

DYKUN

Milk and dairy products prices monitoring

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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

Dairy market demonstrates its stabilization, there are first signals of its recovery.

Analytical department of Association of Milk Producers of Ukraine announced this information.

Prices of Extra Grade milk this week were within the range of 7.30-8 UAH/kg (including VAT). The average price also hasn't changed — 7.78 UAH/kg. The highest price was fixed in Central region of Ukraine — 7.70-8 UAH/kg, and the lowest in North region — 7,80-7.40 UAH/kg.

The highest price for Higher Grade milk was fixed in West region of Ukraine — 7.60-8 UAH/kg, and in the East region — 7,50-8 UAH/kg. The average price for this grade of milk hasn't changed, if to compare with the previous week — 7.65 UAH/kg.

Prices of Grade I ranged between 6.80 and 7.80 UAH/kg. The highest price for this grade is paid in Central and North region of Ukraine.

As it was announced before, quite positive trends on the global dairy market inspire Ukrainian milk producers. Stabilization on the market is getting more substantial.

The last FAO data concerning Dairy products prices index shows increase of prices. The average index value stopped at the level of 193 points, which is 9.5 points more than in April, and 51% higher than in May 2016. Prices for all dairy products have risen in May. Sustained domestic demand in Europe and North America contributed to the increase of butter prices, but the presence of significant reserve commodities in the EU limited the growth of prices for skimmed milk powder.

In addition, FAO experts predict the world production and trade growth. The volume of milk produced in 2017 will increase by 1.4% — to 830 million tons, import will grow by 1.15% — to 71.6 million tons, and export — by 1%, to 71.8 million tons.

Continued renewal of China's dairy imports after a sharp cut in 2015 will be the main driver of trade development. Imports from Russia, Mexico, Australia, the Philippines, Yemen and Korea are also expected to increase.

Accordingly, some Ukrainian processors report on their increasing processing capacity. In addition, there is information on ongoing long-term contracts that will ensure the demand for milk throughout the summer.

Purchase milk prices — 13.06.2017, UAH/kg (including VAT)

Region	Extra Grade		Higher Grade		Grade I	
	max	min	max	min	max	min
Central	8	7.7	8	6.9	7.8	7.2
West	7.7	7.6	8	7.6	7.8	7.1
East	8	7.3	8	7.5	7.8	6.8
South	7.8	7.7	7.5	7.5	-	-
North	7.8	7.4	7.7	7.7	7.7	7.3

Source: AMP