



Radyvylivmoloko brief market review

Trends in the dairy market in Ukraine

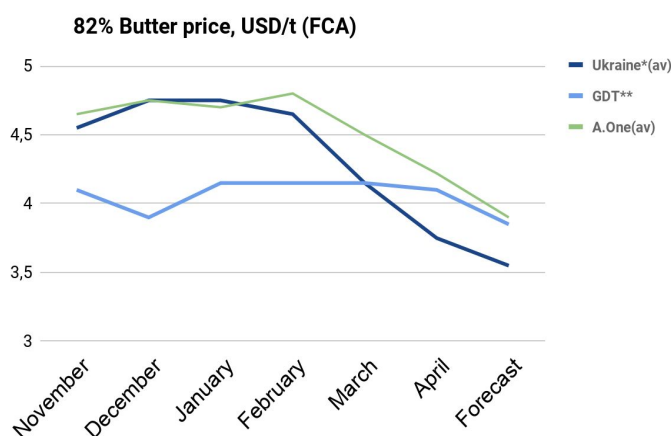
General Information

The season of "big" milk has almost begun. Cows slowly appear on fields, the raw milk amount is increasing, raw milk prices continue to fall. Quarantine restrictions remain unchanged. Dairy prices in the world and in Europe continue to decline. The situation on the Ukrainian dairy market is worsening.

Raw milk trends

The raw milk price in Ukraine steadily decreased in April. This mostly applies to milk from the private sector. The main reason for this is that due to the quarantine, private sector milk has no alternative but to sell to industrial producers.

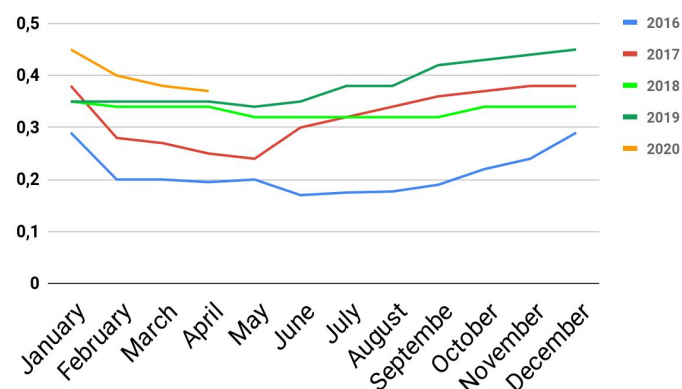
In general, the dynamics of raw milk in Ukraine is negative, for the first three months the raw milk amount received for processing decreased by 3.5% compared to last year. High-quality milk prices decreased by approximately 2-3% in April.



Butter

The situation in the Ukrainian butter market is not clear. Despite the rapid fall in world prices, the butter price in Ukraine decreased relatively slightly. Imports of butter from Europe have become even more profitable. Exports of Ukrainian butter are profitable only in a few post-CIS countries. Butter production continues to increase seasonally. Butter 82% can be sold at prices 3700-3800 USD per ton.

Raw material price in Ukraine average value, (USD/Kg)



* - the price for 1 liter of high-quality milk. (fat 3.4%, protein 3.2%)

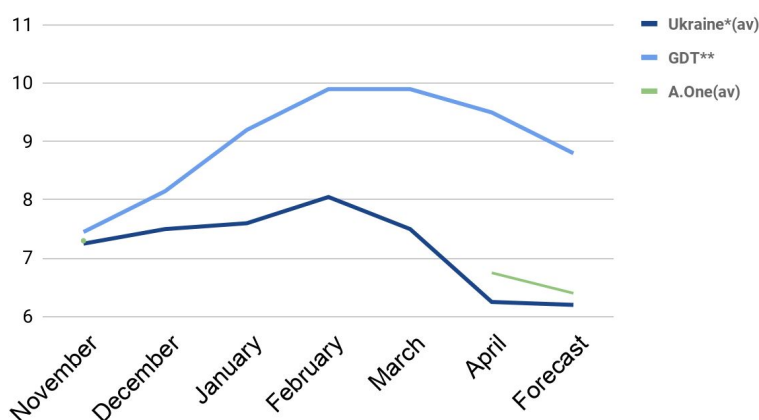


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Casein

The biggest changes took place in the Ukrainian casein market. In a month the goods have fallen in price by 1000 USD per ton. Traders continue to lower prices for Ukrainian casein, taking advantage of the fact that some Ukrainian producers need money and are forced to sell casein. Production has increased seasonally and a lot of casein is now in stock. Casein can be sold at prices 6200-6300 USD per ton.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	27,69	26,97	2,7%
Fluctuation rate, ** %	27,69	26,96	2,7%

* - The beginning and the end of the month

** - The highest and lowest values during a month

Our production in April

Butter 141 ton
Casein 61 ton
Cheese 46 ton

Our forecast for May

Quarantine is expected to ease in May, or possibly end. This means that markets will start working in Ukraine and it is likely that the amount of raw milk for producers will decrease. This can affect both the raw milk price from the private sector and the price of dairy products. The dairy industry expects information from the state in May regarding support in connection with the crisis both in Ukraine and in the world. The situation in Ukraine and the world is changing very dynamically and, unfortunately, forecasts of consumer market trends are not optimistic.

Used sources

1. Global Dairy Trade (GDT);
2. Radyvylivmoloko data

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