

ORGANIC DAIRY MARKET NEWS

Information gathered: February 26 - March 8, 2024

ORGANIC DAIRY MARKET OVERVIEW

The National Organic Standards Board Spring 2024 Meeting materials are now available online. These materials include a tentative agenda, proposals, and discussion documents. The public comment period and oral comment registration for the meeting is now open, and the deadline to register is 11:59 p.m. ET on April 3, 2024. More information can be found at the following link: <https://www.ams.usda.gov/event/national-organic-standards-board-nosb-meeting-milwaukee-wi>

The National Organic Program's Strengthening Organic Enforcement rule's implementation date is March 19, 2024. The implementation of this rule will update the USDA's organic relations allowing for stronger oversight and enforcement of production, handling, and sales of organic agricultural products. The USDA aims to protect integrity within the organic supply chain, build trust in the USDA organic label, increase farm to market traceability, and provide robust enforcement of organic USDA regulations. To learn more about this change visit: <https://www.ams.usda.gov/rules-regulations/strengthening-organic-enforcement>

The Transition to Organic Partnership Program (TOPP) was formed through cooperative agreements between the USDA and non-profit organizations to provide technical assistance and support for transitioning and existing organic farmers. A calendar of events held by partner organizations can be found at the following link: <https://www.organictransition.org/events/>

Two groups recently announced awarding over \$600,000 in awards toward the advancement of organic farming to fund training, support, and climate research. A portion of this award was provided to an organic dairy group which is providing education to farmers regarding regenerative and organic farming methods to aid with restoring ecosystem health, increase growth of nutrient dense food, and create profitability for farms. The group that received this award plans to utilize the additional funding to offer in-house organic certification and to implement a scholarship or reduced pay option for their education program.

An Organic dairy company in California recently announced an incentive program to support milk supplying farms in becoming carbon neutral by 2030. The incentives to this program are tied to implementation of on farm solutions, rather than through the purchase of carbon offsets. The program encourages participating farms to utilize methods such as carbon farming, anaerobic digesters and utilizing electric vehicles powered by captured methane gas to reduce fossil fuel usage.

ORGANIC DAIRY FLUID OVERVIEW

The Foreign Agricultural Service (FAS) releases monthly export data which includes export volumes and values for organic milk categorized as HS-10 code 0401201000. Recently released data for January 2024 indicated organic milk exports were 116,554 liters, down 39.6 percent from the month prior, and down 27.4 percent from 2023.

In a recent report from a Pacific Northwest livestock auction, organic cull cows traded higher than conventional cull cows. The average price for the top 10 organic cows auctioned was \$121.67 per hundredweight, compared to an average price of \$117.06 per hundredweight for auctioned top 10 conventional cows. The average weight for the top 10 conventional cows was 1443.5 pounds compared to 1337.5 pounds for the top 10 organic cows.

A large Dutch organic milk processor announced that the guaranteed price for organic farm milk in March 2024 is 58.00 EUR/100kg (\$63.53 USD), up 2.50 euros from February 2024. The price increase includes a correction from underestimating reference prices in the previous period, and an expectation reference companies will increase organic farm milk prices. The guaranteed organic price applies to 100kg of milk with standard contents protein (3.58%) and fat (4.45%). The amounts apply to an average supply of 550,000 kg of milk annually.

The December 2023 European organic milk average pay price increased in Germany, Bavaria, and Austria compared to November 2023 average pay prices, but decreased in France.

Additional information is shown in the table below:

Organic Milk Pay Prices in Europe				
December 2023				
Euros/100KG	*(USD/100KG)	% Change	% Change	
		October 2023	November 2022	
Austria (1)	53.03	\$58.01	+ 1.73	- 16.20
Austria (2)	59.28	\$64.85	+ 1.52	- 13.31
Germany	55.66	\$66.89	+ 0.27	- 11.93
Bavaria	55.57	\$60.79	+ 0.23	- 11.88
France	49.79	\$54.47	- 0.30	+ 3.85

\*Results are based on the exchange rate on December 15, 2023, exchange rate of 1 Euro/1.09393 USD.

Austria (1) prices exclude "haymilk," Austria (2) prices include "haymilk" which is produced by cows mainly fed grasses and dry hay, rather than silage.

A large New Zealand dairy cooperative recently announced an increase to their forecasted organic milk pay price for the 2023/2024 season by \$0.30/kg milk solids. This cooperative stated strong demand from the United States and United Kingdom have contributed to this increase.

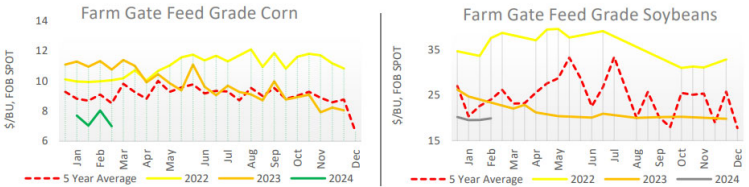
A cooperative announced a 1 eurocent per kilogram increase for their March organic milk pay price in the UK, bringing the price to 47.38 pounds per liter (\$61.00). Another cooperative in the UK that previously announced an increase in the organic milk pay price for March announced an additional 0.5 pounds per liter increase starting in April, raising the price to 50 pounds per liter (\$64.39).

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Compared to last period, trade activity and demand was light to moderate. Organic feed corn sold 74 cents higher delivered elevator with forward contracts set to deliver Q1 2024 through Q4 2024. Organic feed soybeans sold 48 cents lower delivered elevator with forward contracts set to deliver Q1 2024 through Q2 2025. Trade was too limited to establish trends for all other organic grains. The next available report will be Wednesday, March 20, 2024.

