

## **Prospects of the baking industry**

**Petrova Irina**

*National University of Food Technologies*

Given the importance of the food industry in economic and social growth of the society as a whole, as well as social and strategic role of bakery industry particularly important and urgent task is the timely detection of problems in the functioning of the industry and identify ways to solve them in order to further develop and enhance competitiveness. Bakery Industry Sector plays a significant social and strategic role in society. In the total amount of products throughout the food industry in Ukraine it takes a leadership position, and the share of bread in the diet of the population of Ukraine is 15%, confirming their status as a staple food. Traditionally, this area is given less attention than others, but any changes occurring in the market of bread and bakery products, instant impact on economic, social and political life. "Bread" market of Ukraine is represented 99.9% of domestic production. However, over the last decade in the baking industry a decline in production was recorded. According to the statistics Ukraine has experienced a steady decline in the production of bread and bakery products since the early 1990s. Reducing the consumption of bread was the main reason for the fall in production of bread. This primarily resulted from the reduction of population, decline in purchasing power, more economical use of bread and a significant increase in bread bakeries in small and rural populations independently, actual amount of which does not take into account statistics. Major production facilities bakery industry focus, usually in most regions of flour, as well as in large industrial centers and capital. Thus, approximately 49% of bread and bakery products produced in Ukraine is concentrated in 6 major industrial regions. The largest share in the production of bakery take Kyiv (more than 10% of total production) and Donetsk (over 10%) and Dnipropetrovsk (over 10%) regions. The reason is the population density in these regions and a higher level of economic development, and hence the solvency of demand. In general, the baking industry in Ukraine today operates more than 1,000 bakeries various capacities, which daily produce 6.8 tons of bread and bakery products. The product range is very wide and varied and is updated annually. Power industrial bakeries used by 30-40%, with the exception of bakeries Kyiv and some major cities - there are plants at full capacity. This is a highly competitive product and its quality. In the structure of 72% of bread and bakery products baked industrial bakery located in cities and regional centers. There are about 400. Another 6% of grain producing enterprises of the former "Ukrkoopspilka." There are about 500 bakeries. Typically, this bakery low power and serve the rural area. 1.5% of grain accounts for the company "Ukrprodsoyuz". Today in the baking industry in Ukraine, there are many problems, among which, the first one-requires the specification of statistical and analytical range analysis of financial results of the baking industry sub-sectors of the food industry in Ukraine in the context of

the time. Since the Soviet era generally and public time range considered five years, but with the development of Ukraine market conditions that lead to the emergence of private and commercial secrecy imposed time range entered tendency to contraction, especially in the academic sector, which led to scientific papers based only on a comparison of the data of the last two years. But given the tight correlation between the results of agricultural enterprises and representatives of the food industry , it is considered appropriate to extend the boundaries of financial analysis at least annually, thereby avoiding the pitfalls of so-called ' unfortunate year. " The second problem is also related to the error statistics refers to the availability of small private bakeries , which share the various data ranges from 30-35 %. Also stores starting next active regions, have introduced their own bread and bakery products , which significantly adds to the statistical uncertainties in the calculations . The third problem - moral and physical obsolescence bakery equipment, which are mostly so-called " hereditary Company " - last powerful enterprises of the USSR. According to industry experts , the low rate of renewal of equipment at local bakeries will continue in the future because of low profitability and lack of government support. Also, the situation of modernization complicated introduction in 2005 of compulsory VAT on import of equipment , which is submitted to the authorized capital . The result is the next problem - the need to establish the high price of bread and bakery products, which makes it impossible to control by the state for the pricing of the products of mass consumption - food.

The main motivation for integration in modern conditions are: the establishment of sustainable industrial and economic links between the technological chain , achieving balanced activity during the full life cycle , reducing unit costs by increasing the scale of production and increased price competitiveness of products , the accumulation of capital for innovation development and achievement of the corresponding position in the market,creating favorable conditions for diversification,which provides flexibility in response to changes in the external environment of the enterprise and the possibility of maneuvering resources , development of new products based on new plants to meet new needs.

#### References:

1. Artyukh L. F. Ukrainian folk cookery: Historical and ethnographic research : [monography] / L. F. Artyukh. — Kyiv: Scientific thought, 1977. — 155 p.
2. <http://archive.nbu.gov.ua>
3. [ukrplibprom.org.ua](http://ukrplibprom.org.ua)

**Scientific supervisor: K.Chala.**