

Grocery stores running out of organic milk

By Lydia Mulvany, Bloomberg

About once a week the phone rings at the Dill Pickle Food Co-op in Chicago's artsy Logan Square neighborhood with the same question: Got milk? Organic, to be exact.

"I'll have people call up and say, hey, I know the truck's coming on Tuesday, can you put aside three half-gallons?" said Dana Bates-Norden, 33, who works as the buyer of perishable goods for the store, which in 2014 started selling out of the glass-bottled milk it gets from Midwest organic dairies within two days. "When I first started two years ago, I felt like I ended up having to write off a lot of organic milk, and now, I really can't keep it in stock."

Americans spent an estimated \$35 billion on organic groceries in 2014. About \$5.1 billion of that went to dairy, more than doubling from a decade earlier, data from the Nutrition Business Journal published on the U.S. Department of Agriculture website show. With retailers like Wal-Mart Stores Inc. trying to attract more organic-food shoppers while McDonald's Corp. uses the milk – which can cost almost twice as much as regular – in some McCafe coffees, producers are struggling to keep up with demand.

Even in Wisconsin, the state with the most organic dairies, stores are posting signs warning of shortages, the USDA has said. At Fresh Madison Market in the state's capital city of Madison, sales of the milk have doubled over the past year and rising demand spurred a 10-day shortage in early January, owner Jeff Maurer said by telephone Feb. 9.

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