

Situation of the dairy market in Ukraine and its impact on the dairy world

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Energy Crisis in Dairy: Challenge or Opportunity?



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475
days of
resistance

Impact of the war:

disrupted logistics and sales chains

occupation of territories

mined fields

farmgate milk price decrease

lack of production resources

blockade of Black Sea ports

migration

farms and livestock destruction

domestic demand decline

theft of mashinery and grain by invaders

lack of personel





Ukraine before the war



22 000 km of railway tracks



13 seaports



2 200 km navigable waterways
11 river terminals



1378 grain elevators

12% of GDP – Agriculture

Employment in agriculture – 17%

Share of agrifood in total export – 41%

Production of agricultural crops YoY 

Agricultural export YoY 

Ukraine can feed 400 million people



170 000 km of roads



21 airports

In 2014 Ukraine and European Union signed the **Association Agreement** where Ukraine committed after reforms to gradually conform to EU technical and consumer standards.



AgriExport 2021



MAJOR IMPORTERS OF UKRAINIAN PRODUCTS 2021, MLN \$



Principal export route – sea ports (>5 mill t/month)

Year of records

Ukraine's place in world agro-export 2021



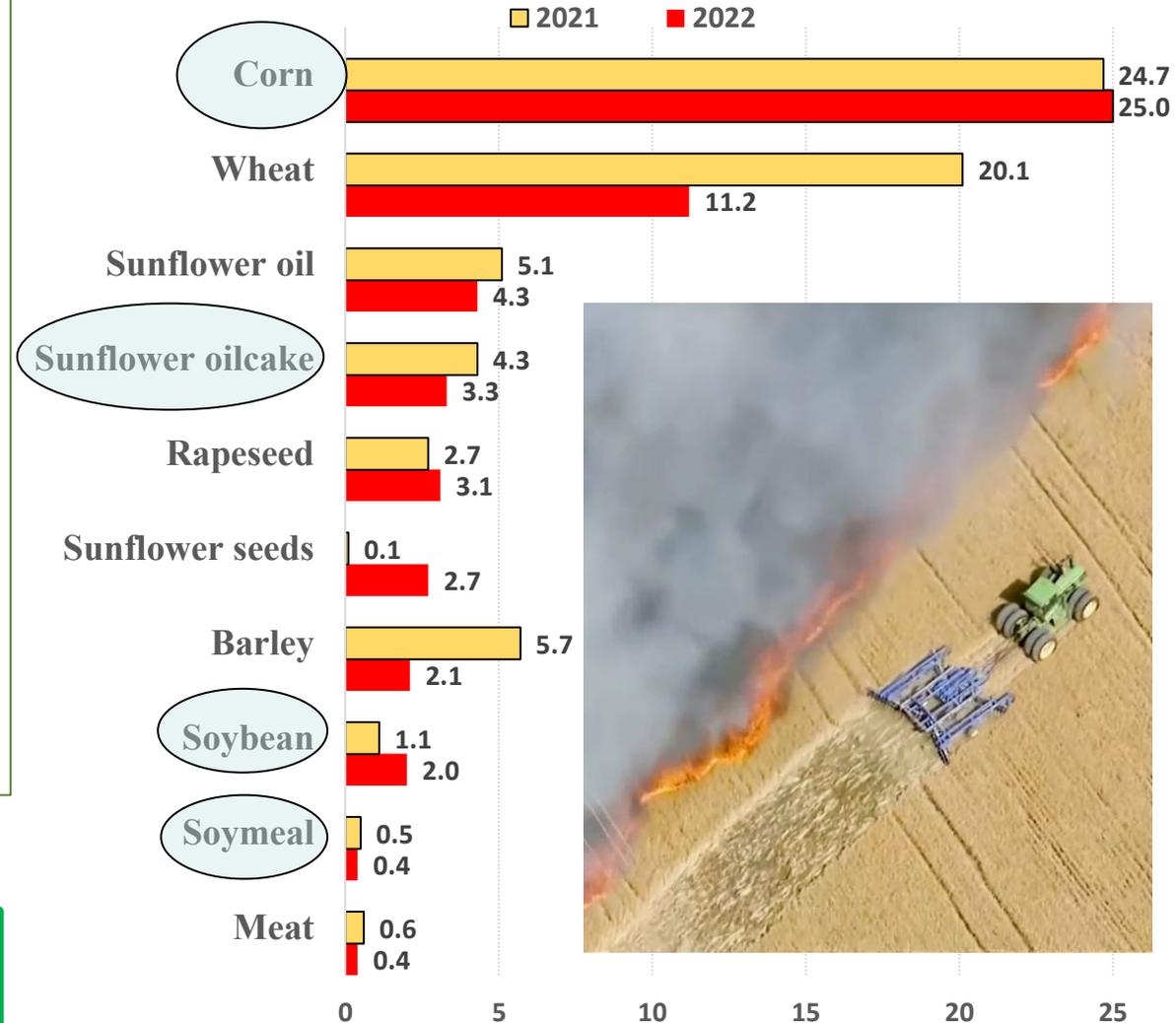


AgriExport 2022



Source: World Bank

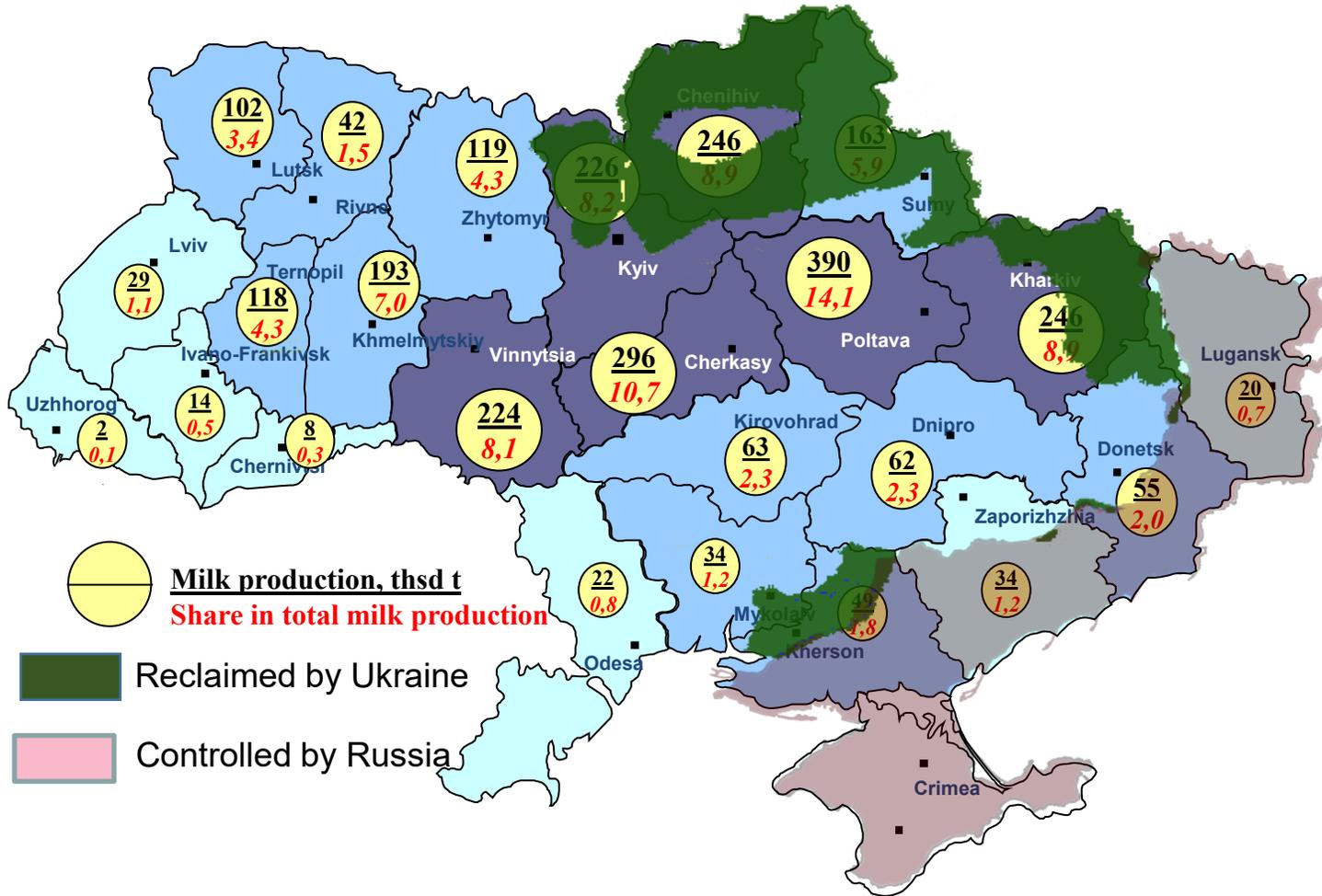
TOP-10 agricultural export commodities, mill tons



