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Ukraine

Dairy and Products

Annual Report

2006

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Report Highlights:
The import ban by Russia on Ukrainian dairy products had a devastating affect on the Ukrainian industry. Dairy, cheese and butter producers were all negatively impacted because exports to Ukraine's largest market, Russia, dried up. This also helped to further decrease the Ukrainian dairy herd. Ukrainian businesses had little success finding new markets for Ukrainian cheese and butter, but became more aggressive and successful in promoting Ukrainian dry milk in Northern Africa and former Soviet Union countries. Developments in 2007 will depend entirely on whether the ban is resolved or not. However, Ukrainian companies will continue to intensify their attempts to sell dairy products elsewhere.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Kiev [UP1]
[UP]

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Executive Summary

Ukraine's exports of dairy products in 2007 are expected to remain below historical average levels. Ukrainian cheese producers will be unable to fully recapture their predominance in the Russian market because Russia continues to maintain their import ban and the Russian sanitary and veterinary authority remains unwilling to re-open the market completely, although some cheese trade is expected. Ukrainian producers will continue their worldwide search for new markets willing to accept lower quality cheese, butter, dry milk and casein. The shift from cheese to dry milk and casein production in 2006 only partially compensated for the losses sustained by the industry because of the Russian ban. Ukrainian trading companies will continue to promote Ukrainian cheese and butter in FSU countries and make additional efforts to sell dry milk in Northern Africa, Europe and Asia.

Imports of dairy products will remain insignificant in 2007 with the exemption of cheese. Foreign producers of high quality products will benefit from the inability of Ukrainian cheese-makers to satisfy growing domestic demand.

Production

Production and export of dairy products in Ukraine decreased in 2006 because Russia imposed an import ban beginning January 20, 2006. The domestic market in Ukraine was unable to absorb these additional products. (For additional information about the Russian ban please refer to the Policy chapter in this report.) Prices for raw milk plummeted resulting in a significant 7% drop in cow numbers and a 4% decrease in milk production in 2006. This trend is expected to continue through the rest of 2006 and early 2007 because the Russian market remains closed for most Ukrainian producers due to strong pressure from Russian dairy lobbyists.

The largest production decreases were recorded in commodities for export: cheese and butter. Industrial use of milk for production of cheese and butter decreased significantly, while Ukrainian dairy processors continued to increase production of whole dairy products to satisfy growing demand in the domestic market. Given the steady growth in disposable incomes, (18.9% growth for the first 8 months in 2006) this trend is expected to continue in 2007.

Ukrainian dairy processors will continue to source milk from two major sources: former collective agricultural enterprises (CAEs) and private households. In mid-2006 the production ratio reached 20.3:79.7, respectively. It's very difficult for quality controls to be implemented and enforced at the household level. Consequently, milk procured form households is generally of very low quality. In 2003-2006, some dairy processors undertook large and expensive programs to establish milk collection centers in villages which included milk-chilling equipment. This effort was designed to try to improve milk quality. Nevertheless, milk from private households is rarely used for cheese production due to bacterial insemination. Milk from industrial farms remains the number one choice for dairy processors despite also encountering some quality problems. Processors often complain about milk contamination with somatic cells. Also of concern are cases of tuberculosis in some farms. The price premium for milk procured from industrial production reached 30-40% following the ban (this premium was 5-30% prior to the ban).

The Russian veterinary authority stated that one of the reasons behind the ban was because Ukrainian producers continue to use milk from households for cheese and butter. Contrary to expectations, the Russian ban did not lead to CAE dairy herd increases (by mid 2006 a 7.7% decrease was achieved) or sharp decreases in the household sector (only a 4.1% decrease was recorded). Inefficient milk production in CAEs remains the major limiting factor. Bad genetics, unbalanced rations, poor management and lack of investment have depressed the industry. Household milk production is more immune to sharp market fluctuations and price drops. Villagers produce milk for their families, and only leftovers are sold to processing companies.

Production of dry milk in Ukraine is increasing. For many dairy processing companies, production of dry milk was the only way to use excess supplies of milk that were available during the high season (May to August), although some companies began as early as February due to the Russian ban. Never before has production of dry milk started as early as February. Dry milk and dry whey are increasingly utilized as cheap alternatives to fluid milk in domestic production of whole milk products.

