

ORGANIC DAIRY MARKET NEWS

Information gathered August 26 - September 6, 2019

ORGANIC DAIRY FLUID OVERVIEW

U.S. Organic Milk Pay Price. The September 2019 farm gate organic milk pay price of a national organic dairy cooperative is \$29.24, with a twelve-month average price of \$31.30, based on 12.9 percent total solids. The organic pay price is the amount accepted by organic dairy producers who contract with a large national organic cooperative, and based on the geographic area where the organic milk is produced and whether it is grass milk.

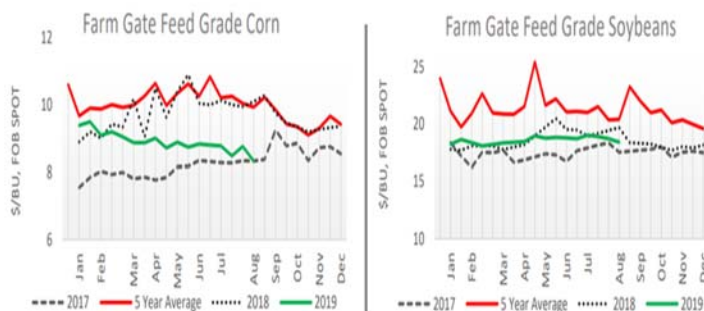
Dutch Organic Milk Pay Price. In the Netherlands, a large processor of organic milk announced the guaranteed price for organic milk increased from last month. The September 2019 price, 47.50 euros/100kg, (currently \$52.25 USD), is for organic milk with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent from a producer supplying an average of 600,000 kilos of organic milk annually

Organic Milk in Eco Friendly Packaging. An organic processor has added a new milk package to their line of products. The processor has introduced whole milk and chocolate whole milk in 8oz packages made from raw, renewable wood. Adding new packaging lines to the dairy industry provides additional shelf stable capabilities and limits waste in the environment. Additionally, the 8oz single serve packages are 100% recyclable.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. At this time, market conditions are light to moderate in the organic grain and feed marketplaces. Currently, the demand for organic feed grade corn and soybeans is limited to somewhat balanced. Spot sales traded at lower prices this period for organic feed grade corn and soybeans. Trading activities for food grade organic wheat are on the lighter side. The trades reported are soft red winter wheat. The demand for feed grade organic wheat is moderate. Additionally, spot transaction prices are higher. Trades are limited on all other organic grains.

Grower FOB Farm Gate Organic Grain									
Spot Transactions					Forward Contracts		Cash Bids		
Feed Grade	Unit	Price Range	Avg.	Change	Prior Year	Price Range	Delivery Period	Price Range	
Yellow Corn	\$/bu	7.65 - 9.00	8.32	-0.44	10.09	8.90 - 9.60	Aug-19 - Dec-19	7.75 - 9.00	
Soybeans	\$/bu	17.80 - 19.00	18.40	-0.30	19.67	N/A - N/A	N/A - N/A	19.00 - 19.00	
Wheat	\$/bu	N/A - N/A	N/A	N/A	9.09	N/A - N/A	N/A - N/A	N/A - N/A	



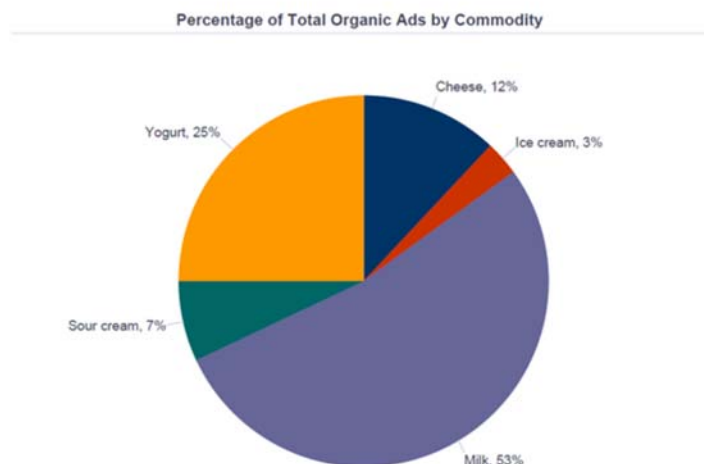
For more additional information, access the link:
<https://www.ams.usda.gov/mnreports/lbnoof.pdf>

ORGANIC DAIRY RETAIL OVERVIEW

As Labor Day has passed, organic retail advertisements dropped 19 percent compared to the prior survey week. Organic milk in half gallon packages decreased in ads, down 39 percent compared to the last reporting survey. Regionally, increases in ads were reported in the Northwest region. However, ad numbers are down 74 percent in the Southeast and down 58 percent in the Northeast regions.

The organic milk premium, the difference between the half gallon organic milk price and conventional milk price, \$1.86, shifted lower compared to the previous week's spread, \$2.09. The weighted average milk prices for organic and conventional half gallons this week are \$3.88 and \$2.02, respectively.

Organic milk is the front-runner in highest percentage in ad figures, at 53 percent, as a percentage of total organic ads by commodity. However, organic yogurt showed a strong percentage, at 25 percent, as a percentage of total organic ads by commodity this reporting period. The percentages of all advertised organic dairy products, gathered from the weekly retail survey, are shown in the pie chart below.



Data source: USDA Dairy Market News

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Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from September 6 - 12, 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.	\$6.32	\$5.30
Milk			
Half Gal.	\$3.88	\$4.12	\$4.23
Gal.	\$5.00	\$7.40	\$5.87
8 oz.UHT	n.a.	\$1.00	\$0.96
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$5.45	\$3.99	n.a.
4-6 oz. Yogurt	\$0.69	\$1.07	\$0.91
32 oz. Yogurt	\$3.67	\$3.96	\$3.49

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/dybretil.pdf>

² <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>