

DYKUN

Milk prices monitoring
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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

As of September 15, the average purchase price for Extra Grade milk increased by 0.03 UAH and amounted to 10.82 UAH/kg, excluding VAT. Higher grade added 0.02 UAH to the price — up to 10.15 UAH/kg, and Grade I remained unchanged — 9.75 UAH. The weighted average price of three grades rose by 0.02 UAH — up to 10.24 UAH/kg.

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

The market continues to be pressured by factors such as increased demand from processors against the backdrop of a seasonal reduction in milk production, rising gas prices, and further depreciation of the hryvnia.

According to approximate calculations, milk production for eight months of the current year decreased by 15.1% to 5,126.4 thousand tons. Industrial farms provided 1.7 million tons of milk, which is 7.1% less than last year, and the private sector — 3.4 million tons (-18.6%).

About a third of industrial milk (almost 525 thousand tonnes) and a third of the industrial herd of cows (almost 123 thousand cows), according to preliminary calculations by the State Service of Ukraine, are in the regions where hostilities took place. This has its consequences both for the organization of production and for the health of animals. In addition, the territories of these regions are still largely mined, which complicates the production of feeds in the near future.

Demand for domestic dairy products for export remains quite strong. The recovery of supplies to China had a significant impact, in particular, on sales of milk whey, which in the short term will support the market against the background of the activity of cheese makers.

At the same time, the sharp rise in gas prices (+38% in two months) will affect the cost of dairy products production. Therefore, in the short term, prices for milk and dairy products may gradually increase. Growth rates will depend on the activity of import markets.