

ORGANIC DAIRY MARKET NEWS

Information gathered February 25 - March 8, 2019

ORGANIC DAIRY FLUID OVERVIEW

New England Organic Milk Sales and Sourcing. Federal Milk Market Order 1 in New England reports utilization of types of organic milk by pool plants. During January 2019, organic whole milk utilization totaled 15.2 million pounds, down from 16.5 million pounds one year earlier, (-7.9 percent). The January 2019 butterfat content was 3.28 percent, slightly lower from 3.29 percent in 2018. Organic reduced fat milk utilization for January this year, nearly 19.6 million pounds, was down from 22.5 million pounds one year earlier, (-13.2 percent). Meanwhile, butterfat content was 1.35 percent, up from 1.31 percent last year.

U.S. Organic Milk Pay Prices. The March 2019 farm gate organic milk pay price is \$29.24, with a twelve-month average price of \$31.30, based on a 12.9 percent representation of total solids. The organic pay price is the amount accepted by those organic dairy producers who contract with a large national organic cooperative, while based on the geographic area where the organic milk is produced and whether it is organic grassmilk.

Organic Milk Pay Prices in Europe. According to CLAL, the most recent organic monthly milk pay price information reports some declines for December 2018 in Germany, Austria and France when compared to November 2018. The organic milk farm price in Germany averaged 47.68 euros/100lt (\$53.40 USD), 3.05 percent lower than a year ago, and down 0.36 percent from a month earlier. In Bavaria, an important milk producing region of Germany, the average price is 48.08 euros/100lt (\$53.85 USD), 3.92 percent lower than one year earlier, and 0.04 percent down from the previous month. In Austria, December 2018 average organic milk farm prices, 50.06 euros/100lt (\$56.07 USD), is reported 8.85 percent lower than a year ago, but up 0.58 percent from November 2018. France's average organic milk farm price for December 2018, 47.62 euros/100lt (\$53.33 USD), is 0.34 percent higher than December 2017, but 1.40 percent less than November 2018.

Cambria Friesland Dutch Organic Milk Pay Price. In the Netherlands, a large processor of organic milk announced the guaranteed price for organic milk is unchanged from last month. The March 2019 price, 36.50 euros/100kg, (currently \$40.88 USD), is for organic milk with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent from a producer supplying an average of 800,000 kilos of organic milk annually.

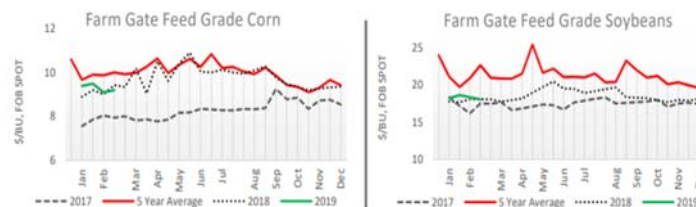
New U.S. Organic Certification. Recently, a couple organizations announced a new, third-party certification for dairy products created from 100 percent grass-fed milk. The certification is voluntary and posts as a benefit to advance organic agriculture. The new seal will assure the greatest level of clearness by farmers and producers.

Organic Dairy in Germany. Germany's organic milk production in 2018 increased by nearly 19 percent compared to a year ago. Fittingly, demand for all large segments of organic dairy products saw notable gains as well. Organic milk, cheese, butter and yogurt all saw marked increases when comparing January 2019 to the same month last year. Regarding butter, German demand increased by nearly 7 percent. However, imported butter orders declined.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market Trend. Severe wintry weather conditions have interfered with transportation in parts of the Midwest. Buyers' demand is fairly moderate on light trading. Currently, market participants are bidding at low prices. There are little to no reports of forward contracting commitments. Feed grade corn traded 10 cents higher than the previous period. Trading activity for all other organic

grains is lighter at this time. In recent news, an organic specialty business exchanged hands with another organization.

