

ORGANIC DAIRY MARKET NEWS

Information gathered July 15 - 26, 2019

ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Product Sales. The Agricultural Marketing Service (AMS) report estimated sales of total organic fluid milk products decreased from a year earlier. May 2019 total organic milk products sales were 217 million pounds, down 0.7 percent from May 2018 and down 5.0 percent compared to January-May 2018. Total organic whole milk products sales for May 2019, 90 million pounds, were up 2.4 percent compared with May last year and up 0.2 percent compared with the year-to-date in 2018. May low fat milk (1%) sales declined 19.6 percent from the previous year.

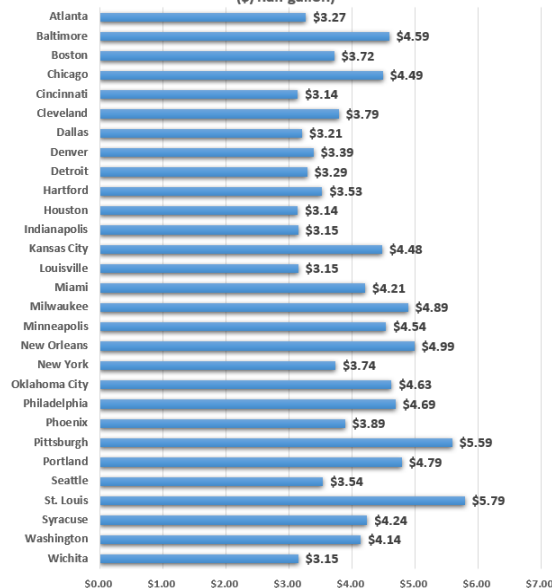
ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, May 2019, WITH COMPARISONS^{1/}

Product Name	Sales ^{2/}		Change	
	May	Y-T-D ^{4/}	Prev Yr ^{4/}	Y-T-D ^{4/}
	(million pounds)			(percent)
ORGANIC PRODUCTION PRACTICE				
Whole Milk	90	441	2.4	0.2
Reduced Fat Milk (2%)	75	333	7.5	-3.7
Low Fat Milk (1%)	28	146	-19.6	-9.2
Fat-Free Milk (Skim)	16	78	-17.7	-21.8
Flavored Fat-Reduced Milk	9	37	14.9	-13.7
Other Fluid Milk Products	0	0	13.0	-33.9
Total Fat-Reduced Milk ^{3/}	128	594	-2.8	-8.5
Total Organic Milk Products	217	1,036	-0.7	-5.0

^{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, lowfat, 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.

Organic Milk Retail Prices. The July 2019 in-store survey of selected supermarkets, in twenty-nine U.S. cities, revealed that the simple average July 2019 cost for organic whole milk in half-gallon containers was \$4.04. The average cost declined 3 cents from the previous month. The organic whole milk price ranged from \$3.14 in Houston, TX. to \$5.79 in St. Louis, MO. The market posting the largest July price increase, from the previous month, was St. Louis, MO, up \$0.20, while the steepest decline in price occurred in New York, NY, down \$0.41.

July 2019 Organic Whole Milk Price (\$/half gallon)



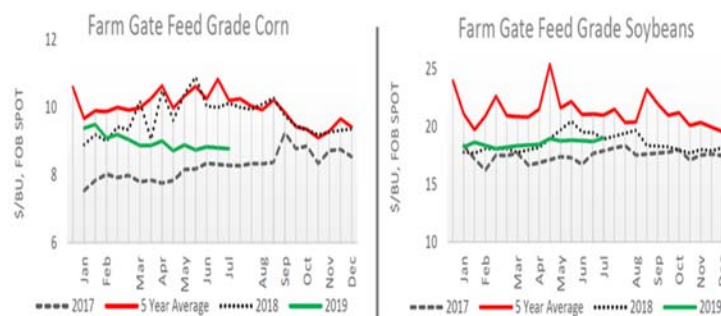
Organic Milk Development. A major organic dairy co-operative has commenced marketing activities, nationwide, around its new product, organic ultra-filtered milk. The ultrafiltration process filters the USDA certified milk, reducing lactose in the milk. Consequently, value added benefits include less sugar, higher protein content, and longer shelf life. With annual declines in milk sales, the organic dairy sector continues to look for different innovative ways to spur growth.

