

ORGANIC DAIRY MARKET NEWS

Information gathered February 10-21, 2020

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 January 2020, organic whole milk utilization totaled 11.5 million pounds, down from 15.2 million pounds one year earlier. The January 2020 butterfat content was 3.28 percent, the same as one year earlier. Organic reduced fat milk utilization for January 2020, 12.5 million pounds, declined from 19.6 million pounds one year earlier. Meanwhile, butterfat content was 1.39 percent, up from 1.35 percent the previous year.

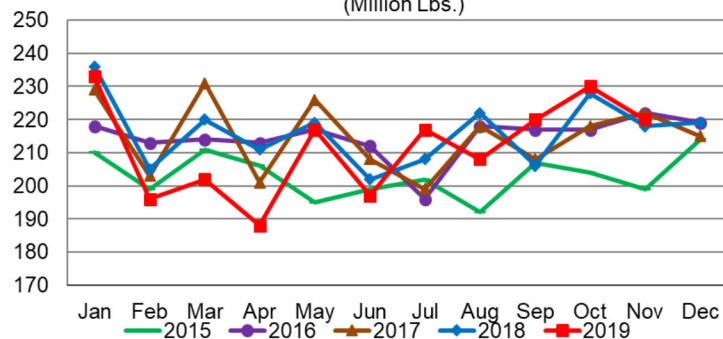
Estimated Organic Milk Sales. The Agricultural Marketing Services (AMS) reports estimated US sales of total organic milk products are up from a year earlier. November 2019 sales rose 1 percent to 220 million pounds, from a year ago, but year-to-date sales fell 2.0 percent compared to 2018. Organic whole milk sales in November, 100 million pounds, were up 7.8 percent compared to a year earlier and up 4.7 percent compared to year-to-date in 2018. Reduced fat milk (2%) sales, 72 million pounds, climbed 3.2 percent over a year ago, while year-to-date sales increased 1 percent.

ESTIMATED TOTAL U.S. SALES OF ORGANIC FLUID MILK PRODUCTS November 2019, with comparisons^{1/}

Product Name	Sales ^{1/}		Change	
	<u>November</u>	<u>Y-T-D^{4/}</u>	<u>Prev Yr.^{4/}</u>	<u>Y-T-</u>
<u>D^{4/}</u>	<i>(million pounds)</i>		<i>(percent)</i>	
ORGANIC PRODUCTION PRACTICE				
Whole Milk	100	1,012	7.8	4.7
Reduced Fat Milk (2%)	72	765	3.2	1.0
Low Fat Milk (1%)	25	298	-13.7	-13.8
Fat-Free Milk (Skim)	15	171	-13.7	-18.2
Flavored Fat-Reduced Milk	7	81	- 8.0	-13.6
Other Fluid Milk Products	0	1	- 60.7	24.8
Total Fat-Reduced Milk ^{3/}	119	1,315	- 3.9	- 6.5
Tot. Organic Milk Products	220	2,327	1.0	- 2.0

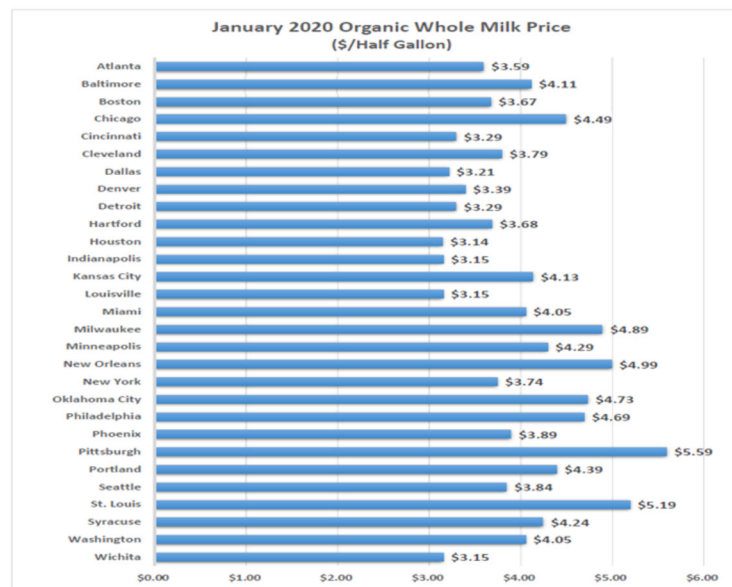
¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order data. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ² Data may not add due to rounding. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, low-fat, skim and flavored fat-reduced milk. ⁴ Year to Date Sales, Change from Previous Year, and Change in Year to Date figures include the addition of the California Federal Milk Order, which also includes several changes in product classification. The California Federal Milk Marketing Order became effective on November 1, 2018.

