

ORGANIC DAIRY MARKET NEWS
Information gathered June 4 - 15, 2018

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for April were 211 million pounds, up 4.9 percent from April 2017 and down 0.1 percent January-April 2018, compared with the same period of 2017. Organic whole milk sales for April 2018, 86 million pounds, were up 11.6 percent compared with April of the previous year and up 7.1 percent year-to-date 2018 compared with 2017.

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

Product Name	Sales		Change2/ Prev Yr. Y-T-D	
	April Mil.	Y-T-D Lbs.	Yr.	Y-T-D Percent
ORGANIC PRODUCTION PRACTICE				
Whole Milk	86	353	11.6	7.1
Reduced Fat Milk (2%)	67	277	7.0	1.2
Low Fat Milk (1%)	30	126	-2.4	-5.2
Fat-Free Milk (Skim)	18	81	-13.9	-14.7
Flavored Fat-Reduced Milk	9	35	3.9	-14.8
Other Fluid Milk Products	0	0	-94.2	-54.7
Total Fat-Reduced Milk3/	124	519	0.8	-4.4
Tot. Organic Milk Products	211	871	4.9	-0.1

^{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.

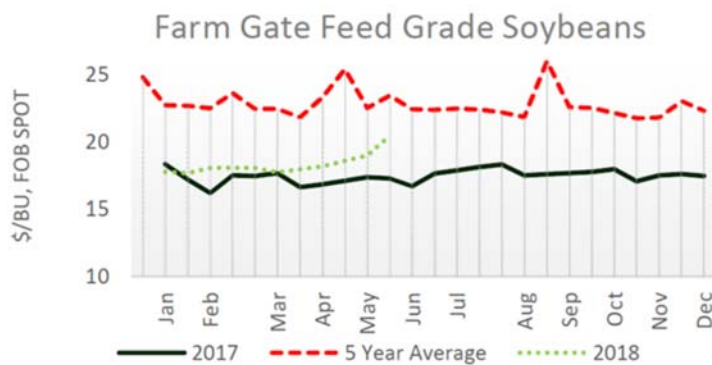
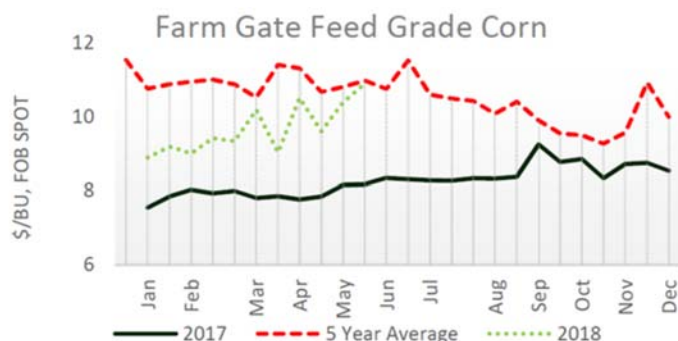
^{2/}Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis

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

Organic Dairy Sector. The 2017 yearly totals for the organic sector show 49.4 billion in sales, a new record. In saying, the second largest category of the organic sector is organic dairy and eggs. Organic dairy had a somewhat uninspiring run in 2017, growing just 0.9 percent, due mostly to inundation of markets by alternative products. However, the bright spot was that an increased number of consumers are buying more organic ice cream and organic cheese. Both organic cheese and organic ice cream posted upward sales of 9 percent and 8 percent respectively. As things settle, some sources expect overall organic dairy sale demand to pick back up.

NATIONAL ORGANIC GRAIN AND FEEDSTUFF MARKETS

Organic Grain and Feedstuff Markets. Trading activity and demand has been light to moderate for organic feed grade corn, organic soybeans and organic wheat. Organic feed grade corn traded up to 51 cents higher as premiums increased in Indiana, Michigan, and Ohio. Bidding prices for feed grade corn and soybeans reflect short supplies of old crop. Trading activity for all other organic grains is too limited for trend projection.



Source: Graphs by Livestock, Poultry and Grain Market News

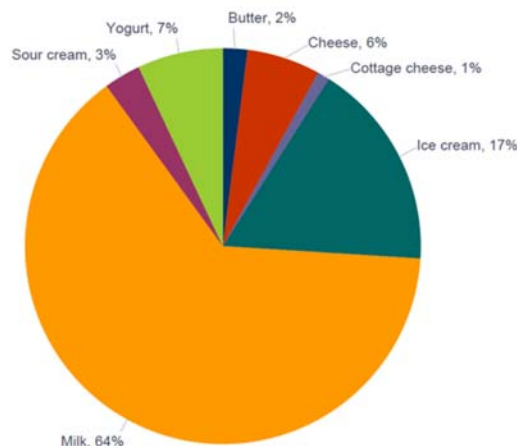
Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

ORGANIC DAIRY RETAIL OVERVIEW

National Organic Retail Survey: Across the nation, organic advertising totaled 6 percent above the previous week. In the major organic dairy commodity categories, which includes milk, cheese and yogurt, ads numbers were +9 percent, +34 percent and -70 percent, respectively. Regions that typically set the pace for organic retail ad numbers, the Northeast and Midwest, noted declines of 67 percent and 26 percent, respectively. The organic retail milk price premium, the price difference between half gallon organic and conventional milk, is \$2.01, an increase of 50 cents over the previous week's organic premium. Organic ice cream, an addition to the percentage of total ads by commodity this week, seized 17 percent of the pie.

The rest of the weekly percentages of advertised organic dairy products, collected from the DMN weekly retail survey, are presented in the following pie chart.

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

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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**
(Dollars)

Commodity	This Week	Last Week	Last Year
Butter	3.99	5.03	6.67
Milk			
Half Gal.	4.02	3.61	3.84
Gal.	6.70	5.42	6.61
8 oz.	n.a.	1.25	.99
Ice Cream	4.00	n.a.	7.99
Yogurt			
4-6 oz. Greek	n.a.	n.a.	1.26
32 oz. Greek	n.a.	3.07	n.a.
4-6 oz. Yogurt	1.00	1.01	.63
32 oz. Yogurt	3.89	2.50	3.50

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>