It is concluded that the functioning of agricultural production on the innovative development has several features and characteristics, consideration of which will form a clear and full development of the innovativeness industry which in turn serve to increase of efficiency of agricultural production and will boost agricultural competitiveness in the domestic and global markets.

Keywords: agricultural production, innovative development, features of innovative development of agriculture, support for innovation development

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ANALYSIS ACTIVITIES OF DAIRY MARKET ENTERPRISES

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Abstract. *The problems and challenges of the dairy sector enterprises can't be solved without their deep study and understanding. The existing market tools optimization, search for new markets, evaluation of problems and trends – the comprehensive study of all these parts of the market mechanism helps to understand the situation in whole.*

The research paper is aimed at analyzing the dairy market enterprises under the current economic conditions given the recent statistical information. Comparison with figures of previous years is intended to show the dynamic changes occurring in the industry. Dairy processing industry cannot function without raw materials, which are not at the best condition at the moment.

Data on the export and import gives the opportunity to see the success of the Ukrainian entrepreneurs at the international level. In particular, it clearly shows the share of production, which goes to the EU markets. Under the research results the current problems of the industry are covered, the weaknesses in the distribution of export strategies are shown. The dairy products' import geography in Ukraine is covered.

Solution of the examined issues shall have a systematic character, as mentioned in the research paper. A deeper attention to these issues will be given in the subsequent studies.

Keywords: dairy market, activities of enterprises, market analysis

Relevance. The dairy industry is an important element in the economy of each state, as it produces the basic products. As the dairy products contain a rich supply of vitamins and calcium, they have a positive effect on the people’s health. The dairy industry is one of the leading industries in the industrial structure of Ukraine. The production, procurement, processing and sale of the dairy products are the elements of the dairy complex structure.

The dairy industry as an important and integral part of the economy has the same problems, as Ukraine has in general. Among the main problems, there are the permanent reduction of raw materials, lack of a clear interaction between milk producers, because of their fragmentation. There is also the problem of the lack of dialogue among the milk producers and processors, who, in fact, totally dictate and determine the pricing policy for the milk purchase. On the other hand, the low purchase prices lead to the products’ lower quality.

Among other problems, there is the lack of the government support, the loss of the territories, in which the milk producers were located, because of Russia’s annexation. There are also such problems as the higher prices for feed and maintenance of the cattle, permanent increase in the average age of the population in the rural areas, lack of infrastructure and competitive salary, devaluation of the hryvnia.

The chaotic actions are not enough to solve the existing problems and to find ways to develop the industry. We need a systematic approach, a deep understanding of industry problems and interaction at all levels of production. These and other factors determine the relevance of the study.

The main material. The dairy industry includes the following groups of production: butter production, cheese production, production of whole milk products (pasteurized milk, cream, dairy products, etc.) and canned milk production. But we cannot talk about the dairy industry and milk processing not mentioning the raw materials. The volume of raw materials, obtained by the processors, depends on such two factors as the number of milk cows and average milk yield.

Since 1991 the number of cattle, including cows, has been permanently reducing. Let’s consider the dynamics of livestock number change over the last years.

1. Dynamics of the cows number in Ukraine (2009–2015), thous. head of cattle*

Reporting year	2009	2010	2011	2012	2013	2014	2015
Households of all categories	4,827	4,494	4,426	4,646	4,534	3,884	3,750
Agricultural enterprises	1,627	1,526	1,511	1,507	1,438	1,310	1,270
Citizen’s farms	3,200	2,968	2,915	3,139	3,096	2,574	2,480

**Source: State Statistics Service of Ukraine.*

In 2016 the negative tendency continued. For comparison, in 1991 in Ukraine there were more than 21 million head of cattle. A large number of households are represented by small farms, which have 1–2 cows. In such farms the milk is not processed and therefore the quality of raw materials decreases and as a result their purchase price comes down.

