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Ukraine

Dairy and Products

Annual

2005

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Report Highlights:
Production of dairy products in Ukraine will continue to increase in 2006 despite problems throughout the domestic industry with raw milk supplies, milk quality and value added tax export reimbursements. Production of cheese and whole milk products will increase, while production and exports of butter and non-fat dried milk will depend on world market prices and prices in neighboring Russia. Exports of U.S. dairy products to Ukraine are unlikely. Ukrainian nonfat and whole milk powder competes with U.S. products on the world market. Ukraine's import tariffs remain high and are an obstacle to legal trade in dairy products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Kiev [UP1]
[UP]

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Executive Summary

Production of cheese and whole milk products is expected to grow significantly in 2006, while production of butter, non-fat dried milk (NFDM) and whole dried milk (WDM) for export is expected to grow moderately. Production of export oriented dairy products will remain highly dependant on world market prices and market regulations in neighboring Russia. In 2006, Ukraine is expected to increase its export market share for cheese and butter in Russia, but will remain a sporadic supplier to other international markets. Efficiency of Ukrainian dairy farms is expected to increase further in 2006. Production of fluid milk is on the rise, while the absolute number of dairy animals will continue to decline.

The low quality of Ukrainian products will continue to hamper Ukraine's ability to supply international markets, although Ukrainian products will continue to be welcomed by Russian and Former Soviet Union (FSU) consumers. Only exports of dried milk will remain diversified. Ukraine's expansion to other markets is highly unlikely due to the existing structure of Ukrainian raw milk suppliers and the failure of government programs aimed at increasing fluid milk quality. Imports of dairy products into Ukraine are not expected to be significant either.

Production

Milk production in Ukraine stabilized in mid-2005. Agricultural producers responded to rapid raw milk price increases by increasing fluid milk supplies. Notably, despite stable or only marginal increases in gross milk yields, the number of animals held by both industrial farms and households continued to decrease. Efficiency increases are clearly evident in the industrial sector where cow inventories decreased by 12.2% as of July of 2005 compared with July 2004, however suppliers still managed to increase total raw milk yields by 1.9%.

The majority of dairy processors and the Ukrainian Dairy Union criticized official statistics for overestimating the country's milk yields, but could not present a reasonable argument to back up their claims. It is not clear whether intensive growth of Ukraine's dairy processing sector led to the impression that statistical information is not accurate, or if there are some problems with data collection and aggregation. PS&D tables below are based on official statistical indicators and corrected according to official numbers.

There is a sharp contrast between production of dairy products (precipitous increase) and production of raw milk (stable). So far Ukraine's dairy industry has been able to cover supply shortages by increasing industrial processing of milk. In 2006 it will be more difficult to procure increased amounts of milk to satisfy growing demand of whole dairy products and cheese producers. An overestimation of the fluid milk industrial use indicator is possible in the PS&D tables due to production of fake butter, WDM and NFDM and double counting in some industrial processes. The State Statistics Committee of Ukraine does not report on industrial use of milk, thus FAS/Kiev estimates are used.

In 2006 raw fluid milk will continue to be procured from both industrial farms and household plots (33% and 67%, respectively). Fluid milk procured from households will remain the second choice for Ukrainian dairy processors because of low quality. In Ukraine, cows on household plots are milked with bare hands and the sanitary conditions of the aggregated milk supply is very difficult to control. According to a report by the Ukrainian Dairy Union an average large Ukrainian dairy producer procured milk from as many as 20,000 suppliers. Many producers pay a premium price for milk from industrial farms in an attempt to reduce the dependence on household supplies. In some cases 3 and more dairy plants compete for milk supplies from a given industrial farm. In 2005, only 20% of all milk produced in Ukraine is produced by industrial dairy farms. The situation is not expected to change in 2006. Low milk quality makes production of high quality cheese impossible and creates problems for producers of whole milk products.

