

DYKUN

Milk and dairy products prices monitoring

May 18, 2017



ASSOCIATION OF DAIRY PRODUCERS

ANALYTICAL DEPARTMENT OF MILKUA.INFO

Purchase milk prices head on to a stabilization. But the average values still decrease.

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

According to the last monitoring from May 18, the average price for Extra grade milk lost 0.10 UAH/kg this week — to 7.90 UAH/kg, due to a decrease of prices in North region. At the same time prices in all other regions were steady. The highest price for this grade of milk was paid in East region — 8 UAH/kg, and the lowest in South region — 7.82 UAH/kg.

The average price for milk of higher grade was at the level of 7.66 UAH/kg, which is 0.10 UAH less than a week ago. The highest price for this grade was paid in South region, and the lowest in North region — 7.61 UAH/kg. Decrease of prices was quite common for North and Central regions.

Concerning prices for milk of Grade I, they went down by 0.11 UAH to 7.57 UAH/kg. The lowest price for this grade was paid in East and West regions — 7.40-7.37 UAH/kg. Decrease of prices for this grade of milk was common for East, West and Central regions.

Stabilization of milk purchase prices become possible because of negotiations between producers and processors (those who sell on the domestic market) and a number of lucrative export contracts. Because of the latest, potential excess of milk on the market in the near future will be removed. Another stimulating factor — rising butter price trend on the world market. Export of dairy products in the world reduces due to strong domestic consumption in major export regions. Thus, in the first quarter of 2017, exports of butter from New Zealand decreased by 12%, the EU — 27%, and the United States by 46%.

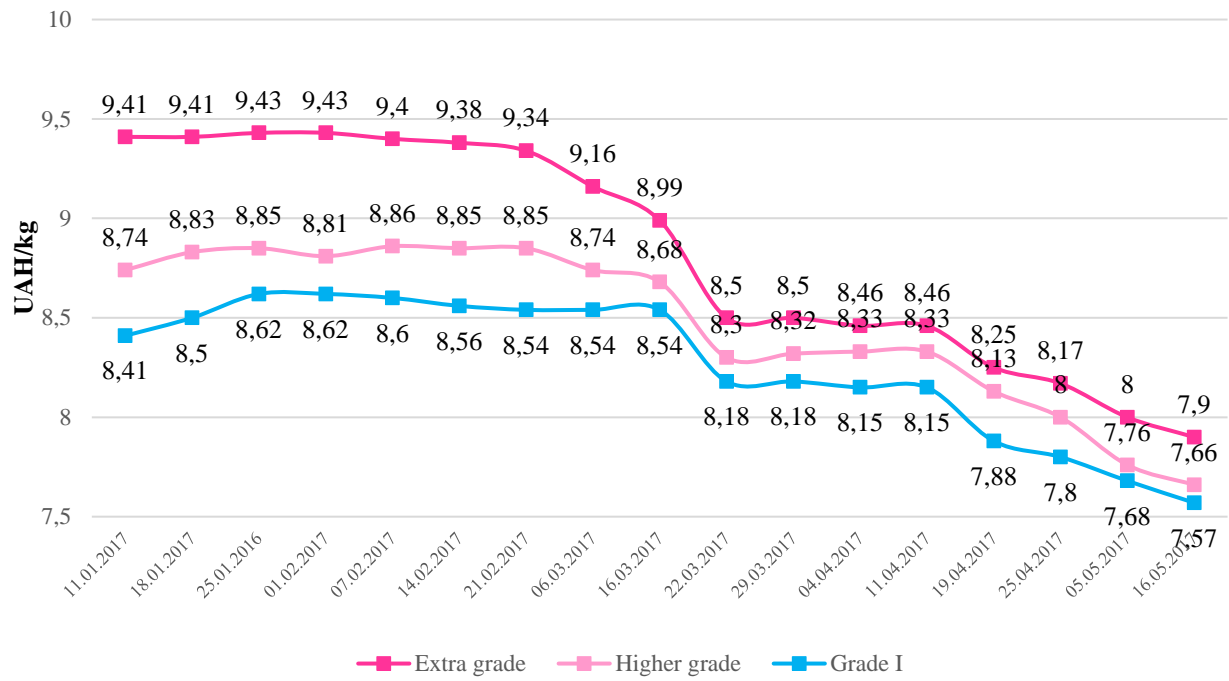
GDT index of prices continue to raise during the last 2 months. The average value of index on the last trades from May 16 stopped at the level of 1089, which responds to the indicators of July, 2014. Most of all, next trades will also be in the black. Futures contracts for most dairy products show growth until the end of July.

The corresponding dynamics traced on the shelves of local supermarkets. Whole milk products become cheaper, but butter continues to rise in price. A kilo of yoghurt costs 46.10 UAH/kg, which is 0.43 UAH less than week ago. High export prices encourage active export, creating a shortage of product on the domestic market.

However, cheese lost in price 1 UAH to 167 UAH/kg.

By the end of the month stabilization of purchase milk prices in all regions is expected. Since the beginning of June, together with previously established factors, prices may even show a slight growth by 5 UAH/kg.

Purchase milk prices, UAH/kg



Source: ADP