANIC PARTNERSHIP PROGRAM

Demand for organic products continues to grow, and every region has a different mix of strengths and gaps that matter for farms moving into organic.



The Southwest Organic Advantage

A Practical Guide for Farmers & Producers

The Southwest—anchored by **Texas and New Mexico**—has become one of the most strategically important organic regions in the country. Known for its powerhouse dairy sector, expanding organic cotton and grain systems, and deep expertise in arid-land agriculture, the region blends scale, innovation, and resilience. With more than **725,000 certified organic acres** and over **\$525 million** in annual organic sales, the Southwest demonstrates how producers can build profitable organic systems in some of the nation's most climate-challenged landscapes.

A Region Defined by Feed, Fiber & Climate-Smart Innovation

Organic production across Texas and New Mexico is shaped by vast rangelands, irrigated crop belts, and high-desert valleys that support dairy, beef, cotton, forage, and adaptive grain systems. Texas is a national leader in organic dairy and cotton, while New Mexico brings a strong foundation in forage, dryland cropping, and regenerative grazing.

Producers benefit from:

- **A powerful dairy and livestock corridor**, with Texas ranking #1 nationally in organic milk sales
- **A domestic organic fiber sector**, led by Texas's expanding cotton acreage and traceable regenerative cotton initiatives
- **Integrated grain–livestock systems**, reducing reliance on imported organic corn and soy
- **Arid-region innovation**, including dryland cropping, drought-resilient seed systems, and regenerative rangeland management
- **Growing infrastructure**, particularly along the Texas–New Mexico corridor from Hereford and Clovis to Las Cruces

Combined, these strengths position the Southwest as a national proving ground for organic growth in water-limited regions.

| SEGMENT | CERTIFIED OPERATIONS (2025) | CERTIFIED ACRES (2025) | TOP ORGANIC COMMODITIES | NOTABLE HIGHLIGHTS |
|------------|-----------------------------|------------------------|-------------------------|--|
| Texas | 1,021 | 568,678 | Milk, cattle, cotton | 92 % of U.S. households buy organic |
| New Mexico | 99 | 40,721 | Milk, cattle, cotton | 30 % of farmers plan production expansion within 5 years |

What the Region Produces — and Where It's Headed

Texas: A National Engine for Organic Dairy, Beef & Cotton

Texas continues to expand its leadership in organic milk, ranking first in the nation and supporting major processors through vertically integrated, pasture-based systems. The state also anchors the country's organic cotton sector, supported by regenerative partnerships and emerging textile traceability.

Growing programs in feed grain production, livestock coordination, and risk-balanced hybrid (organic + conventional) operations offer opportunities to scale acreage and increase local feed autonomy.

New Mexico: Innovation & Integrity in Arid-Land Systems

New Mexico producers excel in dryland cropping, grass-fed livestock, and forage systems adapted to water-scarce environments. Organic dairies on the eastern and southern plains supply high-value milk to regional processors, while expanding acreage in organic corn, legumes, and forage supports both local feed security and soil-carbon improvement.

Traditional acequia-based farming in northern New Mexico continues to strengthen culturally rooted small-farm systems and regional food sovereignty.

Regional Challenges — and Producer-Led Solutions

Expanding organic production in Texas and New Mexico requires addressing several interconnected challenges:

- **Water scarcity and drought**, demanding efficient irrigation, drought-resilient genetics, and dryland cropping strategies
- **Feed and processing gaps**, particularly for grain, cotton, dairy, and livestock operations
- **High transportation costs**, due to long distances between farms, processors, and markets
- **Limited infrastructure for specialty crops and value-added processing**

Farmers and partners across the region are advancing solutions:

- **Onshoring feed and fiber production**, reducing imports and strengthening local supply chains
- **Building processing and storage infrastructure**, including dairy, grain, cotton ginning, and forage facilities
- **Expanding regenerative grazing and rangeland management**, improving water retention, soil health, and resilience
- **Developing regional brands**, highlighting the integrity and climate-smart innovation of Texas and New Mexico organic systems

Supporting hybrid operations, enabling producers to balance transition risk and manage acreage flexibility. These strategies help convert regional constraints into systems-level advantages.

Looking Ahead: A National Leader in Climate-Smart Organic Agriculture

As U.S. organic sales surpass **\$71.6 billion**, the Southwest is poised to expand its leadership—particularly in dairy, beef, cotton, and arid-region cropping systems. Texas and New Mexico are uniquely positioned to strengthen national feed and fiber independence, scale dryland innovation, and model regenerative approaches in water-limited environments.

Going forward, the region is expected to:

- Lead the country in organic animal-based systems
- Advance domestic organic cotton and fiber sovereignty
- Expand drought-resilient grains and forage systems
- Anchor climate adaptation research and regenerative rangeland initiatives
- Scale acreage to meet rising demand in both commodity and specialty markets

Whether producing organic milk and beef, growing cotton for sustainable textile markets, or developing drought-adapted grains and forage, Southwest producers are shaping a resilient, resource-smart, and economically powerful future for organic agriculture.

WORKING EFFECTIVELY WITH BUYERS

“Do your homework. Go to the store and do research. Come in with your eyes wide open.”
– Kenny, Natural Foods Retail Buyer

What Do Buyers Want?

Buyers value clear communication, dependable follow-through, and partners who understand their pricing, timing, and operational constraints.

They care about the farms behind their products and appreciate growers who are transparent, collaborative, and invested in long-term relationships.



Finding and Connecting with Prospective Buyers

Attend Conferences, Trade Shows & Field Days

Events bring together retailers, distributors, chefs, and foodservice buyers looking for new suppliers.

Ask Neighbors & Fellow Producers

Farmers often know who pays well, communicates clearly, and buys consistently.

Use Directories & Market Databases

Directories help you find buyers by category, product type, or region.

Review Buyer Websites for Vendor Requirements

Many buyers provide clear instructions for new suppliers.

Typical information includes:

- Category review schedules
- Packaging, labeling, and certification requirements
- Insurance and transportation expectations
- Instructions for submitting new products or samples

Reach Out Directly

A short, targeted email or call is expected—and welcomed

Work With Your Local Food Hub or Distributor

Food hubs and regional aggregators often buy from small and mid-sized farms and already have strong relationships with retailers and institutions.

You can find additional resources and support at the links below.

markets@rodaleinstitute.org
organictransition.org/region/national

Understanding Market Nuances Grocery Buyers

It can take as long as a full year to get into the larger, national retail chains while independent retailers may be able to bring in new vendors/farmers within a matter of days.

Distributor/Wholesale Buyers

These buyers need transportation solutions that keep their trucks full. If you know of other certified organic farmers in your region, let the buyers know there is more than one reason to send a truck your way.

Institutional Buyers - School Districts and Foodservice

School districts we interviewed want organic root vegetables and correctly sized fruit, especially apples, oranges, and berries for the entire school year. Schools also often buy B grade fruit and vegetables.

Grain Buyers - Feed & Food

Ask the buyer for crop specifics before buying seed or planting. Some require particular varieties and some even offer seed programs/bulk buying opportunities for growers.

Fiber and Seed Buyers

If you grow cotton, participating in a Cotton Cooperative will greatly enhance your ability to sell your crop. If you grow seed, know all legal requirements in advance and save yourself from future headaches.