In 2006, it's expected that the price of milk will remain high limiting production of Ukrainian cheese and butter. Facing milk shortages and high fluid milk prices, producers will pay more attention to high value added and the innovative dairy product segment. The growth rate in production of bio-yogurts, soft cheese deserts, glazed soft cheese, milk and juice mixes is twice as high as the growth rate for traditional dairy products.

Mergers and strategic alliances will continue to reshape Ukraine's dairy processing sector. Larger facilities allow dairy companies to procure fluid milk from a bigger area, cut marketing and transportation costs, and add operational stability through regional market control.

Consumption

Domestic consumption of dairy products in 2006 is expected to grow in response to consumers' income growth. It is likely that the domestic market for cheese, whole milk and butter products will mature in 2006 and the sudden and sporadic fluctuations will stop. Ukrainian consumers will continue to migrate towards dairy products produced in industrial operations and away from traditional curd cheese and sour milk products (reflected in PS&D as part of fluid use domestic consumption). Demand for innovative products (yogurts, soft cheese, milk and juice mixes) is expected to increase significantly. Profitability of this market segment will remain the highest and the majority of Ukraine's producers of whole dairy products will compete in this area. The growing demand for domestic whole dairy products also drives up domestic demand for NFDM and WDM during the winter. Traditionally produced for export, now these two products find consumers within Ukraine.

The variety of traditional and new dairy products offered by Ukrainian producers makes it very difficult to import products. Some imports of cheese or specialty whole dairy products are possible but only for the gourmet and fine foods market segment.

Trade

In 2006 Ukraine will remain one of the largest suppliers of dried milk and dairy products in Eastern Europe. Import demand will remain insignificant. The majority of this demand is for consumer oriented dairy products, high value added and premium segments. There will be no demand for bulk dairy products. Relatively high (prohibitive for some products) import tariffs will limit existing import demand even more. Profitable legal imports of yogurts, cheese, butter and ice cream are hardly possible, although a variety of these products can be found in Ukrainian supermarkets.

In 2006, low quality products and raw milk shortages will limit the export capability of the Ukrainian dairy industry. As export markets in Russia and other FSU countries mature, fewer consumers will purchase Ukrainian cheese and butter despite their lower prices. In 2006 Ukraine will remain a net exporter of dairy products with major markets in Russia and other FSU countries. The macroeconomic situation in Ukraine is stable and is not expected to influence Ukraine's export shipments.

Cheese

Production and export of cheese will continue to be the fastest growing sector of the Ukrainian dairy industry in 2006. Dairy processors will continue to view cheese production as a major money generating activity. Concomitantly, industry-wide problems with quantity and quality of raw milk will become a significant obstacle to production and export increases.

Ukrainian cheese makers will continue to expand production and attract additional investments in operational capital and equipment. In 2005, the concentration of cheese production increased significantly. Currently, the 9 largest companies are responsible for 51% of total cheese production with each capturing a market share that range between 3% and 9%. According to Ukrainian Dairy Union data, 5 companies undertook major acquisitions in 2004-05 buying less efficient counterparts in order to increase production and market share.

In 2006, Ukrainian dairy producers will continue to increase cheese production in an attempt to satisfy growing export demand in Russia. Eastern European Markets for Ukrainian cheese (mostly in Czech Republic and Poland) were closed down shortly after EU enlargement and it is unlikely that Ukrainian product will return to those markets in the foreseeable future. (Please refer to the policy section of this report for more details.) Within country demand for hard cheese was satisfied a long time ago. Some domestic consumption increases are possible due to low-income consumers and income growth for retirees. It is likely that in 2006 Ukrainian consumers will pay more attention to cheese quality, so growth in the upper market segment is expected.

