

ORGANIC DAIRY FLUID OVERVIEW

2017 Organic Dairy Cooperative Financial Results. At the April 2018 annual meeting of a large national organic cooperative, Thursday this week, a \$10 million loss was announced for the year 2017. This was the first loss in 20 years, even as the cooperative posted a second consecutive year of sales exceeding \$1.1 billion. Sales increased more than 4 percent during 2017.

Factors cited as contributing to the loss include: delay in lowering pay prices to organic producer members; increased inventories of organic nonfat dry milk; and slower sales than expected. The coop reports having plans on the table to maximize organic milk utilization. Some members look forward to learning more about future actions contemplated to increase organic milk utilization. As for slower 2017 sales, that factor reflects on the positive news as to higher U.S. January organic milk products sales shown on the graph above.

The coop reports a 12 month 2018 average pay price of \$30.96, with an April pay price of \$29.24. This is noted to be for total solids of 12.9 percent Midwest based pricing and is subject to adjustment.

Organic Dairy Fire. A Northwest Wisconsin organic dairy suffered fire loss earlier this week. Fire destroyed the barn but no reports of creamery damage have been noted. All except 2 organic cows survived the fire and are temporarily housed on a nearby farm. It may be a number of months until repairs are made and operations normalize.

Organic Milk Production and Pay Prices in Europe. Organic milk production in key Western European countries is increasing. In Germany, during January 2018, about one third more organic milk was produced than January 2017, according to Agrarmarkt Informations-Gesellschaft. Factors cited are the higher price of organic milk over conventional milk, as well as that leading to herd replenishment on existing organic dairy farms. Double digit organic milk production increases are noted in Austria as well. Organic milk production is also up in Denmark, but less than Germany and Austria.

Average organic milk farm prices in Germany for January 2018, 48.89 euros/100kg, (currently \$60.06 USD), are 0.35 percent higher than a year earlier but down 0.59 percent from December, according to CLAL. The exchange rate for 1 Euro on April 4 was U.S. \$1.2284.

In Bavaria, an important milk producing region of Germany, average January prices are 50.06 euros/100kg, (currently \$61.49 USD), 1.52 percent higher than a year earlier and 0.04 percent higher than December.

Average organic milk farm prices in France for January 2018, 47.07 euros/100kg, (currently \$57.82 USD), are 0.30 percent lower than a year earlier and down 0.77 percent from December, according to CLAL.

Average organic milk farm prices in Austria for January 2018, 47.58 euros/100kg, (currently \$58.45 USD), are 10.06 percent higher than a year earlier, but 3.45 percent lower than December.

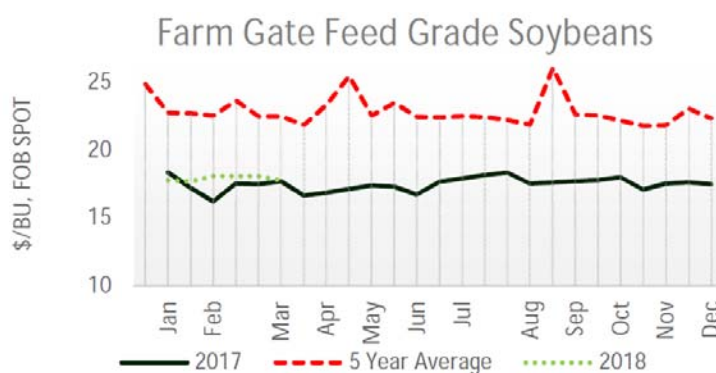
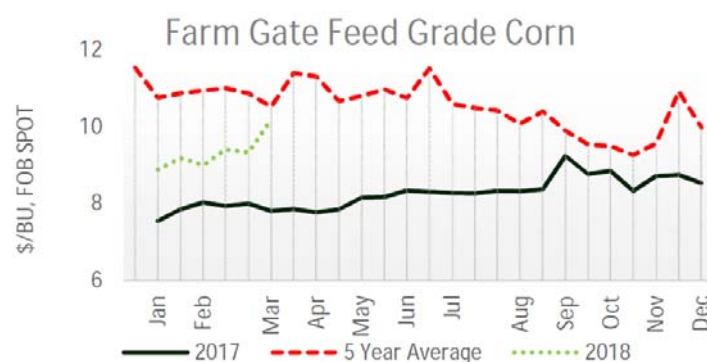
In the Netherlands, a large processor of organic milk announced a 2.50 euro decrease in the pay price for organic milk in April over March. The April price, 48.00 euros/100kg, (currently \$58.96 USD), is for organic milk with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent from a producer supplying an average of 600,000 kilograms of organic milk annually.