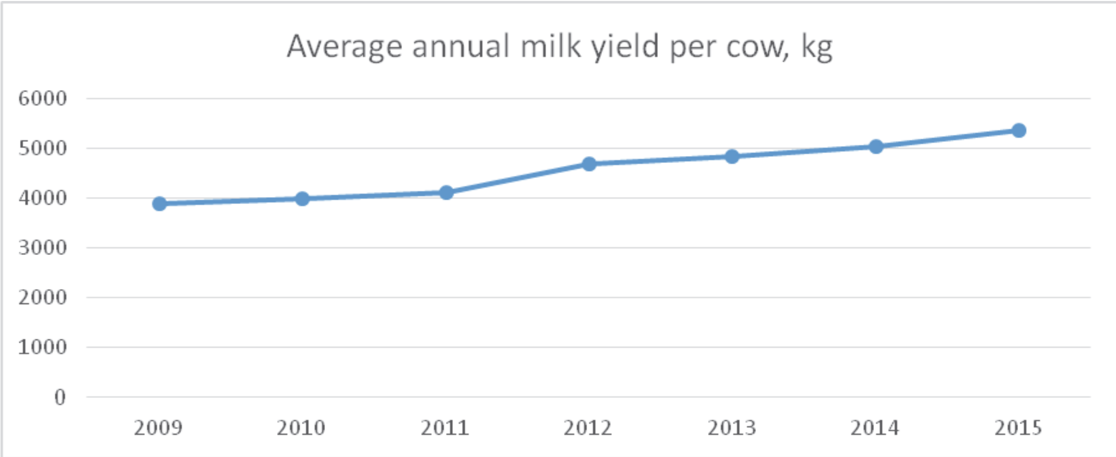

Fig. 1. Average annual milk yield per cow, kg*

**Source: State Statistics Service of Ukraine.*

The second important factor is the average milk yield per cow. As can be seen from Figure 1, this figure is increasing every year. The average milk yield in Europe is 6.5–6.6 tons per year. But we must clearly understand that it is very limited by biological conditions. Under the data of the State Statistics Committee of Ukraine, in 2015 the milk production was 10,6 million tons, which is 4.6% less than in 2014.

Having analyzed these data, we can draw some conclusions. In Ukraine there is a constant reduction of the number of cattle and as a result of the raw material resources base of milk. By increasing the average annual milk yield, it is yet possible to keep the annual volume of milk produced. Despite this, each year this figure is falling. And the average annual milk yield cannot grow endlessly.

In addition, most of the cows are owned by the citizen's farm, the majority of which have only a few cows. In such farms there are usually no technological means even for the processing of milk. As a result the processing plants receive the raw materials, which have the lower quality and are purchased at a lower price.

At the moment in the agricultural enterprises the outdated technologies and technical means dominate, leading to the high energy intensity of the production processes, the high production costs, the low level of main production means and the low level of transition to the innovative technologies. In the current environment only a few enterprises have the opportunity to invest in the industry. The reason for this is the long investment payback period reaching 7–8 years. In this regard the cattle-breeding is less attractive for the agribusiness entities and the vertically integrated companies are mostly interested in it.

Having analyzed the raw materials, it will be logically to talk about the processing plants. The main factors that determine the geographical location of the dairy industry enterprises, their effective functioning and development is the availability of the raw materials and the finished products market. The milk and dairy products production has its own specific economic and organizational features: the short storage term of raw products, the wide range of processed products, the need for cooperation and integration, due to the peculiarities of the milk processing. In the formation of the full cycle from production of raw milk to the placement of the finished products on the market, the agriculture is in a difficult situation preliminary due to the high fragmentation of production. In most cases, the demand for end-products is more elastic compared to the demand for raw milk.