The cheese industry will remain export oriented with many export-oriented companies and brands. Consequently, the industry will remain vulnerable to Russian market price fluctuations. Russia will continue to be the largest consumer of Ukrainian cheese, responsible for over 95% of Ukrainian export sales (and over 45% of Russian imports). Affordable mid-quality Ukrainian cheeses which are indistinguishable form locally produced brands will continue to be popular among not so wealthy Russian consumers. In March 2005, an attempt to increase import duties for lower priced cheese was called for by some major Russian cheese producers. If introduced, the duties will not impact Ukrainian cheese exports which currently enter Russia under an existing Free Trade Agreement (FTA). Conversely, the imposition of a tariff would allow Ukrainian cheese makers to increase market share in Russia even more in order to fill niche markets left by other (mostly Eastern European) suppliers.

Production and exports of dried whey are growing rapidly along with increased cheese production. Reasonably priced product is used as a NFDM substitute in production of many dairy products. Production of this commodity is expected to increase greatly in the second half of 2005 and in 2006.

Butter

Ukrainian butter production is driven mostly by butter demand in neighboring Russia and the world price for NFDM. These two factors are the reasons for the stable production in 2005 and sluggish exports. The same factors will shape Ukraine's production and exports in 2006. Given current prices in foreign markets, production is expected to remain at current levels or grow marginally, while exports to neighboring Russia are expected to be slightly higher than in 2005.

Significant PS&D production and trade estimate revisions were made for 2005. The reasons for the revision was the low world price for NFDM and the reluctance of Russian importers to procure low quality Ukrainian butter at a price that is 10-12% higher than in 2004. Facing high raw milk prices, Ukrainian producers had to maintain relatively high offer prices throughout the winter of 2004-2005. Seasonal price fluctuations for butter that were evident in previous years were less evident in 2005, which led to a significant drop in exports during late summer months. Many Ukrainian producers switched to high value added commodities (mostly whole milk products and cheese).

Another significant draw back for Ukrainian exports and for the domestic market was relatively low butter quality. Many producers (especially smaller ones) intensively used tropical oils (mostly palm oil) and deodorized fish fat as a substitute for milk fat in butter. Unlabeled butter produced with tropical oil ingredients is sold mostly through open-air outlets in small towns. The extend of the problem is difficult to estimate or to reflect in the PS&D table, but some Russian buyers complained that they could not find a single shipment of good quality butter on the Ukrainian market for some time. Some butter manufacturers blame consumers, who prefer cheaper products to higher quality products, thus driving producers to make fake (substitutable) butter. Other butter plants followed their dishonest competitors in order to stay in business: profitability of real butter sold at market prices is close to zero. Even the Ukrainian State Reserve Fund procured only low quality product, which was later sold on the domestic market for further processing at a huge discount.

One should notice, that despite relatively stable PS&D production and export indicators for 2006, the butter market in Ukraine is subject to significant volatility. 2006 estimates are based on current butter and NFDM prices. Butter production in Ukraine is quite flexible. Many companies possess significant, and not fully utilized facilities, therefore production can be substantially increased or decreased at any moment.

Russia will continue to be the main buyer of Ukrainian product in 2006. Ukrainian butter remains competitive in the low price segment of the Russian market and is exported under a free trade agreement, which makes it immune to changes in the Russian import regime.

Growing raw fluid milk prices and insignificant demand for Ukrainian NFDM and butter in some export markets resulted in a slight production and export decrease for NFDM compared with previous year estimates. Increased wholesale prices for export-size allotments reduced interest in Ukrainian NFDM from traditional buyers (Far East and Northern Africa). The simultaneous appreciation of the Ukrainian currency from 5.05 UAH per US 1 dollar to 5.03 UAH made exports in 2005 even less profitable. In 2006, production of NFDM will continue to depend on world market prices and butter prices in neighboring Russia. Producers will base their production decisions for NFDM and butter, cheese or whole milk products on which product, or combination of products, will result in the highest revenue**.** Obviously, high returns for cheese and whole milk dairy products will continue, while production of NFDM will remain dependant on availability of raw fluid milk.

