

DYKUN

Milk prices monitoring

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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

Prices for raw milk in Ukraine as of April 11 decreased by 0.03-0.05 UAH, depending on the grade, since the Association of Milk Producers conducted preliminary monitoring on March 27. The correction of prices for raw milk was a necessary measure in the interests of processors in order to reduce the cost of production of dairy products in the conditions of reduced demand within the country and on the sales markets, as well as a sharp drop in milk prices in Europe.

This is reported by the analyst of the Association of Milk Producers Georgii Kukhaleishvili.

The average purchase price of Extra Grade milk amounted to 12.13 UAH/kg excluding VAT, which is 0.05 UAH less than in March. The price range for this grade in farms varies from 10.84 to 12.70 UAH/kg. The upper limit of the price range dropped by 0.10 UAH.

The price of Higher Grade also dropped by 0.05 UAH, to 12.13 UAH/kg without VAT. The order of prices for this milk in farms is from 10.00 to 12.10 UAH/kg.

The average price of Grade I decreased by 0.03 UAH, to 11.64 UAH/kg without VAT. The minimum price in farms was 10.00 UAH/kg, and the maximum was 11.80 UAH/kg. The upper limit of the price range for Grade I decreased by 0.10 UAH.

The weighted average price of three grades fell by 0.04 UAH and amounted to 11.97 UAH/kg without VAT.

Georgii Kukhaleishvili suggests that the reduction of prices for raw milk in Ukraine is connected with the adaptation of producers and processors to the difficult realities of the dairy market. In Europe, the correction of raw milk prices is still ongoing after a sharp increase last year. In the first half of 2022, European companies significantly raised the purchase prices for raw milk in connection with the reduction of its production due to the drought in Europe and floods in Oceania. They counted on traditionally high demand from China, but their forecasts did not come true. Chinese have reduced the import of dairy products, in particular milk powder, after the introduction of another lockdown. Milk in Europe began to become cheaper and local processors used it for the production of milk powder, butter and cheese. Even after lifting the quarantine, China continued to reduce imports of butter and milk powder and increased production of raw milk. During the quarantine period, substantial reserves of dry milk accumulated in the country.