Organic Cow Auction Prices. At a livestock auction in Oregon, March 29, organic cows for slaughter sold for slightly more per

pound than conventional cows. The average of all organic cows auctioned, 20 cows, brought a price of \$0.6389 per pound, compared with a \$0.5856 average for all conventional cows auctioned, 142 cows. The top 10 organic cows brought an average price of \$0.7556 per pound, versus \$0.7219 for the top 10 conventional cows.

ORGANIC GRAIN AND FEEDSTUFF MARKETS. Organic feed corn demand is good, with active trading. Organic feed corn traded 86 cents higher f.o.b. Forward contract activity mostly involved transactions directly between the grower and end user, with some delivery stretching to Q3 of 2019. One year ago buyers were only contracting into the next quarter. Organic feed grade soybeans traded 32 cents lower f.o.b. with moderate demand and activity. Organic food grade soybean demand and activity is good. Soybean meal traded higher f.o.b. with moderate demand and activity. Organic soybean oil trading is too limited to trend, but steady undertones are noted. Organic feed and food grade wheat demand and activity are moderate. Organic food grade HRW wheat is mostly \$13.50 to \$13.75 f.o.b. Organic food grade HRS wheat is \$15.50 delivered. Organic feed grade HRW wheat is mostly \$8.00 FOB. To view the following images please go to the PDF version of this report, <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>.

Source: Graphs by Livestock, Poultry and Grain Market News



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Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

ORGANIC DAIRY RETAIL OVERVIEW

This week, total organic retail ad numbers saw a significant increase, 158 percent. The retail milk price spread between organic half gallon and conventional half gallon milk carries an organic price premium of \$1.15, down 47 cents from last week. Organic milk ads across the country account for 39 percent of total organic

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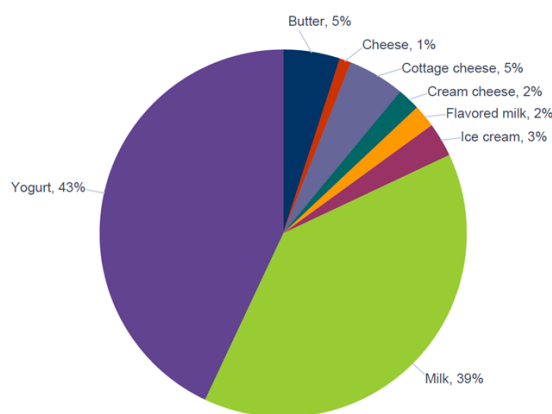
ORGANIC DAIRY MARKET NEWS
Information gathered March 26 - April 6, 2018

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dairy retail ad numbers by commodity. Organic yogurt continues to trend higher, 43 percent, compared to 40 percent previously. For specific organic commodity groups, in general, organic cheese ads declined 61 percent, organic milk grew 131 percent, and organic yogurt soared 568 percent.

The weekly percentages of advertised organic dairy products, collected from the DMN weekly retail survey, are presented in the following pie chart. To view all the image, please go to the PDF version of this report using the following link. <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>

Percentage of Total Organic Ads by Commodity



Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from April 6-12. 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	4.83	4.77	4.58
Milk			
Half Gal.	3.54	4.14	3.66
Gal.	7.10	6.18	4.99
8 oz.	n.a.	1.00	1.00
Yogurt			
4-6 oz. Greek	1.23	n.a.	1.23
32 oz. Greek	6.83	n.a.	5.50
4-6 oz. Yogurt	.81	n.a.	n.a.
32 oz. Yogurt	3.57	3.29	3.23
Ice Cream			
48-64 oz.	6.37	n.a.	3.99

Data source: USDA/AMS/Weekly National Organic Summary

Complete results of the “National Retail Report-Dairy” and “Weekly National Organic Summary” are accessible using the following links:
<https://www.ams.usda.gov/mnreports/dybretail.pdf>
<https://www.ams.usda.gov/mnreports/lswnos.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. Information is for the period March 26-April 6, 2018.

ORGANIC CHEESE

Commodity	Type	Pack Size	Organic Price Range \$
Cheese	Cheddar - Mild-Medium	8 oz.	: 3.75 - 12.00
Cheese	Cheddar - Sharp	8 oz.	: 3.75 - 12.00
Cheese	Colby	8 oz.	: 3.75 - 8.00
Cheese	Monterey Jack	8 oz.	: 3.75 - 8.00
Cheese	Mozzarella	8 oz.	: 3.75 - 2.50
Cheese	Gouda	8 oz.	: 3.75 - 12.00
Cheese	Curds	16 oz.	: 6.00 - 8.00

ORGANIC BUTTER

Commodity	Pack Size	Organic Price Range \$
Butter	1 lb.	: 8.00 - 14.00