Since last year's estimation was based on strong world market demand for Ukrainian NFDM, the PS&D estimates for 2005 were decreased to reflect the market situation. Ukraine's State Statistics Committee stopped gathering information on NFDM, so FAS Kiev estimates are used. Ukrainian NFDM will continue to be sold as animal feed to EU countries and Japan, while Russia, Asia and African countries will purchase the same product for human consumption. Import of NFDM (if any) into Ukraine will be minuscule in 2006. Occasional shipments of high value added products (such as whey protein) are possible to satisfy demand of the local processing industry. It is highly unlikely that U.S. exports of NFDM to Ukraine will resumed in 2006.

WDM

Production of whole dried milk increased in 2005 and that trend is expected to continue in 2006 despite high prices and diminishing demand. Production and export increases in 2005 and 2006 are possible only if prices for NFDM and butter stay at current low levels. The domestic market for WDM is growing, driven by significant seasonality in milk production and growth in the milk processing industry. In many cases WDM is the only way to maintain stable production of whole milk products during winter months.

Ukraine's State Statistics Committee stopped reporting WDM production numbers, so adjustments to PS&D numbers are based on FAS Kiev's estimates and industry information. Similar to other dairy products, production of WDM in Ukraine will depend on availability of fluid milk and prices of other dairy products. The significant level of idle facilities allow producers to increase production of WDM should prices increase.

Policy

The law changing the Customs Tariff Schedule was adopted by the Ukrainian Parliament in July 2005 and was implemented on August 16, 2005. Tariff rates for milk and dairy products were left unchanged and remain at prohibitive levels ranging from 0.1 EUR per 1 kilogram of fluid milk to 1.5 EUR per kilogram of butter.

Beginning January 1, 2006, Ukrainian dairy enterprises will not be able to procure milk from unidentified animals. The Ministry of Agrarian Policy is attempting to speed up a nation wide animal registration campaign. The goal is to increase safety through increased tracebility of animals. The process was started last year and targeted meat and dairy products. The registration process was especially slow in households, from which 67% of raw milk is procured in Ukraine. Private households are not expected to fully comply with this regulation by the end 2005, so the ban is likely to be ignored by both milk producers and dairy companies.

During 2005, the Ministry of Agricultural Policies of Ukraine tried to establish minimum prices for milk. The policy was designed to secure incomes for milk producers at the expense of processors and consumers. Proposed methods were inflexible, lacked regional, spatial and industrial farm/household differentiation, and failed to secure minimum profitability margins for dairy plants. Attempts to regulate milk prices are expected to continue in 2006, but will be ineffective.

In early 2005 Ukraine introduced compulsory attestation for milk producing enterprises and dairy processing companies. In order to received the attestation the companies are required to submit a set of documents that prove their ability to produce milk and milk products in accordance with existing norms and standards. The attestation is free and valid for a 5 year period. Production and processing of milk and dairy products by unattested companies is prohibited. As a result of these procedures Ukraine is going to compile a single "State Register" for milk and dairy product producers that should work towards assisting Ukrainian dairy products in gaining access to European markets in the future. However, registration of the millions of private households, which account for over 67% of all milk sales, is highly dubious. These gapes in the system will undermine the idea of an attestation.

Timely reimbursement of the value added tax (VAT) to exporters of cheese, butter and other dairy products remains a problem. Some exporting companies reported a slow down in exports during spring 2005. This was a direct result of reimbursement delays that led to cash flow problems. This problem is expected to persist in 2006. Export of dairy products may slow down temporarily or even stop in some instances.

In early 2004, an attempt to introduce more strict veterinary and sanitary requirements for raw milk production failed. According to information from the Ukrainian Dairy Union no Ukrainian dairy processors apply the new standards to procure milk, since the quantity of milk in compliance with the new standards is insignificant. In 2006 the quality of procured milk is not expected to change, since the majority of it will continue to be supplied from private households.

