

ORGANIC DAIRY MARKET NEWS

Information gathered September 9 - 20, 2019

ORGANIC DAIRY FLUID OVERVIEW

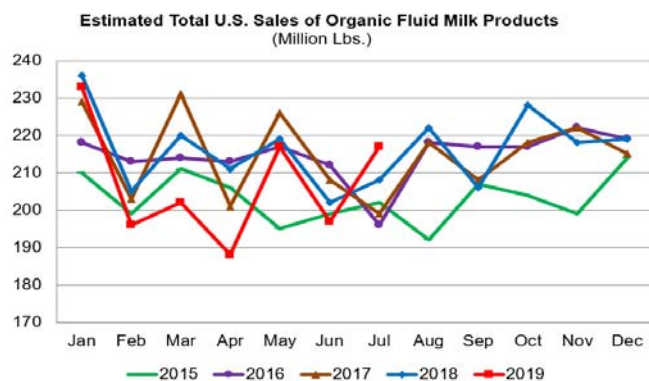
Organic Milk Product Sales. The Agricultural Marketing Service (AMS) reports July estimated sales of total organic fluid milk products increased from a year earlier. July 2019 total organic milk products sales were 217 million pounds, up 4.6 percent from July 2018, but down 3.3 percent compared to January-July 2018. Total organic whole milk products sales for July 2019, 95 million pounds, were up 11.4 percent compared with July last year and up 2.3 percent compared with the year-to-date in 2018. July low fat milk (1%) sales declined 17.4 percent from the previous year and are down 12.1 percent compared to January-July 2018.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, JULY 2019, WITH COMPARISONS^{1/}

Product Name	Sales		Change ^{2/}	
	JULY Mil.	Y-T-D Lbs.	Prev. Yr. Percent	Y-T-D Percent
Whole Milk	95	621	11.4	2.3
Reduced Fat Milk (2%)	73	473	10.3	-1.0
Low Fat Milk (1%)	26	195	-17.4	-12.1
Fat-Free Milk (Skim)	16	108	-14.9	-20.5
Flavored Fat-Reduced Milk	8	52	17.4	-8.5
Other Fluid Milk Products	0	0	-54.3	29.4
Total Fat-Reduced Milk 3/	122	828	-0.2	-7.2
Tot. Organic Milk Products	217	1,450	4.6	-3.3

ORGANIC PRODUCTION PRACTICE

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, lowfat, 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.



Graph data from Federal Milk Market Administrators, graph by Dairy Market News

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 August 2019, organic whole milk utilization totaled 16.2 million pounds, 11 percent higher than the 14.6 million pound utilization one year earlier. August's 2019 butterfat content was 3.27 percent, unchanged from the previous year. Organic reduced fat milk utilization for August this year, 15.6 million pounds, dipped from the 20.1 million pounds one year earlier. The butterfat content was 1.42 percent, well above the 1.32 percent butterfat content last year.

Organic Cheese. An Oregon dairy company has organic cheese for sale for the first time. The new offering of organic cheese marks the reaching of a milestone set when ownership of the plant changed hands in 2018. The milk for the cheese products is supplied by related dairy farms in Oregon.

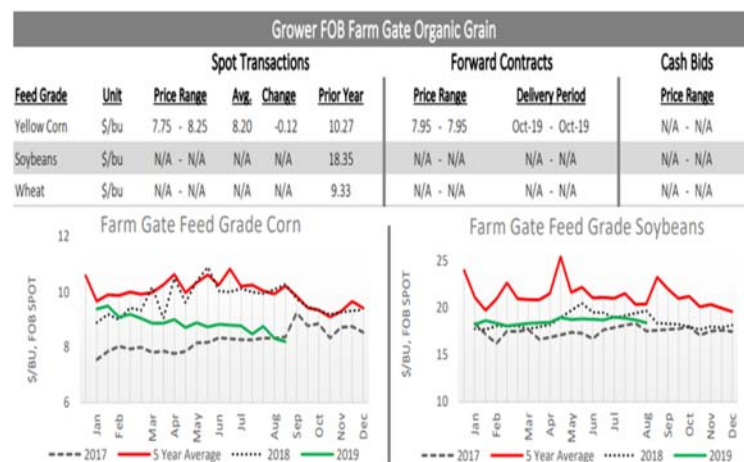
July 2019 Average Organic Milk Farm Prices In Europe

	euros/100lt	(\$USD)	% Change June 2019	% Change July 2018
Bavaria	46.74	51.88	- 0.23	- 1.72
France	47.32	52.53	+10.77	+ 3.08
Germany	46.63	51.76	- 0.38	- 1.33

Organic Acreage. In the United States, organic farmers will harvest over 3 million acres of certified organic field crops in 2019. There are roughly 8.3 million total organic acres in the country which includes pasture and rangeland acreage. Areas with the most increased organic acreage are in the West and High Plain regions. There is also an increase in the number of farm operations that meet the USDA National Organic Program standards.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. During September, market tones have been steady to weak in the organic grain and feed markets. At this time, the demand for organic feed grade corn and soybeans is light. Organic corn spot offers are lower as new crops are near to being harvested. Organic feed grade wheat cornered the majority of sales this trading period. Trades are limited on all other organic grains.



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

ORGANIC DAIRY RETAIL OVERVIEW

Organic retail advertisements heightened 104 percent compared to the previous survey period. At this time in September, organic milk in half gallon packages increased in ads, up 134 percent compared to the last reporting survey. Also, organic cheese in 8 oz shred packages increased in ad numbers, up 236 percent compared to last week. Regionally, increases in ads were reported in the Southwest and Eastern regions.

The organic milk premium, the difference between the half gallon organic milk price and conventional milk price, \$2.00, shifted higher compared to the previous week's spread, \$1.23. The weighted average milk prices for organic and conventional half gallons this week are \$3.70 and \$1.70, respectively.

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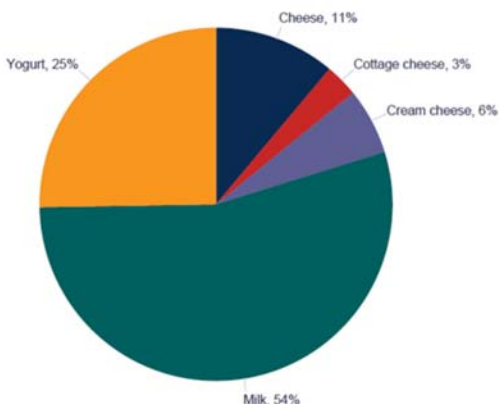
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In September, organic yogurt is presenting strong ad percentages. Currently, organic yogurt is at 25 percent, as a percentage of total organic ads by commodity this reporting week. Organic milk is still the leader in highest percentage in ad numbers, at 54 percent, 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.

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 September 20-26, 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 Week	Last Week	Last Year
Butter	n.a.	n.a.	n.a.
Milk			
Half Gal.	\$3.70	\$3.88	\$3.61
Gal.	\$5.00	\$5.56	\$5.43
8 oz.UHT	\$1.00	n.a.	\$1.08
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$4.94	\$6.99	\$3.00
4-6 oz. Yogurt	\$1.00	n.a.	\$0.93
32 oz. Yogurt	\$3.50	n.a.	\$3.50

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 September 9 - 20, 2019, issued monthly.