

DYKUN

Milk prices monitoring
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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

In the first decade of October, purchase prices for milk from industrial farms showed the largest increase for the entire year in an attempt to catch up to market marks. But taking into account the excellent indicators of foreign trade activity in the previous months and the fact that a significant part of milk goes specifically for export, the pace of growth of purchase prices for raw milk against this background can be safely called restrained.

This is reported by Yana Linetska, the analyst of the Association of Milk Producers.

Therefore, as of October 10, the average purchase price for Extra Grade milk was 11.60 UAH/kg excluding VAT, which is 0.62 UAH higher above the end of September price. The price range, depending on the size of the batch, ranged from 10.20 to 12 UAH/kg.

Such an increase in prices for Extra Grade milk is explained by its demand against the background of an increase in the number of milk processing enterprises with a "Euro number". Enterprises need high-quality milk to fulfill contracts.

Higher grade increased by 0.15 UAH — up to 10.48 UAH/kg. The price corridor was kept within 9.50-11 UAH/kg.

Grade I also rose immediately by 0.35 UAH — up to 10.13 UAH/kg. The price of such milk ranged from 9.16 to 11 UAH.

The weighted average price of three grades rose by 0.37 UAH compared to the end of September — up to 10.73 UAH/kg.

High prices for dairy products, the beginning of the heating season and the recession in the EU affect the conclusion of futures contracts for the supply of dairy products. Volumes of future contracts and prices for imports of Ukrainian milk are beginning to decline. In addition, the EU is beginning to compensate for stocks due to imports from the countries of Oceania (Australia and New Zealand), where the high milk season is currently underway. And taking into account the fact that Europe was the main trading partner for Ukraine, in the short term, prices will most likely not show such rapid growth. However, prices will be supported by a seasonal reduction in milk production. At the same time, additional risk factors for forecasting the situation on the dairy market of Ukraine in the coming weeks are the consequences of increased Russian aggression and missile attacks on Ukrainian cities, as well as the consequences of possible power outages for both dairy farms and factories and retail chains.