ORIGINIC DAIRY FLUID OVERVIEW

Milk Product Sales: AMS reports Total Organic Milk Products sales for August 2013, 195 million pounds, were up 4.8% from August last year and 4.7% year-to-date compared with last year through August.

Organic Whole Milk sales for August 2013, 54 million pounds, were up 14.5% compared with August last year and up 11.0% year-to-date compared with last year through August.

Organic Reduced Fat Milk sales for August 2013, 54 million pounds, were 11.2% above sales one year earlier and 12.1% year-to-date compared with last year through August.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, AUGUST 2013, WITH COMPARISONS 1/  

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Sales</th>
<th>Y-T-D</th>
<th>Change from: 2/ Prev Yr. Y-T-D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Milk</td>
<td>1,151</td>
<td>8,800</td>
<td>-1.2 -1.6</td>
</tr>
<tr>
<td>Flavored Whole Milk</td>
<td>51</td>
<td>361</td>
<td>16.5 9.0</td>
</tr>
<tr>
<td>Reduced Fat Milk (2%)</td>
<td>1,524</td>
<td>11,681</td>
<td>-2.4 -1.8</td>
</tr>
<tr>
<td>Low Fat Milk (1%)</td>
<td>573</td>
<td>4,582</td>
<td>-4.3 -3.2</td>
</tr>
<tr>
<td>Fat-Free Milk (Skim)</td>
<td>557</td>
<td>4,463</td>
<td>-8.8 -8.5</td>
</tr>
<tr>
<td>Flavored Fat-Reduced Milk</td>
<td>257</td>
<td>2,338</td>
<td>-1.8 -0.8</td>
</tr>
<tr>
<td>Buttermilk</td>
<td>42</td>
<td>322</td>
<td>1.9 3.2</td>
</tr>
</tbody>
</table>

Organic Whole Milk          | 54       | 399   | 14.5 11.0                     |
Organic Reduced Fat Milk     | 54       | 421   | 11.2 12.1                     |
Organic Low Fat Milk         | 38       | 299   | -3.0 -1.7                     |
Organic Fat-Free Milk (Skim) | 36       | 283   | -4.8 -3.5                     |
Organic Flavored Milk        | 12       | 83    | -3.4 -2.6                     |
Organic Fat-Reduced Milk 3/  | 141      | 1,090 | 1.5 2.6                       |
Tot. Organic Milk Products   | 195      | 1,489 | 4.8 4.7                       |

Tot. Fluid Milk Prod. 4/     | 4,350    | 34,036| -2.7 -2.4                     |
Tot Fluid Milk Prod Adj 4/5/ | *        | *     | *                             |

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of “An Overview of Calendar Composition of Fluid Milk Sales.” 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed price plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy product ad volume is at the fourth lowest level of the year. Nevertheless, average bi-weekly organic ad volume for the year so far is nearly 20% above last year’s average.

Ad volume for organic milk is low as well, also the fourth lowest level of the year. Just as with overall ad volume, average milk ad numbers for this year so far lead last year’s average by slightly over 20%.

However, ad numbers for half gallon organic milk are higher than three of the last four reporting periods with survey data. Average bi-weekly ad numbers for the year so far slightly leads last year.

Organic milk ads total 59% of all organic dairy ads, followed by organic yogurt ads at 36%, and organic butter, 5%.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period October 21, 2013, to November 1, 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 Northeast with 30% of ads; the Southeast, 28%; the Midwest and Northwest ties with 17%; the South Central, 6% and Southwest, 3%.

Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 44, 2013

**30% 28% 17% 6% 3% 17%**

Organic Milk. Ad volume for organic milk half gallons was 65% of all organic milk ads. Gallon ads were second, with 23% and 8 ounce containers third with 12%.

Organic Milk Half Gallons. The weighted average advertised price of organic milk half gallons is $3.73, up 26 cents from the last reported period prior to the Federal government shut down. The price range is unchanged at the bottom, $2.99, but up $1.49 at the top to $4.99. One year ago the national average price was $3.48.

Organic - Conventional Milk Half Gallon Price Spread. The weighted average advertised organic half-gallon milk price is $3.73 and the conventional half gallon price is $1.65. This results in an organic-conventional half gallon price spread of $2.08. One year ago the price spread was $1.27. The greater price spread this year is caused by organic prices being 29 cents higher this year, while conventional prices are $1.30 lower.

CONTINUED ON PAGE 8-A
Organic Milk Gallons. The national weighted average advertised price for organic gallons is $5.00, down from $5.91 the last reported period prior to the Federal government shut down.

Organic Yogurt. Organic yogurt ad numbers are above average for the year and higher than the last three reported periods. Ads for 4-6 ounce organic Greek yogurt comprise 63% of all organic yogurt ads. This is followed by ads for 32 ounce organic yogurt, 23%, and ads for 4-6 oz. yogurt and 32 oz. Greek yogurt tied at 7%. Most organic yogurt ads are in the Northeast, 39%, with the Southeast and Midwest tied at 23% each.

The weighted average advertised price for 4-6 ounce organic Greek yogurt is $1.05, down 20 cents from last year. The weighted average advertised price for 4-6 ounce organic yogurt is $.66, up 1 cent from last year. 32 ounce organic Greek yogurt has an average price of $5.00.

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 produce 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.