

**ORGANIC DAIRY MARKET NEWS**  
Information gathered May 6 - 17, 2019

**ORGANIC DAIRY FLUID OVERVIEW**

**Organic Milk Product Sales.** Agricultural Marketing Service (AMS) reports total organic milk products sales for March 2019 were 202 million pounds, an 8.1 percent decline from March 2018 and 4.5 percent decline, year-to-date 2019, compared with the same period in 2018. Total organic whole milk sales for March 2019, 89 million pounds, were down 1.4 percent compared with March last year, but up 2.1 percent compared with the same period in 2018.

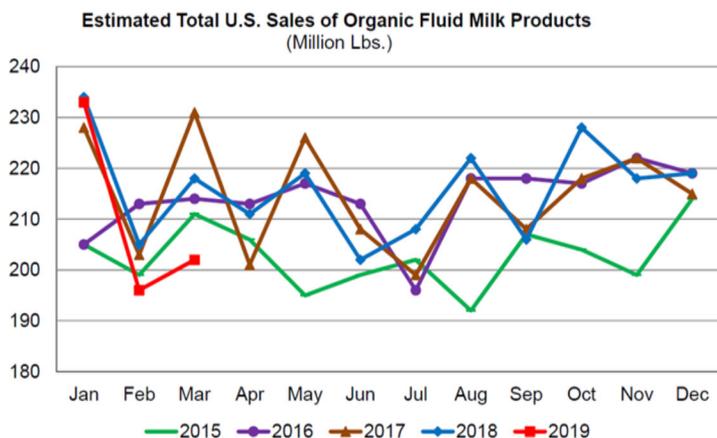
**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, March 2019, WITH COMPARISONS<sup>1/</sup>**

Product Name	Sales		Change <sup>2/</sup>	
	March Mil.	Y-T-D Lbs.	Prev Yr. Percent	Y-T-D Percent
<b>ORGANIC PRODUCTION PRACTICE</b>				
Whole Milk	89	272	-1.4	2.1
Reduced Fat Milk (2%)	63	200	-8.9	-4.6
Low Fat Milk (1%)	29	90	-7.4	-6.3
Fat-Free Milk (Skim)	14	47	-29.9	-24.2
Flavored Fat-Reduced Milk	7	21	-19.3	-18.3
Other Fluid Milk Products	0	0	-85.0	34.8
Total Fat-Reduced Milk <sup>3/</sup>	114	359	-12.6	-9.0
Tot. Organic Milk Products	202	631	-8.1	-4.5

<sup>1/</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, 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 and California data.

<sup>2/</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis

<sup>3/</sup> Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk composition.

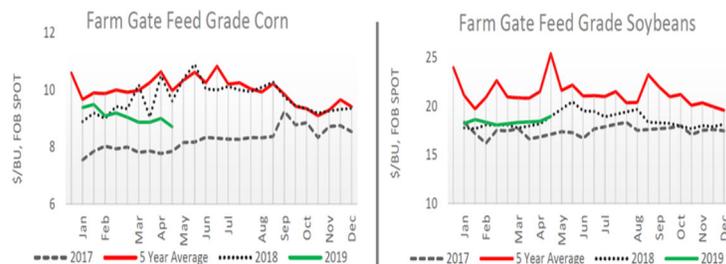


**U.S. Organic Milk Pay Price.** The May 2019 farm gate organic milk pay price reported by a national organic dairy cooperator is \$27.13 per cwt., with a \$31.30 twelve-month average price, based on 12.9 percent total solids. The organic pay price is the amount accepted by those organic dairy producers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

**Dutch Organic Milk Pay Price.** In the Netherlands, a large processor of organic milk announced the May 2019 pay price for organic milk is unchanged from the previous month. The May price, 48.50 euros/100kg (54.39 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 kilograms of organic milk on an annual basis.

**ORGANIC GRAIN FEEDSTUFF OVERVIEW**

**Organic Grain and Feed Market.** Active forward trading drives feed grade corn transactions, and interest lingers at moderate levels with feed grade corn trading 29 cents lower this week. Buyers/sellers of feed grade soybean saw active trading in spot markets this report week. Trades were 51 cents higher than the previous report week. Wheat markets tend to be sluggish with limited trade activity.



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	8.35 - 9.00	8.71	-0.29	9.61	8.40 - 9.35	Apr-19 - Mar-20	8.75 - 9.00
Soybeans	\$/bu	18.65 - 19.50	18.94	0.51	N/A	N/A - N/A	N/A - N/A	18.00 - 19.00
Wheat	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	8.25 - 8.25
Oats	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	4.00 - 4.00

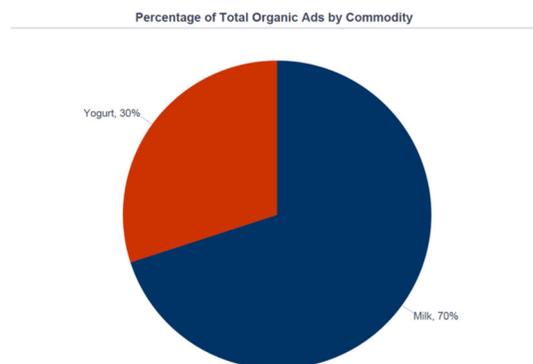
For more additional information, access the link: <https://www.ams.usda.gov/mmreports/lsbnof.pdf>

**ORGANIC DAIRY RETAIL OVERVIEW**

The volume of organic retail advertisements shows no significant change from last week's survey. Interestingly, surveyed stores only offered ad specials on two organic items this week, milk and yogurt. Overall, organic milk ads grew by 31 percent, and organic yogurt ads increased 40 percent. The biggest loser in organic ad numbers by region was the Southwest, which lost 82 percent of the retail ads this week, but in the Northeast, ads were up 101 percent for the largest gain. No ads were reported in Alaska.

The price spread for conventional and organic milk, in half gallon package, represents an organic premium of \$2.50, up 37 cents from last week. The price spread is the difference between national weighted average prices for organic, \$4.62, and conventional, \$2.12.

Organic milk owned 70 percent of total organic ads. The only other organic dairy commodity included this week, organic yogurt, collected the other 30 percent of total organic ads, as represented in the pie chart below.



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Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from May 17-23, 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	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
<b>Butter</b>	n.a.	\$6.18	\$5.64
<b>Milk</b>			
Half Gal.	\$4.62	\$4.02	\$4.00
Gal.	\$6.99	\$6.29	\$5.60
8 oz.	\$0.75	\$0.92	n.a.
<b>Yogurt</b>			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$6.70	\$5.27	\$3.99
4-6 oz. Yogurt	n.a.	\$0.74	\$1.34
32 oz. Yogurt	\$3.14	n.a.	\$3.04