Ukrainian dairy farmers «invested» grain surplus in milk and meat production



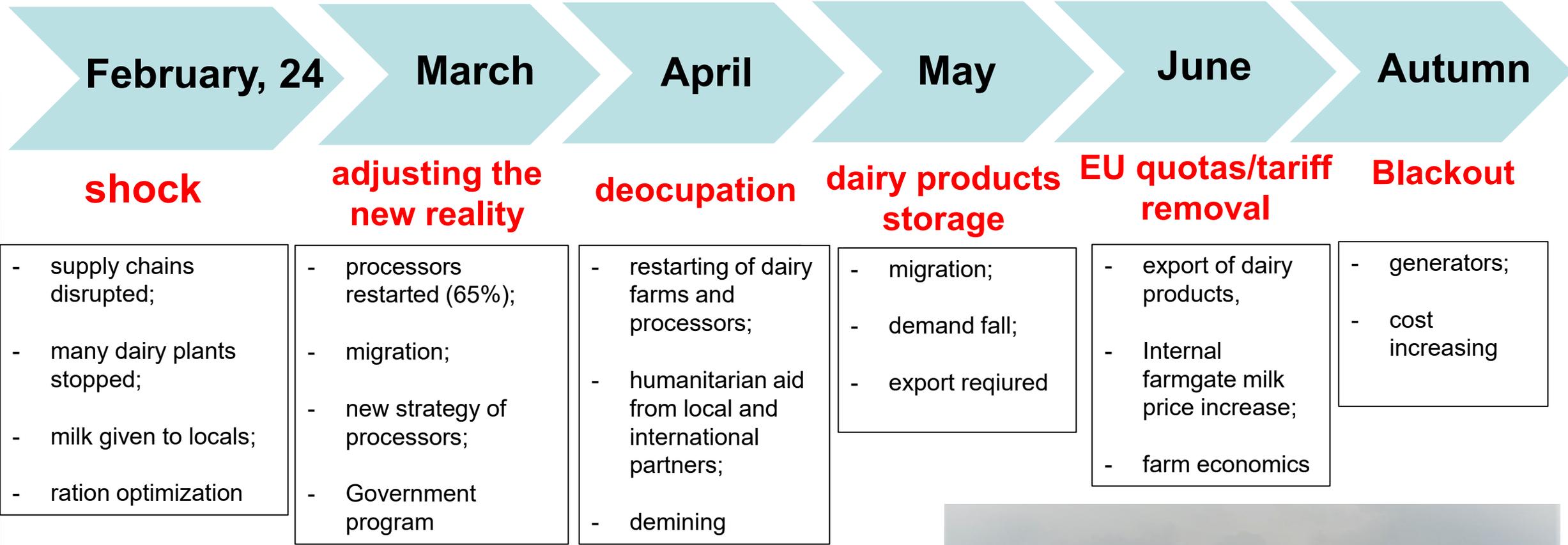
Milk production map of Ukraine



Dairy farms are deliberate shelled by invaders



Ukrainian dairy sector at war time: the chronicles of 2022



No farmer was willing to slaughter cows. The farm ceased operation only if it was completely destroyed.



70% of Ukraine's energy infrastructure destroyed by Russian attacks

bombing continues

lack of electricity for milking and processing

cost's increasing

Blackout

products loss

livestock management disruption

Milking and processing stoppages due to air-raid alert and staff moving to shelters

cold storage stoppages

Demining



Demining agricultural land after occupation (actual and future) is critically necessary.

