



# FARMERS CREAMERY

Monthly Newsletter | January 2019

## GENERAL NEWS

### Classifieds Reminder

As a reminder, if you have any items you're looking for or would like to sell, please reach out to Scotty.

We also place our classifieds on the Farmers Creamery website so that those outside of the Kalona community can also see the posts.

Please let us know what we can post for you!



### A Note From the Kalona Organics Team

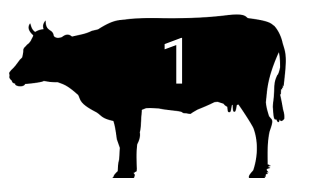
A new year means new opportunities! In 2019, the Kalona Organics team will be focused on maintaining relationships with our key retailers and distributors, as well as seeking new opportunities in our core markets (Midwest, South, Rockies, and California). We are excited to fully launch our 100% grass-fed kefir in Q1. By March, our kefir will be available in 2 UNFI distribution centers, with others to follow this summer. We continue to support our retail stores with promotions, ads, coupons and product demos. Our brand advocate program is also growing this year. We have 15 brand advocates from across the country reviewing Kalona SuperNatural products and sharing their experiences. They do this in a variety of ways including: word of mouth, online blogging, and social media. More than ever, consumers act as micro-influencers. We are excited to work with this group of individuals and empower them to spread the word about high-quality dairy!



Sara Rissi, Kalona Organics Sales & Marketing Manager

## COMMODITY PRICES

Grower FOB Farm Gate Organic Grain				
Commodity	Price Range	Average	Change	Prior Year
Yellow Corn	8.75 - 10.50	9.36	0.04	8.54
Soybeans	18.00 - 18.60	18.14	0.27	17.47
Grower Delivered Elevator/Warehouse Organic				
Commodity	Price Range	Average	Change	Prior Year
Yellow Corn	9.00 - 10.00	9.49	0.06	8.67
Soybeans	18.05 - 19.25	18.82	0.19	18.07





## INDUSTRY NEWS

### Maple Hill Creamery Shuts Off All Grain-Fed, Some Grass-Fed, Organic Milk Supplies

Story Courtesy of Sustainable Food News

[Maple Hill Creamery LLC](#) (MHC), a manufacturer of branded grass-fed organic dairy products, said it will exit all organic milk contracts by the end of 2019.

Kinderhook, N.Y.-based MHC, which calls itself “America’s original 100-percent grass-fed organic dairy,” was founded in 2004 and sources milk from a network of 150 farmers to produce and distribute whole milk yogurts, kefir, cheeses, and fluid milk product under the Maple Hill brand.

MHC was the first dairy brand to receive the [Pennsylvania Certified Organic 100% Grassfed Certification](#). Two years ago, investment group Sunrise Strategic Partners LLC acquired an undisclosed minority stake in MHC to expand its sales, marketing and production capacities.

“We have had organic routes for a number of years that allowed us to provide a market to farmers as they made their way through the transition to certified 100-percent grass-fed. We have always sold the milk from these routes to other processors to fill their organic milk needs,” Joseph told *Sustainable Food News*. “We have given notice to the organic, grain-fed farms that comprise those routes that we will be exiting these routes by the end of 2019. The organic milk market is simply over supplied and too difficult for a small player like ourselves to navigate.”

Plus, Joseph said MHC “will also be giving notice to some of our grass-fed organic farms in order to get our freight costs under control.” He said MHC sells its excess organic, 100-percent grass-fed milk into the organic-only marketplace.

“We pay a premium for this grass-fed organic milk, so obviously selling it as organic is already negative, however in the current market for bulk organic milk, we can’t afford to both pay a grass-fed premium and bear high freight costs simultaneously,” Joseph told *SFN*.

Grain-fed organic milk comprises about 20 percent of its total supply, Joseph said, adding that between 7 and 10 percent of the company’s grass-fed, organic milk producers have been given notice that their milk will not be purchased in the future. He declined to disclose the exact size of the company’s organic grass-fed milk supply.

Joseph explained the company’s rationale for the move – not expected to impact annual sales, which he also declined to disclose – in a formal letter to affected producers:

“Due to an unexpected reduction in demand for organic milk from some of our organic milk customers for 2019, we now have a much larger surplus of organic milk than we anticipated only a few weeks ago,” he wrote in the letter. “The downward price pressure created by excess organic milk in the rest of the U.S. is making it increasingly difficult to market our organic milk.

“As a result, we are forced to take the unfortunate steps of having to reduce our overall organic milk supply. I cannot tell you how sorry I am for this turn of events, and wish there were an alternative, but the reality of the current organic milk market and supply and demand imbalance leaves us no choice. I feel as if we have ‘been holding back the tide’ for the last couple of years. Our team has worked very hard for many months trying to find additional outlets and opportunities for organic milk in 2019, but the reality is ‘the tide finally came in’ and we do not have a market for all of the milk in our system.”