Statistical Tables

Cattle Inventory and Selected Indicators (for 8 Months of 2004 and 2005)

Category	Measure	8 months of 2004	8 months of 2005	2005/2004 Ratio, %
Number of cows	1000 heads	4231.3	3932.2	92.9
- big industrial farms	1000 heads	1034.5	906.4	87.6
- households	1000 heads	3196.8	3025.8	94.7
Gross milk yield	1000 tons	9647.6	9659.3	100.1
Milk yield per cow (year's average cow number is used)	kilograms	1884	2196	116.6

Source: State Statistics Committee of Ukraine

Fluid Milk PSD Table

Country Ukraine
Commodity Dairy, Milk, Fluid (1000 HEAD)(1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2004		01.2005		01.2006
Cows In Milk	4330	43130	4000	3950	0	3910
Cows Milk Production	13280	13787	13240	13800	0	13800
Other Milk Production	270	319	280	320	0	320
TOTAL Production	13550	14106	13520	14120	0	14120
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	2	0	2	0	2
TOTAL Imports	0	2	0	2	0	2
TOTAL SUPPLY	13550	14108	13520	14122	0	14122
Intra EC Exports	0	2	0	2	0	2
Total Exports	0	0	0	0	0	0
TOTAL Exports	0	2	0	2	0	2
Fluid Use Dom. Consum.	3400	5112	3350	4320	0	4170
Factory Use Consum.	8600	7444	8670	8300	0	8500
Feed Use Dom. Consum.	1550	1550	1500	1500	0	1450
TOTAL Dom. Consumption	13550	14106	13520	14120	0	14120
TOTAL DISTRIBUTION	13550	14108	13520	14122	0	14122
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Fluid Milk Retail Price Table

Country Ukraine
Commodity Dairy, Milk, Fluid

Prices in	UAH	per uom	**1 kilogram**
Year	2004	2005	% Change
Jan	1,87	2,33	25%
Feb	1,9	2,41	27%
Mar	1,91	2,42	27%
Apr	1,89	2,38	26%
May	1,86	2,31	24%
Jun	1,83	2,29	25%
Jul	1,83	2,28	25%
Aug	1,84	2,31	26%
Sep	1,88		
Oct	1,97		
Nov	2,08		
Dec	2,25		
Exchange Rate	5,05	Local Currency/US $	

Source: State Statistics Committee of Ukraine

Cheese PSD Table

Country Ukraine
Commodity Dairy, Cheese (1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2004		01.2005		01.2006
Beginning Stocks	2	2	2	2	2	2
Production	200	224	200	270	0	290
Intra EC Imports	0	0	0	0	0	0
Total Imports	2	3	2	2	0	2
TOTAL Imports	2	3	2	2	0	2
TOTAL SUPPLY	204	229	204	274	2	294
Intra EC Exports	0	0	0	0	0	0
Total Exports	85	94	85	110	0	130
TOTAL Exports	85	94	85	110	0	130
Human Dom. Consumption	117	133	117	162	0	164
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	117	133	117	162	0	164
TOTAL Use	202	227	202	272	0	294
Ending Stocks	2	2	2	2	0	0
TOTAL DISTRIBUTION	204	229	204	274	0	294
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Cheese Export Trade Matrix

Country	Ukraine		
Commodity	Dairy, Cheese		
Time Period		Units:	1 MT
Exports for:	2003		2004
U.S.	0	U.S.	3
Others		Others	
Russia	58764	Russia	90167
Bulgaria	550	Bulgaria	1492
Czech Republic	1004	Czech Republic	120
Hungary	280	Romania	280
Moldova	430	Moldova	643
Azerbaijan	164	Azerbaijan	61
Kazakhstan	139	Kazakhstan	787
Total for Others	61331		93550
Others not Listed	2		23
Grand Total	61333		93576

Source: State Statistics Committee of Ukraine

Cheese Import Trade Matrix

Country	Ukraine		
Commodity	Dairy, Cheese		
Time Period		Units:	1 MT
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Denmark	139	Denmark	210
France	39	France	11
Germany	35	Germany	33
Poland	357	Poland	150
Russia	1528	Russia	2457
		Armenia	100
Total for Others	2098		2961
Others not Listed	9		18
Grand Total	2107		2979

