

Sugar Production in Ukraine: Problems and Perspectives of Competitiveness of the Industry

Alina Kovalyova, Maria Molozhon

National University of Food Technologies

Introduction. The sugar industry is one of the strategically important sectors of the food industry of Ukraine. It unites producers of elite and factory seeds, sugar beets, seed plants, sugar plants and service enterprises of the industry. The end product of this huge agro industrial complex is sugar in stock as well as by product molasses. There is a substantial lack of many of the resources necessary for the development of Ukrainian sugar industry.

Materials and methods. Theoretical, methodological and applied problems of the sugar market are reflected in the works of such scientists as V. G. Andriychuk, A. P. Bogatirenko, A. M. Varchenko, T. G. Dudar, M. Y. Kodenshi, N. P. Shapoval, N. P. Shevchuk and foreign scientists – V. G. Boev, A. G. Zeldner.

The results and discussion. Favourable agro-climatic conditions that prevail in Ukraine do not automatically guarantee the competitiveness of the field. The current situation of oversupply on the world markets, have been exacerbated if Ukraine significantly increased the exports of sugar, thus further increasing the pressure on prices downwards. In recent years sugar production in Ukraine declined significantly. Sugar factories work at a loss, and revenues from sugar exports have come to naught. For the 2010/11 year the projected sown area under sugar beet is at 400 thousand hectares, yield 35 t/ha, in the classification of the 30 t/ha, the gross harvest to 12 million tonnes, sugar production is 1500 thousand tonnes, plus a tariff quota WTO 267,8 thousand tons In the 2011/12 year, sown area is expected to increase to 450 thousand hectares, yield to 39.4 t/ha, in offset 35 t/ha, the gross harvest up to 16 million tons, sugar production in 1920 thousand tons Sugar production in Ukraine in 2015 amounts to 1.3-1.4 million tons, which is 34-35% less than in 2014, reported the press service of the consulting Agency "UkrAgroConsult".

Ukraine lost its traditional markets of sugar in the countries formed on the basis of the former Soviet Union, primarily in Russia, which supplied 56 % of the manufactured sugar. Revenues from sales of sugar and confectionery producers amounted to 1.2 billion U.S. dollars per year, which in recent years has decreased to 0.16 billion US dollars. In general, the sugar beet production in our state turned export of strategic sectors of the economy to subsidized, what really threatens the incomplete provision of even their own needs of this important product.

To solve the problem, it is necessary to provide structural, functional, energy, raw materials and investment changes. Regarding specific proposals to the decision, we can highlight the need for the following: development of a programme of restructuring and technical upgrading; formation of state policy in the field of sugar beet production and sugar and wholesale sugar, to protect the economic interests of the state, the rights of consumers and domestic manufacturers; development and implementation of programs organization of production of equipment, devices, machines and systems for enterprises of beet-sugar complex; cooperation with the Union of sugar producers and traders of sugar market of the CIS and far-abroad countries.

Conclusion. The cost of sugar production in Ukraine exceeds the current and forecast prices for sugar on world markets. Therefore, today and in the future Ukraine's sugar industry might lose its competitiveness.