Consumption

The trend of increased consumption of industrial produced dairy products is expected to continue in 2007. As consumers' disposable incomes continue to increase, more yogurts, sour cream products and better quality cheeses are being consumed. Concomitantly, rural dwellers will continue to rely on dairy products produced at home: cottage cheese (soft cheese), milk and butter.

Consumption of high-quality cheeses, both domestically produced and imported, will continue to increase. In 2006, the majority of Ukrainian producers were unable to supply hard cheese of acceptable quality. In larger cities some producers introduced products similar to French Brie, Greek feta cheese and soft Moldavian cheese in brine. The margins for these products are the highest, but relatively few consumers can afford them.

Consumption surveys conducted by InMind in 2006, revealed that urban consumers purchase milk (85%), sour milk products (86%), soft cheese (79%) and yogurts (74%). The most popular sales channel is grocery stores, although milk and sour milk products are still purchased in open-air markets. Supermarkets only captured third place (but second in larger cities), although their share is growing.

Trade

Despite the significant contraction of exports in 2006, Ukraine will remain one of the major producers and exporters of dairy products in Eastern Europe. It is clear that Ukraine will be unable to recapture its export market share in Russian for 2006, but limited trade in cheese and butter may be restored by years-end. Trade restrictions for dairy processors in Ukraine that are owned by Russian companies are expected to be eased in late 2006 and 2007.

All PSD tables assume that the trade situation for 2007 will mirror closely the situation found in 2006, with very few companies able to supply the Russian market. If the Russians unexpectedly open up their market once again to Ukrainian diary products, the forecasts will change quite a bit, especially export forecasts for cheese and butter.

The excessive supply of milk available domestically will continue to depress prices and push Ukrainian traders in search of new markets in North Africa, Sub-Saharan Africa and Asia. Ukraine will continue to export significant quantities of NFDM and WDM because the industry is unable to utilize the excess milk. The quality of Ukrainian cheese and butter is not expected to improve due to the inferior quality of Ukrainian milk supplies, thus Ukrainian dairy exporters will continue to be major players in bulk commodity markets were price considerations are critical.

Imports of high-quality dairy products in 2007 are expected to grow. Increased demand for imports is a direct result of Ukraine's inability to produce high-quality cheese and whole milk products from milk procured at households, or even Ukrainian industrial farms. Producers from Germany, Netherlands, France, Poland and Russia will benefit from Ukrainian imports in 2007. Imports of bulk commodities are not expected.

Ukraine's WTO accession may open the Ukrainian market for many dairy products. Prohibitive import duties for the vast majority of dairy products will be reduced and make European and American products more accessible to Ukrainian consumers. In 2006, only Russian whole milk dairy products were found in the market in substantial quantities because of an existing free trade agreement. The GOU committed to completing all bilateral negotiations and adopting all required legislation for WTO accession by the end of 2006. At the time this report was drafted, the date of WTO accession remains unknown.

Cheese

The production and trade in hard cheeses declined in 2006 and is expected to remain at relatively low levels in 2007. In 2005, Ukraine's production level reached a record high, with Russia consuming the largest share of these products. By the end of 2005, production was so high that even the Russian market could not absorb all the excess cheese. Inventories remained at relatively high levels, with export prices stable or slightly declining. According to industry experts, inventories held by producers (this figure doesn't include traders' stocks) accounted for over 15.5 thousand tons.

The Russian ban on Ukrainian products of animal origin had a devastating impact on Ukrainian cheese producers. All Ukrainian producers had to decrease production, but large export-oriented agricultural producers suffered the most. The search for new markets that began in late 2005 yielded little results. Markets in former Soviet Union countries, the Near and Middle East, as well as in non-EU European markets are very small. Ukrainian producers were not able to offer acceptable quality or assortment of products. Exports to Russia remained open to only 6 Ukrainian dairy processors, all passing inspections conducted by the Russian veterinary service. Representatives of other cheese processors complained that the inspections were conducted without clearly defined criteria, inspection requirements and without transparency. Many large cheese-manufacturing companies in Ukraine that adhered to very strict sanitary guidelines were rejected and offered no explanation why.

The resumption of trade to former levels remains low. Russian veterinarians performed multiple enterprise inspections throughout 2006. The Ukrainian industry spent a considerable amount of resources and time getting ready for the inspections and waiting for the results. In September some optimistic statements were made by the Ukrainian Minister of Agriculture, but exports continue to be restricted. The trade in cheese remains blocked for the majority of Ukrainian cheese-makers.