5 mill ha
of agricultural
land

1.5 bill USD

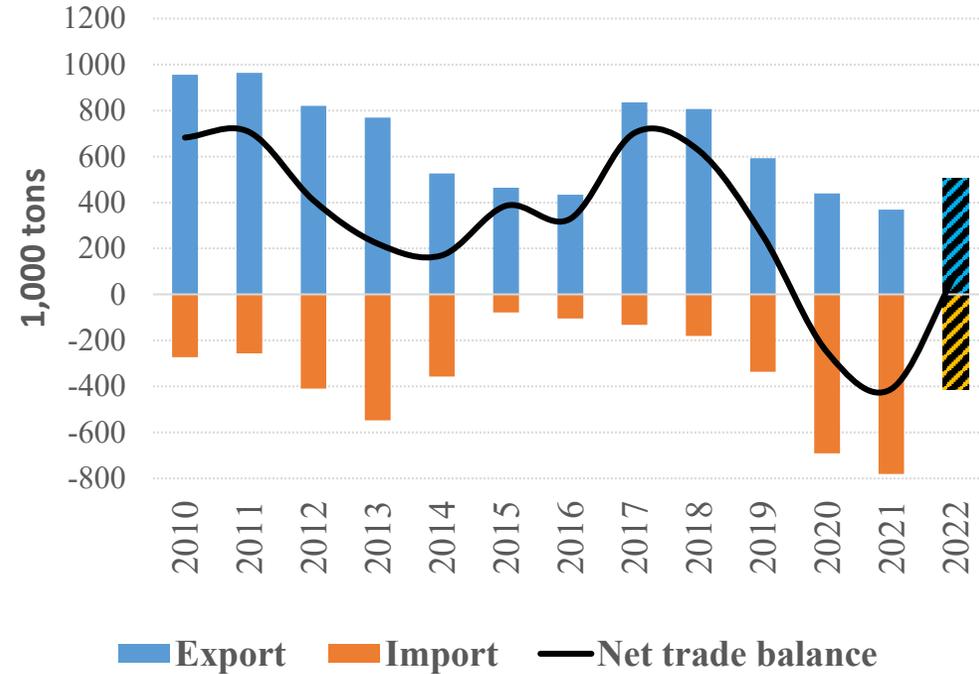
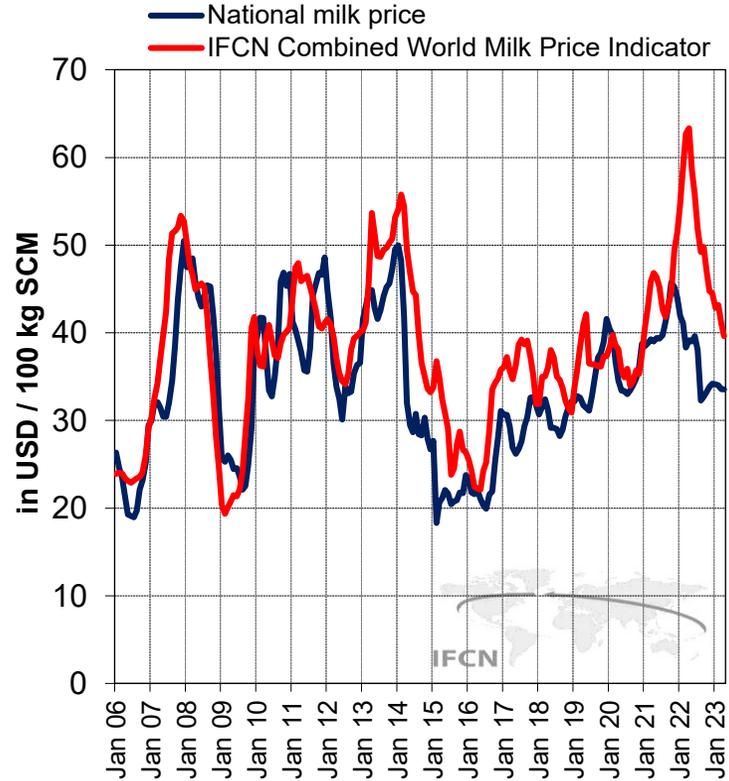


