

ORGANIC DAIRY MARKET NEWS
Information gathered July 27 - August 7, 2020

ORGANIC DAIRY FLUID OVERVIEW

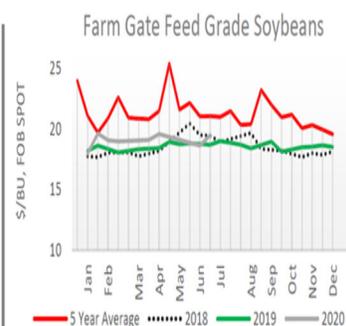
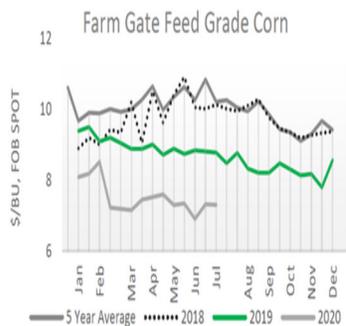
Organic Milk Sales Climb. While dairy, in general, recognizes a boost due to the COVID-19 pandemic, U.S. organic milk markets, specifically, are seeing sizable increases in retail sales. According to source reports, much of the key growth took place in Q1 2020 at the height of pandemic shopping. As well, reports show that the portion of total households consuming organic milk has grown 6 percent, in some areas, compared to the previous year during that period in those areas. Additionally, from January 2020 through June 2020, organic milk retail sales increased 23 percent year-over-year, compared to the same period the previous year.

Organic Cow Auction Prices. In a recent report of an Oregon livestock auction, organic cull cows sold for less than conventional cows. The average price for the top 10 organic cows auctioned was \$66.12 per hundredweight, compared to an average price of \$74.61 per hundredweight for the top 10 conventional cows auctioned.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

National Organic Grain Feedstuff. This period, trade activity is moderate on light demand for organic feed grade corn. Buyers/sellers are trading 11 cents higher F.O.B. Forward contracting is limited. Test weights for the corn have been reported anywhere from the high 40s to low 50s, while impacting the market prices. Weighted average spot market prices for organic feed grade corn picked up at the farm are 1.06 lower than the same period last year. Organic feed grade soybeans exchanges are light on good demand. The bulk of trade activity has been forward contracts for Q4 2020. The current weighted average prices for organic feed grade soybeans delivered elevator are 1.37 higher than the same period last year. Trade activity and demand are light to moderate for organic feed grade wheat. Trading is sluggish 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	6.70 - 8.15	7.41	0.11	8.47	N/A - N/A	N/A - N/A	N/A - N/A	
Soybeans	\$/bu	N/A - N/A	N/A	N/A	18.87	N/A - N/A	N/A - N/A	N/A - N/A	
Wheat	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	N/A - N/A	
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	

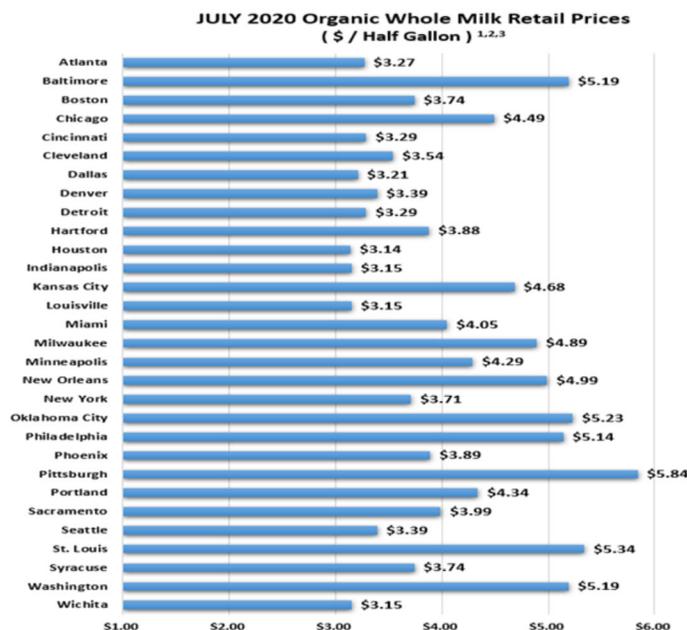


For more additional information, access the links: <https://www.ams.usda.gov/mnreports/lbfnof.pdf>

ORGANIC DAIRY RETAIL OVERVIEW

Organic Milk Retail Prices for Selected U.S. Cities. The July 2020 in-store surveys of supermarkets in selected U.S. cities show that prices for organic whole milk in half gallon containers range from \$3.14 in Houston, TX to \$5.84 in Pittsburgh, PA. Surveyed cities that experienced noteworthy jumps in prices were Philadelphia, PA. and New Orleans, LA., up 70 cents from June 2020 in both cities. While the majority of municipalities posted no change or increases in organic whole milk prices, Syracuse, NY price declined 50 cents, while Chicago, IL. and St. Louis, MO. both saw a 15 cents decline in the organic milk retail price. The U.S. simple average price for July is \$4.09, up 7 cents from the previous month. Overall, organic milk retail prices are steady to higher.

The graph below displays July 2020 organic half gallon whole milk price for each of the selected cities that were surveyed.



¹As 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 are surveyed. The price represents the most common brand in nonreturnable containers. ²The California Order became effective November 1, 2018. Retail price data for Sacramento, CA, became available beginning in February 2020. ³Simple average of monthly prices.

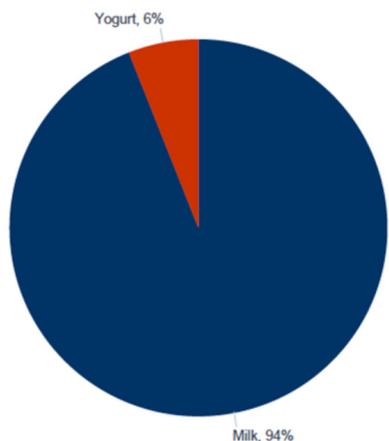
Organic Retail Ad Summary. This week, retail advertisements for organic dairy products declined slightly, 3 percent, compared to the previous week. The individual categories of organic dairy products that placed ads in surveyed stores this period include organic milk and organic yogurt. The ad numbers for organic milk, gallon containers, strengthened 331 percent across the country. But, the larger volume of ads posted were for half gallon containers, nearly 4 times more than the gallon ad volume. Overall, organic milk retail ads grew 53 percent. The organic premium, the difference between the half gallon organic milk price, \$4.11, and half gallon conventional milk price, \$1.71, is \$2.40 this period, an increase of 59 cents from the previous survey. Each region posted ads this survey period. The largest volumes of ads were in the Southwest retail stores, followed by Northeast retail stores. Meanwhile ads increased 604 percent in the Midwest as the Southwest region rose 279 percent.

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Each advertised organic dairy product and ad percentages, from the most recent survey, are shown in the pie chart below.

Percentage of Total Organic Ads by Commodity



Data source: USDA AMS Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from August 7 – 13, 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.	\$6.99	\$5.99
Cream Cheese	n.a.	\$2.50	\$2.69
Milk			
Half Gal.	\$4.11	\$3.79	\$4.07
Gallon	\$6.24	\$6.99	\$6.22
8 oz.UHT	\$1.01	n.a.	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	n.a.	\$4.99	\$5.20
4-6 oz. Yogurt	n.a.	n.a.	\$1.00
32 oz. Yogurt	\$3.00	\$2.99	\$3.50

Data source: USDA Dairy Market News