DYKUN

Milk prices monitoring *December-2, 2022*



ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

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At the end of December, purchase prices for milk remained at the level of the end of November - beginning of December. Average values for all three grades remained unchanged.

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

Thus, as of December 27, the purchase price for Extra Grade milk was on average 12.18 UAH/kg excluding VAT, processors bought Hhigher grade at 12 UAH/kg, and Grade I at 11.60 UAH/kg.

The weighted average price of the three grades remained at 11.92 UAH/kg.

The situation on the world market, and accordingly on the export side, currently does not support purchase prices for milk. However, during the New Year and Christmas holidays, the population that left in the previous months returns to Ukraine. This affects the increase in demand in the domestic market. As experts report, the outflow of Ukrainians from Europe is becoming more and more noticeable. There are several reasons for this: firstly, the reduction of social benefits for Ukrainians, secondly, not everyone was able to get a job, thirdly, many are returning to the liberated territories.

Against the backdrop of constant power outages, milk production in the industrial sector is declining. In addition, the incidence of mastitis is increasing due to untimely milking and, accordingly, culling. According to preliminary calculations, for a farm with 1,000 cows, a milking delay of at least 1 hour means a lack of 2 tons of milk per day or 60 tons per month.

The combination of these factors restrains purchase prices at previously established levels. The further development of the situation will depend on the demand on the domestic and foreign markets in the post-holiday period, as well as on the economic situation in the country as a whole.