

ORGANIC DAIRY MARKET NEWS

Information gathered October 7 - 18, 2019

ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Product Sales. The Agricultural Marketing Service (AMS) reports estimated US sales of total organic milk products decreased from a year earlier. August 2019 sales were 208 million pounds, down 6.6 percent from August 2018 and down 3.8 percent compared to January-August 2018.

Organic whole milk sales for August 2019, 90 million pounds, were up 0.1 percent compared to a year earlier and up 2.1 percent compared with the year-to-date in 2018. Reduced fat milk (2%) sales were steady with the previous year, but declined 3.8 percent year-to-date.

ESTIMATED TOTAL U.S. SALES OF ORGANIC FLUID MILK PRODUCTS, August 2019, with comparisons^{1/}

Product Name	Sales ^{2/}		Change	
	August	Y-T-D	Prev Yr. ^{4/}	Y-T-D ^{4/}
	(million pounds)			(percent)

ORGANIC PRODUCTION PRACTICE

Whole Milk	90	711	0.1	2.1
Reduced Fat Milk (2%)	70	543	---	-0.9
Low Fat Milk (1%)	25	219	-25.1	-13.8
Fat-Free Milk (Skim)	16	124	-12.8	-19.6
Flavored Fat-Reduced Milk	7	59	-36.4	-13.1
Other Fluid Milk Products	0	0	-14.7	28.2
Total Fat-Reduced Milk ^{3/}	118	946	-11.1	-7.7
Tot. Organic Milk Products	208	1,657	-6.6	-3.8

¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order data. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ² Data may not add due to rounding. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, low-fat, skim and flavored fat-reduced milk. ⁴ Year to Date Sales, Change from Previous Year, and Change in Year to Date figures include the addition of the California Federal Milk Order, which also includes several changes in product classification. The California Federal Milk Marketing Order became effective on November 1, 2018.

Will China Surpass US Organic Dairy. A recent survey by a top research group suggests that within 5 years China's organic food market will surpass the US multi-billion dollar organic food market. Central to this thought is that organic dairy is projected to be one of the most significant segments that will dominate the organic market landscape.

August 2019 Average Organic Milk Farm Prices in Europe

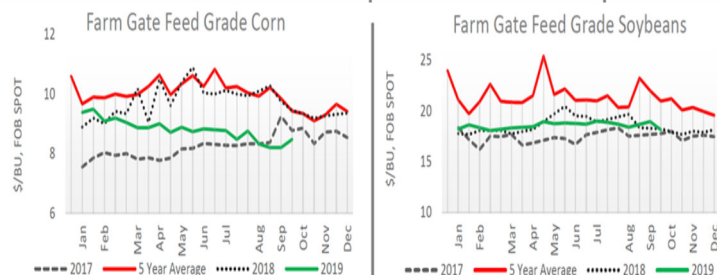
	euros/100lt	(\$USD)	% Change July 2019	% Change August 2018
Germany	46.57	51.89	- 0.15	- 1.29
Bavaria	46.65	51.98	- 0.19	- 1.87
France	47.64	53.08	+1.00	+ 2.24

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Trade activity and demand is reported as moderate for organic feed corn, soybeans and wheat. Forward contracting for organic feed corn picked up for Q1 and Q3 2020. Organic feed corn traded 27 cents higher, while organic feed soybeans traded 82 cents lower. Cash bids for feed hard red winter wheat ranged from 6.75 to 7.00 delivered elevator, due to storage constraints. Feed soft red winter wheat dropped from 9.00 to 8.00 delivered elevator. Trade activity is light on moderate demand for organic hay. Imported soybean meal volumes and price levels have reduced domestic crushing, leading to soybean oil shortages across the country.

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	7.00 - 11.45	8.47	0.27	9.45		8.40 - 8.40	Dec-19 - Mar-20	9.00 - 9.00
Soybeans	\$/bu	17.50 - 19.00	18.13	-0.82	18.22		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/lbnoof.pdf>

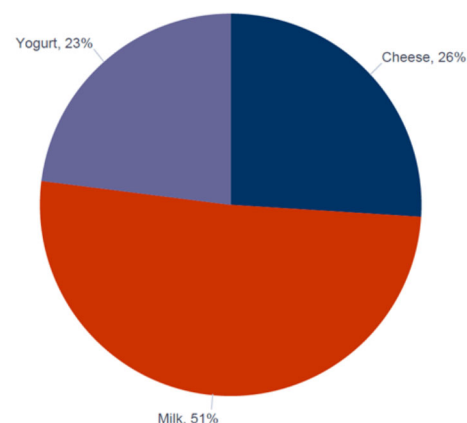
ORGANIC DAIRY RETAIL OVERVIEW

This week's retail survey noted that just three advertised organic dairy products represent total of organic ads by commodity. Results show organic milk accounted for 51 percent of ads, cheese ads claimed 26 percent, and organic yogurt comprised the remaining 23 percent. Of those commodities, organic cheese posted the largest jump, 26% from the previous period, while organic yogurt grew 2 percent. Organic milk moved in the other direction, down 20 percent.

In view of packaging, gallon size organic milk ads slumped 96 percent in retail stores across the country. The weighted average price, \$6.99, increased significantly, \$1.73, from the previous survey period. In general, the market noted most organic dairy commodities show cuts in prices, ranging from 19 to 85 cents.

The price spread between the organic and conventional half gallon milk weakened this week. The organic price, \$3.88, and conventional price, \$2.02, prompted an organic premium of \$1.86, compared to \$2.09 the previous organic report week. Last year at this time, the organic price premium was \$1.74.

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

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Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from October 18-24, 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:

**NATIONAL RETAIL ORGANIC DAIRY
WEIGHTED AVERAGE ADVERTISED PRICE**

Commodity	This <u>Week</u>	Last <u>Week</u>	Last <u>Year</u>
Butter	n.a.	\$5.49	\$4.99
Milk			
Half Gal.	\$3.88	\$4.08	\$4.11
Gallon	\$6.99	\$5.26	\$5.39
8 oz.UHT	\$1.00	n.a.	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$3.50	\$3.65	n.a.
4-6 oz. Yogurt	\$0.80	\$1.00	\$1.49
32 oz. Yogurt	\$3.08	\$3.93	\$3.99

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

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

2 <https://www.ams.usda.gov/mnreports/dybdairyorganic.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			
Commodity	Type	Pack Size	: Organic : Price Range \$
Organic Butter		1 lb	: 13.45 -
Organic Butter		8 oz	: 4.75 - 10.00

CHEESE			
Commodity	Type	Pack Size	Organic Price Range \$
Organic Cheese	Cheddar - 10 year	8 oz	: 11.00 -
Organic Cheese	Cheddar - 11-14 year	8 oz	: 14.00 -
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	: 4.50 - 12.50
Organic Cheese	Muenster	8 oz	: 5.25 - 6.00
Organic Cheese	Pepper Jack	8 oz	: 12.50 -
Organic Cheese	Curds	Per Lb	: 6.80 - 12.00

Information for the period October 7 - October 18, 2019, issued monthly.