



Radyvylivmoloko brief market review

Trends in the dairy market in Ukraine

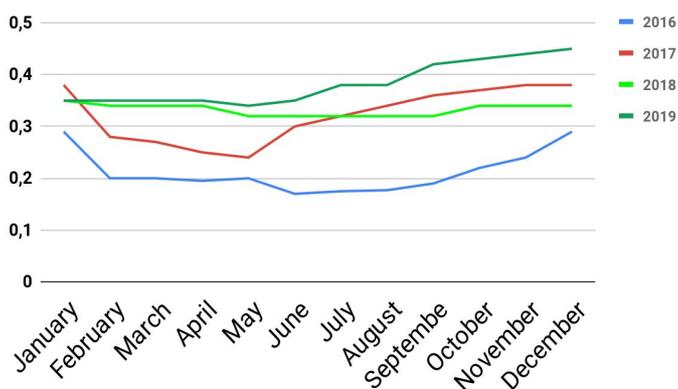
General Information

A very difficult year for the dairy market has ended. There is still not enough information to summarize. But most milk processing operators will report with confidence that for them this year was worse than the previous one. The raw milk production in the country is falling rapidly, and it is already more expensive than in Europe.

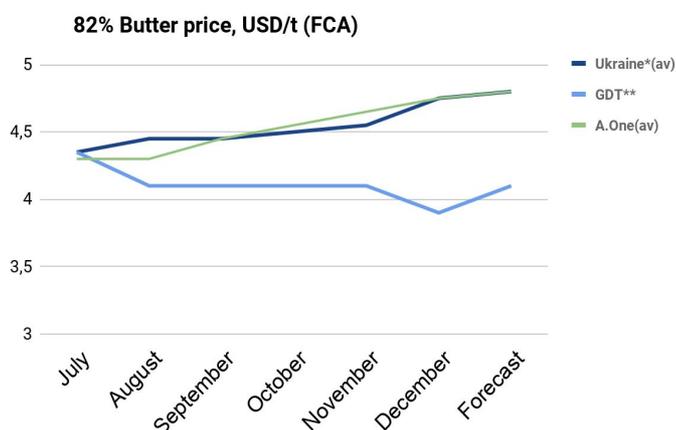
Raw milk trends

2019 brought the dairy producers a lot of surprises and problems, less success. The biggest challenge of the industry was general decline in raw milk supply.

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



What ultimately leads to a change in the country's milk balance - from export-oriented, Ukraine becomes a balanced market. So, according to November results, imports (in milk equivalent) almost equaled exports.



Butter

The butter market in December was not active. Demand for goods is quite satisfied, though not without the help of importers. As a result, butter prices on the eve of the holidays not only did not increase, but even decreased slightly. Butter with fat content 82% was sold for export at prices approximately 4700-4800 USD per ton.

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

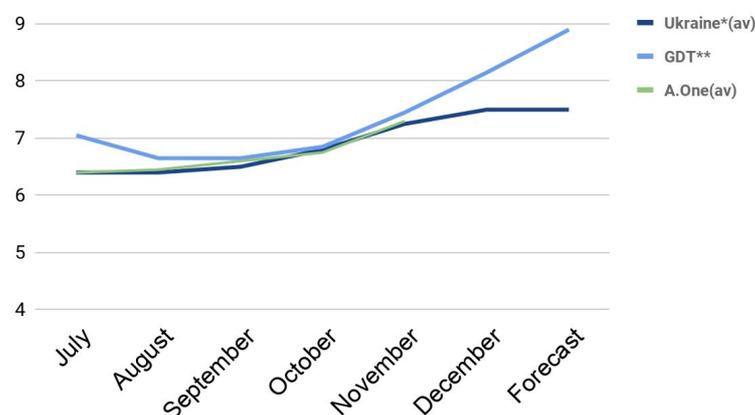


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Casein

Casein production quickly goes down to zero. In December, approximately 60 ton of casein was produced, and the January production will be very small. December is the season of the least raw milk amount. Casein was sold at prices 7400-7600 USD per ton.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	23,95	23,79	0,6%
Fluctuation rate, ** %	23,95	23,25	3%

* - The beginning and the end of the month

** - The highest and lowest values during a month

Our production in December

Butter 48 ton

Casein 0 ton

Cheese 76 ton

Our forecast for January

The dairy market in January will be calm. Many holidays and weekends will not allow active work. The quantity and price of raw milk will not change in January. In the near future, butter in Ukraine may become a little cheaper - demand for it will decrease, and supply will grow slightly, including due to an increase in production in the first half of January. Casein market in Ukraine will resume only in spring, when there will be cheap raw milk from the private sector.

Used sources

1. Global Dairy Trade (GDT); 2. Infagro; 3. Radyvylivmoloko data

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