



Radyvylivmoloko brief market review

Trends in the dairy market in Ukraine

General Information

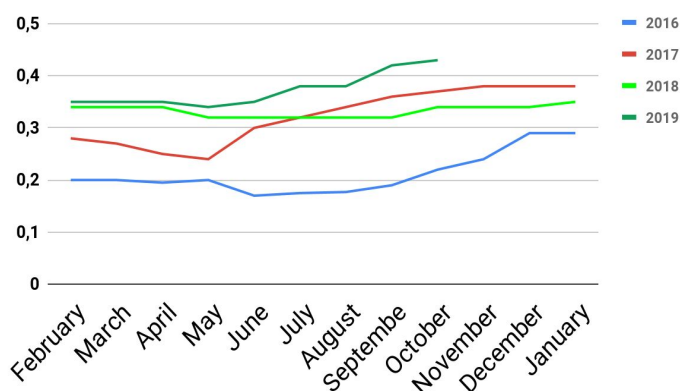
Trends in the Ukrainian dairy business are worsening closer to winter. Milk supply is falling due to a general decrease in the number of cows and due to the seasonality factor. Milk price is already higher than European one. Export in most cases is impossible due to the price competitiveness of Ukrainian goods on foreign markets.

Raw milk trends

Now there is a lot of discussion around land reform in Ukraine.

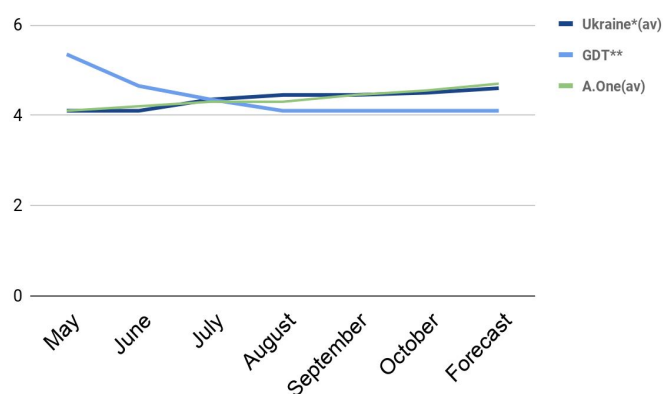
Among the main reasons for the decline in raw milk is precisely the impact of land reform: 1) some inefficient livestock farms do not plan to buy land for cows (feed) and will focus on crop production, so they are losing livestock today;

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



2) effective farms, although not all, have partially reduced domestic investment and are accumulating funds for the purchase of land.

82% Butter price, USD/t (FCA)



Butter

The price "swing" in the Ukrainian butter market does not surprise anyone. Despite the seasonal factors, after an increase in the first half of October, prices stabilized again. Still affects the availability of stocks in warehouses.

Export becomes impossible compared to domestic prices. Small volumes are sold to the CIS countries. Butter with fat content 82% was sold at prices approximately 4600 USD per ton.

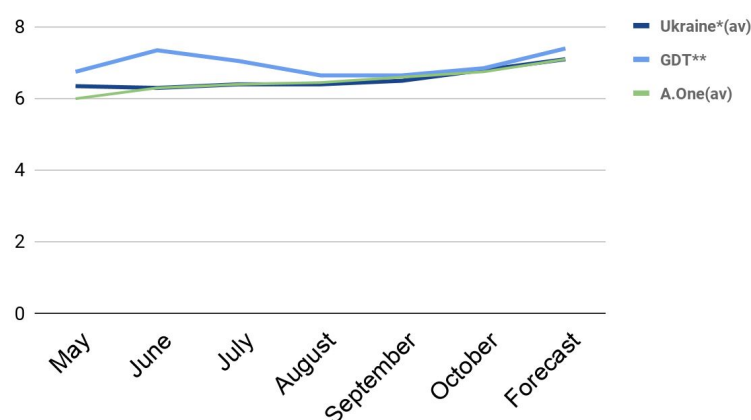


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Casein

Despite price hikes, casein dryers are massively closing. Only a few productions continue to dry casein. This year, the output of casein will be reduced by at least 27%. Traders are increasing prices for Ukrainian casein and are now ready to pay for it 6700-6900 USD per ton.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	24,66	24,78	0,5%
Fluctuation rate, ** %	25,15	24,53	2,5%

* - The beginning and the end of the month

** - The highest and lowest values during a month

Our production in October

Butter 100 ton
Casein 6 ton
Cheese 111 ton

Our forecast for November

In November, the average price of raw milk will be at the same level or will increase slightly. But despite the high level of prices, some producers are discussing options for the next increase in prices for raw milk from November 1. The butter market is not expected to change much, production will decline seasonally. In November, only few producers will remain active.

Used sources

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

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