

ORGANIC DAIRY MARKET NEWS
Information gathered July 29 - August 9, 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 June 2019, organic whole milk utilization totaled 14.1 million pounds, slightly lower than 14.2 million pounds one year earlier. June's 2019 butterfat content was 3.28 percent, unchanged from the previous year. Organic reduced fat milk utilization for June this year, nearly 15.4 million pounds, dipped from the 18.4 million pounds one year earlier. The butterfat content was 1.38 percent, well above the 1.32 percent last year.

U.S. Organic Milk Pay Price. The August 2019 farm gate organic milk pay price of a national organic dairy cooperative is \$29.24, 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.

May 2019 Average Organic Milk Farm Prices In Europe

	euros/100lt	(\$USD)	% Change April 2019	% Change May 2018
Austria	44.20	49.20	- 0.70	+ 2.93
Bavaria	46.93	52.56	- 0.73	- 2.50
France	40.90	45.81	+ 0.20	+ 1.07
Germany	46.93	52.56	- 0.78	- 1.18

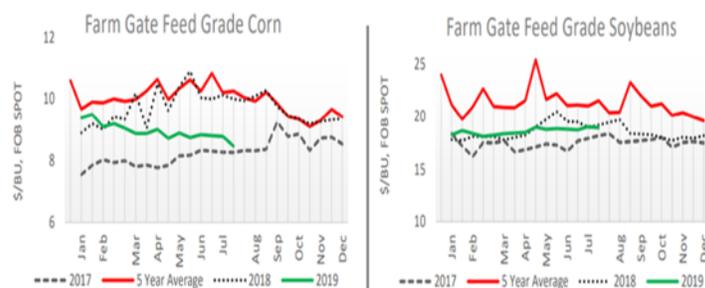
Dutch Organic Milk Pay Price. In the Netherlands, a large processor of organic milk announced the guaranteed price for organic milk increased from last month. The August 2019 price, 47.00 euros/100kg, (currently \$52.64 USD), is for organic milk with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent from a producer supplying an average of 600,000 kilos of organic milk annually.

Global Organic Market. Based on a recent study focusing on 23 countries, forecasts show a healthy growth for the organic industry in the coming years. Some areas that show signs of strength are new organic technologies, food security and strong marketing activities.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Currently, market activities are light to moderate. Organic feed grade soybeans traded 13 cents lower on light purchases. Organic feed grade corn traded 30 cents lower with limited interests. Organic feed grade hard red winter (HRW) wheat and organic crude soybean oil demands and trades are good and active at this time. Trades are lackluster on all other organic grains this trading period.

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	8.25 - 9.25	8.47	-0.30	10.00	N/A - N/A	N/A - N/A	9.00 - 9.00	
Soybeans	\$/bu	18.65 - 19.00	18.87	-0.13	N/A	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	
Barley	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	N/A - N/A	

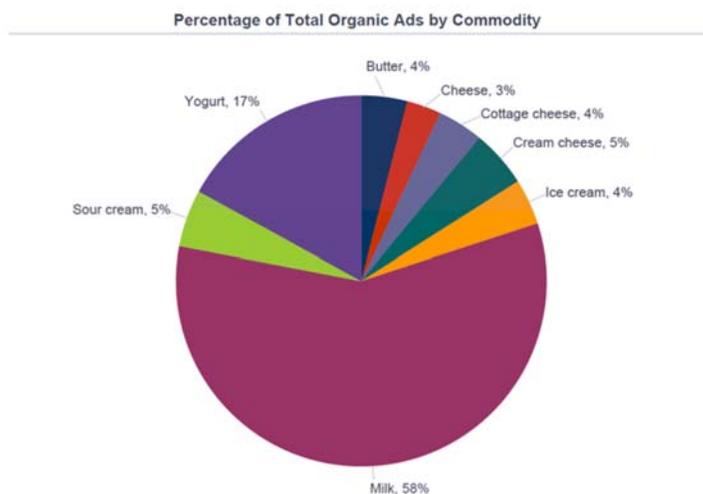


ORGANIC DAIRY RETAIL OVERVIEW

Across the United States, organic retail advertisements grew 1 percent compared to the previous survey period. Regionally, increases in ads were reported in parts of the East region, but ads decreased in the Midwest and Southwest regions. Organic milk advertisements in the Southeast saw a large percentage change in ads, up 314 percent, compared to last week.

The organic milk premium, the difference between the half gallon organic milk price and conventional milk price, \$2.04, shifted higher compared to the previous week's spread, \$1.34. The weighted average milk prices for organic and conventional half gallons this week are \$4.07 and \$2.03, respectively.

Organic yogurt ad numbers heightened this week, at 17 percent, 3 percent higher than last week, as a percentage of total organic ads by commodity. The percentages of all advertised organic dairy products, gathered from the weekly retail survey, are shown in the pie chart below.



Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from August 9-15, 2019. Retail survey ads reflect "advertised specials" and not the range of non-advertised supermarket cooler prices.

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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	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
Butter	\$5.99	\$5.99	\$6.39
Milk			
Half Gal.	\$4.07	\$3.61	\$3.89
Gal.	\$6.22	\$5.11	\$6.85
8 oz.UHT	n.a.	n.a.	\$0.88
Yogurt			
4-6 oz. Greek	n.a.	\$1.00	\$1.35
32 oz. Greek	\$5.20	\$5.44	\$6.49
4-6 oz. Yogurt	\$1.00	\$1.28	\$0.81
32 oz. Yogurt	\$3.50	\$2.89	n.a.

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>