

## Radyvylivmoloko brief market review

# Trends in the dairy market in Ukraine

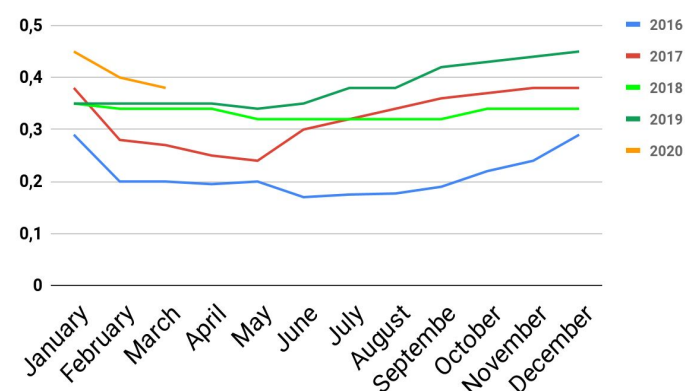
### General Information

In Ukraine, as well as throughout the world, a crisis erupts in healthcare, the economy and in the minds of Ukrainians. This crisis, of course, does not pass by the country's dairy industry. The rising dollar seems to stimulate the export of dairy products. But in this area, not everything is simple. World prices for dairy products are falling, supply chains are breaking.

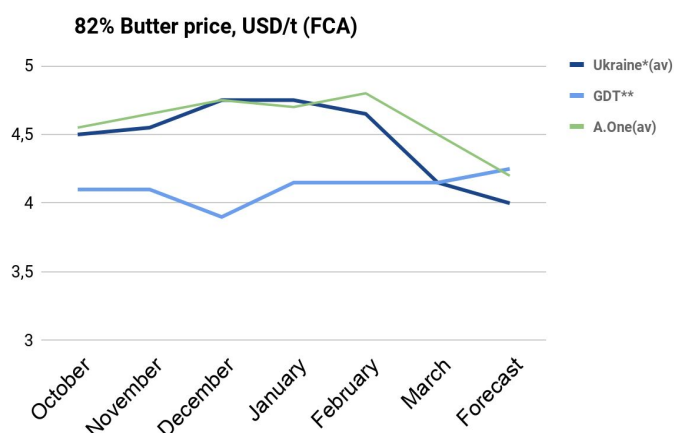
### Raw milk trends

Behind the surge in consumer demand in retail caused by the emergency in Ukraine, stabilization and reduction in demand are expected to come in the dairy market. And if retail trade demand is falling only now, the catering industry collapsed two weeks ago.

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



The result of such processes was a more active decline in the purchase prices of milk from the private sector throughout the country. And in some regions, over the past two weeks, price tags have dropped twice.



### Butter

On the world markets, butter is getting cheaper, the season of big milk is starting in Ukraine (supply from the private sector will increase) and the production of butter will increase significantly. This means that the market will fall in price. But while operators, taking advantage of the current increase in consumer demand, are in no hurry to greatly reduce the cost of the proposed butter. At the same time, the supply of imported goods was noticeably reduced.

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

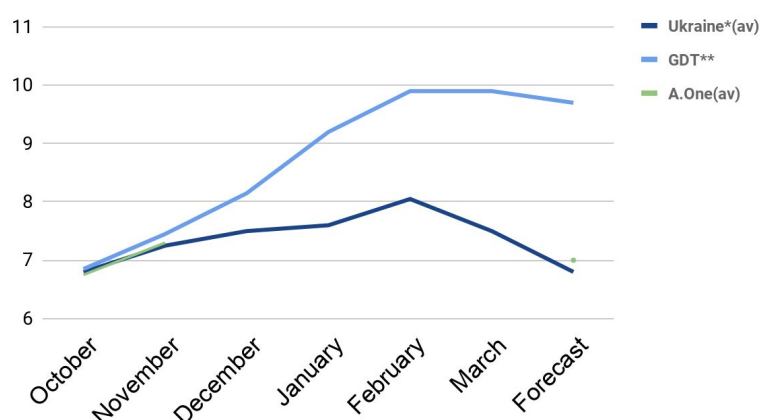


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### Casein

Not long traders propose for Ukrainian producers high prices for casein. Against the background of the general global trend of falling prices for dairy products, in March they decided to decrease in value. If a month ago casein could still be sold at 8000 USD per ton, now most importers are voicing the demand price of no more than 7500 USD per ton.

Casein price, USD/t (FCA)



Exchange rate, USD/UAH

Exchange rate change, * %	24,89	27,63	9,9%
Fluctuation rate, ** %	24,72	28,22	12,4%

\* - The beginning and the end of the month

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

Our production in March

Butter 56 ton

Casein 0 ton

Cheese 54 ton

### Our forecast for April

It is not known how long the current crisis will last. The raw milk market expects a clear decline in price. Perhaps we will even see several stages in the first two weeks of April. The price of butter will collapse even more, prices in the world and Europe will also decline. Casein production in April will increase significantly despite the relatively low price. The situation in Ukraine and the world is changing very dynamically and, unfortunately, forecasts of consumer market trends are not optimistic.

#### Used sources

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

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