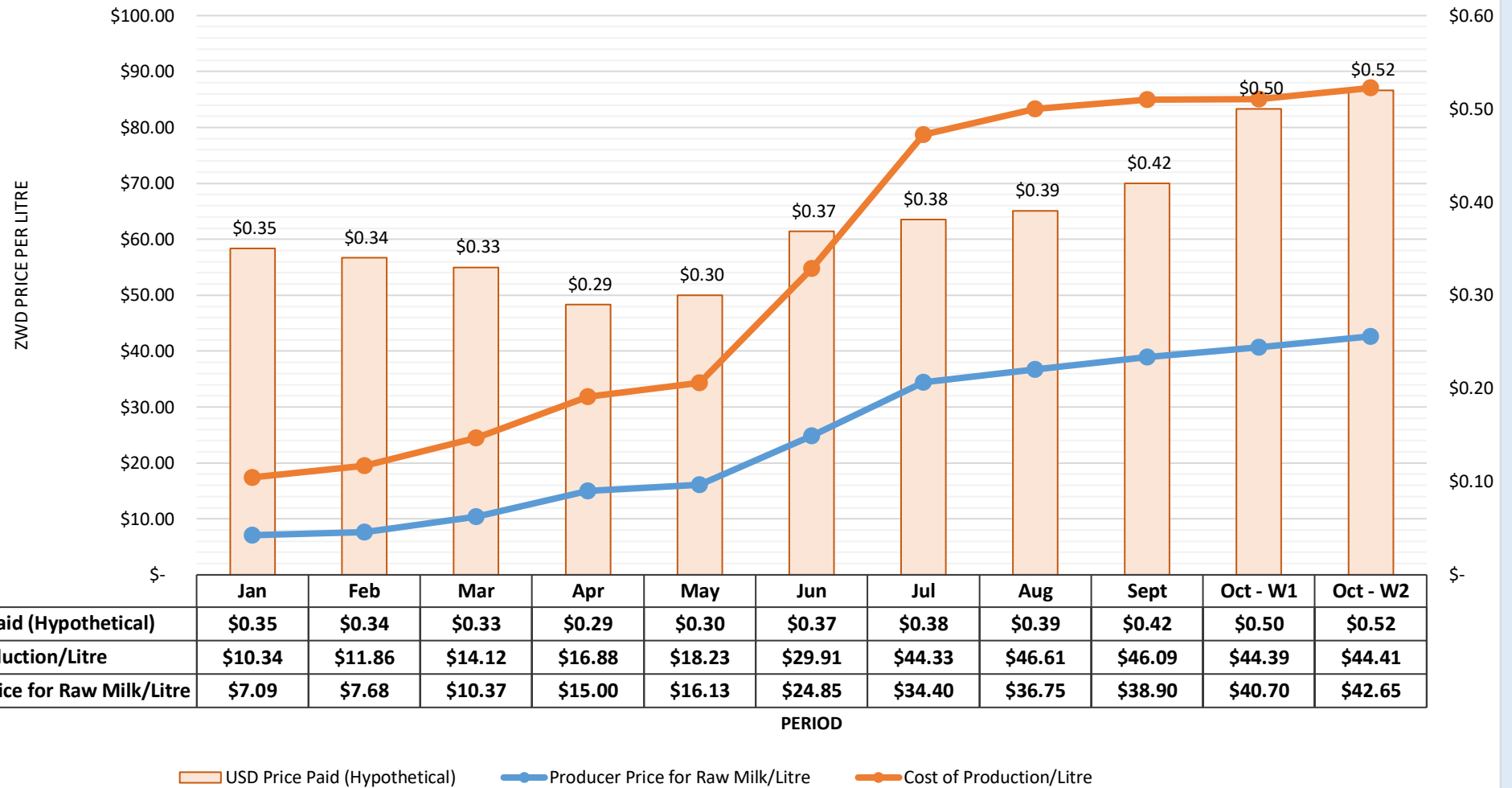


MILK – PRICING TREND ANALYSIS

Milk Price Trend (Jan-Oct 2020)



Source: Dairy Milk Model

MILK PAY-OUT VALUE

Local Currency			USD Currency	
Dairy Processors	Current Producer Price/Litre		Auction Rate (ZWD/1USD\$)	Current Producer Price/Litre
Processor A	\$ 47.99	ZWD	\$ 81.340	US\$ 0.59
Processor B	\$ 39.78	ZWD	\$ 81.340	US\$ 0.49
Processor C	\$ 41.00	ZWD	\$ 81.340	US\$ 0.50
Processor D	\$ 42.50	ZWD	\$ 81.340	US\$ 0.52
Processor E	\$ 42.00	ZWD	\$ 81.340	US\$ 0.52
Average Market Price of Milk	\$ 42.65	ZWD		US\$ 0.52

COMMENTS & ANALYSIS:

Interpretation in Local Currency

- i. Current producer price for raw milk stood at \$42.65RTGs/Litre slightly above last week price. However, the Milk prices are standard prices from all processors which is computed based standardized parameters: 3.6% BF; 3.2 Protein, TBC less than 30 & SCC less than 300. However, the cost of production per cow/Litre increased to \$44.41RTGs to \$44.35RTGs during the week.
- ii. The local ZWD is appreciating against USD at a slower rate, the exchange rate is stabilizing this situation can allow informed decision making for dairy. Under this economic situation farmers can buy stock feed and vet chemicals they can manage to store at farm on monthly intervals to reduce mobility and transport costs on the same side reducing unnecessary cost of holding unproductive stock. Productive efficiency is encouraged were every input be it labour or capital input put yield extra revenue. Any additional cost which do not yield higher additional revenue must be managed to minimize cost