2. Companies with the highest rate of net income [1]

	Net income, 2014 million UAH	Net income, 2013 million UAH	2014, growth,%	Net income, 2014 million UAH	Net income, 2013 million UAH
Danone	2377	2262	5.05	-195	-193
Inter Food	2313	1268	85.43	-79	6
Tehmolprom	1728	1331	29,79	48	49
Gadyachsyr	1709	1287	32.79	80	0
Wimm-Bill-Dann Ukraine	1326	1349	-1.68	123	219

As shown in Table 2, the large measure of net income is not a guarantee of profit. It is impossible to specify the cause of losses not analyzing these Companies, but we are not going to talk about it because it is not the purpose of the study.

In Ukraine more than 300 companies are engaged in the milk processing, but almost 80% of the market are controlled by 50 plants, most of which are the part of the large holdings. There are such three leaders in the manufacture of products in kind: "Milk Alliance" (TM "Slavia", "Pyriatyn", "Zlatokrai", "Yagotynske", "Yagotynske for children" and "Zdorovo!"), which in 2013 has produced 188.5 ths. tons of products, representing 9% of the total produced dairy products on the market, is in first place, "Terra Food" (TM "Tulchynka", "Ferma", "White Line" Premialle et al.), the volume of manufactured products in 2013 is 183.5 ths. tons (8% of total), is in second place, "Danone Ukraine" (TM "Activia", "Actimel", "Aktual", "Danissimo", "Zhyvynka", "Prostokvashyno", "Rastishka" et al.), which under the results of 2013 has produced 128.5 ths. tons of milk and dairy products, or 6% of the total in Ukraine, is in third place.

The experts think that the crisis will strengthen the influence of holdings because the small and medium-sized producers will be forced to leave the market. At the same time, the market share of leading producers does not exceed 6–9%. In general eleven companies actually hold 60.3% of the market. The rest of the market is divided by the small companies and individual dairy plants.

3. Ukrainian dairy industry leaders in 2013 [3]

Name of Company	Region	Volume of milk received for processing for 2013, tons
LLC "Lustdorf"	Vinnytsia	139213.0
PJSC "Dubnomoloko" (LLC "Ukrainian Cheese Company")	Rivne	129372.0
CJSC “Bashtanka Cheese Plant” (GC "Milk Alliance")	Mykolaiv	127121.3
PJSC “Bershadmoloko” (Roshen)	Vinnytsia	109936.0
PJSC “Donetsk City Milk Plant No.2” (PJSC "Hercules")	Donetsk	107850.0
PJSC "Ternopil Dairy Factory" (TM "Molokiya")	Ternopil	99930.0
PJSC "Zhytomyr Butter Plant" (TM "Rud")	Zhytomyr	90042.0
PJSC "Galicia"	Lviv	87601.0
PJSC “Industrial Complex “Prydniprovskyi”	Dnipropetrovsk	79520.0
PJSC "Bel Shostka Ukraine"	Sumy	77826.0
PJSC "Lactalis Mykolaiv"	Mykolaiv	76182.0
Branch "Romny Dairy Plant" PE "Ros" (SC "Milkiland-Ukraine")	Sumy	71302.0
PJSC "Pervomaisk Dairy Plant"	Mykolaiv	64271.0
PJSC «Kupiansk Canned-Milk Integrated Plant»	Kharkiv	59674.7
SE "Starokostiantynivskyi Dairy Plant" (Ukrproduct Group)	Khmelnytskyi	58178.0
Tulchyn Branch LLC "Inter Food" (Food Terra)	Vinnytsia	52483.0
JSC "Khmelnytsky maslosyrbaza"	Khmelnytskyi	52095.0
LLC "Intermol"	Dnipropetrovsk	44000.0
PJSC "Litynskyi Milk Factory"	Vinnytsia	43882.0
LLC "Danone Dnipro" (Danone Ukraine)	Kherson	41863.6

The structure of production, which is shown in Figure 2, clearly shows that about half of the volume of manufactured products (45%) is accounted for the milk production. At the same time, under the information provided by the State Statistics Committee, in 2015 there is a decline in production in all categories of dairy products compared to 2014. The volumes of yoghurt production and frozen products (more than 44%) have been affected the most.

