

Chmut A.V.

Ph.D, lecturer of Department of Economic
and international economic relations, KSU

DEVELOPMENT OF THE MILK MARKET IN UKRAINE

World milk production is estimated at 800 million tons today. It is expected that in 2026 44% of all milk will be produced by developed countries, and the rest – by the developing countries. In the early 1990s, Ukraine was among the ten largest cow's milk producers in the world, along with countries such as India, the USA, Russia, Germany, France, Brazil, China, and New Zealand, providing their share at the level of 4.5%. Over the past 27 years, Ukraine has significantly lost its position in world milk production, and in 2012 it has occupied only 17th place, and in 2016 and 2017 only one in the top twenty largest producers with a market share of 1.3%. Despite the concessions on the world market, the dairy industry in Ukraine is a leading sector of the economy and an important component of food safeness of the country.

Today, the main milk producer in Ukraine is the households, which are the main suppliers of milk to dairy processing enterprises. Agricultural enterprises supply about 26% of manufactured milk and the rest is a share of households. Analysis of the main indicators of industry development in the period from 1990 to 2017 shows that there are trends in reducing the number of cows and milk production. Positive dynamics are only seen in productivity of cows.

The share of dairy products supplied to dairy farms by households in recent years is about 60-70%. The general level of marketability of milk and dairy products in 2016 was 35.7% and was the lowest in the previous 12 years.

After 2014, Ukrainian enterprises experienced significant problems with the sale of their products, which arose in connection with the loss of markets in the Russian Federation, the Crimea, parts of Donetsk and Luhansk regions. The search for markets outside the country is complicated by the procedure for obtaining the

right to export, in particular to the European Union, which today have less than twenty enterprises. The main reason is the need to meet the high safety and quality requirements of these products.

The way to overcome the crisis in the market of milk and dairy products is the focus on the quality of production in accordance with world standards and the search for new markets. At the same time, the quality of production depends directly on the quality of raw materials that needs to be increased, combining small-scale producers with cooperatives, and forming close integration links between raw material producers and processors, which will ensure the principle of traceability in accordance with world standards.

References:

1. FAO Statistical Pocketbook 2015. URL.: <http://www.fao.org/3/a-i4691e.pdf>
2. Lysjuk V.M. Metodologhija sektornogho analizu prodovoljchogho rynku (na prykladi rynku moloka i molochnoji produkciji)/ V.M.Lysjuk, A.V.Chmut, N.L. Shlafman // Aghroinkom: Naukovo-praktychne vydannja. - 2012. - vol 4-6. - p.p. 6-11.
3. Chmut A.V., Harmonizatsiia vidnosyn molokopererobnykh pidprijemstv z postachalnykamy syrovyny v umovakh posylennia kontroliu yakosti ta bezpechnosti kharchovykh produktiv/ A.V.Chmut, N.V.Antosh. // Naukovyi visnyk Khersonskoho derzhavnoho universytetu. – 2017. - Vol. 26-2, - pp.24-28.