

ORGANIC DAIRY MARKET NEWS
Information gathered December 30, 2019 - January 10, 2020

ORGANIC DAIRY FLUID OVERVIEW

Innovative Organic Milk. A large local organic milk processor in Oregon introduced a new organic milk product, which has an increased fat content and creamier texture. It combines milk from both organic Holstein and organic Jersey cows. The company's stated commitment is to organic practices, with an emphasis on flavor and innovation using the latest technologies. The organic milk brand suggested retail price is \$4.99 for a half-gallon of whole milk.

Organic Cheese Growth. Leading market participants are looking to increase their market presence with the launching of distinct organic cheese varieties. Hence, a recent study indicates the global organic cheese market is projected to see increased demand, at a compounded annual growth rate (CAGR) of 14 percent through 2022. The primary distribution outlet will be specialty stores, with business accruing an estimated dollar amount of 790 million through 2022.

Organic Creamery Fined. Condensed skim milk and solids that were discharged into a storm drain by an organic creamery, in Oregon, has led to fines by the Department of Environmental Quality. The reported discharged spilled into a creek, dyeing the water for close to three-quarters of a mile.

Dairy Trucking Concern. Several officials for the trucking and agriculture industries stated that, in the short-term, Chapter 11 bankruptcy filings and a company's decision to sell its assets is not an issue for the food service sector, schools, and grocery store milk supply shipments.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

National Organic Grain and Feed Markets. Due to the Christmas and New Year's Holiday this report will not be issued again until January 15, 2020.

Organic Feed-Grade Corn Scenario. Nationwide, in 2019, farmers were unable to sow on 19 million acres, as wet conditions persisted into the planting season. Subsequent to delayed harvesting, limited yields, and lesser quality feeds, Q4 2019 reports indicate organic feed grade corn prices fell 4 percent below Q4 2018. Although imports were higher during 2019, counterbalancing the diminished harvest, it was still surprising the market ended the year on a down note, in view of the struggles of 2019. Looking ahead, strong imports and eased demand for domestic organic feed-grade corn may keep prices suppressed.

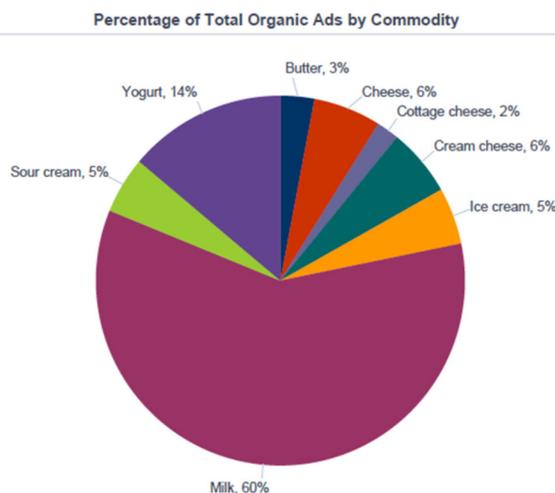
ORGANIC DAIRY RETAIL OVERVIEW

This retail survey period, organic retail ad numbers are down 10 percent from the previous week. In light of this, organic yogurt ad numbers continue to have significant effect on overall organic ad numbers, while dropping once again this week, 67 percent, as prices grew 45 cents on average. Organic milk and organic cheese, the other major organic dairy commodities, moved in a different direction, up in retail ad

numbers, 26 percent and 16 percent, with corresponding average price declines of 49 cents and 40 cents.

The retail milk price spread between organic and conventional half gallon milk reports an organic premium below one dollar, 66 cents, as the price plunged \$1.59 from the previous week organic premium. A year ago, the organic price premium was \$1.59.

The pie chart below displays percentages for all organic dairy commodities detailed in the ad survey.



Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from January 10 – 16, 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	\$5.49	\$5.99	\$5.29
Milk			
Half Gal.	\$3.66	\$3.85	\$3.84
Gallon	\$5.99	\$5.72	\$5.65
8 oz.UHT	\$1.00	n.a	\$0.83
Yogurt			
4-6 oz. Greek	n.a.	\$1.25	n.a.
32 oz. Greek	\$3.39	\$3.13	\$3.12
4-6 oz. Yogurt	n.a.	n.a.	\$1.50
32 oz. Yogurt	\$4.29	\$3.36	\$2.62

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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

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	: Organic : <u>Price Range \$</u>
Organic Butter		1 lb	: 13.45 -
Organic Butter		8 oz	: 4.75 - 10.00

CHEESE

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	: Organic : <u>Price Range \$</u>
Organic Cheese	Cheddar - 2-4 year	8 oz	: 5.73 - 10.00
Organic Cheese	Cheddar - 5-9 year	8 oz	: 8.50 -
Organic Cheese	Cheddar - Medium	8 oz	: 4.52 - 5.50
Organic Cheese	Cheddar - Mild	8 oz	: 4.14 - 6.00
Organic Cheese	Cheddar - Sharp	8 oz	: 4.95 - 6.93
Organic Cheese	Colby	8 oz	: 5.25 - 6.29
Organic Cheese	Farmers	8 oz	: 4.00 - 6.00
Organic Cheese	Gouda	8 oz	: 12.00 -
Organic Cheese	Monterey Jack	8 oz	: 5.25 - 6.00
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 December 30 - January 10, 2020, issued monthly.