

Since August, raw milk production show a downward dynamics. This tendency is observed every year due to seasonality of production. So, due to the decline offers of raw milk, processors increase procurement prices for it.

In general, the first 9 months of the current year processing companies received almost 3.7 million tons of raw milk, which is 2.5% more than the same period last year. This increase was due to the increase of raw milk from agricultural enterprices (1.8 million tons compared to 1.5 million tons). Regarding the private sector, the decreased of raw milk for processing was due to the low purchase price for it (1.6 million tonnes this year against 1.7 million tonnes last year).

If to look at the dynamics of prices for raw milk, it is evident that in October this year they are lower than in the same period of 2010 and 2011 (Figures 1 and 2). Such low prices are dued to the following factors:

- Increase of production and income of milk for processing;
- An increase in imports;
- Reduction in exports.

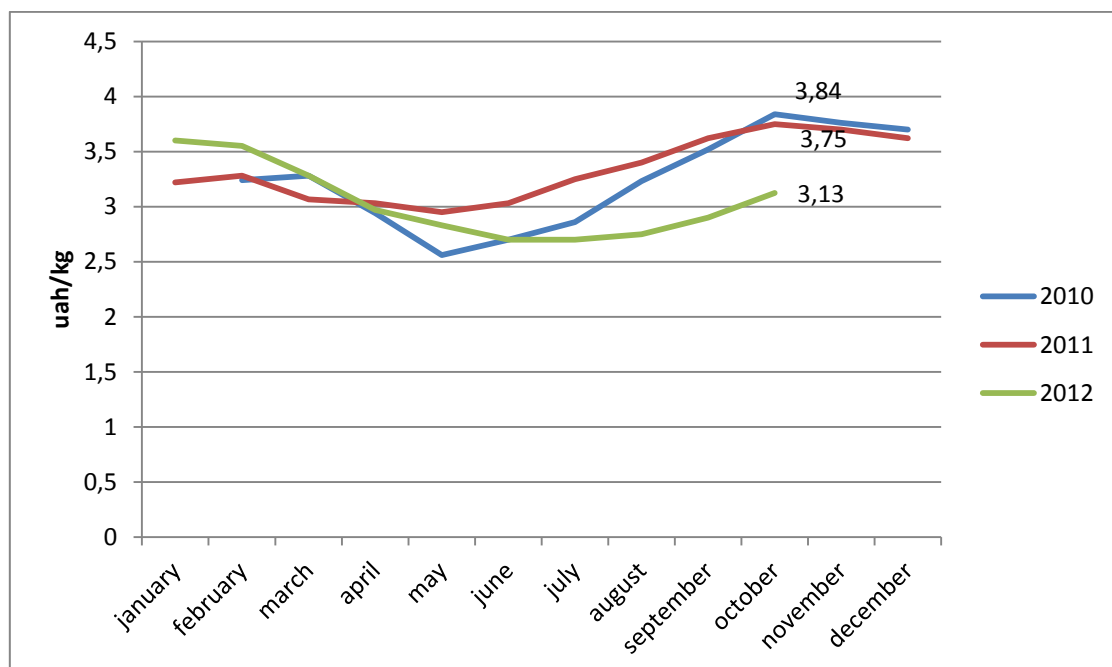


Fig 1. Dynamics of prices for raw milk from agricultural enterprises (own data)

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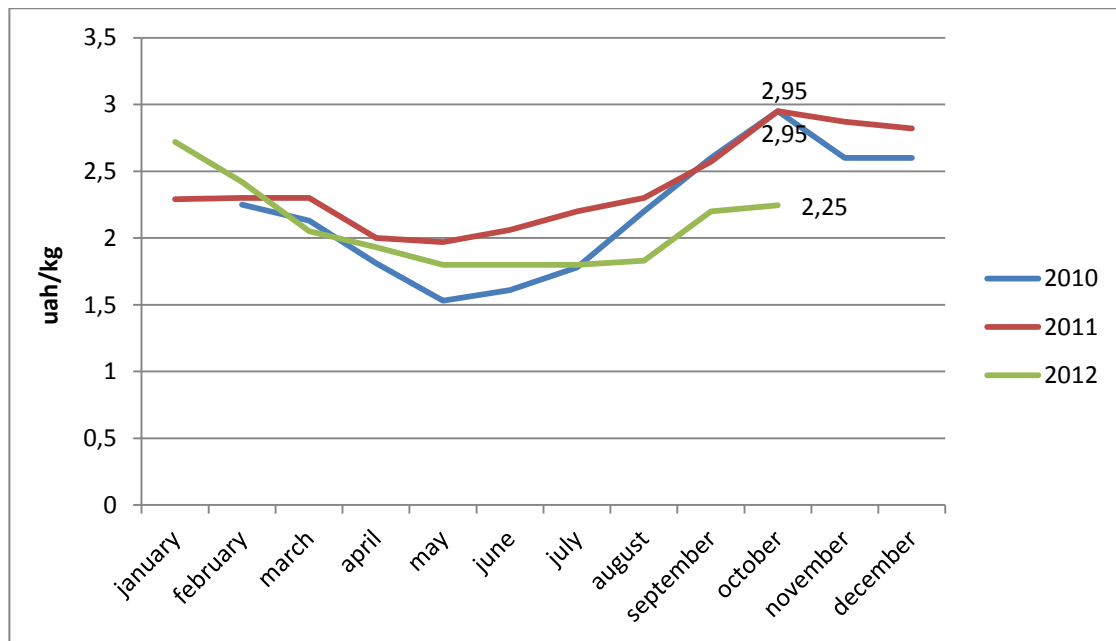


Fig 2. Dynamics of prices for raw milk from private households (own data).

An additional factor (other than seasonal) that will impact at the increase in purchase prices is significantly higher prices for dairy products on world and European markets. This in turn will improve the competitiveness of Ukrainian products at foreign markets and limit the influx of imported products.