

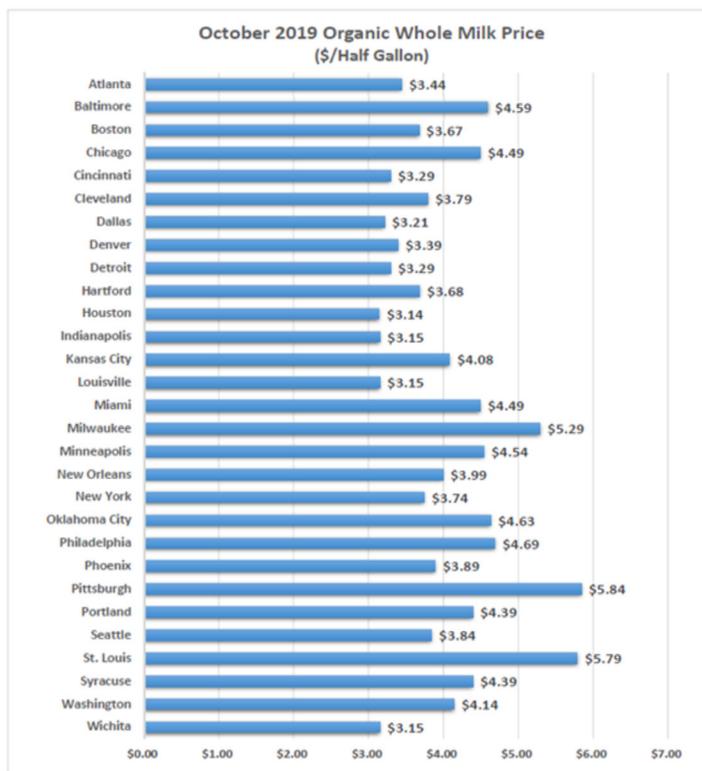
ORGANIC DAIRY MARKET NEWS
Information gathered October 21 - November 1, 2019

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 September 2019, organic whole milk utilization totaled 15.9 million pounds, up from 14.8 million pounds one year earlier. September 2019 butterfat content was 3.28 percent, unchanged from 2018. Organic reduced fat milk utilization for September this year, 15.2 million pounds, was down from 18.5 million pounds one year earlier. Meanwhile, butterfat content was 1.41 percent, up from 1.36 percent last year.

Retail Organic Milk Prices for selected U.S. Cities. The October 2019 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 \$5.84 in Pittsburgh, PA. The average price increased \$0.39, over the previous month, in Minneapolis, MN, but declined \$0.50 in New Orleans, LA. The U.S. simple average price for September is \$4.04.

The bar table below displays the October 2019 prices per half gallon of organic whole milk, for each of the 29 cities surveyed.



U.S. Organic Milk Pay Price. A national organic dairy cooperator's October 2019 farm gate pay price, per cwt., is \$29.24. The organic milk pay price received by organic dairy producers is based on the geographic area where the milk is produced, with a twelve-month average price of \$31.30, based on 12.9 percent representation of total solids.

Dutch Organic Milk Pay Price. In the Netherlands, the November organic milk pay price is 47.00 euros/100kg (currently \$52.37 USD), with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent. The amounts are applicable to an average supply of 600,000 kilograms of organic milk annually by a major producer.

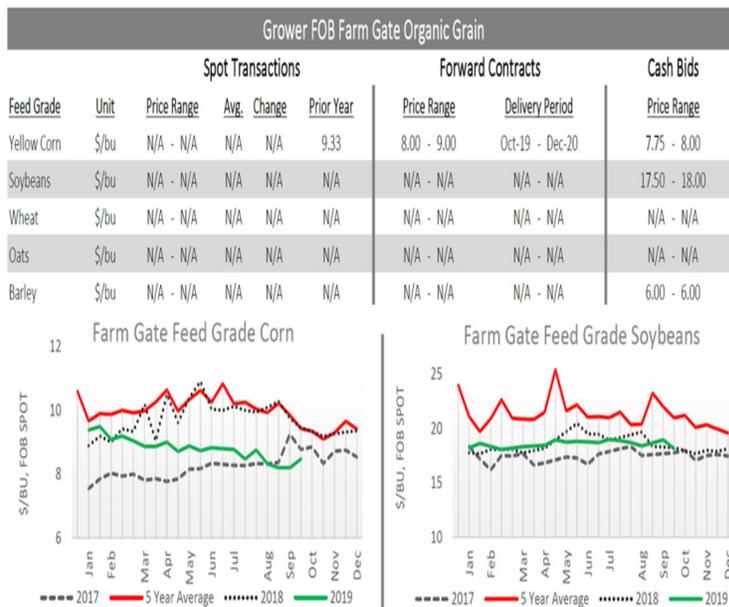
Organic Cow Auction Prices. An October 28, 2019 slaughter cow report, from a livestock auction in Oregon, showed that top 10 organic cows sold for an average of \$45.87 per cwt. Comparatively, conventional cows traded at an average of \$66.96 per cwt.

