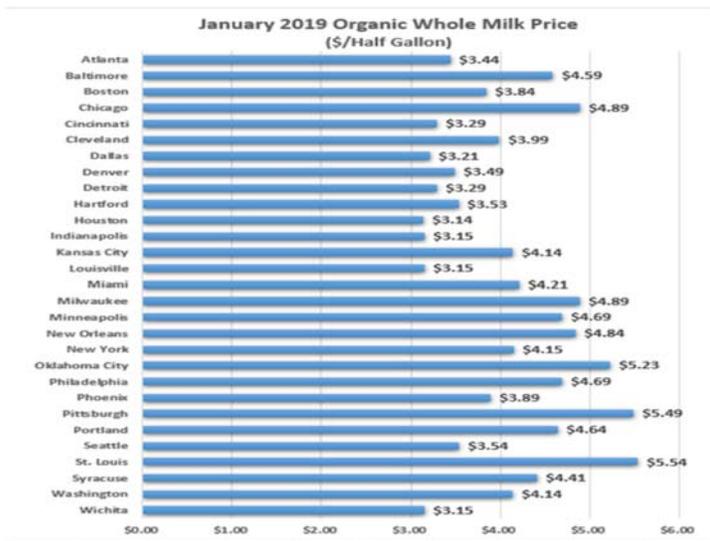


ORGANIC DAIRY MARKET NEWS
Information gathered January 14 - 25, 2019

ORGANIC DAIRY FLUID OVERVIEW

Retail Organic Milk Prices for Selected U.S. Cities. The January 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, ranges from \$3.14 in Houston, TX to \$5.54 in St. Louis, MO. The U.S. simple average price for January is \$4.09. The organic half gallon whole milk price dipped \$0.34 in Indianapolis, IN, but rose \$0.60 in Oklahoma City, OK., compared to December 2018. The table below displays the 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 Milk Product Sales. The Agricultural Market Service (AMS) reports total organic milk products sales, for November 2018, were 218 million pounds, down 1.8 percent from November 2017, but up 0.5 percent, January-November this year, compared with the same period in 2017. Total organic whole milk sales for November 2018, 93 million pounds, were up 5.1 percent compared with November last year and up 4.9 percent compared with the same period in 2017.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, NOVEMBER 2018, WITH COMPARISONS^{1/}

Product Name	Sales		Change ^{2/}	
	NOV. Mil.	Y-T-D Lbs.	Prev Yr. Percent	Y-T-D Percent
Whole Milk	93	967	5.1	4.9
Reduced Fat Milk (2%)	70	757	2.8	4.7
Low Fat Milk (1%)	29	345	-11.2	-3.3
Fat-Free Milk (Skim)	18	209	-20.9	-15.4
Flavored Fat-Reduced Milk	7	94	-26.5	15.1
Other Fluid Milk Products	1	1	440.7	-42.8
Total Fat-Reduced Milk 3/	124	1,406	-6.8	-2.3
Tot. Organic Milk Products	218	2,374	-1.8	0.5

ORGANIC PRODUCTION PRACTICE

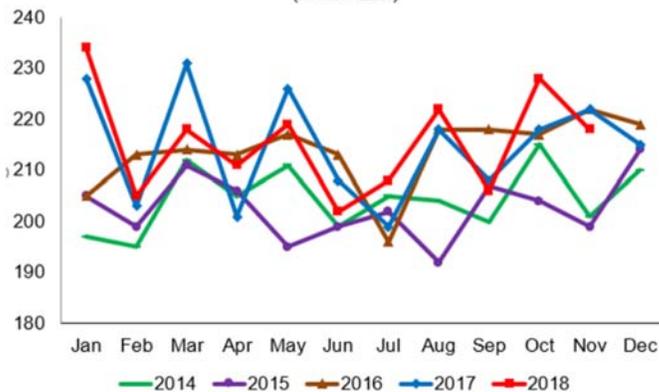
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^{1/} These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data.

^{2/} Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis;

^{3/} Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk composition.

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



^{1/} Graph data from Federal Milk Market Administrators, graph by Dairy Market News

Organic Companies Create Innovation: Recently, various organic dairy operations have publicized new projects and branding. One large organization has widened one of their product lines by introducing the first high-protein milk option in the United States. The additional protein comes from organic milk protein concentrate.

An organic dairy cooperative is revamping their branding to stand above the competition. As a food business and brand-driven farmer-owned cooperative, the operation is creating straightforward advertising campaigns about who they are, and why they do what they do in compelling and engaging ways.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market Trend. The demand for feed grade corn is moderate. Moreover, trading activities are showcasing similar moderate conditions. Feed grade corn traded 2 cents higher currently. In previous weeks, there were more trades for contracted corn. Feed grade soybean trading activity is light on fairly good demand. Market activity for wheat is somewhat scarce. Also, there are reports of quiet trading for all other organic grains at this time.



Organic Grain				
Commodity	Specifications	Units	Price Range	Average Price
Yellow Corn	Feed Grade #2	\$/bushel	8.60 - 10.25	9.38
	Food Grade #2	\$/bushel	NA - NA	NA
Yellow Soybeans	Feed Grade #1	\$/bushel	18.00 - 18.40	18.20
	Food Grade #1	\$/bushel	NA - NA	NA

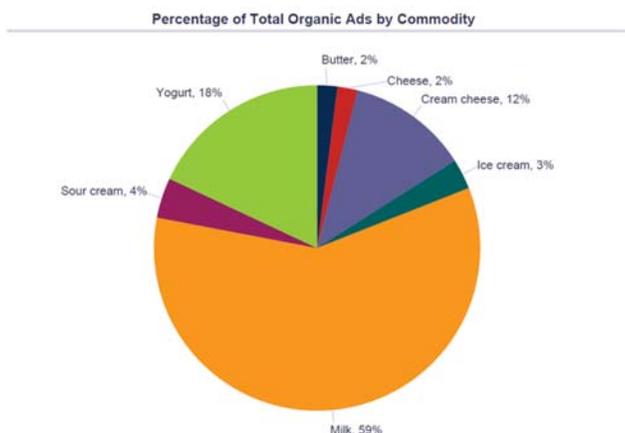
ORGANIC DAIRY RETAIL OVERVIEW

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.

ORGANIC DAIRY MARKET NEWS
Information gathered January 14 - 25, 2019

-CONTINUED FROM PAGE 8-

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	n.a.	n.a.
Milk			
Half Gal.	3.98	3.72	3.58
Gal.	6.85	5.99	6.99
8 oz.	1.10	0.88	0.97
Yogurt			
4-6 oz. Greek	n.a.	n.a.	1.25
32 oz. Greek	5.99	4.56	5.41
4-6 oz. Yogurt	0.72	0.69	0.88
32 oz. Yogurt	3.50	2.65	n.a.

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/dybretail.pdf>

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