Butter

Throughout late 2005 and the first half of 2006, Ukrainian producers of butter experienced serious difficulties exporting their products. At the end of 2005, production inventories (excluding inventories held by the State Reserve and traders) mounted to 5.3 thousand tons, while monthly domestic consumption accounts for approximately 9 thousand tons. Butter exports in 2006 are expected to decrease despite the significant production increase in NFDM. A lot will depend on the status of the Russian market, however so far the Russian veterinary inspectors have kept the market closed for Ukrainian products (in July 2006 Russian inspectors canceled permits previously issued to 6 Ukrainian butter suppliers).

The Russian ban seriously damaged Ukrainian producers who maintained significant inventories in late 2005 with the expectation that winter prices would increase in early 2006. Throughout early 2006, a significant amount of butter remained in storage putting downward pressure on prices, although limited quantities were exported as spreads and other fat mixes.

Production of butter increased somewhat during fall 2006 due to healthy world demand for NFDM.

Ukrainian producers continue to view Russia as the main export market and are committed to reopening that market. The search for new markets undertaken by traders has yielded very limited results (the opening of small markets in North Caucasus and Middle Asian FSU countries). Eventually Ukrainian butter found its way to Belarus, were it replaced Belarusian products of comparable quality that is often exported to Russia (Belarusian dairy products are fee to move into Russia).

NFDM

Non-fat dried milk was the only export commodity that grew significantly in 2006. Ukrainian suppliers had to diversify export markets in Russian, North Africa, Asia, EU and Japan. Russia was considered just one of many destinations. The Russian import ban forced Ukrainian producers to re-orient their production facilities from cheese production to production of NFDM. Consequently, sales increased in international markets. Ukrainian producers were able to offer very competitive prices for lower quality Ukrainian NFDM. The contraction of cheese production significantly decreased competition in Ukraine's market resulting in low domestic fluid milk prices.

Unlike butter suppliers, NFDM traders were able to clear their warehouses by January 2006, so the Russian ban only had a minimal impact. During 2006, NFDM production in many cases was less profitable than WDM due to production of butter, which had no market outside of Ukraine.

WDM

Production of whole dried milk is expected to be stable in 2006 and 2007 due to limited export markets. Ukrainian dairy processors were not interested in producing WDM from summer through fall 2005, so the price for WDM remained very close or even equal to NFDM. Later, western traders and Russian consumers cleared the market, so by the time the Russian ban was introduction, the effect on the market proved to be minimal.

WDM is increasingly used in Eastern Europe for production of whole milk products. It helped to equalize seasonal fluid milk supply fluctuations. Attempts to develop new export markets for WDM in Algeria and Turkey had mixed success.

Policy

Chronology of the Russian Ban

Russia introduced the ban on Ukrainian dairy products on January 20, 2006. The official justification noted poor product quality and the lack of sanitary and veterinary controls in Ukrainian dairy processing facilities. Russia demanded that exported dairy products from Ukraine be produced only by milk procured from large industrial farms. Also demanded was introduction of veterinary and sanitary standards equal to those found in Russia. Russia never publicly acknowledged finding any significant safety problems with Ukrainian dairy products (cheese, NFDM, WDM, butter and whole milk products). The Russian sanitary-veterinary authority (Rosselhoznador) banned some dairy enterprises despite having valid Rosstandard certificates that were issued at an earlier date.

On March 1, 2006, 6 Ukrainian producers (5 cheese manufacturers and one child dairy products producer) were allowed to export to Russia, but on July 15, 2006 they lost their rights to export whole milk products (as well as dried milk and butter). Approximately 10 more enterprises failed inspections that concluded on May 15. Ukrainian dairy experts acknowledged some problems with quality control, paperwork and personal training, but noted that these problems are common in small operations, while large producers more strictly follow the rules. The estimated industry loss as a result of the Russia import ban will amount to $400 million by the end of 2006.

State Market Regulations

Ukraine's state policies in 2006 concentrated on protecting producers of fluid milk and introduction of new standards.

When fluid milk prices dropped precipitously in January-February 2006, the GOU responded by attempting to force milk-processing companies to increase prices. Whole milk product producers kept prices high since they do not supply the Russian market and thus had no reason to lower prices. The State Anti-Monopoly Committee started an investigation in 6 different regions (oblasts) of Ukraine looking for cartel agreements and imposing fines on some producers. Despite massive administrative pressure to maintain prices, prices for industrial enterprises decrease between December and February from UAH 1.2-1.4 per kilogram of milk to UAH 0.8-1.0, while prices for private households decreased from UAH 1.3-1.0 to UAH 0.6-0.65.

