

## **The Problems and Prospects of Meat Production in Ukraine**

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**Introduction.** Over the last 50 years, meat industry has tripled its production worldwide and nowadays meat is considered to be one of the fastest growing commodities due to increasing incomes, changing consumer preferences as well as economies of scale and structural changes which are lowering costs of meat production together with its subsequent prices. Food and agriculture organization of United Nations (FAO) predicts that the consumption of meat will increase up to 73% by 2050. Therefore, with a view of analysing the prospects of food industry in Ukraine, it is of a high relevance to research the present functioning of meat processing sector.

**Materials and methods.** The study is based on the materials of Ukrainian scientists and experts in the field of meat processing and cattle breeding as well as the data of the State Statistic Service. The study was carried out by means of using statistical and other scientific methods such as observation and analysis.

**Results and discussion.** According to the latest reports of the State Statistics Service, the volumes of sales of the meat products has reached 47,8 million UAH, which makes up 3,2% of the total volume of the national production. Yet, despite that, the prospects of the further development of the meat industry in Ukraine are far from being promising. As of February 1, 2016 the number of cattle in Ukraine amounted 3, 6% less in comparison with the previous year. Between 2005 and 2010, the Ukrainian meat sector grew in absolute terms to reach 14% of agricultural value added in 2010. However, compared to the overall Ukrainian gross domestic product, the importance of the meat sector is constantly decreasing. The most important factors explaining this regression include Ukraine's accession to the World Trade Organization, the overall market liberalization, the financial crisis, urbanization and shifts in food consumption patterns. Despite recent improvements, the Ukrainian meat sector still faces important challenges related to food safety and access to markets, in particular in the context of the future Ukraine-European Union free trade agreement. However, though Ukraine obtained the permission from European Union (EU) to export meat in 2015, there appeared to be another obstacle. State budget could not provide the necessary amount of money to go through all the required procedures and inspections demanded by EU. Thus, meat supplies from Ukraine to the EU had to be postponed for indefinite period of time.

On the one hand, the rapid development and modernization of the meat sector has led to a huge deficit of educated, technical professionals in the primary production industry. The commercial meat sector has been losing up to 10–15 percents of its margins due to a lack of knowledge about modern agribusiness practices, poor investments and inability to quickly undertake management decisions, especially in the fields of animal health, feeding, genetics and reproduction. Yet, in recent years, the Ukrainian meat sector demonstrates the rapid and steady growth to consolidation and integration, making the great potential of its future development more evident.

**Conclusions.** The prediction for the future development of the meat sector in Ukraine can be regarded as moderately optimistic, which suggests that Ukraine is capable of becoming a net exporter of meat in future. However, this scenario is heavily dependent on the several circumstances including the further tendencies of development of the global economy, the economic and political situation in Ukraine as well as on free access to the alternative markets.