ORGANIC DAIRY FLUID OVERVIEW

While organic fluid milk bottling for retail sales continues to be the largest category use of organic milk, organic butter manufacturing is increasingly drawing from the organic milk supply. Organic cream is readily available to butter manufacturers this week. The growing demand for organic butter has led to attention by some manufacturers to expanding manufacturing capacity. Organic butter demand is expanding beyond the expected retail demand, to demand for butter used for making organic candy, as well as an ingredient in other organic food.

ORGANIC DAIRY RETAIL OVERVIEW

2012 ADVERTISED 1/2 GALLON ORGANIC MILK PRICES

Data began being collected identifying organic milk half gallon advertised pricing by region, as well as nationally, during the spring of 2012. For each region and nationally, weighted average advertised prices for all milk ads and regional ads, separately for store brands, national brands, and combined store-national brands is available.

Looking back over 2012, the following graph shows the bi-weekly weighted average advertised price nationally (horizontal red line), as well as the price range comparing the weighted average advertised price for national brands, and store brands (vertical blue line). Typically the national brand is the high price and the store brand is the lower price.


Averaged over the entire year for all ads, the cumulative annual weighted average advertised price for national brands is $3.73 and for store brands, $3.22. There were slightly more ads throughout the year for store brands than national brands.

Regional weighted average advertised prices varied. The following graph shows the weighted annual average advertised price for each of the six regions.

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Organic - Conventional Milk Half Gallon Price Spread. The current national organic half gallon milk weighted average advertised price of $3.75 compared with the weighted average advertised price for non-organic half gallons, $2.17, yields an organic-conventional half-gallon milk advertised price spread of $1.58, compared with $1.56 two weeks ago. The 2012 average spread was $1.24.

Organic Yogurt. Organic yogurt ads for 4-6 ounce organic yogurt comprise about 75% of organic yogurt ads, followed by 32 ounce organic yogurt with 13% and 4-6 ounce organic Greek yogurt with 12%. All organic yogurt ads are for national brands. Ads for 4-6 ounce organic yogurt ranged in price from 50 cents to 63 cents, with a national weighted average advertised price of $0.58.

1 Pound Organic Butter. All ads are in the Northeast for a national brand priced $4.29. Ad volume this period is about 25% of the average for 2012 and even further below ad volume during this year to date.

Organic Cheese – 8 ounce blocks. All ads are in the Northeast for a national brand priced $3.99.

SUPERMARKET PRICE COMPARISON:
Madison, Wisconsin Prices. Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period. Stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big box chain store also selling food; and a large local cooperative grocery store. Organic milk available included 2 national brands, 4 private label store brands, and 3 small local or nearby creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

INFORMATION GATHERED 01/28/2013 - 02/08/2013

ORGANIC GRAIN AND FEEDSTUFF MARKETS:
National organic grains and feedstuffs were mostly steady on lackluster trading. The feed grade corn price average was steady to weak, with the bulk of the trading occurring between the 13.00-14.00/bushel. Food grade corn and soybean continued to be hard to come by because most of the 2012 crop was contracted. We are starting to see some New Crop food grade soybean contracts being discussed. Farmers’ inventories remained mixed, with some being cleaned up and other still holding out for higher prices. However, demand was light while buyers take advantage of their contracted orders to help meet their current needs. Note: California North Inter-Mountain Alfalfa Good 240.00. Additional livestock and grain market news information is available at: