



## Radyvylivmoloko brief market review

# Trends in the dairy market in Ukraine

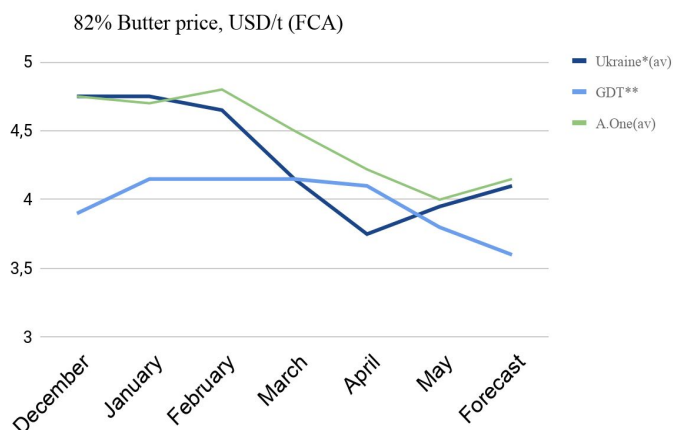
### General Information

Milk processors are increasingly getting used to the crisis. Export-oriented dairy producers can produce competitive goods only from cheap raw milk from the private sector. In Ukraine, imports' volume of dairy products has increased, most of them are cheaper than Ukrainian ones.

These factors currently allow purchasing prices to remain at a stable level, and operators - not to think about revisions in the coming weeks.

### Raw milk trends

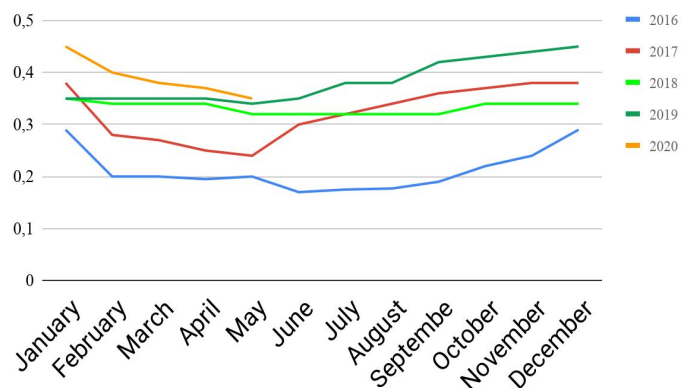
Despite a decrease in the supply of raw materials, consumer demand has dropped noticeably, and export is not even worth mentioning - world prices are completely unattractive for ukrainian producers. We also do not forget about the powerful import supply, which a year ago was not yet observed.



### Butter

The rapid increase in prices for butter after the collapse in April stopped, there was even a tendency to decrease. This is bad for Ukraine for two reasons: because this product will continue to be imported and because it will not seem possible to establish export of Ukrainian butter to non-CIS countries this year. From this we can conclude that in the domestic market the price of butter will not rise, it may even fall. Butter 82% can be sold at prices 3800-4100 USD per ton for the export market.

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



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



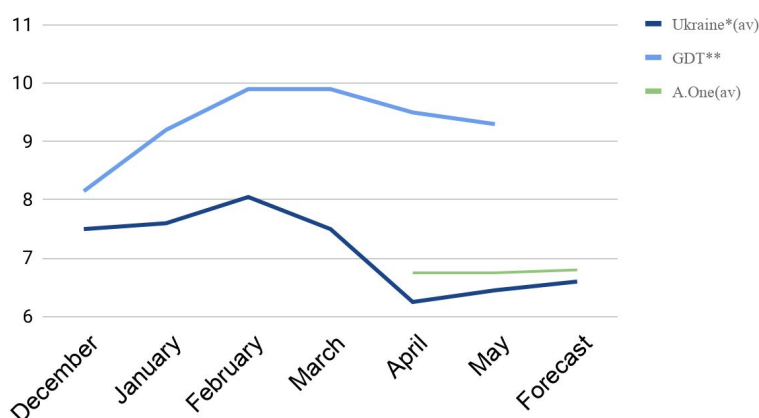
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### Casein

The season has begun, all who could, have already launched casein drying.

Casein can be sold at prices 6300-6600 USD per ton.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	26,96	26,86	0,3%
Fluctuation rate, ** %	26,97	26,57	1,5%

\* - The beginning and the end of the month

\*\* - The highest and lowest values during a month

Our production in May

Butter 156 ton  
Casein 87 ton  
Cheese 42 ton

### Our forecast for June

Quarantine is expected to ease in June. The situation in Ukraine and the world is changing very dynamically and, unfortunately, forecasts of consumer market trends are not optimistic. The raw milk market is not expected to change significantly, the price will remain stable. Main volumes of casein and butter will be produced in June. Imports of dairy products will not decrease.

#### Used sources

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

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