

DYKUN

Milk prices monitoring
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ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

Purchase prices for milk in the second half of September continued to catch up with the market and increased by almost 0.10 UAH.

As of September 28, the average purchase price for Extra Grade milk increased by 0.16 UAH and amounted to 10.98 UAH/kg, excluding VAT. At the same time, contracts of 11.30-11.60 UAH/kg, depending on the volume of the lot, are increasingly prevailing.

Higher Grade increased by 0.18 UAH — up to 10.98 UAH/kg, and Grade I for 0.03 UAH — 9.78 UAH. The weighted average price of three grades rose by 0.12 UAH — up to 10.36 UAH/kg.

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

Such support for prices is provided by the intensification of the export of dairy products against the background of a seasonal reduction in milk production. In less than a month, 29 million dollars worth of milk was sold on foreign markets. Considering that the main sales market is Europe, the Ukrainian product is competitive on this market due to the lower price. So, for example, the average price of milk in Europe is almost half as high as in Ukraine — 52 euros per t compared to 31 euros in Ukraine.

However, due to the war in Ukraine, the refusal of energy carriers from Russia and post-Covid factors, the economy in the EU is sinking and the level of income of the population is decreasing. Therefore, the question of the preference of the Ukrainian product will also have price restrictions.

At the same time, forced migrants continue to return to Ukraine and the level of consumption of dairy products, first of all the whole milk group, in the domestic market managed to be maintained despite negative expectations. It is difficult to predict how long this effect will last, but winter will definitely affect consumption, because the income level of Ukrainians, together with the hryvnia, is sinking every day.

Linetska notes that milk producers should review the prices offered by processing plants and bring them up to market prices. Therefore, as of October 1, a new step in raising raw material prices to market prices is expected.