30/70 years





Ukrainian dairy sector at war time (export)



Ukraine exim dairy balance dynamics in milk equivalent

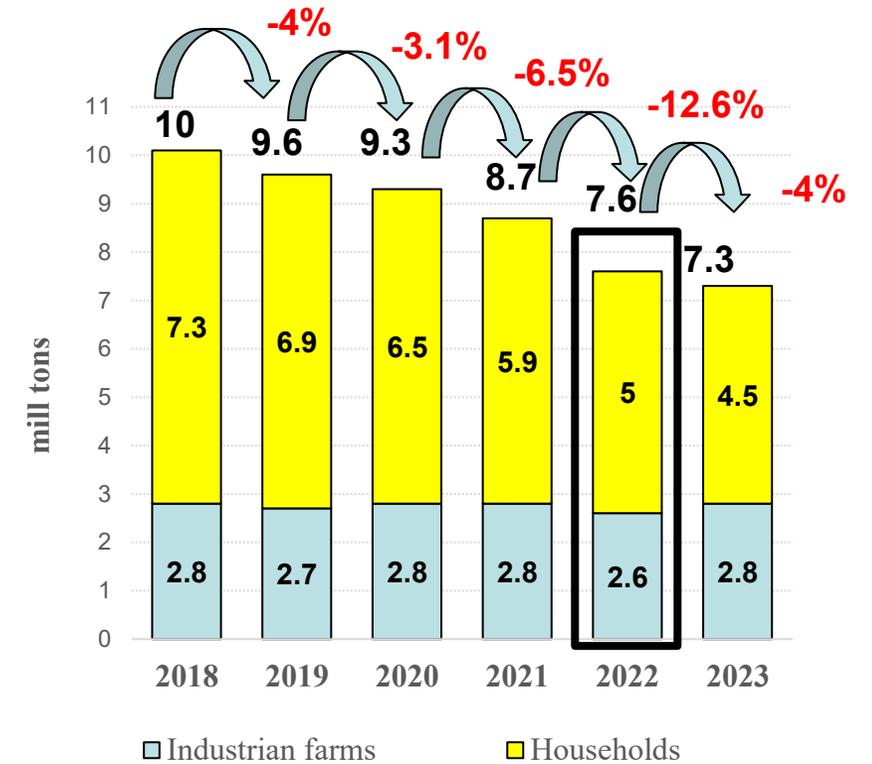
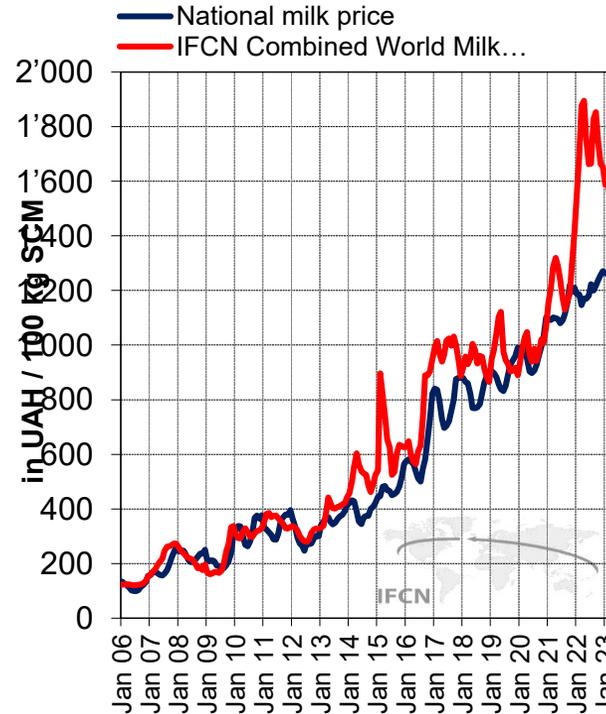
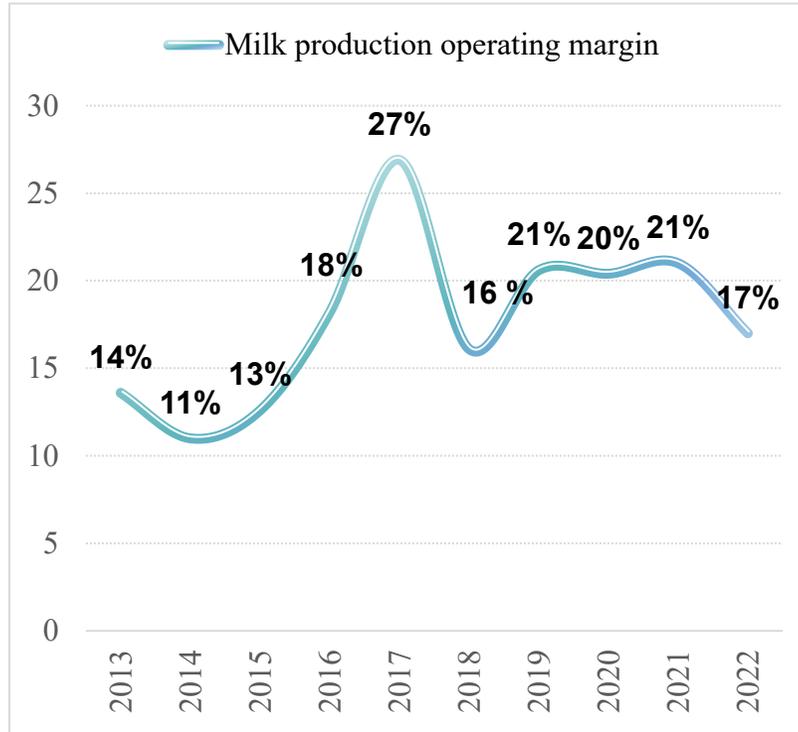
Migration – 8.3 mill people
 Inflation - 26.6%
 Consumer purchasing power – -3-5%