Grower FOB Farm Gate Organic Grain								
Feed Grade	Spot Transactions					Forward Contracts		Cash Bids
	Price Range	Avg.	Change	Prior Year		Price Range	Delivery Period	Price Range
Yellow Corn	6.00 - 8.90	6.99	-1.05	10.76		6.60 - 7.00	Feb-24 - Jun-24	6.00 - 6.00
Soybeans	N/A - N/A	N/A	N/A	N/A		18.25 - 19.45	Feb-24 - Mar-25	18.00 - 18.00
Wheat	N/A - N/A	N/A	N/A	N/A		7.20 - 7.20	Feb-24 - Mar-24	N/A - N/A
Oats	N/A - N/A	N/A	N/A	N/A		N/A - N/A	N/A - N/A	N/A - N/A
Barley	N/A - N/A	N/A	N/A	N/A		N/A - N/A	N/A - N/A	N/A - N/A
Rye	N/A - N/A	N/A	N/A	N/A		N/A - N/A	N/A - N/A	N/A - N/A
Sorghum	N/A - N/A	N/A	N/A	N/A		N/A - N/A	N/A - N/A	N/A - N/A

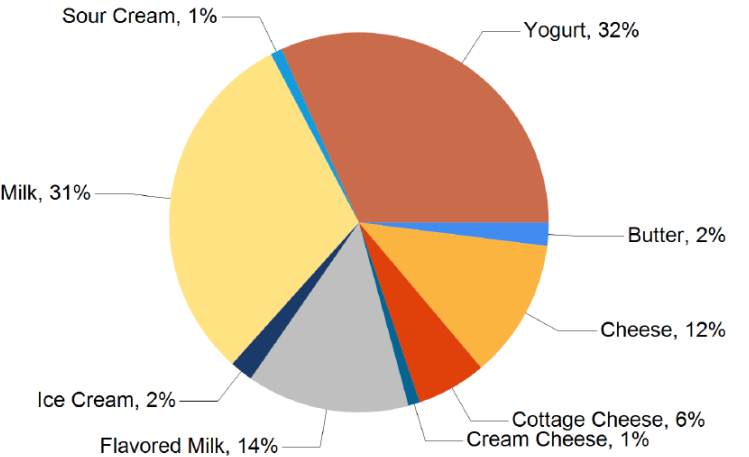
\*All prices in \$/bu



ORGANIC DAIRY RETAIL OVERVIEW

The number of organic dairy ads declined during the last two retail surveys. From week 8 to week 9 total organic dairy ads decreased by 22 percent, and from week 9 to week 10 the number of organic dairy ads dropped by 3 percent. In order, the top 5 most advertised organic dairy commodities this week were yogurt, milk, flavored milk, cheese, and cottage cheese. Organic yogurt overtook milk as the most advertised organic commodity this week due to an increase in the number of yogurt ads and decrease in milk ads.

Percentage of Total Organic Ads by Commodity



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Organic yogurt appeared in 14 percent more ads in this week's survey, compared to last week. The most advertised organic dairy product this week was regular yogurt in 32-ounce containers, as the number of ads for this product increased by 113 percent. The weighted average advertised price for regular organic yogurt in 32-ounce containers was \$4.43, compared to \$2.80 for conventional regular yogurt of the same size. The organic premium for regular yogurt in 32-ounce containers was \$1.63 this week.

Total organic milk ads decreased by 37 percent this week. Half gallons were the most advertised package size of organic milk found in this week's survey, though the number of ads declined by 35 percent from week 9. The weighted average advertised price for organic half gallons of milk increased 50 cents to \$4.81. Conventional half gallons of milk had a weighted average advertised price of \$2.24, the organic premium for this item during week 10 was \$2.57.

Organic flavored milk, ice cream, and sour cream did not appear in last week's survey but were all present this week. Gallons were the only package size of flavored milk to appear in this week's survey. The weighted average advertised price for organic gallons of flavored milk was \$6.98, while conventional gallons flavored milk had a weighted average advertised price of \$2.89. The organic premium for this item was \$4.09.

Ads for organic cheese decreased by 14 percent from week 9 to week 10. Organic shred style cheese in 6-8-ounce packages, the most advertised organic cheese item this week, appeared in 6 percent more ads than last week. The weighted average advertised price for organic 6-8-ounce shred style cheese was \$4.27, up 46 cents from last week. Conventional 6-8-ounce shred style cheese had a weighted average advertised price of \$2.57 this week. The organic premium for this item during week 10 was \$1.70.

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

NATIONAL RETAIL ORGANIC DAIRY  
WEIGHTED AVERAGE ADVERTISED PRICES

COMMODITY	This Week	Last Week	Last Year
Butter			
8 oz.	5.99	n.a.	n.a.
1 lb.	n.a.	\$4.99	5.35
Cheese			
6-8 oz. Block	\$3.91	\$4.99	\$4.49
6-8 oz. Shred	\$4.27	\$3.81	\$4.28
6-8 oz. Sliced	n.a.	\$3.24	\$4.87
Cottage Cheese			
16 oz.	\$4.51	\$4.59	\$4.78
Cream Cheese			
8 oz.	\$3.68	\$3.68	n.a.
Flavored Milk			
Gallon	\$6.98	n.a.	n.a.
Ice Cream			
14-16 oz.	\$6.74	n.a.	n.a.
48-64 oz.	n.a.	n.a.	\$9.53
Milk			
Half Gal	\$4.81	\$4.31	\$4.26
Gallon	\$5.09	\$5.00	\$5.83
Sour Cream			
16 oz.	\$3.99	n.a.	n.a.
Yogurt			
4-6 oz. Yogurt	\$1.25	n.a.	\$1.50
32 oz. Greek	\$6.35	\$5.58	n.a.
32 oz. Yogurt	\$4.43	\$4.49	\$4.57