

DYKUN

Milk prices monitoring
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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

In the second half of October, purchase prices for milk from industrial farms continued their upward trend.

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

Price support was created by demand from processors, in particular cheese makers, and a seasonal reduction in milk production.

As of October 25, the average purchase price for Extra Grade milk was 11.80 UAH/kg excluding VAT, which is 0.20 UAH higher above the price at the beginning of the month. The price range, depending on the batch, ranged from 11 to 12.25 UAH/kg.

Higher Grade rose in price by 0.29 UAH — up to 10.77 UAH/kg. The price corridor was within 9.80-11.50 UAH/kg.

Grade I rose in price by 0.15 UAH — up to 10.28 UAH/kg. The price of such milk ranged from 9.18 to 10.80 UAH/kg.

The weighted average price of three grades rose by 0.22 UAH — up to 10.95 UAH/kg.

The main problem in the market today and in the short-term perspective is failures in the operation of electrical systems as a result of constant terror by the Russian invaders of Ukrainian energy facilities. Emergency and scheduled power outages are painful for both dairy farms and processors.

The most energy-intensive processes on a dairy farm are milking, the operation of milk cooling tanks, feed production — the minimum consumption of e-energy by a dairy farm per 1,000 cows exceeds 1 MW, so the use of diesel or gasoline generators increases the share of electricity costs in the cost of milk production, according to farms, 5-6 times. For processors, the requirement to halve electricity consumption threatens to reduce the production of finished products, which threatens to unbalance the market.

However, today the participants of the dairy chain are relatively successfully coping with this new challenge, although the additional costs will definitely have consequences for the increase in the cost of production of both raw milk and finished dairy products.