ORGANIC DAIRY FLUID OVERVIEW

U.S. ORGANIC MILK PRODUCTS SALES. Estimated U.S. Sales of Total Organic Milk Products through July 2014 using USDA AMS Dairy Programs data, shows overall increases over prior years. The graph which follows displays sales for 2010-2014.

ORGANIC DAIRY NEWS. A national organic dairy cooperative has announced increased organic milk pay prices for 2015, under a revised organic milk pay program. The new program replaces regional pay premiums with a regional base program. Features of the new pay prices include raising pay for the entire national up $2.75 on March 1, 2015. The new pay prices will be expressed in components at 12.2% solids (3.5% for butterfat; 3.05% for protein and 5.65% for other solids). Pricing will also be expressed in hundredweight terms for general communication purposes.

For the Northeast (Pennsylvania, New York, Maryland and New Jersey) this will result in a milk pay base of $33.55 per cwt equivalent. With various factors and average quality premiums, an average mailbox price will be $36.13.

While there is some uncertainty as to how consumers will react to store organic milk pricing that may result, various factors led to the decision to increase organic milk pay prices. Recent retail organic milk shortages in store coolers in a number of states illustrated organic milk supply tightness that has been less obvious until recently. Another cited factor is increases in on farm costs for organic feeds, inputs and land rents. Slowing transitioning into organic dairy production has also become more evident.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic egg nog is the most advertised organic dairy product this pre-holiday period. Organic milk is typically at the top of the list but this period, organic milk slipped to the second lowest level of 2014 as a percentage of total organic dairy ad volume. Organic yogurt ad volume rebounded to the highest number of ads since August.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period December 1 to December 12, 2014, 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

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is $3.15, down 48 cents from 2 weeks ago. One year ago the price was $3.70.

The lowest price is up 30 cents to $2.99, while the top of the price range is down 90 cents to $3.49. The lowest advertised price, $2.99, is in the Northwest. The highest advertised price, $3.49, is found in the Southeast.

U.S. Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2014 Week

Organic Milk Gallons. The U.S. weighted average price of organic milk gallons this period is $6.15. Two weeks ago the U.S. average price was $6.49 and the price one year ago was $5.00. Prices range from $5.79 in the South Central region, to $6.99 in the Northeast.

U.S. Advertised Organic Milk Gallon Price Range and Weighted Average Advertised Price by 2014 Week

8 Ounce Block Organic Cheese. Organic cheese (8 ounce blocks) has an average price of $3.49, 50 cents lower than two weeks ago. All ads are in the Northeast.

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Organic Yogurt. The weighted average price of the most advertised organic yogurt, 32 ounce organic yogurt, is $3.04, down 45 cents from two weeks ago and down 85 cents from one year ago. Organic Greek 4-6 ounce yogurt, with a U.S. average price of $1.18, is down 7 cents from two weeks ago. Organic Greek yogurt 32 ounce size has a U.S. average price of $6.49 and 4-6 ounce organic yogurt has an average price of $0.69.

Organic Egg Nog Quarts. Organic egg nog in quart containers is the most advertised organic dairy product this period. The U.S. average advertised price is $3.95, with no ads two weeks ago. One year ago the price was $3.55. Ads appeared in every region, with the lowest price in the Midwest, $3.19, and the highest price in the Northeast, $4.49.

Organic Grain and Feedstuff Markets: Organic grain prices are trending mostly steady. Market activity is slow to moderate. Demand for organic durum wheat is moderate to good, while demand for all other organic grains remains light to moderate. Concerns prevail as to limited storage capacity, transportation challenges and associated costs, moisture levels, test weights, drying costs, quality issues, and harvest yields.

Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews