

DYKUN

Milk and dairy products prices monitoring
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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

Purchase prices for milk under the pressure of seasonal production growth are constantly falling. Even despite the positive trends on the world market.

According to the results of April, the average price for milk was 9.12 UAH/kg (including VAT), which is 0.44 UAH less the price of March. Higher Grade milk cost in average 9.01 UAH/kg (-0.12 UAH), and Grade I cost 8.40 UAH (-0.44 UAH).

May began with the continuation of the price fall. Extra Grade milk cost 8.85 UAH/kg, which is 0.23 UAH lower than the price of the end of April, Higher Grade cost 8.30 UAH/kg (-0.64 UAH), and Grade I was 7.90 UAH/kg (-0.81 UAH).

Processors explain these prices by the excess supply of milk on the market. But there is no seasonality in industrial dairy cattle breeding. The farms provide a stable supply of milk throughout the year, unlike individuals.

At the same time, while in summer individual farmers practice grazing, industrial farms continue to feed cattle with a stable ration, which recently have risen in price significantly. Over the past few months, the price for concentrated feed has skyrocketed catastrophically. For example, sunflower meal from November 2017 went up by 78.3% to 7666.7 UAH/t, soybean meal up by 16.7% to 14,000 UAH/t. It is the fact that 70% of the cost are feeds. Accordingly, the profitability of livestock breeding is again in deficit.