

ORGANIC DAIRY MARKET NEWS
Information gathered December 31, 2018 - January 11, 2019

ORGANIC DAIRY FLUID OVERVIEW

U.S. Organic Milk Pay Prices. The January 2019 farm gate organic milk pay price is \$32.42, with a twelve-month average price of \$31.30, based on a 12.9 percent representation of total solids. The organic pay price is the amount accepted by those organic dairy producers who contract with a large national organic cooperative, while based on the geographic area where the organic milk is produced and whether it is organic grassmilk.

Organic Milk Pay Prices in Europe. According to CLAL, the most recent organic monthly milk pay price information notes advances for October 2018 in Germany and Austria, but saw a decrease in France. The organic milk farm price in **Germany** averaged 47.71 euros/100lt (\$54.99 USD), 3.05 percent lower than a year ago, but up 0.78 percent from a month earlier. In **Bavaria**, an important milk producing region of Germany, the average price is 48.05 euros/100lt (\$55.38 USD), 3.86 percent lower than one year earlier, but 1.20 percent above the previous month. In **Austria**, October 2018, average organic milk farm prices, 44.21 euros/100lt (\$50.96 USD), is reported 10.58 percent lower than a year ago, but up 1.10 percent from September 2018. **France's** average organic milk farm price for October 2018, 47.76 euros/100lt (\$55.05 USD), is 0.14 percent higher than October 2017, but 1.07 percent less than September 2018.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

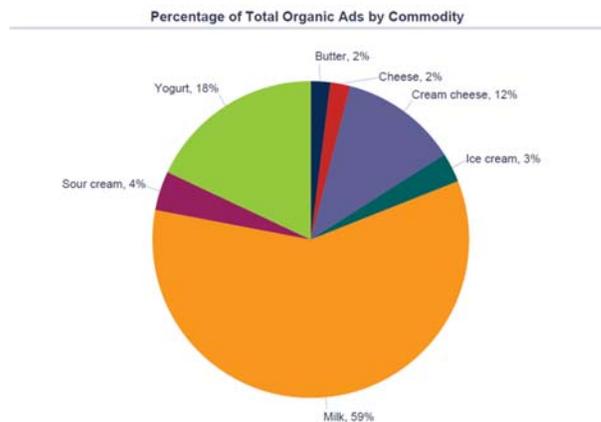
Organic Grain and Feed Market Trend. Activity is fairly limited this first reporting period of the new year. However, a few anecdotal comments from market sources suggest some softness in the organic corn price, while the organic soybean price conveys a slight firmness.

Organic Grain				
Commodity	Specifications	Units	Price Range	Average Price
Yellow Corn	Feed Grade #2	\$/bushel	8.75 - 10.50	9.36
	Food Grade #2	\$/bushel	NA - NA	NA
Yellow Soybeans	Feed Grade #1	\$/bushel	18.00 - 18.60	17.14
	Food Grade #1	\$/bushel	NA - NA	NA

ORGANIC DAIRY RETAIL OVERVIEW

Coming off the holidays, total organic retail promotions decreased 17 percent. Organic cream cheese displayed the biggest increase in ads, 318 percent. As well, prices dropped 33 percent for the 8 oz pack size from the previous survey period. For organic milk, half gallon packages posted the largest volume of advertisements. The current retail milk price spread between organic and conventional half gallon milk is an organic premium of \$1.59. The price spread bumped up 14 cents compared to the previous retail survey.

At this time, organic milk ads surpass all other organic dairy commodities, reporting 59 percent of the total organic dairy advertisements. New January promotions, for organic yogurt and cream cheese, represent 18 and 12 percent of the total organic ads by commodity, respectively. The pie chart below displays percentages of all organic dairy commodities detailed in the ad survey.



Data Source: USDA Dairy Market News

Complete results of this bi-weekly survey providing additional graphs, tables, can be accessed at: <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>. Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from January 11-17, 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	This Week	Last Week	Last Year
Butter	5.29	5.63	n.a.
Milk			
Half Gal.	3.84	3.91	3.88
Gal.	5.65	6.18	5.53
8 oz.	0.83	n.a.	1.00
Yogurt			
4-6 oz. Greek	n.a.	1.25	n.a.
32 oz. Greek	3.12	4.48	4.59
4-6 oz. Yogurt	1.50	0.73	1.29
32 oz. Yogurt	2.62	3.01	3.30

Complete results of the "National Retail Report-Dairy" and "Weekly National Organic Summary" are accessible using the following links:

1 <https://www.ams.usda.gov/mnreports/dybretil.pdf>

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

Organic High-Protein Milk Launched. A major organic milk retailer has expanded its line of organic products to include organic high-protein milk. Protein is popular among body builders, baby boomers, and athletes. In the U.S., 55 percent of consumers say high protein is an important attribute to consider when buying food for their households. Studies also reveal that 58 percent of consumers prefer traditional dairy protein. Consequently, the organic higher protein milk option, which beforehand was absent, looks to collar that demand.

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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

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	<u>Organic Price Range \$</u>
Organic Butter		1 lb	9.50 - 13.45
Organic Butter		8 oz	4.75 - 10.00

CHEESE

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	<u>Organic Price Range \$</u>
Organic Cheese	Cheddar - 10 year	8 oz	11.00 -
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 - 6.00
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	5.50 - 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 December 31, 2018 - January 11, 2019, issued monthly