

ORGANIC DAIRY MARKET NEWS
Information gathered October 19 - 30, 2020

ORGANIC DAIRY FLUID OVERVIEW

New England Organic Milk Sales and Sourcing. Federal Milk Market Order 1, in New England, reports utilization of types of organic milk by pool plants. During September 2020, organic whole milk utilization totaled 12.4 million pounds, down from 15.9 million pounds in 2019. The September 2020 butterfat content was 3.29 percent, up from 3.28 the previous year. The utilization of organic reduced fat milk in September this year, 17.3 million pounds, increased from 15.2 million pounds a year earlier. The September 2020 butterfat content for organic reduced fat milk, 1.55 percent, increased notably from the 1.41 percent content a year earlier.

Organic Milk Sales. The U.S. Department of Agriculture National Agricultural Statistics Service (NASS) has released statistics for the 2019 Organic Survey. Organic milk gained the top spot for organic dairy commodities, with \$1.59 billion in sales, up 14 percent from 2016. The results of the survey show the continued growth of organic dairy production in the United States.

Organic Milk Pool Development. A dairy co-operative announced expansion of its pool of organic Northwest farms, organic capabilities, and product offerings. The endeavor will support an increase in organic ingredients being offered and meet the growing demand of consumers for organic dairy products.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

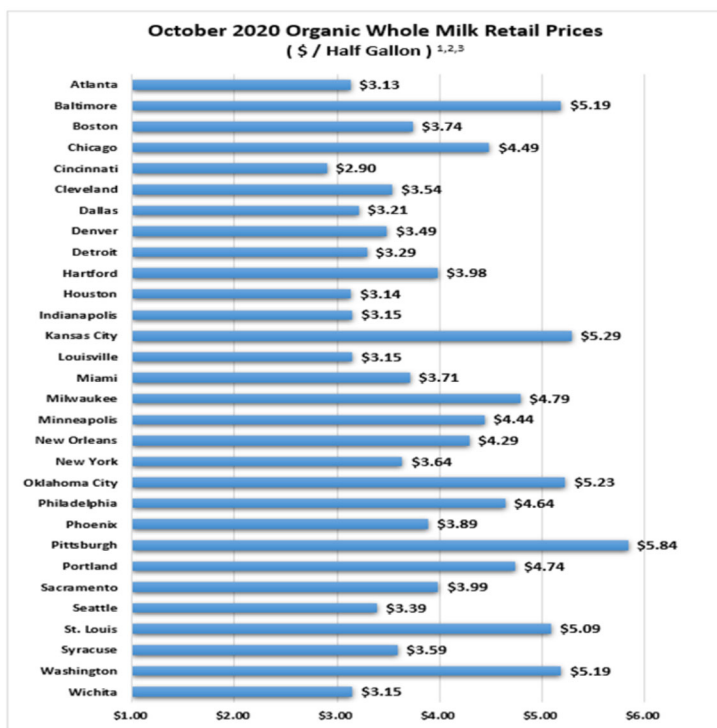
National Organic Grain Feedstuff. Trading is active on moderate demand for organic feed grade corn. Bushels are trading 58 cents higher FOB. Forward contracting is active through Q3 2021. Good demand drives exchanges on organic feed grade soybeans, as trades moved 42 cents higher FOB. There are few forward contracts. Soybean is moving directly to elevators in bulk as farmers use their bin space for corn. Trade activity on feed grade wheat barley and rye is limited. All other organic grain trading is inactive.