Total reduction
 of dairy market
 internal usage/
 consumption
-27%

Export products in value, 2022:
 Butter – 20%
 Casein – 20%
 SMP – 17%
 Cheese – 9%



Ukrainian dairy sector at war time (profit and production)



Dairy farming remains profitable despite all the challenges



Dairy farms as invincible points

- Dairy farmers from all regions provide humanitarian aid to affected colleagues from the affected regions, accept internally displaced persons, and donate to the armed forces of Ukraine.
- Farms from the occupied and front-line zones became a factor in the survival of local communities: they provided free milk as long as possible, equipped the simplest milk processing, cereal and bread production.





Overcoming challenges

Due to the lack of working capital and the level of destruction, dairy farms from the de-occupied and front-line territories are in dire need of humanitarian support with basic production resources, informational and advisory support to overcome the consequences of russian aggression, funds for survival and rapid recovery.



- * **Swiss government** (Switzerland) coordinated by the Embassy of Switzerland in Ukraine)
- * **Zoetis** (directly and through USAID)
- * **Boehringer** (supported by FABU-Germany)
- * **DeLaval** and ***GEA** (directly and through SECO)
- * **VetLogOne** (Germany, collective donation)
- * **Biochem** (Germany)
- * **Brovafarma** (Ukraine)

- * **(Latvia)**
- * **Eesti Maaülikool** (Estonia, collective donation)
- * **Semex** (Ukraine))
- * fund **Help-Hilfe zur Selbsthilfe e.V.** (Germany)
- * **The State Service of Food and Veterinary Medicine of Lithuania, the Government and the Ministry of Transport of Lithuania**
- * **BalticAgro** company
- * **VKF "Polius"** (Ukraine)





Summary

- **Ukraine** will continue to produce agricultural commodities ensuring national and **global food security**. Export will be vital for Ukraine's economy.
- **Dairy farmers** and **processors** proved their incredible **resilience** during the war.
- **Investment** in the dairy sector of **Ukraine** starts today: existing and new projects of milk production and milk processing.
- Continue to support **Ukraine!** Our victory is your **victory**.



THANK YOU!



- #StandWithUkraine
- #BeBraveLikeUkraine

