

ORGANIC DAIRY MARKET NEWS

Information gathered June 3 - 14, 2019

ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Product Sales. Agricultural Marketing Service (AMS) reports estimated total U.S. sales of fluid milk products. Total sales of organic milk products for April 2019, 176 million pounds, declined 16.5 percent from April 2018 and dwindled 7.4 percent compared with the same January-April period last year. Total organic whole milk sales for April 2019, 75 million pounds were down 13.2 percent compared with April last year and 1.6 percent lower, compared to year-to-date 2018.

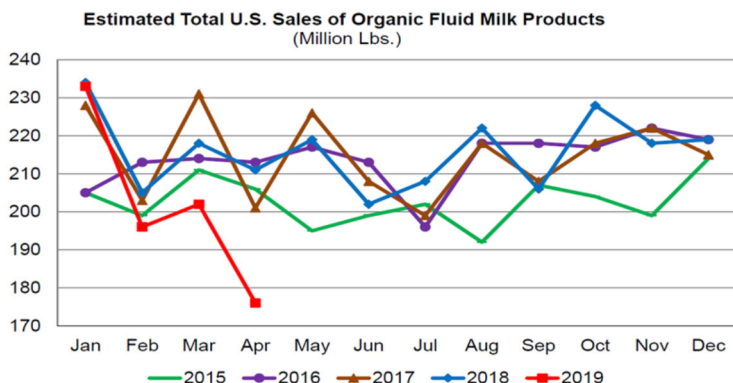
ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, April 2019, WITH COMPARISONS^{1/}

Product Name	Sales ^{2/} Mil Lbs.		Percent Change ^{4/}	
	April	Y-T-D	Prev Yr.	Y-T-D

ORGANIC PRODUCTION PRACTICE

Whole Milk	75	347	-13.2	-1.6
Reduced Fat Milk (2%)	54	255	-18.7	-8.0
Low Fat Milk (1%)	27	117	-11.1	-7.4
Fat-Free Milk (Skim)	14	62	-21.7	-23.6
Flavored Fat-Reduced Milk	5	27	40.0	-23.9
Other Fluid Milk Products	0	0	-49.4	-32.4
Total Fat-Reduced Milk 3/	101	460	-18.8	-11.4
Tot. Organic Milk Products	176	807	-16.5	-7.4

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. 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.



Dairy Safety Net Program. The USDA has announced that enrollment begins June 17, 2019 for the new Dairy Margin Coverage (DMC) program, which is the cornerstone program of the dairy safety net that helps dairy producers manage the volatility of milk and feed prices. The program is operated by the U.S. Department of Agriculture's Farm Service Agency (FSA).

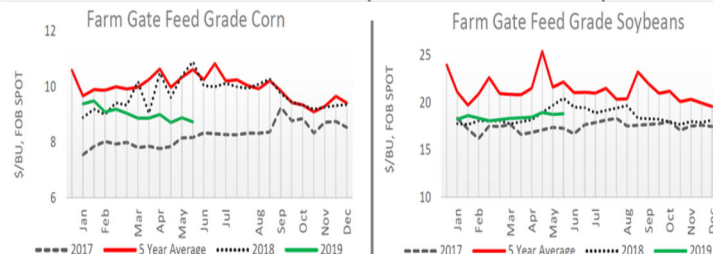
Organic Cow Auction Prices. A June 13, 2019 organic slaughter cow report from a livestock auction yard in the Northwest noted organic cows, traded abnormally lower than conventional cows. The average price paid for top 10 organic cows auctioned was \$44.47 per cwt, compared to the average top 10 conventional cow price, \$67.27 per cwt.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Trade activity and demand are moderate for feed grade corn. The f.o.b. corn price declined 15 cents with little forward contracting occurring, a result of producers' uncertainty of whether they can meet crop planting targets. Old crop cash bids remained at the same level as the prior period. The price of feed grade soybeans rose 7 cents on moderate demand. The elevator delivered price of feed grade HRW wheat traded 20 cents higher. Trade activity and demand are moderate on soybean meal and oil. Markets were relaxed on all other organic grains.

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	8.00 - 9.75	8.73	-0.15	10.90		9.00 - 9.00	Aug-19 - Sep-19	8.50 - 9.00
Soybeans	\$/bu	18.00 - 19.50	18.81	0.07	20.46		18.00 - 18.00	Oct-19 - Dec-19	17.00 - 19.00
Wheat	\$/bu	N/A - N/A	N/A	N/A	7.60		N/A - N/A	N/A - N/A	8.00 - 8.50
Oats	\$/bu	N/A - N/A	N/A	N/A	N/A		N/A - N/A	N/A - N/A	4.25 - 4.25
Barley	\$/bu	N/A - N/A	N/A	N/A	N/A		N/A - N/A	N/A - N/A	7.00 - 7.00



Dealer FOB Elevator/Warehouse Organic Grain

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

Crop Planting Updates. According to the NASS Crop Progress report, released June 10, 2019, 83 percent of the corn has been planted in the 18 states. Only North Carolina and Texas show 100 percent of state acres now planted. Soybean planted acres are at 60 percent, below the five-year average of 88 percent.

