ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales: The following graph shows the trend of organic fat-reduced milk sales exceeding the level for the same month of the previous year, a month-after-month trend which has been unbroken since January 2010.

Estimated Total U.S. Sales Of Organic Fat-Reduced Milk

MONTHLY RETAIL MILK PRICE COMPARISON FOR 30 CITIES:
Comparing the January and April 2012 average price for retail half gallon organic reduced fat (2%) milk prices surveyed in Thirty Cities, shows twenty one cities have higher prices for April, seven lower prices and two unchanged.

Chicago, at $4.74 for the April average, is the city with January to April average prices up the most, 45 cents, as well as the highest April price among the surveyed cities. Washington, D.C., at $3.69 for the April average, is the city with January to April average prices down the most, 30 cents.

Denver and Houston are tied for the lowest April average price, $3.14. It should also be mentioned that Denver experienced greater three month price volatility than any other surveyed city, increasing 40 cents from February to March, then declining 50 cents from March to April.

It should also be noted that although the graph below shows Portland unchanged from January and April, Portland’s price declined 20 cents from January to February, remained unchanged for March, then increased in April to the level it was in January. That leaves Baltimore as the only city which has not had a price change during 2012.

Of the seven cities with lower prices for April than January, only two have not experienced any month-to-month price increase at some time during 2012. Those are Washington, D.C. and Wichita.

The price listed represents the simple average of two prices, the price of the single most common brand in non-returnable paper cartons in one outlet of each of the two largest food store chains in each of the 30 thirty cities. Not all brands of organic milk in each surveyed store are included and higher or lower prices of milk offered by other than the most common brand in each of the two stores are not included. Prices are collected by Federal Milk Market Administrators during the first non-Friday or weekend 10 days of each month.

NATIONALLY ADVERTISED PRICE COMPARISON
Organic Dairy Overview. Organic dairy advertising volume is 45.3% of the volume two weeks ago, which marked the highest level of 2012.

Organic milk ads comprised nearly 72% of the total, similar to 71% two weeks ago. Organic yogurt ads comprised 15%, down from 25% two weeks ago. Organic butter ads did not appear two weeks ago but comprised 7% of ads this period. Remaining ad categories are organic cheese, 5% and organic cream cheese, 2%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period April 21, 2012, to May 4, 2012, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

Regional Organic Dairy Ad Trends – Current Period. Organic dairy ads continue to be led by the Northeast with 31.4% of ads. The remaining regional percentages include the South Central, 24.6%, Southwest, 17.8%, Midwest, 12.7%, Southeast, 10.5% and Northwest, which has been last for several periods, 3.0%.

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Organic Dairy Newspaper Ads Regionally As A Percentage of Surveyed Organic Dairy Ads 2012 - Week 18, 2012

Organic Milk. Organic milk ads are the leading category of organic dairy advertising. Ads for 8 ounce containers constitute nearly 45% all organic milk ads. Ads for half gallons are a close second, with almost 40% of ads, followed by gallon ads at just over 15%.

The highest percentage of organic milk ads appeared in the South Central Region, 29.9%, followed by the Southwest, 24.9%; Southeast, 14.2%; Northeast, 13.5%; Midwest, 13.4; and Northwest, 4.2%.

Organic Milk Half Gallons. Advertising volume for organic half gallons are only 24.8% of the level two weeks ago, which was the highest level of 2012. Almost 55% of half gallon ads are for a national brand and almost 45% for a store brand.

The national weighted average advertised price of organic milk half gallons, $3.87, is 31 cents higher than two weeks ago. The price range, $3.69 to $3.99, increased $1.00 at the range bottom and is unchanged at the top.

The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of $3.87, also determined the weighted average advertised price for non-organic half gallons as $1.41, a $2.46 price spread, up from $1.47 two weeks ago, $.96 four weeks ago and $.78 six weeks ago. Most of the reason for the increasing trend relates to increasing prices for organic milk rather than declining prices for non-organic milk.

Organic Milk Gallons. Ads for organic gallons appeared again after an absence two weeks ago. For the first time during 2012, there is more than one advertised price for organic gallons and hence, a price range, which is 30 cents. The national weighted average advertised price is $5.85, the lowest average since mid-October last year although, averages since then have all been within a 15 cent price range.

Organic Milk 8 Ounce. Ads for 8 ounce containers of organic milk ran in all regions except the Northeast. Every ad in each region listed a price of $1.00, which has become typical.