ORGANIC DAIRY MARKET NEWS
Information gathered September 25 - October 6, 2023

ORGANIC DAIRY FLUID OVERVIEW

Milk Loss Program Assistance Notice. The signup to participate in the USDA Milk Loss Program (MLP) is set to end October 16, 2023. Originally announced on September 11, 2023, the program compensates eligible dairy operations for milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and aftermaths of those weather events that inhibited delivery or storage of milk during calendar years 2020, 2021 and 2022. Access the following link for more information: https://www.fsa.usda.gov/state-offices/Indiana/news-releases/2023/usda-announces-milk-loss-assistance-for-dairy-operations-impacted-by-2020-2021-and-2022-disaster-events

Northeast Organic Dairy. An initiative that addresses the marketing challenges of organic dairy farmers in the Northeast is gaining support through a partnership with a major supermarket chain that is based in the area. The supermarket has committed to promote brands that source organic milk from local organic dairy farms in the Northeast. The partnership originated from the impact of the pandemic, which resulted in various economic obstacles and the termination of numerous organic milk contracts of local producers in the region.

Dutch Organic Milk Pay Price. In October 2023, a large Dutch organic milk processor announced that the guaranteed price for organic farm milk is 53.75 EUR/100kg ($56.52 USD), down 0.50 euro from September 2023. The price is based on the expectations of reference companies. Currently, reference prices are expected to decrease slightly due to the oversupply of organic farm milk. The guaranteed organic price applies to 100kg of milk with standard contents protein (3.58%), fat (4.45%) and lactose (4.54%). The amounts apply to an average supply of 550,000 kg of milk annually. Sources suggest prices will edge lower in the near-term due to an unbalanced supply/demand ratio.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

National Organic Grain Feedstuff. This week, markets for organic feed corn trade are active on moderate demand. Bushels exchanged 31 cents higher delivered elevator in the spot market. Forward contracts are expected to deliver Q3 2023 through Q3 2024. Organic feed soybean trade activity is light on moderate demand. The spot prices are 25 cents higher delivered elevator with forward contracts set to deliver Q4 2023 through Q2 2024. All other organic grains had no comparable trades.

For additional information, access the links: https://www.ams.usda.gov/mnreports/lbnof.pdf; www.ams.usda.gov/LPSMarketNewsPage

ORGANIC RETAIL OVERVIEW

Organic Milk Retail Prices for Selected U.S. Cities. The September 2023 survey of selected retail supermarkets in 30 U.S. cities cited the retail prices of organic whole milk in the half gallon container. Prices ranged from $3.99 in multiple U.S. cities to $6.89 in St. Louis, MO. The September 2023 simple average price of $4.87 posted an increase, compared to $4.85 last month.

The chart shown below lists the organic retail milk price in half gallon containers for each of the 30 U.S. cities surveyed.
Organic Dairy Retail Overview. This week, total organic dairy advertisements grew 22 percent compared to the previous week’s retail survey ad number. Organic yogurt advertisements make up the largest percentage of the total organic dairy advertisements by commodities at 28 percent. Organic sour cream and cheese followed, with 27 and 16 percent of the total ads, respectively.

Ad percentages for the remaining surveyed dairy retail commodities can be viewed in the following pie chart.

Total organic milk ads decreased 24 percent. The half gallon container size is the most advertised organic dairy item, with a weighted average advertised shelf price of $4.43 compared to $4.38 last week. Organic milk in the half gallon container has a premium of $2.90, when compared to conventional milk in the gallon size.

Total organic cheese ads declined 28 percent. Shredded cheese in the 6-8-ounce pack size is the most advertised organic cheese item, up 20 percent compared to last week. The weighted average advertised price is $4.57, up 35 cents from last week.

Total organic yogurt ads grew 357 percent this week. The most advertised organic yogurt product is Greek yogurt in the 32-ounce container, up 672 percent from last week. The weighted average advertised price, $6.59, down 33 cents from last week's weighted average retail price.

Product pricing information of selected organic retail dairy commodities from the current weekly survey is presented in the following table:

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>This Week</th>
<th>Last Week</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butter</td>
<td></td>
<td></td>
<td>$5.99</td>
</tr>
<tr>
<td>16 oz.</td>
<td>n.a.</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-8 oz. block</td>
<td>n.a.</td>
<td>$5.28</td>
<td>n.a.</td>
</tr>
<tr>
<td>6-8 oz. shred</td>
<td>$4.57</td>
<td>$4.22</td>
<td>n.a.</td>
</tr>
<tr>
<td>6-8 oz. sliced</td>
<td>n.a.</td>
<td>$2.99</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Data source: USDA Dairy Market News