



Radyvylivmoloko brief market review

Trends in the dairy market in Ukraine

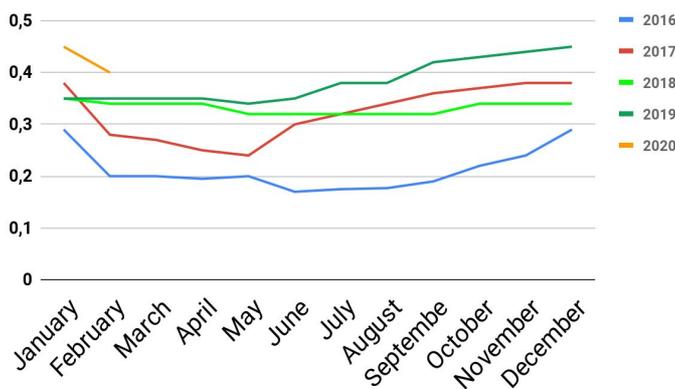
General Information

The peak of the lowest milk yields of the season has passed, but the situation on the dairy market has not changed much. Milk is still very expensive, Ukrainian dairy products are not yet competitive in world markets, imports continue to increase.

Raw milk trends

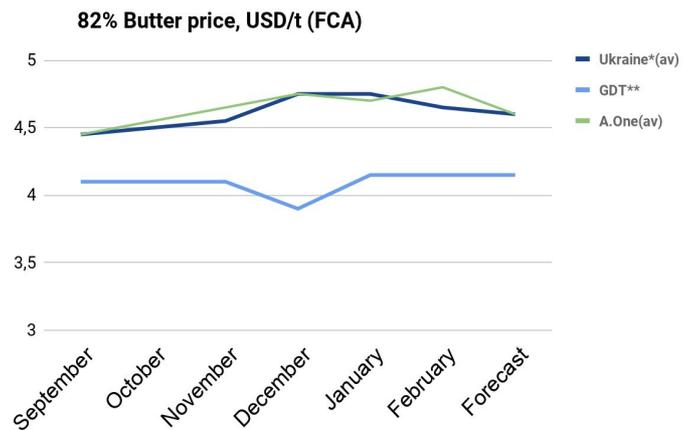
The raw milk market of Ukraine in February behaves very strangely. In some regions, reductions have begun, but in others the struggle for raw milk is still ongoing. As a result, price ranges have not changed over the past month.

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



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

According to official data, in 2019, 3.8 million tons of milk were processed in Ukraine, which is 9.1% less than in 2018.



Butter

Surprisingly and contrary to forecasts (in the previous report), butter in Ukraine did not rise in price in February, even a little slipped in price. There are several reasons: production no longer falls, but will grow soon; import did not decrease; exports fell. In general, the market again regained its normal balance. Since Ukraine is now dependent on imports of milk fats, February strengthening of the hryvnia exchange rate and a drop in the cost of goods in Europe played a big role in pricing.

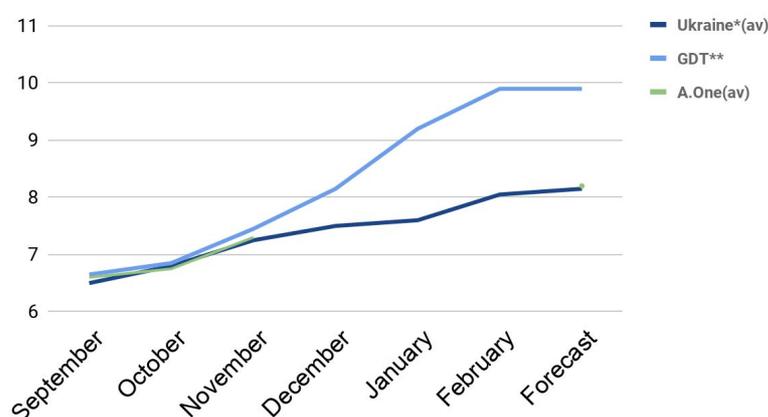


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Casein

The rapid rise in price of casein in the world market is also reflected in Ukrainian trends. Nevertheless, most producers of this product are not yet ready to open the season - its offer is now very small. Traders, on the other hand, are trying to find casein in Ukraine, even by increasing the price of demand to over 8000-8200 USD per ton.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	25,01	24,68	1,3%
Fluctuation rate, ** %	25,01	24,43	2,3%

* - The beginning and the end of the month

** - The highest and lowest values during a month

Our production in February

Butter 56 ton

Casein 0 ton

Cheese 54 ton

Our forecast for March

In March, the raw milk market will become active, the quantity will increase, but the price is likely to remain unchanged. Expected hryvnia devaluation, it will affect the import of dairy products. The price of the domestic market and imports should be approximately equal. Due to the warming and increase of raw milk, casein production will start. Several trucks can be contracted in March.

Used sources

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

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