ORGANIC DAIRY FLUID OVERVIEW

News. Cool weather conditions have increased cow comfort levels and bounce backs in organic milk production in the Northeast region. Organic producers are contemplating herd expansion due to the improved crop conditions over last year. Hay harvests continue to be interrupted and delayed by occasional rains. Pasture conditions are described as lush with numerous producers cutting pasture grasses to augment their forage supplies, determined not to get caught short on forage supplies going into 2014. Organic cream demand remains very good with demand outpacing supplies. Butterfat levels in milk are at or near their seasonal low point, but remain above year ago levels. Discussions are ongoing with various business interests in New England regarding the development of UHT organic skim milk products that could be shipped internationally. In contrast to the organic situation in the Northeast, there is little contemplation to expand dairy herds in the Pacific Northwest, due to higher organic hay and grain prices limiting margins.

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy product ad volume declined marginally, compared to the report 2 weeks ago. The variety of organic products advertised narrowed this week with only butter, milk, yogurt and cream cheese featured. Ads for butter, 8 ounce UHT milk and yogurt in 4-6 ounce cups increased significantly, compared to the previous report.

Organic milk ads total 51% of all organic dairy ads, down from 63% two weeks ago. Organic yogurt ads total 29% of all organic dairy ads, down from 30% two weeks ago.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period July 29, 2013, to August 9, 2013, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: http://www.ams.usda.gov/AMSv1.0/DairyRetailReport

Regional Organic Dairy Ad Trends. Organic dairy ads appeared in all 6 regions, led by the Southeast with 35% of ads, followed by the Northeast, 18%; Southwest, 16%; Midwest, 12%; South Central, 10%; and Northwest, 7%. The Southeast and Southwest regions have some schools commencing their fall terms and may have contributed to the frequency of organic ads.

Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 32, 2013

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Organic Milk. Ads for organic half gallons declined for the fourth consecutive report. Half gallon ads continued to make up the majority of organic milk ads with 63%. Gallon ads plummeted from the previous report and made up only 4% of organic milk ads this period. Organic 8 ounce aseptic milk increased to comprised 34% of the ads.

Organic Milk Half Gallons. The weighted average advertised price of organic milk half gallons is $3.64. The price range narrowed slightly this week and ranged $2.79 to $4.99. One year ago the weighted average advertised price was $3.27, 37 cents lower than currently reported.

Northeast has the highest weighted average price, while the South Central Region has the lowest weighted average price this period.

Organic - Conventional Milk Half Gallon Price Spread. The weighted average advertised organic half-gallon milk price, $3.64, is up 28 cents from two weeks ago. Conventional milk’s price for half gallons, $1.87, is down 13 cents from two weeks ago. One year ago conventional milk’s average advertised price for half gallons was $2.28 and organic was $3.27.

The organic-conventional half gallon price spread is $1.77, compared with $1.36 two weeks ago.

Organic Yogurt. Organic yogurt ad numbers declined from last week’s second highest level of the year. Ads were heavily concentrated in the Southeast and Northeast with the following percentage breakdown; Southeast, 44%; Northeast, 25%; Southwest, 19%; Midwest, 9%; and South Central, 3%.

Of the categories of organic yogurt, 56% for 4-6 ounce organic yogurt, 19% of ads are for 4-6 ounce organic Greek yogurt, and 25% for 32 ounce organic yogurt.

The weighted average advertised price for 32 ounce organic yogurt is $3.12, down from $3.35 last period. The current price range is $2.99 to $3.99.

The weighted average advertised price for 4-6 ounce organic yogurt is $3.69, down 8 cents from two weeks ago. The weighted average advertised price for 4-6 ounce organic Greek yogurt is $1.18, up 12 cents from 2 weeks ago.

Organic Butter. Ads for organic butter in 1 pound packages appeared in all, but the Southeast region with total ad numbers significantly up from the previous reporting period. Prices ranged from $3.99-$4.48 with a weighted average price of $4.05.

8 Oz. Cream Cheese. Ads for organic cream cheese appeared in only the Northeast region with all ads priced at $2.50.

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 national 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 near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

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ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2013 REPORTING WEEK 32

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YOGURT
Yogurt - 4-6 oz
Yogurt | 0.69| 1.29 | 0.60 |

CHEESE
Cheese - 8 oz block
Mozzarella | 4.10| 5.75 | 1.65 |
Mild Cheddar | 4.10| 5.99 | 1.89 |
Monterey Jack | 4.10| 5.99 | 1.89 |
Pepper Jack | 4.10| 5.99 | 1.89 |

Cheese - 6 oz string
Mozzarella | 3.99| 5.09 | 1.10 |
Colby Jack | 3.89| 4.99 | 1.10 |

BUTTER
Butter - 1 Pound | 4.89| 6.09 | 1.20 |

* = Price change from prior reporting period.

ORGANIC GRAIN AND FEEDSTUFF MARKETS: National organic grain and feedstuff prices were mostly steady. Market activity continued to be very slow as producers remained reluctant to commit until the current crop progresses further. Furthermore, feed manufactures were only buying on an as needed basis as most of their needs have been met. Corn supplies remain moderate to heavy, while soybean inventories are light. Majority of the corn and soybean producing states received timely rains the last few weeks. A severe thunderstorm hit the Northern Plains last week and hampered the wheat harvest causing decreased yields from hail damage.

Additional livestock and grain market news information is available at: