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FEATURES OF THE MARKET OF PLANT OIL PRODUCTION IN UKRAINE

This season (2017/2018) global transformations are taking place in the oilseed market. This is due to the action of two factors: political and natural. Major changes are occurring among the main consumers and sellers of oilseeds. Analysts agree that in the next 10 years, the markets that are now targeted for Ukrainian vegetable oil will change. [1]. The national fat-and-oil industry is established as a leader by the export volume of sunflower-seed oil in the world. The industry is characterized by the powerful stock resources, equity capital and developed transshipment complex. The steady adjustment of trade rules in the buyer countries and our country reflects international and oligopolistic instruments of competition.

Although rapeseed and soybeans are more in demand on the export market, and the share of sunflower oil in the overall market structure is only 14% [2], but this time the sunflower has surpassed wheat and corn in the sown areas. The demand for oilseeds increased by 136%.

It is also necessary to take into account the factor of the slowdown in the growth of the global trade in vegetable oils: according to FAO and USDA forecasts, in the next decade this figure will grow by 18-20% [3,4].

Competition is developing in all directions, and this concerns production. Competing regions will occupy an entire large market share - Brazil plans to increase its production of corn and soybean oil by 55%, while Argentina is seeking to soften the quality requirements of sunflower oil to enter the market with its oils produced on specific soils [4].

In the future, the production of raw materials for all oilseeds will be expanded, but a decrease in profitability is inevitable, because quality requirements are constantly increasing. In these conditions, you need to change the strategy.

According to the State Statistics Service of Ukraine, the production of the main sorts of oilseeds plants exceeded 18.32 million tons in 2017 in Ukraine.

The export potential of the fat-and-oil industry is determined by two factors. First, the volume of demand for sunflower oil depends on the world soybean harvest. The soybean is in the first place of the whole world oil consumption. Therefore, in case of insufficient meeting the soybean oil demand, there is a growing demand for sunflower oil. The USDA takes into account this factor while developing the forecast.

At the same time, it should be noted, that as of 2019, Ukraine has sufficient technical capacity to store, transport, handle and process sunflower seeds. The capacities for processing of oilseeds are growing and amounted to 22 million tons at the end of 2017. As a result, it is possible to process all the crops grown in Ukraine.

And these capacities are increasing every year. The reason for this is not only the growth of production and processing of oilseeds, but also the isolation of the activities of sunflower oil producers .

The process of consolidation and control continues to develop in the oilseeds processing market of Ukraine.

The object of our attention was the market and export opportunities of the product group of sunflower oil. Ukraine holds the first place in this sector. The analysis showed that changes in the export structure are caused by the following factors: climate change, growth in consumer activity in some regions (China, India), political and economic rivalry of trading players (US and China; Europe and India; Brazil and Argentina). Consumer activity in China is caused by the development of animal husbandry, which forms an increased demand for meal as an additive to feed. The activity of India is formed due to the growth of consumption of this product by the population of the country. At the same time, experts and analysts consider it practically impossible to increase the acreage of sunflower, which will cause a partial replacement of the deficit with other types of oils (for example, corn oil). Also considered an inevitable decline in profitability in this group of exports. In a competitive environment, the struggle between tariffs and duties is actively used, and the buyer countries use political levers to put pressure on suppliers. From the exporting countries, there is a clear need to change the situation with the help of product quality tools or to reduce quality requirements to increase exports. For Ukraine, an important direction is the transition from the export of raw sunflower oil to the export of refined oils, including using give-and-take schemes and brand building.

For Ukraine today, the main ones are: diversification of production, product quality and the search for new markets. But the solution of these problems is impossible without taking into account global trends and the prospects for their future development. The main factors that will affect prices in subsequent years are China, India and trade barriers. One of the most promising markets for sunflower oil today is India, where consumption increases every year with population growth.

Sunflower oil, and Ukraine trading in raw oil, should be included in the premium segment - this is a top priority for the national producer. For the Ukrainian manufacturer, this means the need for product branding. In the market of processing oilseeds protein flour is gaining increasing popularity, which is used for feeding in animal husbandry. The researchers are faced with the task of studying the possibility of increasing the amount of protein in sunflower flour, since this expands the possibilities of increasing the export of meal.

References.

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