ORGANIC DAIRY FLUID OVERVIEW

End of year look-back: Looking back over the 2012 organic dairy ad survey results, the three categories with the greatest number of ads were milk, yogurt and butter, in that order. Organic milk ads dominated, with 60.5% of all organic dairy ads throughout 2012, followed by yogurt with 24.4% of ads and butter with 11.8% of ads.

Within the overall organic milk category for 2012, 65.5% of ads were for half gallons, 26.4% for 8 ounce, and 3.6% for gallons.

Comparing the last 3 years of overall organic dairy advertising, 2012 had the greatest number of ads. Looking at total ads over the three years, 26.8% occurred in 2010, then there was a dip to 24.3% in 2011 before the increase to 47.5% in 2012.

Only organic butter showed consistent growth in ad numbers over the three years, with 16.8% of ads in 2010, 19.3% in 2011 and 49.9% in 2012.

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ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy advertising volume is above the 2012 bi-weekly average, below the level two weeks ago, but that aside, is higher than any survey period since the beginning of October. Organic milk ads account for 64% of organic dairy ads, followed by organic yogurt, with 20%, organic butter with 15%, and organic ice cream with 1%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period December 29, 2012, to January 11, 2013, 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. The regions continue to be more evenly balanced in percentage of national ads than in recent reports. Regional percentages include the Southeast, 25.1%; the Northeast, 20.1%; the Midwest, 17.6%; the South Central, 17.2%; the Southwest, 15.7%; and Northwest, 4.4%.

Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 02, 2013

Organic Milk. The South Central region narrowly leads all regions with 23.8% of organic milk ads. This is followed by the Northeast with 21.3%; Southwest with 18.9%; Southeast with 18.6%; Midwest, 13.1%; and Northwest, 4.3%.

Organic - Conventional Milk Half Gallon Price Spread. The current national organic half gallon milk weighted average advertised price of $3.29 compared with the weighted average advertised price for non-organic half gallons, $2.30, yields an organic-conventional half-gallon milk advertised price spread of $0.99, compared with $0.49 two weeks ago. The 2012 average spread was $1.24.

Organic Milk 8 Ounce. The national weighted average advertised price of organic milk 8 ounce containers, $0.91, is 9 cents lower than two weeks ago. While more often than not this product size is typically advertised at a price of $1.00, lower price ads in the Northeast moved the national average lower.

ORGANIC DAIRY RETAIL OVERVIEW

The vast majority of the organic milk ads, 73.6%, are for half gallons, with 19% for 8 ounce containers and 7.4% for gallons.

Organic Milk Half Gallons. The national weighted average advertised price of organic milk half gallons, $3.29, is 15 cents lower than two weeks ago. The price range is $2.59 to $4.99, increased 10 cents on the bottom of the price range and was unchanged on the top. This period, the concentration of advertised organic half gallon brands was more heavily weighted toward store brands than national brands by a factor greater than 3 to 1. Store brands had the lowest price in the price range and national brands the highest. The weighted average advertised price for national brands is $3.92 and for store brands, $3.10.

Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2012 - 2013 Week

ORGANIC MILK HALF GALLON ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

<table>
<thead>
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<th>REGION</th>
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The vast majority of the organic milk ads, 73.6%, are for half gallons, with 19% for 8 ounce containers and 7.4% for gallons.

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