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



Retail Organic Milk Prices for selected U.S. Cities. The January 2020 in-store surveys of selected supermarkets in twenty-nine U.S. cities reveal that the price of organic whole milk, in half gallon containers, range from \$3.14 in Houston, TX. to \$5.59 in Pittsburgh, PA. The U.S. simple average price for January is \$3.99.

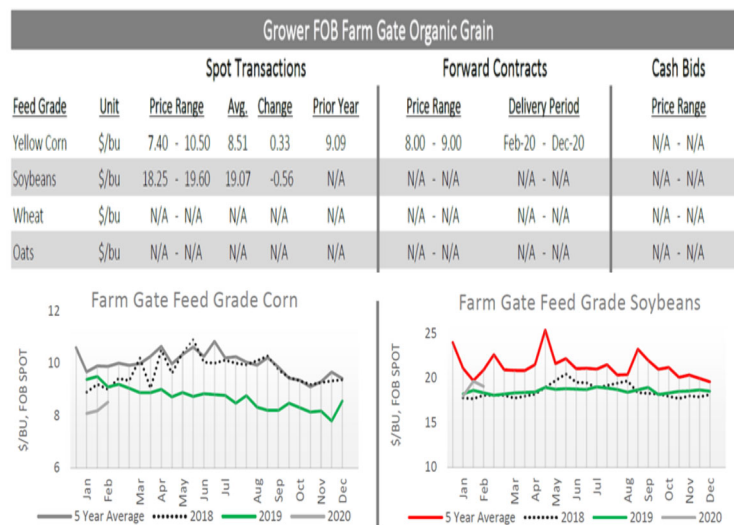
Below is a table displaying the January 2018 price per half gallon of organic whole milk, for each of the 29 cities surveyed.



¹ 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.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

National Organic Grain and Feed Markets. Trade activity and demand are moderate in the organic feed grade corn market. Transactions are 33 cents higher with a slightly higher volume of forward contracts. Markets for organic feed grade soybeans are seeing steady activity with moderate demand as trades occur 56 cents lower. Activity on all other organic grains are too limited to report. Organic feed grade soybean oil still trades around 76 cents/lb. FOB the crusher.



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

Organic Grain and Feed Imports. The USDA Foreign Agricultural Service (FAS) posted December 2019 organic import numbers. Import volumes year-to-date- were reported as: Organic Corn 6,416,250.60 bu; Organic Soybeans 9,925,625.10 bu; Organic Durum Wheat 1,113,870.69 bu.

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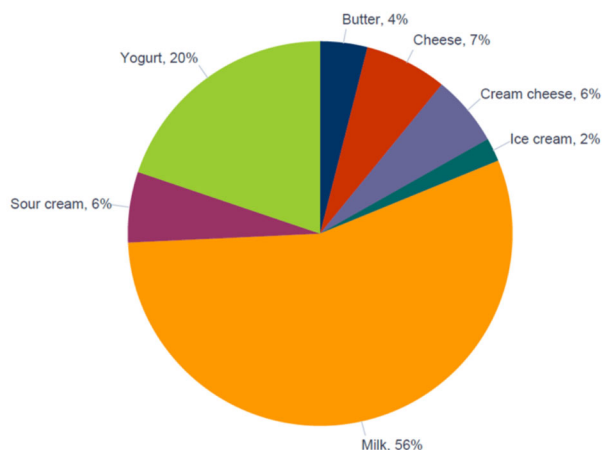
ORGANIC DAIRY RETAIL OVERVIEW

This week, total organic dairy ads at surveyed supermarket outlets increased 12 percent. Cream cheese ads increased 100 percent, with a weighted average price increase of 50 cents. Ad numbers dropped for organic butter, 1 pound; organic cheese, 8 ounce shreds; organic Greek yogurt, 32 ounces; organic yogurt, 32 ounces. Overall, organic milk ads increased 16 percent compared to the previous week, while organic cheese and organic yogurt ads decreased 36 and 9 percent, respectively.

The retail milk price spread between organic and conventional half gallon milk represents an organic premium of \$0.93, a decline of \$1.17 compared to last week. A year ago, the reported price spread displayed an organic premium of \$2.18.

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

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from January 31 – February 6, 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	\$5.63	\$5.49	\$4.99
Milk			
Half Gal.	\$3.81	\$4.17	\$4.07
Gallon	\$6.48	\$5.99	\$5.31
8 oz.UHT	\$1.25	\$1.00	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$4.43	\$4.37	n.a.
4-6 oz. Yogurt	n.a.	n.a.	\$0.79
32 oz. Yogurt	\$3.31	\$3.34	\$3.76