

ORGANIC DAIRY MARKET NEWS
Information gathered July 1 - 12, 2019

ORGANIC DAIRY FLUID OVERVIEW

New England Organic Milk Sales and Sourcing. Federal Milk Market Order 1, in New England, reports the utilization of types of organic milk by pool plants. During May 2019, organic whole milk utilization totaled 15.3 million pounds, down slightly from 15.5 million pounds one year earlier. May's 2019 butterfat content was 3.28 percent, lower than the 3.29 of the previous year. Organic reduced fat milk utilization for May this year, nearly 17.0 million pounds, plunged from the 22.8 million pounds one year earlier. The butterfat content was 1.40 percent, well above the 1.29 percent last year.

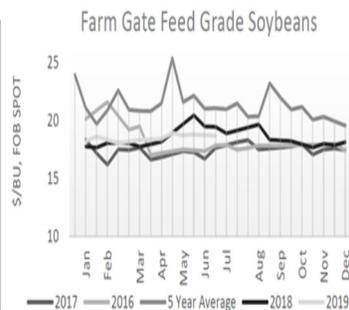
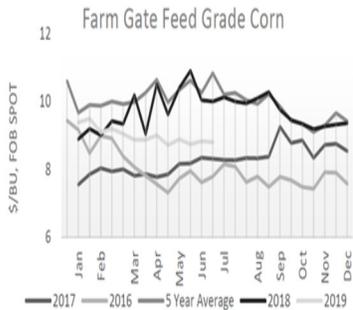
U.S. Organic Milk Pay Price. The July 2019 farm gate organic milk pay price of a national organic dairy cooperative is \$27.13, with a twelve-month average price of \$31.30, based on 12.9 percent total solids. The organic pay price is the amount accepted by organic dairy producers who contract with a large national organic cooperative, and based on the geographic area where the organic milk is produced and whether it is grass milk.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. In general, organic grain and feed markets are sluggish, with infrequent buyers' interest. Volume exchanges declined this period. Most farmers remain unwilling to promise new crop at offered prices, due to uncertainties surrounding yields. Feed corn exchanged lower, 3 cents, and feed soybeans traded 6 cents less. Trading on all other organic grains was relaxed.

Grower FOB Farm Gate Organic Grain

Feed Grade	Unit	Spot Transactions			Forward Contracts			Cash Bids
		Price Range	Avg.	Change	Prior Year	Price Range	Delivery Period	Price Range
Yellow Corn	\$/bu	8.45 - 10.10	8.80	-0.03	10.00	N/A - N/A	N/A - N/A	9.00 - 9.00
Soybeans	\$/bu	18.00 - 19.00	18.70	-0.06	19.46	N/A - N/A	N/A - N/A	19.00 - 19.00
Wheat	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	N/A - N/A
Oats	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	N/A - N/A



For more additional information, access the link: <https://www.ams.usda.gov/mnreports/lbfnof.pdf>

Crop Weather Update. According to *USDA/WAOB*, in the West, cool weather in the Pacific Coast States contrasts with building heat in the Great Basin and the Southwest. Drought persists in the Pacific Northwest, despite the cool conditions and scattered showers. On the Plains, a few showers and thunderstorms lingers from Kansas to the Dakotas, accompanied by below-normal temperatures. In contrast, hot, humid weather prevails on the southern Plains, where crop conditions are not optimal due to earlier

issues with late planting and excessive wetness. In the Corn Belt, a cold front extends southward from the Great Lakes region. Very warm weather in advance of the front prevails in the eastern Corn Belt, while cool conditions cover the upper Midwest. In the South, formation of a tropical cyclone is imminent over the northeastern Gulf of Mexico. The fledgling system continues to focus locally heavy showers and thunderstorms from the central Gulf Coast to the southern Atlantic Coast. Farther inland, hot, humid weather favors a rapid pace of crop development.

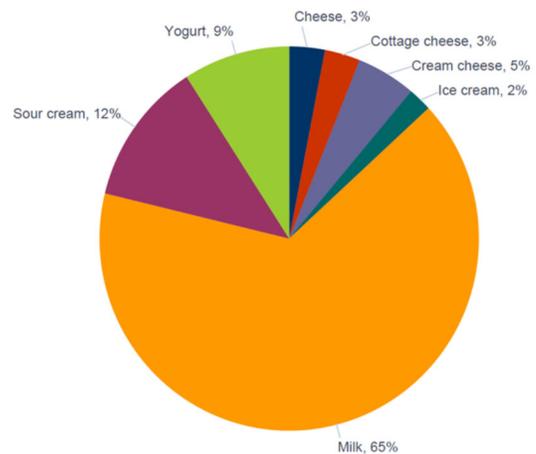
ORGANIC DAIRY RETAIL OVERVIEW

Across the country, organic retail advertisements grew at a 66 percent rate. In doing so, organic milk ads for all package sizes climbed 176 percent over the last retail survey period. The organic price premium for half gallon milk is \$1.65, down 97 cents from last week. Meanwhile, organic yogurt ad numbers declined 34 percent, linked to a 30 percent drop in 4-6 ounce container size and 17 percent drop in 32 ounce size. Organic cheese ads also declined, 67 percent.

Regionally, organic ad numbers denoted volume increases in the Midwest, Northeast, Southeast, and Northwest regions. Additionally, the Midwest and Northwest regions saw the largest upward movement in ad numbers, 751 percent and 716 percent, respectively.

Organic ice cream ads, as a percentage of total organic ads by commodity, was 2 percent this survey period. The percentages of all advertised organic dairy products, gathered from the weekly retail survey, are shown in the pie chart below.

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from July 12-18, 2019. Retail survey ads reflect "advertised specials" and not the range of non-advertised supermarket cooler prices.

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**

Commodity	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
Butter	n.a.	n.a.	n.a.
Milk			
Half Gal.	\$3.82	\$4.33	\$3.70
Gal.	\$6.35	\$5.58	n.a.
8 oz.UHT	n.a.	n.a.	\$0.92
Yogurt			
4-6 oz. Greek	n.a.	n.a.	\$1.30
32 oz. Greek	n.a.	\$5.99	\$5.54
4-6 oz. Yogurt	\$0.89	\$1.25	\$0.95
32 oz. Yogurt	\$3.66	\$3.77	\$3.27