Source: State Statistics Committee of Ukraine

Cheese Retail Price Table

Country Ukraine
Commodity Dairy, Cheese

Prices in	UAH	per uom	1 kilogram
Year	2004	2005	% Change
Jan	17,23	21,39	24%
Feb	17,43	21,99	26%
Mar	17,53	22,63	29%
Apr	17,58	22,96	31%
May	17,53	23,06	32%
Jun	17,52	22,94	31%
Jul	17,45	22,8	31%
Aug	17,47	22,76	30%
Sep	17,65		
Oct	18,22		
Nov	19,14		
Dec	20,37		
Exchange Rate	5,05	Local Currency/US $	

Source: State Statistics Committee of Ukraine

Butter PSD Table

Country Ukraine
Commodity Dairy, Butter (1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2004		01.2005		01.2006
Beginning Stocks	12	12	5	5	5	5
Production	170	138	190	140	0	145
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	182	150	195	145	5	150
Intra EC Exports	0	0	0	0	0	0
Total Exports	35	42	45	30	0	35
TOTAL Exports	35	42	45	30	0	35
Domestic Consumption	142	103	145	110	0	115
TOTAL Use	177	145	190	140	0	150
Ending Stocks	5	5	5	5	0	0
TOTAL DISTRIBUTION	182	150	195	145	0	150
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Butter Export Trade Matrix

Country	Ukraine		
Commodity	Dairy, Butter		
Time Period		Units:	1 MT
Exports for:	2003		2004
U.S.	0	U.S.	1
Others		Others	
Azerbaijan	854	Azerbaijan	1862
Armenia	552	Armenia	1900
Georgia	80	Georgia	570
Kazakhstan	855	Kazakhstan	1574
Moldova	616	Moldova	1120
Russia	14681	Russia	33178
Tajikistan	43	Turkmenistan	988
Turkmenistan	50		
Total for Others	17731		41192
Others not Listed	0		1117
Grand Total	17732		42309

Source: State Statistics Committee of Ukraine

Butter Import Trade Matrix

Country	Ukraine		
Commodity	Dairy, Butter		
Time Period		Units:	1 MT
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Austria	36	Belgium	20
Belgium	205	Germany	4
Germany	4		
United Kingdom	2		
Total for Others	247		24
Others not Listed	4		0
Grand Total	251		24

Source: State Statistics Committee of Ukraine

Butter Retail Price Table

Country Ukraine
Commodity Dairy, Cheese

Prices in	UAH	per uom	1 kilogram
Year	2004	2005	% Change
Jan	13,52	14,79	9%
Feb	13,52	14,94	11%
Mar	13,52	15,19	12%
Apr	13,35	15,21	14%
May	13,14	15,04	14%
Jun	12,9	14,86	15%
Jul	12,65	14,71	16%
Aug	12,71	14,84	17%
Sep	12,96		
Oct	13,31		
Nov	13,87		
Dec	14,53		
Exchange Rate	5,05	Local Currency/US $	

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk PSD Table

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry (1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2004		01.2005		01.2006
Beginning Stocks	2	2	2	2	2	2
Production	87	78	90	80	0	82
Intra EC Imports	0	0	0	0	0	0
Total Imports	1	0	1	0	0	0
TOTAL Imports	1	0	1	0	0	0
TOTAL SUPPLY	90	80	93	82	2	84
Intra EC Exports	0	0	0	0	0	0
Total Exports	65	63	67	65	0	67
TOTAL Exports	65	63	67	65	0	67
Human Dom. Consumption	23	15	24	15	0	15
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	23	15	24	15	0	15
TOTAL Use	88	78	91	80	0	82
Ending Stocks	2	2	2	2	0	2
TOTAL DISTRIBUTION	90	80	93	82	0	84
Calendar Yr. Imp. from U.S.	1	1	1	1	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Nonfat Dry Milk Export Trade Matrix

