

## Radyvylivmoloko brief market review

# Trends in the dairy market in Ukraine

### General Information

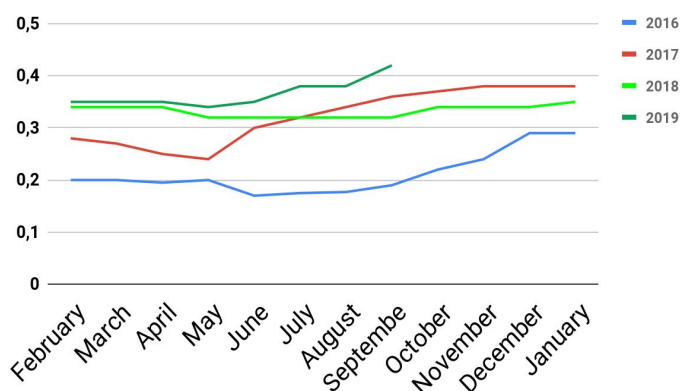
Cloudy autumn weather further worsened the mood of dairy operators. Ukrainian dairy products are becoming uncompetitive not only in world markets, but already often on the shelves of domestic stores - imports are increasing.

Raw milk producers still feel pretty good. And without that, the high prices for raw milk continue to grow, the profitability looks excellent.

### Raw milk trends

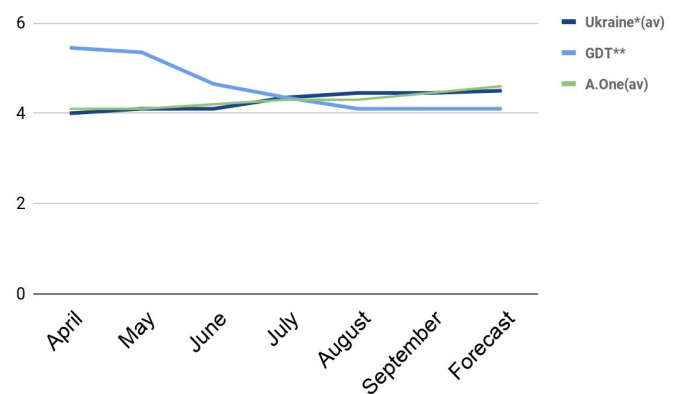
The raw materials market in Ukraine really balanced in the second half of September. Those "races" that were in August are no longer observed. The increase in the cost of commodities production and the strengthening of the hryvnia exchange rate

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



led to a decrease in export attractiveness, more precisely, to its disappearance. At the end of September, the milk from farms is estimated mainly in the range 0.38-0.42 USD/litr.

82% Butter price, USD/t (FCA)



### Butter

The Ukrainian butter market is relatively calm. The prices for the goods got a little stronger, despite the virtually no possibility of export. The main reason is the reduction in the supply of producers of SMP and casein. At the end of September at the domestics market, butter with fat content 72.5% was sold at prices in the range of 3900-4100 USD per ton, butter with fat content 82% was sold at prices approximately 4600 USD per ton.

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

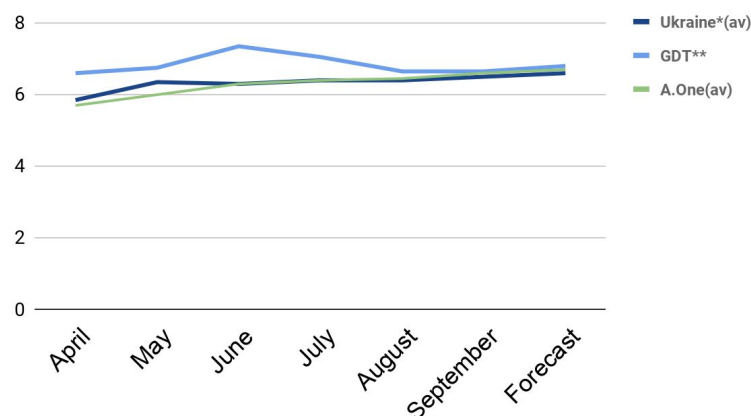


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### Casein

The casein season is nearing completion. The raw milk supply from the private sector (from which casein is mainly produced) drops rapidly, and the price of it rises. Well, importers are in no hurry to encourage producers to increase prices. More than 6600 USD per ton, they do not want to pay even to large operators.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	25,29	24,34	3,9%
Fluctuation rate, ** %	25,29	24,09	4,9%

\* - The beginning and the end of the month

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

Our production in September

Butter 101 ton  
Casein 34 ton  
Cheese 82 ton

### Our forecast for October

From October, the average price of raw milk will move up very smoothly. However, the increase in prices and the competitive advantages of imports will reduce the sales of Ukrainian producers, which will finally stabilize the purchase prices of raw milk by the middle of the month. The butter market is not expected to change much, production will decline seasonally. In October, most of the small casein producers canned drying until the next season.

#### Used sources

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

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