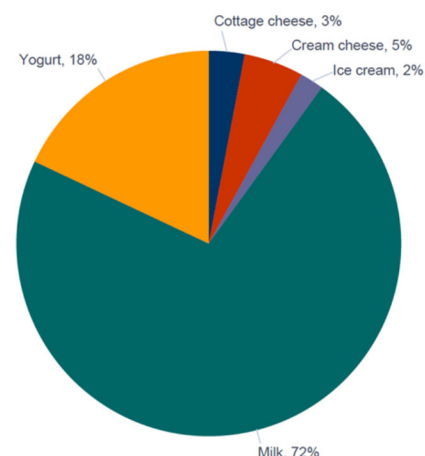
ORGANIC DAIRY RETAIL OVERVIEW

Across the nation, organic retail advertisements totaled a 9 percent decline. Regionally, increases in ads were reported in the Southwest and Hawaii, but ads decreased in Northeast and Southeast regions. Organic yogurt advertisements saw the highest percentage change in ads, up 231 percent, amongst the main dairy commodities.

The organic milk premium, the difference between half gallon organic and conventional milk prices, \$1.65, moved lower compared to the previous week's spread of \$2.83. The weighted average retail milk prices for organic and conventional are \$3.87 and \$2.22, respectively.

As a percentage of total organic ads by commodity, milk is 72 percent, followed by yogurt at 18 percent. The weekly percentages of all advertised organic dairy products, gathered from the weekly retail survey, are presented in the pie chart below.

Percentage of Total Organic Ads by Commodity



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Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from June 14-20, 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>
Butter	n.a.	\$5.49	\$3.99
Milk			
Half Gal.	\$3.87	\$4.09	\$4.02
Gal.	\$6.77	\$6.02	\$6.70
8 oz.UHT	n.a.	\$1.11	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$5.99	\$3.91	n.a.
4-6 oz. Yogurt	\$0.94	\$0.69	\$1.00
32 oz. Yogurt	\$4.39	\$2.99	\$3.89

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>

Dane County Farmers' Market

The Dane County Farmers' Market is a large, urban market located on the Capitol Square in Madison, Wisconsin. The market has a wide range of agricultural products available. It is reported the largest producer-only market in the country. Dane County Farmers' Market requires dairy product vendors to have either made their products with their own animals milk, have them processed at a licensed dairy facility using only their milk or procured milk from farmers and processed the milk into dairy products.

Data from the Dane County Farmers' Market are listed in the table below. All reported dairy products are local to Wisconsin and sold by producers. These are cows' milk products.

Dane County Farmers' Market, Madison, Wisconsin
Saturday, June 8, 2019
Dairy Products

Commodity	Type	Age	Pack Size	Conventional* : Price Range \$	Organic : Price Range \$
Cheese	Blue		Per Lb	: 10.00 -	
Cheese	Brick		Per Lb	: 7.00 - 7.50	
Cheese	Butterkase		Per Lb	: 6.50 -	10.00
Cheese	Cheddar	1 year	Per Lb	: 6.50 - 8.00	
Cheese	Cheddar	10 year	Per Lb	: 14.99 -	
Cheese	Cheddar	11-14 year	Per Lb	: 20.00 -	
Cheese	Cheddar	2-4 year	Per Lb	: 6.49 - 8.00	
Cheese	Cheddar	5-9 year	Per Lb	: 10.00 - 12.00	
Cheese	Cheddar	Mild	Per Lb	: 6.00 - 8.00	10.00 - 11.00
Cheese	Cheddar	Sharp	Per Lb	: 6.00 - 11.50	10.00 - 11.00
Cheese	Colby		Per Lb	: 8.00 -	
Cheese	Curds		Per Lb	: 5.33 - 8.00	
Cheese	Farmers		Per Lb	: 6.50 -	
Cheese	Gouda		Per Lb	: 8.25 - 8.50	10.00 - 11.00
Cheese	Monterey Jack		Per Lb	: 6.75 - 11.00	
Cheese	Mozzarella		Per Lb	:	11.00 - 12.00
Cheese	Muenster		Per Lb	:	11.50 -
Cheese	Pepper Jack		Per Lb	: 6.75 - 7.25	
Cheese	Swiss	< 1 year	Per Lb	: 8.50 -	
Cheese	Swiss	1-5 year	Per Lb	: 8.50 - 9.50	

* Conventional prices reported may include 'grass-fed' or 'pasture-grazed' products. Information for day of market, issued monthly during season.