

ORGANIC DAIRY MARKET NEWS
Information gathered March 11—22, 2019

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 February 2019, organic whole milk utilization totaled 12.6 million pounds, down from 14.5 million pounds one year earlier, (-13.0 percent). The February 2019 butterfat content was 3.28 percent, slightly lower from 3.29 percent in 2018. Organic reduced fat milk utilization for February this year, about 15.1 million pounds, was down from 18.2 million pounds one year earlier, (-16.7 percent). Meanwhile, butterfat content was 1.33 percent, down from 1.34 percent last year.

Organic Milk Product Sales. The Agricultural Market Service (AMS) reports total organic milk products sales for January 2019 were 233 million pounds, down 1.3 percent from January 2018. Total organic whole milk sales for January 2019 are 99 million pounds, up 5.6 percent compared with January last year.

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

| Product Name | Sales | | Change ^{2/} | |
|----------------------------|-----------|------------|----------------------|---------------|
| | JAN. Mil. | Y-T-D Lbs. | Prev Yr. Percent | Y-T-D Percent |
| Whole Milk | 99 | 99 | 5.6 | 5.6 |
| Reduced Fat Milk (2%) | 75 | 75 | -0.2 | -0.2 |
| Low Fat Milk (1%) | 34 | 34 | -4.3 | -4.3 |
| Fat-Free Milk (Skim) | 18 | 18 | -20.7 | -20.7 |
| Flavored Fat-Reduced Milk | 6 | 6 | -27.8 | -27.8 |
| Other Fluid Milk Products | 0 | 0 | 3,062.1 | 3,062.1 |
| Total Fat-Reduced Milk 3/ | 133 | 133 | -6.2 | -6.2 |
| Tot. Organic Milk Products | 233 | 233 | -1.3 | -1.3 |

ORGANIC PRODUCTION PRACTICE

| Product Name | Sales | Change |
|----------------------------|-------|---------|
| Whole Milk | 99 | 5.6 |
| Reduced Fat Milk (2%) | 75 | -0.2 |
| Low Fat Milk (1%) | 34 | -4.3 |
| Fat-Free Milk (Skim) | 18 | -20.7 |
| Flavored Fat-Reduced Milk | 6 | -27.8 |
| Other Fluid Milk Products | 0 | 3,062.1 |
| Total Fat-Reduced Milk 3/ | 133 | -6.2 |
| Tot. Organic Milk Products | 233 | -1.3 |

^{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/} Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis.
^{3/} Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk composition.
^{4/} Year to Date Sales, Change from Previous Year, and Change in Year to Date figures are influenced by the shift of California from being administered by the California Department of Food and Agriculture (CDFA) to a Federal order (i.e., changes in product classification, etc.). The California Federal Milk Marketing Order became effective on November 1, 2018.

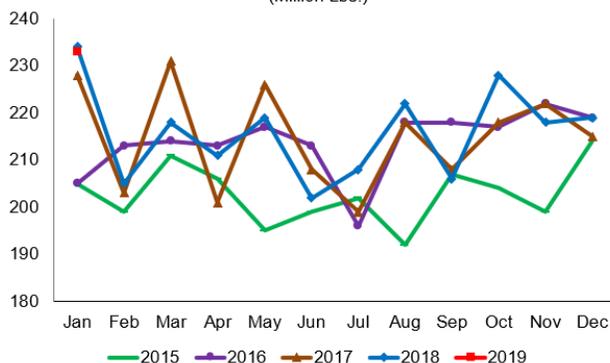
48.49 euros/100lt (\$55.28 USD), is reported 7.53 percent lower than a year ago, and down 3.14 percent from December 2018. France's average organic milk farm price for January 2019, 46.20 euros/100lt (\$52.67 USD), is 2.63 percent lower than January 2018, and 2.82 percent less than December 2018.

Retail Organic Milk Prices for Selected U.S. Cities. The March 2019 in-store surveys of selected supermarkets in twenty-nine U.S. cities reveal that the price of organic whole milk, in half gallon containers, ranges from \$3.14 in Houston, TX, to \$5.54 in St. Louis, MO. The U.S. simple average price for March is \$4.07. The biggest price decrease, over the previous month, occurred in Denver, CO, currently down \$0.20. Below is a table displaying the March 2019 price per half gallon of organic whole milk, for each of the 29 cities surveyed.



As collected by Federal milk order market administrators, based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains and the largest convenience store chain are surveyed. The price represents the most common brand in nonreturnable containers.

Estimated Total U.S. Sales of Organic Fluid Milk Products (Million Lbs.)



