

DYKUN

Milk prices monitoring  
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**ASSOCIATION OF DAIRY PRODUCERS**

**ANALYTICAL DEPARTMENT OF MILKUA.INFO**

The Ukrainian dairy market is currently experiencing a «storm», as well as the global market. After milk prices drop at the end of July August started with an upward movement, although there is no reason to talk about a trend so far. After all, the general picture has improved amid rising milk prices in the northern regions, especially in Chernihiv region, which is in the top 5 for milk production, but during the previous monitoring had significantly lower prices than in the central or western regions. This is reported by Yana Linetska, analyst of the Association of Milk Producers.

As of August 3, compared with the previous monitoring the average price for Extra Grade milk rose by 0,14 UAH — up to 10,66 UAH/kg excluding VAT. However, it is still 0,3 UAH lower than in the pre-war December 2021.

The Higher Grade added 0,5 UAH — to 9,92 UAH/kg, while Grade1 has remained unchanged at 9,66 UAH/kg.

The average price of the three varieties rose by 0,7 UAH — to 10,08 UAH/kg, which is 0,5 UAH lower than at the beginning of June 2022 and 0,65 UAH lower than in prewar December.

According to Linetska, the domestic dairy market is characterized by uncertainty due to a number of changing factors. First of all, it is consumption. The amount of refugees coming home observed in May and June is lower, and people start saving money due to an approaching autumn. State social payments and support from international funds will allow to maintain domestic demand in the next few months, which will decrease: retail sales of dairy products in July decreased by 10–12%.

At the same time, experts expect that the weakening of the hryvnia will make import of dairy products unprofitable, providing competitive support to domestic producers. It should be noted that the price for raw milk in Poland is a quarter higher than in Ukraine, and amid the dollar rise it will be unprofitable to import dairy products.

On the other hand, the devaluation of hryvnia will substantially reduce the cost of production of both milk and dairy products. Veterinary drugs, fuel and lubricants, semen, some feed ingredients and means of production are imported, which directly affects the cost of production. In addition, the cost of roughage has increased because of the rising fuel prices.

Market development in the short term will depend on the situation on the foreign exchange market and global trends as the export factor is becoming more and more important.