In the end, GOU decided to set minimal milk prices because they were unable to stabilize prices through the Antimonopoly Committee. The Cabinet of Ministers of Ukraine Resolution #1003, dated July 24, 2006, set the following minimal procurement rates for 2006:

High Grade Fluid Milk	UAH 1250
I Grade Fluid Milk	UAH 1200
II Grade Fluid Milk	UAH 1000
Whey (10 fat content)	UAH 4080

Proposed prices do not consider the price difference between private farms and industrial farms or transportation costs. The Resolution violated a number of Ukrainian laws and supported low-quality milk suppliers. According to industry experts, execution of the Resolution would lead to significant contraction of the Ukrainian market and a retail price increase of 30%. Fortunately, this Resolution had no enforcement mechanism or authority and was ignored by the industry. This second attempt to stabilize producers' income failed as well.

On July 1, 2006, Ukraine adopted new State Standards for butter (DSTU 4399:2005) and spreads (4445:2005). Through the introduction of these standards, the GOU made an attempt to control production of spreads sold as butter. The major industry players welcomed the standard, since it imposes a transition period. Ukrainian producers will be able to use old labels until January 1, 2007. It is unclear if the industry will comply with the new rules. Some experts question the efficiency of the State Standard detection and enforcement system as some producers use new hard to detect technologies to fake butter production.

Statistical Tables

Fluid Milk PSD Table*

Country	Ukraine				
Commodity	Dairy, Milk, Fluid		(1000 HEAD)(1000 MT)		
	2005		2006		2007
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	Post Estimate New
Market Year Begin		01.2005		01.2006	01.2007
Cows In Milk	3950	4130	3910	3640	3600
Cows Milk Production	13800	13423	13800	12890	13100
Other Milk Production	320	290	320	285	285
Total Production	14120	13713	14120	13175	13385
Other Imports	2	1	2	1	1
Total Imports	2	1	2	1	1
Total Supply	14122	13714	14122	13176	13386
Other Exports	0	2	0	2	2
Total Exports	0	2	0	2	2
Fluid Use Dom. Consum.	4320	5441	4170	6086	6219
Factory Use Consum.	8300	7001	8500	5908	5990
Feed Use Dom. Consum.	1500	1270	1450	1180	1175
Total Dom. Consumption	14120	13712	14120	13174	13384
Total Distribution	14120	13714	14120	13176	13386
CY Imp. from U.S.	0	0	0	0	0
CY. Exp. to U.S.	0	0	0	0	0

**These are not official USDA numbers*

Fluid Milk Retail Price Table

Country Ukraine
Commodity Dairy, Milk, Fluid

Prices in	UAH	per uom	1 kilogram
Year	2005	2006	% Change
Jan	2,33	2,36	1%
Feb	2,41	2,45	2%
Mar	2,42	2,41	0%
Apr	2,38	2,37	0%
May	2,31	2,32	0%
Jun	2,29	2,29	0%
Jul	2,28	2,3	1%
Aug	2,31	2,31	0%
Sep	2,35	2,4	2%
Oct	2,41		
Nov	2,47		
Dec	2,53		
Exchange Rate	5,05	Local Currency/US $	

Source: State Statistics Committee of Ukraine, FAS Kiev estimates

Cheese PSD Table*

Country	Ukraine				
Commodity	Dairy, Cheese		(1000 MT)		
	2005		2006		2007
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	Post Estimate New
Market Year Begin		01.2005		01.2006	01.2007
Beginning Stocks	2	2	2	2	0
Production	270	274	290	210	200
Other Imports	2	6	2	8	10
Total Imports	2	6	2	8	10
Total Supply	274	282	294	220	210
Other Exports	110	116	130	50	60
Total Exports	110	116	130	50	60
Human Dom. Consumption	162	164	164	170	150
Other Use, Losses	0	0	0	0	0
Total Dom. Consumption	162	164	164	170	150
Total Use	272	280	294	220	210
Ending Stocks	2	2	0	0	0
Total Distribution	274	282	294	220	210
CY Imp. from U.S.	0	0	0	0	0
CY. Exp. to U.S.	0	0	0	0	0