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

Organic Milk Pay Prices in Europe. According to CLAL, the most recent organic monthly milk pay price information reports declines for January 2019 in Germany, Austria and France when compared to December 2018. The organic milk farm price in Germany averaged 47.53 euros/100lt (\$54.18 USD), 2.78 percent lower than a year ago, and down 0.31 percent from a month earlier. In Bavaria, an important milk producing region of Germany, the average price is 47.96 euros/100lt (\$54.67 USD), 4.19 percent lower than one year earlier, and 0.25 percent down from the previous month. In Austria, January 2019 average organic milk farm prices,

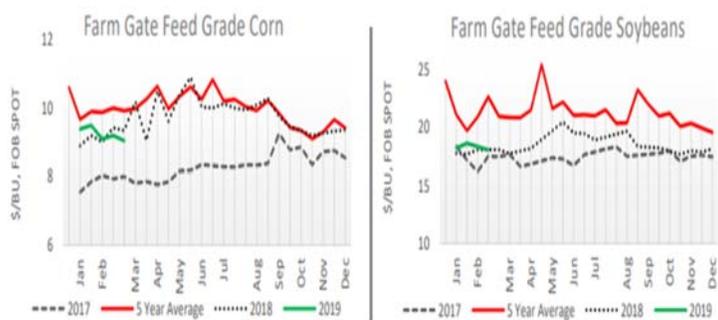
Five Open Seats on the National Organic Standards Board (NOSB). The advisory board handles a multitude of roles regarding USDA certified organic products. The NOSB is in search of candidates who have experience in: environmental protection, resource conservation, organic handling, organic retail trading, among others. The deadline for nominations is May 17, 2019. After filling out a nomination application (AD-755 application form), entries may be emailed to Michelle.Arsenault@usda.gov at the National Organic Program.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market Trend. Organic grain and feedstuff trading activity is moderate to light. The demand for organic feed grade corn is fairly moderate. The majority of market activity is on new crop forward contracting for Q4. Feed grade soybean trades are limited, although cash bidding remains steady. The demand and market activity for feed grade wheat is lighter at this time. Due to recent rain and snow melt, there are reports U.S. planting may be behind in the near term. For more additional information, access the link: <https://www.ams.usda.gov/mnreports/lbfnof.pdf>

ORGANIC DAIRY MARKET NEWS
Information gathered March 11—22, 2019

-CONTINUED FROM PAGE 8-

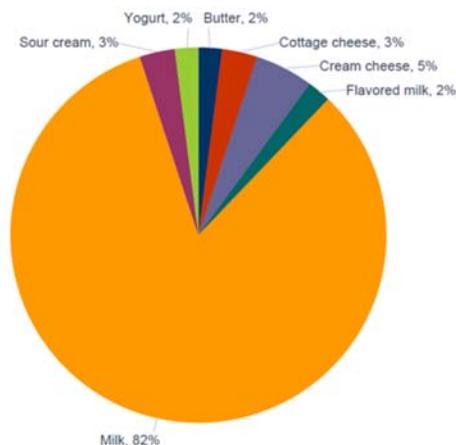


ORGANIC DAIRY RETAIL OVERVIEW

In the first week of spring, organic retail promotions improved by 68 percent. Organic cream cheese in 8 oz packages reported a big percentage increase in ads, at 118 percent. The Southeast region has the largest percentage shift for organic advertisements in the U.S. at this time, at +245 percent. For organic milk, half gallon packages published the biggest number of ads. Additionally, this week's organic half gallon pack milk prices rose by \$0.26 compared to last period's prices. The up-to-date retail milk price spread between organic and conventional half gallon milk is an organic premium of \$2.50. The price spread shifted up \$0.70 compared to the previous retail survey.

Organic cow milk ads, as a percent of the total advertisements for organic dairy products, stand at 82 percent. Some spring holiday products consist of organic cream cheese and sour cream that were widely advertised, revealing 5 and 3 percent this current ad period. The pie chart below displays percentages of all organic dairy commodities detailed in the ad survey.

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

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
(Dollars)**

| Commodity | This Week | Last Week | Last Year |
|----------------|-----------|-----------|-----------|
| Butter | 5.29 | 5.29 | n.a. |
| Milk | | | |
| Half Gal. | 4.35 | 4.09 | 4.71 |
| Gal. | 6.62 | n.a. | 6.50 |
| 8 oz. | 0.96 | 1.17 | n.a. |
| Yogurt | | | |
| 4-6 oz. Greek | n.a. | n.a. | 1.00 |
| 32 oz. Greek | n.a. | 3.50 | n.a. |
| 4-6 oz. Yogurt | 0.58 | 0.89 | 0.94 |
| 32 oz. Yogurt | 3.99 | 3.49 | 3.00 |

Complete results of the "National Retail Report-Dairy" and "Weekly National Organic Summary" are accessible using the following links:

- 1 <https://www.ams.usda.gov/mnreports/dybretail.pdf>
- 2 <https://www.ams.usda.gov/mnreports/lswnos.pdf>