

ORGANIC DAIRY MARKET NEWS
Information gathered March 9-20, 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 February 2020, organic whole milk utilization totaled 13.6 million pounds, up from 12.6 million pounds the previous year. The February 2020 butterfat content was 3.29 percent, slightly more than the 3.28 percent in 2019. The utilization of organic reduced fat milk for February this year, nearly 13.1 million pounds, dropped from 15.1 million pounds a year earlier. Meanwhile, butterfat content was 1.36 percent, up from 1.33 percent last year.

Surge in Organic Milk Sales. Milk loads to Class I bottling depict exponential growth, up 200 percent for some locations. As the coronavirus gives rise to a global pandemic and panic shopping, demand for organic milk as well as conventional milk has skyrocketed, with consumers at times finding dairy cases empty in retail store outlets.

Organic Fluid and Food Markets to Expand. A marketing research group has reported that organic drink and food markets are expected to achieve \$38.77 billion in annual sales, with a growth rate of 10.2 percent by 2026. While organic milk looks to dominate the market, the fastest growing segment is projected to be organic cheese. North America is anticipated to hold the largest global market share.

Average Organic Milk Pay Prices in Europe. The January organic milk pay price in Europe adjusted higher in Germany and Bavaria but declined in France and Austria. Detailed information is presented in the table below.

	euros/100lt	*(\$USD)	% Change Jan 2020	% Change Dec 2019
Germany	47.59	51.05	+ 0.68	+ 0.06
Bavaria	47.98	51.47	+ 0.82	+ 0.04
France	48.41	51.93	- 0.57	+ 3.81
Austria	42.47	45.56	- 1.21	- 4.00

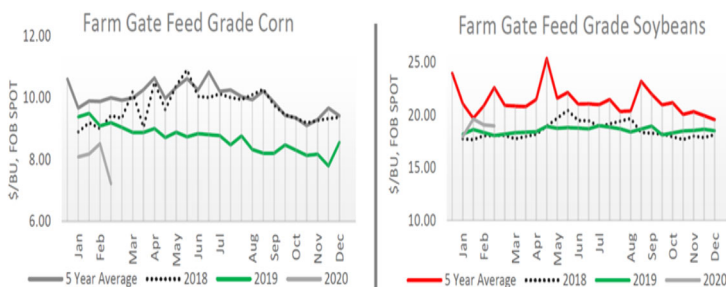
Dutch Organic Milk Pay Price. In the Netherlands, a large processor of organic milk announced the March 2020 pay price for organic milk is 48.50 euros/100kg (* \$52.03 USD). The organic milk producer supplies an average of 550,000 kilograms of milk, containing a fat content of 4.42 percent, protein content of 3.57 percent and a lactose content of 4.53 percent, on an annual basis.

* As of 3/20/2020 8:00 AM

ORGANIC GRAIN FEEDSTUFF OVERVIEW

National Organic Grain and Feed Markets. Feed grade corn trade activity and demand is light. Markets are too lightly traded to trend, with cash bids mostly 7.00-7.65 delivered elevator. Feed grade Soybean trades are light on modest to good demand. Forward contracting is at steady levels. Transactions were inactive on all other organic grains.

Grower FOB Farm Gate Organic Grain								
Feed Grade	Unit	Spot Transactions			Forward Contracts		Cash Bids	
		Price Range	Avg. Change	Prior Year	Price Range	Delivery Period	Price Range	
Yellow Corn	\$/bu	N/A - N/A	N/A	N/A	9.04	N/A - N/A	N/A - N/A	N/A - N/A
Soybeans	\$/bu	N/A - N/A	N/A	N/A	N/A	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



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

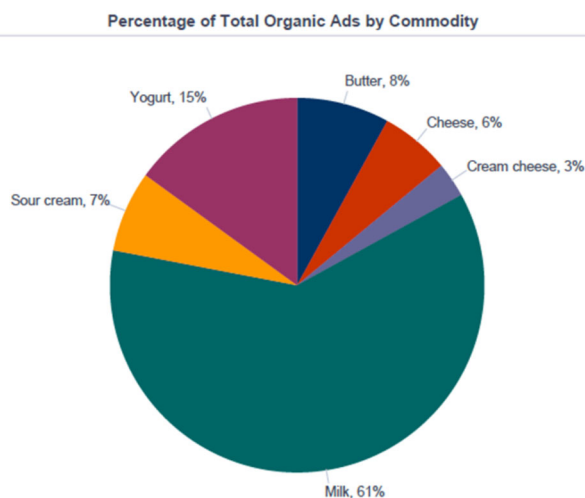
Increase in Organic Field Crops Acreages. A new report shows that certified organic field crop acreages grew by 13 percent in the U.S. through 2019. As well, the market flourished behind a 14 percent vault in the number of certified organic field crop operations. While the number of acres of organic corn harvested was down the previous year, industry representatives envision organic field crop production moving quickly into the mainstream of agriculture

ORGANIC DAIRY RETAIL OVERVIEW

This week, organic milk accounts for 61% of organic dairy retail ad numbers by commodity, but posted a 9% decline compared to the last period. The retail milk price spread between conventional and organic half gallon milk is \$2.37.

Regionally, the number of organic milk ads were higher in the Northeast and Southwest. Retail ads for organic cheese and yogurt changed 182% and minus 21%, respectively. Overall, organic butter in, one-pound packaging, posted the largest change in ad volume, up 133% over the previous period. Organic sour cream in 16-ounce packaging followed, increasing 113 percent.

The following pie chart shows the ad percentage for organic milk declined from the last retail report and displays the percentages of all organic dairy commodities detailed in the ad survey.



Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from March 13-19, 2020. Retail survey ads reflect "advertised specials" and not the range of non-advertised supermarket cooler prices.

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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	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
Butter	\$5.70	\$5.29	\$5.29
Cream Cheese	\$2.50	\$2.50	\$3.99
Milk			
Half Gal.	\$3.82	\$3.99	\$4.35
Gallon	\$5.00	\$6.87	\$6.62
8 oz.UHT	n.a.	\$1.25	\$0.96
Yogurt			
4-6 oz. Greek	n.a.	\$1.25	n.a.
32 oz. Greek	n.a.	\$3.99	n.a.
4-6 oz. Yogurt	\$1.00	\$1.79	\$0.58
32 oz. Yogurt	\$3.49	n.a.	\$3.99

Data source: USDA Dairy Market News