

ORGANIC DAIRY MARKET NEWS

Information gathered April 8 - 19, 2019

ORGANIC DAIRY FLUID OVERVIEW

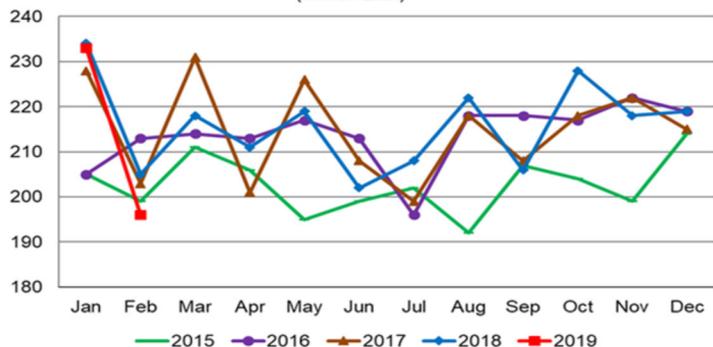
Organic Milk Product Sales. AMS reports total organic milk product sales for February 2019 were 196 million pounds, down 4.3 percent. The decline represents the largest January to February dip, over the last five years. Total organic whole milk products sales for February 2019, 84 million pounds, were up 2.0 percent from the previous year and up 3.9 percent year-to-date over the same period in 2018.

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

Product Name	Sales ^{2/}		Change ^{4/}	
	February (Mil. Lbs.)	Y-T-D ^{3/}	Prev Yr.	Y-T-D (Percent)
ORGANIC PRODUCTION PRACTICE				
Whole Milk	84	183	2.0	3.9
Reduced Fat Milk (2%)	62	137	-5.1	-2.5
Low Fat Milk (1%)	27	61	-7.7	-5.8
Fat-Free Milk (Skim)	15	33	-22.3	-21.4
Flavored Fat-Reduced Milk	8	14	-6.5	-17.7
Other Fluid Milk Products	0	0	7.4	1,738.8
Total Fat-Reduced Milk ^{3/}	12	245	-8.6	-7.3
Tot. Organic Milk Products	196	429	-4.3	-2.7

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 Data may not add due to rounding. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk. 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.

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



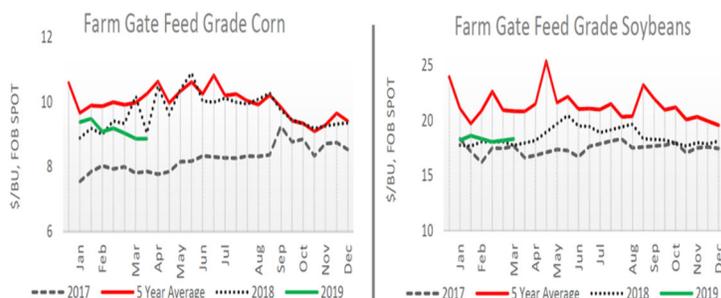
New England Organic Milk Sales and Sourcing. Federal Milk Market Order 1 in New England reports utilization of types of organic milk by pool plants. During February 2019, organic whole milk utilization totaled 12.6 million pounds, down from 14.5 million pounds one year earlier. The February 2019 butterfat content was 3.28 percent, a slight decline from 3.29 percent in 2018. Organic reduced fat milk utilization for February this year, 15.1 million pounds, was down from 18.2 million pounds one year earlier. Butterfat content was 1.33 percent, declining from 1.34 percent the previous year.

USDA Announces Dairy Industry Support Program. This week, the U.S. Department of Agriculture (USDA) announced \$1.5 million in competitive grant funding is available for the Dairy Business Innovation (DBI) Initiatives. The program supports efforts to reduce risk and develop higher-value uses for dairy products, diversify farmer income through processing and marketing innovation, and encourage the use of regional milk production.

Organic Milk Pay Prices in Europe. According to CLAL, averages for the February 2019 organic monthly milk pay price were mixed in the EU. The monthly average organic milk farm price in Germany was 47.65 euros/100lt (\$53.83 USD), down 2.70 percent compared to the previous year, but up 0.19 percent from last month. Bavaria, an important milk producing region of Germany had a monthly average pay price of 47.95 euros/100lt (\$54.17 USD), 4.20 percent lower than one year earlier and 0.02 percent below the previous month. In France, the average organic milk farm price for the month of February 2019, 46.20 euros/100lt (\$54.68 USD), is 1.45 percent lower than the previous year and 0.93 percent below January 2019.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Trading between buyers/sellers in feed grade corn markets was moderate on fairly light demand. All other organic grain markets were sluggish. Organic import data reported by the USDA Foreign Agriculture Service (FAS) show 2018 corn imports totaled 8.7 million bushels, down 43 percent compared to 2017. Soybean imports were down 25 percent, and durum wheat imports are down 42 percent.



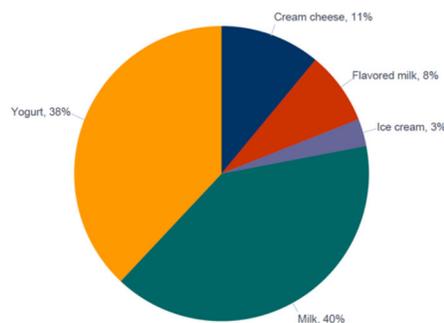
For more additional information, access the link: <https://www.ams.usda.gov/mnreports/lbnoF.pdf>

ORGANIC DAIRY RETAIL OVERVIEW

This survey period, organic retail advertisements declined 8 percent, compared to the previous period. Regionally, the largest change in ads was reported in the Northwest, up 294 percent. However, the South Central region noted the largest decline, 64 percent. Based on volume of ads, the Southeast region posted more retail organic ads.

Organic ice cream saw the largest jump in ad numbers, increasing 52 percent, with a \$1.00 jump in the average retail price. Organic milk ads declined 12 percent, but maintained the largest volume of ads for a commodity, followed by organic yogurt, which also saw a drop in ads, 11 percent. The milk price spread between organic and conventional half gallon milk represents an organic premium of \$2.27, up \$0.35 cents from last week.

Percentage of Total Organic Ads by Commodity



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-CONTINUED FROM PAGE 8-

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from April 19-25, 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**

(Dollars)

Commodity	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
Butter	n.a.	3.99	4.98
Milk			
Half Gal.	4.27	4.11	3.84
Gal.	5.15	n.a.	6.88
8 oz.	1.00	1.00	0.97
Yogurt			
4-6 oz. Greek	n.a.	n.a.	1.25
32 oz. Greek	6.99	6.33	4.66
4-6 oz. Yogurt	n.a.	1.11	1.25
32 oz. Yogurt	3.09	3.10	3.50

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/dybretail.pdf>

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