ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Products Sales. Cumulative organic fluid milk products sales through June this year lead the same period of 2012 by 3.1%. This outcome is derived from sales this March through June, which were sufficiently above last year’s level to overcome lower sales this January and February compared with last year. In contrast, total conventional milk products sales this year through June were 2.9% below the same period last year.

National Organic Standards Board. The National Organic Standards Board has announced the agenda for its fall meeting October 22-24, 2013. Public comment on Agenda items is invited and must be submitted by October 1, 2013.

News. A national organic dairy brand has begun sales of lactose free organic whole milk and organic half & half. These items now join the brand’s existing lactose free reduced fat, low fat and fat free organic milk to round out the line of lactose free organic milk being sold.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy product ad volume is slightly lower than during the last two reporting periods. In contrast, ad volume for organic milk is higher than the last seven reporting periods, which dates back to May.

Organic milk ads total 78% of all organic dairy ads, followed by organic yogurt ads at 19%, and organic butter, 3%. This is the second highest percentage of organic milk ads of 2013.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period August 24, 2013, to September 6, 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 South Central with 19% of ads, the Southeast, 18%; Northwest and Northeast tied with 17%; Southwest, 15%; and Midwest, 13%.

Organic Milk. Ads for 8 ounce organic milk are at the second highest level of the year and more than the combined total of ads for organic half gallons and gallons. Almost all stores advertising 8 ounce organic milk are stores of two national grocery chains. Half gallon ads declined for the sixth consecutive report. These ads are from a variety of national chain food stores and regional chains. Organic gallon ads are at a lower level than the record set two weeks ago but still among the top four reporting periods of the year. Almost all organic gallon milk ads are for one national food store chain.

Ads for 8 ounce organic milk comprised 56% of organic milk ads, followed by organic half gallons, 31%, and organic gallons, 14%. Organic milk ads continue to generally be the predominant category of organic dairy ads, unlike conventional milk which frequently is not among the top advertised categories of conventional dairy products.

Organic Milk Half Gallons. The weighted average advertised price of organic half gallon milk is $3.71, up 21 cents from last period. The price range increased at the bottom and top of the price range, $2.89 to $4.69. One year ago the weighted average advertised price was $3.47.

The Northeast has the highest weighted average price, $4.10, while the Southwest Region has the lowest weighted average price this period, $2.89.

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

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Organic - Conventional Milk Half Gallon Price Spread. The weighted average advertised organic half-gallon milk price, $3.71, is up 21 cents from two weeks ago. Conventional milk’s price for half gallons, $1.52, is up 11 cents from two weeks ago.

The organic-conventional half-gallon price spread is $2.19, compared to $2.09 two weeks ago.

Organic Milk Gallons. The national weighted average advertised price for organic gallons is $5.00, down from $5.56 two weeks ago and down from $5.43 one year ago.

Organic Yogurt. Organic yogurt ad numbers are at a relatively low level for the year - lower than thirteen periods of 2013 and higher than four.

The Southeast has 36% of organic yogurt ads, followed by the Northeast, 21%; Southwest and Northwest tied at 17%, and South Central, 9%.

4-6 ounce organic Greek yogurt accounts for 36% of organic yogurt ads, followed by 32 ounce yogurt, 29%, 4-6 ounce yogurt, 24%, and 32 ounce organic Greek yogurt, 10%.

The weighted average advertised price for 4-6 ounce organic yogurt is $5.83, up 18 cents from last year. The weighted average advertised price for 4-6 ounce organic Greek yogurt is $1.00, down from $1.05 last year. As for 32 ounce organic Greek yogurt, the price is $5.00, with no ads for this category one year ago.

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 08/26/2013 - 09/06/2013

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE

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<th>RANGE</th>
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<td>Whole</td>
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* = 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 due to buyers and sellers taking a wait to see approach towards the market. Demand for feed grade soybeans was good as supplies of finished soybean meal were limited. Crop conditions were mixed, with the Eastern Cornbelt being excellent and the Midwest reporting average conditions. Drought conditions throughout much of the Midwest are of great concern. Some essential corn growing areas have been without significant rainfall since July. New crop wheat harvest in the Northwest is reported to be very good. Yields are coming in better than originally expected.

Additional livestock and grain market news information is available at: http://www.ams.usda.gov/mnreports/lsbnof.pdf