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	6.00 - 8.25	6.89	0.58	8.47	6.00 - 7.50	Oct-20 - Aug-21	6.00 - 7.25
Soybeans	\$/bu	18.00 - 19.75	18.89	0.42	18.13	18.20 - 18.50	Oct-20 - Dec-20	18.50 - 19.75
Wheat	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	7.00 - 7.50
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
Rye	\$/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

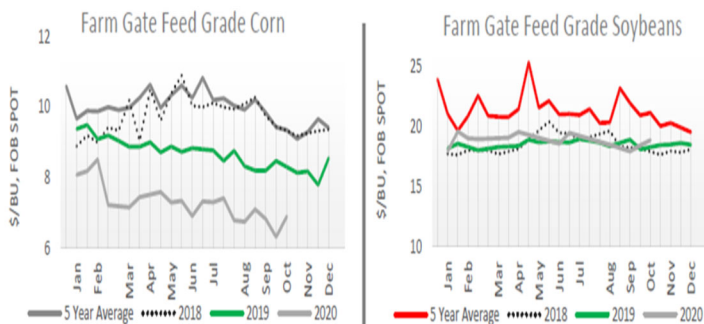
Organic Milk Retail Prices for Selected U.S. Cities. October 2020 in-store surveys of supermarkets in selected U.S. cities show that averages prices for organic whole milk in the half gallon container ranges from \$2.90 in Cincinnati, OH to \$5.84 in Pittsburgh, PA. Surveyed cities that experienced noteworthy changes in average prices from September 2020, include Syracuse, NY, down 95 cents; Cincinnati, OH, down 39 cents; Miami, FL, down 34 cents; Philadelphia, PA, and St. Louis MO., down 25 cents. The Kansas City, MO, half gallon, organic whole milk average price increased 26 cents, while Minneapolis, MN and Portland, OR both grew 25 cents. The U.S. October 2020 simple average price was \$4.04, down 5 cents from last month. Organic whole milk half gallon prices continue to trend lower.



Data source: USDA Federal Milk Marketing Order

Organic Dairy Retail Summary. This survey period, total organic dairy retail advertisements dropped 39 percent. Total ads for specific commodities show organic cheese declined 49 percent, organic milk sank 29 percent, and organic yogurt ads fell 6 percent. Organic milk, in half gallon container, was the lone organic dairy commodity surveyed that posted an increase in retail ads, increasing 54 percent compared to the previous week's survey. The difference between the half gallon conventional milk price, \$2.66, and half gallon organic milk price, \$3.93, led to an organic premium of \$1.27 this week.

The volume of ads in regional markets was mixed. Retail stores in the Midwest and Southeast regions reduced organic dairy ads -34 and -67 percent, respectively. Ads increased in Alaska, Northeast, and South Central regions 155 percent, 57 percent, and 23 percent, respectively. Limited data restricted percentage calculations for the Northwest, Southwest, and Hawaii.

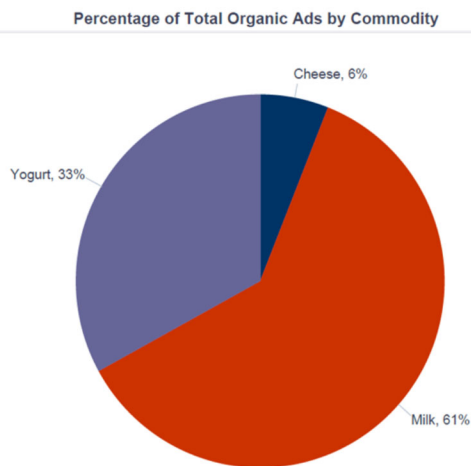


For more additional information, access the links: <https://www.ams.usda.gov/mnreports/lbfnof.pdf>

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Each advertised organic dairy product and ad percentages, from the most recent Dairy Market News 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 October 29 – November 6, 2020. 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.	\$5.29	\$4.99
Cottage Cheese	n.a.	\$3.81	n.a.
Milk			
Half Gal.	\$3.93	\$4.22	\$4.11
Gallon	\$4.49	\$5.10	\$5.97
8 oz.UHT	n.a.	n.a.	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$3.50	\$3.57	\$3.91
4-6 oz. Yogurt	\$0.69	\$1.24	\$1.25
32 oz. Yogurt	\$3.49	n.a.	\$3.23

Data source: USDA Dairy Market News