

DYKUN

# Milk and dairy products prices monitoring

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**ASSOCIATION OF DAIRY PRODUCERS**

**ANALYTICAL DEPARTMENT OF MILKUA.INFO**

The first signs of milk prices increase are observed on the dairy market.

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

Prices for Extra Grade this week were within the range of 7.30-8.02 UAH/kg (including VAT). The average price for this Grade was at the stable level of 7.77 UAH/kg, as well as a week before. The highest price range for Extra Grade Milk is fixed in Central region of Ukraine — 7.70-8.02 AUH/kg.

The average price for Higher Grade this week added 0.02 UAH/kg to 7.66UAH/kg. The price range is 7.70-8.00 UAH/kg; its lowest range is even higher than the price for Extra Grade. Most likely, this is due to the great need of "non-premium" raw milk for butter production.

The average price for Grade I milk has added 0.03 UAH/kg this week to 7.42 UAH/kg. In general, prices for this Grade ranged between 6.80 and 7.80 UAH.

Positive price trends at world dairy market have the greatest impact on the prices formation on the domestic market. This is about butter prices. Price for this dairy product is at the level of 5.60-5.80 \$/kg on the global market, comparing with the price 4.40\$/kg — on domestic market. This shows the possibility of further price growth for domestic product.

In general, exports of dairy products in five months of 2017, comparing to the corresponding period of the previous year, increased by a quarter in volume terms and by 77% in value. At the same time, the production of dairy products during the analysed period practically has not changed. In January-May 677,3 ths. tons of dairy products were produced (+0,06%). The largest increase is observed in butter (40.8 ths. tons, +4.62%) and rennet cheese (49.5 ths. tons, +3.99%).

Taking into account these factors, further increase in purchase prices should be expected in July. It will occur at moderate pace within 0.03-0.05 UAH/week due to the season of "big milk".

So, according to this retail prices for dairy products will also increase in July. Whole milk products prices will remain at the same level with a possible slight increase by 2%.

Butter price will definitely increase, as long as the export prices are rising, and in July it can step across the line of 180 UAH/kg. Another issue is the volume of sales, because now this product for Ukrainians is becoming premium. In addition, summer holiday season will affect the consumption of fat dairy products.

Cheese price will remain at the level of 167-169 UAH/kg.

*Press-service of AMP*