Organic Cow Auction Prices. A July 24, 2019 cow slaughter report, of a livestock auction in Oregon, showed that organic cows were sold for an average of \$48.99 per cwt.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Overall, this week market trading was light on moderate demand. Feed grade organic corn traded 3 cents lower with no activity on forward contracting. Feed grade soybeans traded 30 cents higher on light volumes. Trade was inactive 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	8.40 - 9.00	8.77	-0.03	10.12	N/A - N/A	N/A - N/A	8.50 - 9.00
Soybeans	\$/bu	19.00 - 19.00	19.00	0.30	18.90	N/A - N/A	N/A - N/A	18.00 - 18.00
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	7.25 - 7.25



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

Crop Weather Update. According to *USDA/WAOB*, rain fell most heavily in parts of the Delta and the Corn Belt, with some areas receiving more than 4 inches. The Great Lakes, Great Plains, New England, and Southwest were warmer than normal for the week, with temperatures averaging 4 degrees Fahrenheit or more above normal in many places. In contrast, temperatures were 2 degrees or more below normal in parts of California, the Delta, Pacific Northwest, and northern Rocky Mountains. Meanwhile, due to weather related conditions that impact organic and conventional crops, the nation's corn acreage is 35 percent near the silking stage, 43 percentage points behind last year and 31 points behind the 5-year average. Soybean crop reports show 40 percent of the nation's acreage had reached the blooming stage, 36 percent behind last year and 26 percent behind the 5-year average.

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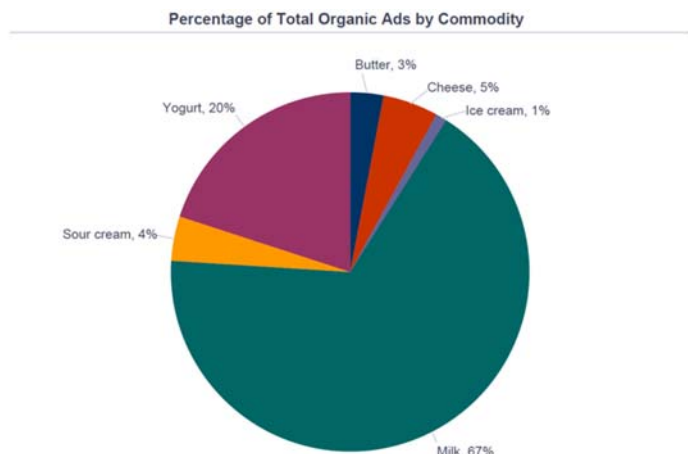
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ORGANIC DAIRY RETAIL OVERVIEW

Organic retail advertisements soared 174 percent over the past week's number, with the push deriving from a 208 percentage point change in half gallon organic milk ads, and a 128 percent shift in organic gallon ad numbers. Six different organic items that did not circulate ads the previous period, posted in retail stores this week.

Ad numbers for the main organic commodities, which include cheese, milk and yogurt, all showed percentage increases in retail ad numbers. Organic milk improved 204 percent, organic yogurt grew 253 percent, and organic cheese ads increased 152 percentage points. Regionally, store ads for organic dairy products also improved. Only Hawaii saw ads decrease over last week.

Organic ice cream ads represent 1 percent of total organic ads by commodity. 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

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from July 26 - August 01, 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	\$5.99	n.a.	\$4.99
Milk			
Half Gal.	\$3.63	\$3.49	\$4.64
Gal.	\$5.47	\$5.45	\$5.79
8 oz.UHT	\$1.25	n.a.	\$0.97
Yogurt			
4-6 oz. Greek	\$1.18	n.a.	n.a.
32 oz. Greek	\$3.50	n.a.	n.a.
4-6 oz. Yogurt	\$0.69	\$0.58	\$1.04
32 oz. Yogurt	\$3.29	\$3.71	\$3.56

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>

DIRECT TO CONSUMER ORGANIC DAIRY PRODUCTS PRICES

The following tables identify U.S. price range results from a Dairy Market News national survey of publicly available prices of organic dairy products, available from farmstead outlets and online. There may be prices offered outside of the price range which were not identified by the survey. These are cows' milk products.

BUTTER				
Commodity	Type	Pack Size	Organic	
			Price Range \$	
Organic Butter		1 lb	13.45 -	
Organic Butter		8 oz	4.75 - 10.00	
CHEESE				
Commodity	Type	Pack Size	Organic	
			Price Range \$	
Organic Cheese	Cheddar - 10 year	8 oz	11.00 -	
Organic Cheese	Cheddar - 11-14 year	8 oz	14.00 -	
Organic Cheese	Cheddar - 2-4 year	8 oz	5.73 - 6.93	
Organic Cheese	Cheddar - 5-9 year	8 oz	8.50 -	
Organic Cheese	Cheddar - Medium	8 oz	4.52 - 8.00	
Organic Cheese	Cheddar - Mild	8 oz	4.14 - 8.50	
Organic Cheese	Cheddar - Sharp	8 oz	4.95 - 12.00	
Organic Cheese	Colby	8 oz	5.25 - 8.00	
Organic Cheese	Farmers	8 oz	4.00 - 6.00	
Organic Cheese	Gouda	8 oz	12.00 -	
Organic Cheese	Monterey Jack	8 oz	5.25 - 8.00	
Organic Cheese	Mozzarella	8 oz	4.50 - 12.50	
Organic Cheese	Muenster	8 oz	6.00 -	
Organic Cheese	Pepper Jack	8 oz	12.50 -	
Organic Cheese	Curds	Per Lb	6.80 - 12.00	

Information for the period July 15 - July 26, 2019, issued monthly.