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry

Time Period		Units:	1MT
Exports for:	2002		2003
U.S.	40	U.S.	0
Others		Others	
Bangladesh	5003	Bangladesh	2866
Bulgaria	3868	Bulgaria	2639
Algeria	4646	Algeria	10620
China	3163	China	7278
Japan	10440	Japan	8352
Denmark	1400	Denmark	1400
Nigeria	1432	France	1648
Poland	5080	Kazakhstan	1335
Syria	1035	Egypt	1944
Russian Federation	721	Russian Federation	13632
Total for Others	36788		51714
Others not Listed	13743		11500
Grand Total	50571		63214

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk Import Trade Matrix

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry

Time Period		Units:	1 MT
Imports for:	2003		2004
U.S.	40	U.S.	555
Others		Others	
Austria	11	Austria	8
Germany	2		
Total for Others	13		8
Others not Listed	0		0
Grand Total	568		8

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk Wholesale Price Table

Country Ukraine
Commodity Dairy, Dry Whole Milk Powder

Prices in	UAH	per uom	1 MT
Year	2003	2004	% Change
Jan	9900	12100	22%
Feb	9000	11500	28%
Mar	9350	11600	24%
Apr	9350	11000	18%
May	9000	10300	14%
Jun	9000	10900	21%
Jul	9100	11400	25%
Aug	9500	11200	18%
Sep	9700		
Oct	10000		
Nov	11900		
Dec	12100		
Exchange Rate	5,05	Local Currency/US $	

Source: FAS/Kiev monitoring

Dry Whole Milk Powder PSD Table

Country Ukraine
Commodity Dairy, Dry Whole Milk Powder (1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Beginning Stocks	0	0	0	0	0	0
Production	26	28	26	29	0	30
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	26	28	26	29	0	30
Intra EC Exports	0	0	0	0	0	0
Total Exports	13	18	13	19	0	20
TOTAL Exports	13	18	13	19	0	20
Human Dom. Consumption	13	10	13	10	0	10
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	13	10	13	10	0	10
TOTAL Use	26	28	26	29	0	30
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	26	28	26	29	0	30
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0

Dry Whole Milk Powder Export Matrix

Country Ukraine

Commodity Dairy, Dry Whole Milk Powder

Time Period		Units:	1 MT
Exports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Armenia	680	Algeria	6781
Azerbaijan	445	Russia	5281
Bulgaria	128	Turkey	799
Poland	592	Azerbaijan	641
Russia	4382	Armenia	632
Georgia	183	Saudi Arabia	428
Syria	177	Georgia	397
Turkmenistan	210	Egypt	375
Uzbekistan	100	Poland	300
China	154	Bulgaria	220
Total for Others	7051		15854
Others not Listed	478		2064
Grand Total	7529		17918

Source: State statistics Committee of Ukraine

Dry Whole Milk Powder Import Matrix

Country Ukraine

Commodity Dairy, Dry Whole Milk Powder

Time Period		Units:	1 MT
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Belgium	680	Switzerland	4
		Germany	1
Total for Others	680		5
Others not Listed	0		0
Grand Total	680		5

Source: State statistics Committee of Ukraine

Whole Dry Milk Wholesale Price Table

Country Ukraine
Commodity Dairy, Dry Whole Milk Powder

Prices in		per uom	
Year	2003	2004	% Change
Jan	10500	12500	19%
Feb	10000	12300	23%
Mar	10300	12000	17%
Apr	10000	11300	13%
May	9550	10500	10%
Jun	9200	11000	20%
Jul	9750	11400	17%
Aug	10000	11300	13%
Sep	11000	11000	0%
Oct	11500		
Nov	12000		
Dec	12500		
Exchange Rate	5,05	Local Currency/US $	

Source: FAS/Kiev monitoring