*These are not official USDA numbers

Cheese Export Trade Matrix

Country	Ukraine		
Commodity	Dairy, Cheese		
Time Period		Units:	1 MT
Exports for:	2004		2005
U.S.	3	U.S.	11
Others		Others	
Russia	90167	Russia	112213
Bulgaria	1492	Kazakhstan	1519
Czech Republic	120	Moldova	1406
Romania	280	Romania	851
Moldova	643	Belarus	68
Azerbaijan	61	Azerbaijan	68
Kazakhstan	787		
Total for Others	93550		116125
Others not Listed	23		74
Grand Total	93576		116210

Source: State Statistics Committee of Ukraine

Cheese Import Trade Matrix

Country	Ukraine		
Commodity	Dairy, Cheese		
Time Period		Units:	1 MT
Imports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Denmark	210	Russia	3721
France	11	Poland	809
Germany	33	Armenia	280
Poland	150	Denmark	250
Russia	2457	Germany	190
Armenia	100		
Total for Others	2961		5250
Others not Listed	18		294
Grand Total	2979		5544

Source: State Statistics Committee of Ukraine

Cheese Retail Price Table

Country Ukraine
Commodity Dairy, Cheese

Prices in	UAH	per uom	1 kilogram
Year	2005	2006	% Change
Jan	21,39	25,67	20%
Feb	21,99	26,52	21%
Mar	22,63	26,83	19%
Apr	22,96	27,13	18%
May	23,06	27,67	20%
Jun	22,94	28,12	23%
Jul	22,8	28,79	26%
Aug	22,76	29,23	28%
Sep	23,19	30,26	30%
Oct	23,75		
Nov	24,39		
Dec	24,98		
Exchange Rate	5,05	Local Currency/US $	
Date of Quote	10/19/2006	MM/DD/YYYY	

Source: State Statistics Committee of Ukraine

Butter PSD Table*

Country	Ukraine				
Commodity	Dairy, Butter			(1000 MT)	
	2005		2006		2007
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	Post Estimate New
Market Year Begin		01.2005		01.2006	01.2007
Beginning Stocks	5	5	5	5	0
Production	140	118	145	105	110
Other Imports	0	0	0	0	0
Total Imports	0	0	0	0	0
Total Supply	145	123	150	110	110
Other Exports	30	24	35	18	20
Total Exports	30	24	35	18	20
Domestic Consumption	110	94	115	92	90
Total Use	140	118	150	110	110
Ending Stocks	5	5	0	0	0
Total Distribution	145	123	150	110	110
CY Imp. from U.S.	0	0	0	0	0
CY. Exp. to U.S.	0	0	0	0	0

*These are not official USDA numbers

Butter Export Trade Matrix

Country Ukraine

Commodity Dairy, Butter

Time Period		Units:	1 MT
Exports for:	2004		2005
U.S.	2	U.S.	0
Others		Others	
Azerbaijan	1862	Russia	20512
Armenia	1900	Armenia	930
Georgia	570	Azerbaijan	733
Kazakhstan	1574	Kazakhstan	729
Moldova	1120	Moldova	368
Russia	33178	Georgia	448
Turkmenistan	988	Uzbekistan	205
Total for Others	41192		23925
Others not Listed	1115		444
Grand Total	42309		24369

Source: State Statistics Committee of Ukraine

Butter Import Trade Matrix

Country Ukraine

Commodity Dairy, Butter

Time Period		Units:	1 MT
Imports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Belgium	20	Germany	2
Germany	4		
Total for Others	24		2
Others not Listed	0		0
Grand Total	24		2

Source: State Statistics Committee of Ukraine

Butter Retail Price Table

Country	Ukraine		
Commodity	Dairy, Cheese		
Prices in	UAH	per uom	1 kilogram
Year	2005	2006	% Change
Jan	14,79	16,74	13%
Feb	14,94	17,29	16%
Mar	15,19	17,5	15%
Apr	15,21	17,69	16%
May	15,04	18,05	20%
Jun	14,86	18,33	23%
Jul	14,71	18,78	28%
Aug	14,84	19,06	28%
Sep	15,12	19,73	30%
Oct	15,49		
Nov	15,91		
Dec	16,29		
Exchange Rate	5,05	Local Currency/US $	
Date of Quote	10/19/2006	MM/DD/YYYY	