Organic Milk Emphasis on Kids. A U.S. organic milk processor has introduced a new organic whole milk product, which will be marketed to specifically provide key nutrient needs to children in the age one to five category.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Feed grade organic corn markets show rather active trading alongside moderate demand. Most transactions are taking place through forward contracting. Organic feed soybean exchanges are light in most markets. Offers are settling at 19.00, delivered elevator. Organic feed grade wheat transactions are moderate on moderate demand. Markets for organic food grade wheat have firmed for proteins 12 percent and higher. Sources report trading on all other organic grain markets is inactive.

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



Organic Feed Research. Organic feed can be one of the largest costs for organic livestock producers. Consider the excessive rainy conditions this spring that has impacted planting, silages, and causes the existing uncertainty in crop quality. Reductions in yield are occurring across prime growing areas across the states. As such, some sources are currently suggesting that organic feed imports may see a spurt in U.S. demand. As well, it's been noted that organic agriculture is growing much faster than the land is transitioning to organic. With that said, a U.S. pioneer in organic research will begin a study to support organic production. The project promotes regenerative organic farming methods, which does not involve use of synthetic chemicals, improves the use of cover crops and crop rotations, develops crop diversity, and minimizes soil disruptions through practices such as tillage. By addressing these challenges and barriers to organic feed, crop, and livestock production, the project planners look to enhance organic crop production in the U.S.

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ORGANIC DAIRY RETAIL OVERVIEW

This survey period, total organic retail advertisements grew 43 percent over the previous week, sparked by a 979 percent increase in the Southwest ad volume. Further, the Northeast drove ad volume while posting a 98 percent increase in organic retail advertisements.

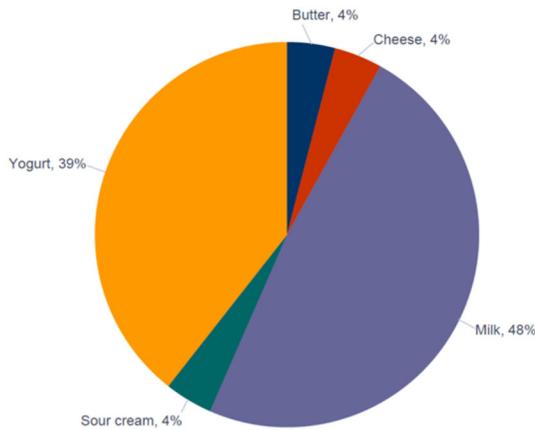
When considering the primary organic dairy commodities, organic milk ads shifted upward 32 percent and organic yogurt ads increased 38 percent. Organic cheese advertisements were limited. Generally, prices for organic dairy shifted lower. However, 16 ounce sour cream and gallon size milk saw increases, 49 cents and 54 cents, respectively.

An increase in the price spread is noted between the organic and conventional half gallon milk. The organic milk price \$4.11, and the conventional price, \$1.79, led to a \$2.32 organic premium, compared to \$2.20 organic premium the previous week. A year ago, the organic price premium was \$2.01.

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>

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 November 1-7, 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	\$4.99	n.a.	\$5.20
Milk			
Half Gal.	\$4.11	\$4.19	\$3.83
Gallon	\$5.97	\$5.43	\$5.99
8 oz.UHT	n.a.	n.a.	\$1.08
Yogurt			
4-6 oz. Greek	n.a.	\$1.17	\$0.08
32 oz. Greek	\$3.91	\$4.17	\$3.00
4-6 oz. Yogurt	\$1.25	\$1.33	\$1.49
32 oz. Yogurt	\$3.23	\$3.31	\$3.99