

COFFEE MARKET IN UKRAINE

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Coffee is the most popular tonic drink and is loved by the people throughout the world. The coffee market is one of the mostly rapidly growing market of the food sector at the present stage of Ukraine's development. The average annual growth rate consumption was 23 % during the last couple of years, that is almost 10 times higher than the world average rate, 2,5%, so Ukraine took one of the first places in the list according to the growth of coffee consumption. Moreover, the demand for coffee is increasing in Ukraine every year. These trends make Ukrainian market a very attractive place for manufacturers and exporters. [1]

Having studied all the materials, we have learned which kind of coffee is preferable among Ukrainians and where coffee is delivered to Ukraine from. According to the research, Ukrainian people prefer instant coffee, that is contrast to any western European citizen. Coffee preference is believed to show a country's development level. For example, in Africa, where coffee is grown, the consumption of instant coffee reaches 99%. However, instant coffee was invented not only to reduce the price of the product but also for convenience. The most promising is organic coffee. Like everywhere else there are two main segments of coffee consumption in our country. The first segment takes about 70 % of the market, that is retail — coffee is just sold in stores for further use at home. Here instant coffee takes the place and it is represented by the largest multinational corporations. The second important segment, 2,5%– 3%, is so called HoReCa (hotel, restaurant, café). That is coffee drinking by a client in public places. Then comes so called speciality, that means «office use», 2-3% of the market, as well as coffee machines-less than 1%. [2, p.172]

As for the coffee consumption in the regions of Ukraine, it is believed that in the western part of the country which tending to European culture there are more coffee

drinkers than in the eastern part experiencing a big influence of Russian traditions (drinking tea).

A significant import is essential for domestic coffee market. Ukrainian consumers in all segments prefer brand « Jacobs». Lavazza, McCoffee, Nescafe, Black Noire are also in great demand. According to custom statistics the main countries-importers of green coffee to Ukraine are Chile, Vietnam, India, Australia. The most of coffee products are imported from Europe and Asia. These are not usually expensive brands as Ukrainian consumers are mostly interested in price rather than quality of coffee or the place of origin. [3, p. 132]

Ukraine exports coffee in just a few countries. The main importer of coffee is Belarus. 5-15 % of the total coffee exports belong to Moldova and Georgia. The total share of other countries does not exceed 5%.

The main international organization that regulates the coffee market is the ISO (International coffee organization). The world coffee market is mostly governed by the WTO, United Nation Organisation, the World Bank and the IMF.[4]

Finding out the degree of competition in the coffee market allowed us to research the current situation in the coffee industry caused by general economic factors and individual characteristics. The main problems in Ukrainian coffee sector are the quality of the product and the legality if its production as the significant part of imports belongs to so called black import.

So, Ukraine's place in the global coffee market is small at the moment but rapid growth in demand and the development if internal structure of the coffee market can be considered as very perspective The research of Ukrainian role as a member of the world coffee market has indicated favourable conditions for the development and improvement of the coffee industry in our country and increasing role in the international coffee industry.[5, p. 150]

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