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk PSD Table*

Country	Ukraine				
Commodity	Dairy, Milk, Nonfat Dry			(1000 MT)	
	2005		2006		2007
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	Post Estimate New
Market Year Begin		01.2005		01.2006	01.2007
Beginning Stocks	2	2	2	2	2
Production	80	78	82	80	85
Other Imports	0	0	0	0	0
Total Imports	0	0	0	0	0
Total Supply	82	80	84	82	87
Other Exports	65	57	67	65	70
Total Exports	65	57	67	65	70
Human Dom. Consumption	15	21	15	15	15
Other Use, Losses	0	0	0	0	0
Total Dom. Consumption	15	21	15	15	15
Total Use	80	78	82	80	85
Ending Stocks	2	2	2	2	2
Total Distribution	82	80	84	82	87
CY Imp. from U.S.	1	1	0	0	0
CY. Exp. to U.S.	0	0	0	0	0

*These are not official USDA numbers

Nonfat Dry Milk Export Trade Matrix

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry

Time Period		Units:	1 MT
Exports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Bangladesh	2866	Russia	18506
Bulgaria	2639	Algeria	18479
Algeria	10620	Japan	5002
China	7278	Bulgaria	2116
Japan	8352	Nigeria	1950
Denmark	1400	Mexico	1755
France	1648	Georgia	804
Kazakhstan	1335	Poland	760
Egypt	1944	Armenia	757
Russian Federation	13632	China	750
Total for Others	51714		50879
Others not Listed	11500		5663
Grand Total	63214		56542

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk Import Trade Matrix

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry

Time Period		Units:	
Imports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Austria	8	Austria	31
		Germany	4
		Switzerland	1
Total for Others	8		36
Others not Listed	0		0
Grand Total	8		36

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	2005	2006	% Change
Jan	12100	11800	-2%
Feb	11500	10500	-9%
Mar	11600	9700	-16%
Apr	11000	9000	-18%
May	10300	8800	-15%
Jun	10900	8900	-18%
Jul	11400	9100	-20%
Aug	11200	9300	-17%
Sep	10900	10000	-8%
Oct	11000	10600	-4%
Nov	10600		
Dec	11600		
Exchange Rate	5,05	Local Currency/US $	
Date of Quote	10/19/2006	MM/DD/YYYY	

Source: FAS/Kiev estimates

Dry Whole Milk Powder PSD Table*

Country	Ukraine				
Commodity	Dairy, Dry Whole Milk Powder (1000 MT)				
	2005		2006		2007
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	Post Estimate New
Market Year Begin		01.2005		01.2006	01.2007
Beginning Stocks	0	0	0	0	0
Production	29	28	30	30	32
Other Imports	0	0	0	0	0
Total Imports	0	0	0	0	0
Total Supply	29	28	30	30	32
Other Exports	19	20	20	20	22
Total Exports	19	20	20	20	22
Human Dom. Consumption	10	8	10	10	10
Other Use, Losses	0	0	0	0	0
Total Dom. Consumption	10	8	10	10	10
Total Use	29	28	30	30	32
Ending Stocks	0	0	0	0	0
Total Distribution	29	28	30	30	32
CY Imp. from U.S.	0	0	0	0	0
CY. Exp. to U.S.	0	0	0	0	0

*These are not official USDA numbers

Dry Whole Milk Powder Export Matrix

Country Ukraine

Commodity Dairy, Dry Whole Milk Powder

Time Period		Units:	1 MT
Exports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Algeria	6781	Algeria	7400
Russia	5281	Russia	6215
Turkey	799	Turkey	1430
Azerbaijan	641	Georgia	740
Armenia	632	Azerbaijan	655
Saudi Arabia	428	Armenia	648
Georgia	397	Mozambique	559
Egypt	375	China	425
Poland	300		
Bulgaria	220		
Total for Others	15854		18072
Others not Listed	2064		1803
Grand Total	17918		19875

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:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Switzerland	4	Switzerland	3
Germany	1		
Total for Others	5		3
Others not Listed	0		0
Grand Total	5		3

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	2005	2006	% Change
Jan	12500	13000	4%
Feb	12300	11100	-10%
Mar	12000	10100	-16%
Apr	11300	9500	-16%
May	10500	9100	-13%
Jun	11000	9000	-18%
Jul	11400	9200	-19%
Aug	11300	10400	-8%
Sep	11000	10500	-5%
Oct	11100	11000	-1%
Nov	11000		
Dec	12300		
Exchange Rate	5,05	Local Currency/US $	
Date of Quote	10/19/2006	MM/DD/YYYY	

Source: FAS/Kiev estimates