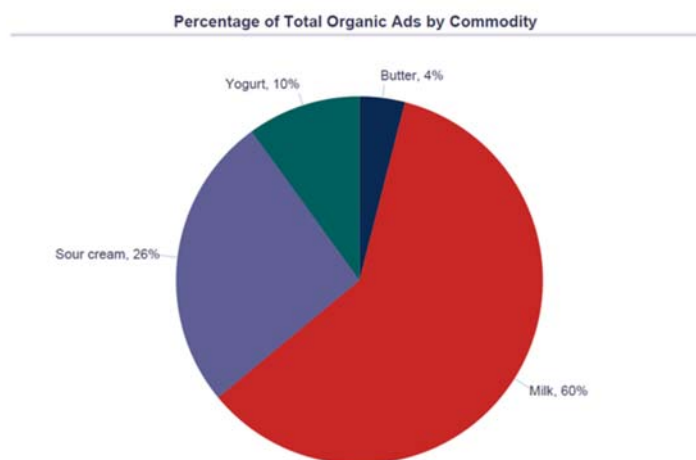


Organic Grain					
Commodity	Specifications	Units	Price Range		Average Price
Yellow Corn	Feed Grade #2	\$/bushel	8.85	9.50	9.19
	Food Grade #2	\$/bushel	NA	NA	NA
Yellow Soybeans	Feed Grade #1	\$/bushel	18.00	18.40	18.06
	Food Grade #1	\$/bushel	NA	NA	NA

ORGANIC DAIRY RETAIL OVERVIEW

In the current survey, organic retail ads decreased by 4 percent. Sour cream in 8 oz block packages reported the largest percentage shift in organic ads, at 232 percent. The Southeast region has the largest percentage change for advertisements in the United States this period, at 240 percent. For organic milk, half gallon packages revealed the biggest number of ads currently. Prices for organic milk in half gallon packages shifted down 39 cents compared to the last survey period. The current retail milk price spread between organic and conventional half gallon milk is an organic premium of \$1.22. The price spread moved down \$0.47 compared to the previous retail survey.

Organic milk, as a percentage of the overall ads of organic dairy products, published 60 percent, followed by organic sour cream at 26 percent. For the start of March, organic yogurt and butter exhibited lower percentages of total ads, revealing 10 and 4 percent this week. The pie chart below displays percentages of all organic dairy commodities detailed in the ad survey.



Data source: USDA Dairy Market News

Product pricing information of selected organic dairy commodities, from the current weekly retail survey, is presented in the following table:

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**NATIONAL RETAIL ORGANIC DAIRY
WEIGHTED AVERAGE ADVERTISED PRICE
(Dollars)**

Commodity	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
Butter	5.51	5.29	n.a.
Milk			
Half Gal.	3.61	4.00	3.48
Gal.	4.99	5.51	6.15
8 oz.	n.a.	n.a.	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	1.25
32 oz. Greek	n.a.	3.99	3.54
4-6 oz. Yogurt	1.32	n.a.	1.17
32 oz. Yogurt	3.99	3.50	2.80

Complete results of the “National Retail Report-Dairy” and “Weekly National Organic Summary” are accessible using the following links:

1 <https://www.ams.usda.gov/mnreports/dybretail.pdf>

2 <https://www.ams.usda.gov/mnreports/lswnos.pdf>

DIRECT TO CONSUMER ORGANIC DAIRY PRODUCTS PRICES

The following tables identify U.S. price range results from a Dairy Market News national survey of publicly available prices of organic dairy products, available from farmstead outlets and online. There may be prices offered outside of the price range which were not identified by the survey. These are cows' milk products.

BUTTER

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	<u>Organic Price Range \$</u>
Organic Butter		1 lb	9.50 - 13.45
Organic Butter		8 oz	4.75 - 10.00

CHEESE

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	<u>Organic Price Range \$</u>
Organic Cheese	Cheddar - 10 year	8 oz	11.00 -
Organic Cheese	Cheddar - 2-4 year	8 oz	5.73 - 6.93
Organic Cheese	Cheddar - 5-9 year	8 oz	8.50 -
Organic Cheese	Cheddar - Medium	8 oz	4.52 - 8.00
Organic Cheese	Cheddar - Mild	8 oz	4.14 - 8.50
Organic Cheese	Cheddar - Sharp	8 oz	4.95 - 12.00
Organic Cheese	Colby	8 oz	5.25 - 8.00
Organic Cheese	Farmers	8 oz	4.00 - 6.00
Organic Cheese	Gouda	8 oz	12.00 -
Organic Cheese	Monterey Jack	8 oz	5.25 - 8.00
Organic Cheese	Mozzarella	8 oz	5.50 - 12.50
Organic Cheese	Muenster	8 oz	4.50 -
Organic Cheese	Pepper Jack	8 oz	12.50 -
Organic Cheese	Curds	Per Lb	6.80 - 12.00

Information for the period February 25 - March 8, 2019, issued monthly