A more qualitative final product is achieved with the assistance of new technologies and changing consumer culture. This allows the Ukrainian products to compete with international counterparts on quality. And the prime cost of such products will be lower due to cheap labor and lower commodity prices.

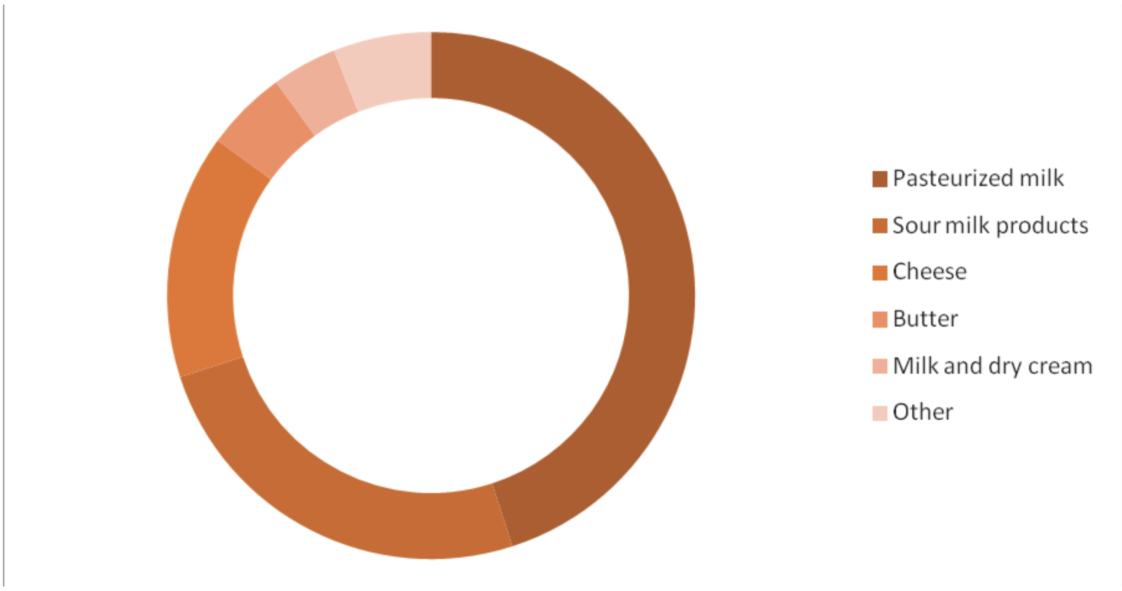

Fig. 2. Structure of milk production in Ukraine in 2015*

**Source: executed the author under the data from the State Statistics Service.*

According to the press service of the Ministry of Agrarian Policy, according to the customs authorities, last year the largest number of the Ukrainian dairy products was exported to Kazakhstan ($ 25.9 million), Moldova ($ 17.2 million), Georgia ($ 13 million), Azerbaijan ($ 11.6 million) and Bangladesh ($ 10.9 million).

The EU, at least it is commonly believed, is one of the most promising and capacious foreign markets for domestic agribusiness, along with Asia and the CIS.

The first step in this direction was the European Commission's provision of an access to the EU market for 10 Ukrainian dairy producers, starting from January 10, 2016. According to the list, officially published on the website of the European Commission, this list includes companies such as: "Lustdorf" (Vinnitsa region), "Milk House" (Dnipropetrovsk region), "Lactalis Mykolaiv"; "Gadyachsyr" (Poltava region), Lviv Cold Storage Facility, "Mena cheese" (Chernihiv region), "Romny dairy plant" and its branch in Nedryhayliv city (Sumy region), "Zolotonosha Butter Plant" (Cherkasy region), Branch of Yagotyn Butter Plant "Yagotynske for Children" (Kyiv region).

Now let's analyze the data presented in Table 3. Milk and uncondensed cream - two-thirds are sold to the CIS countries. The undisputed leader is Moldova – more than 2,600 tons of products, it is followed by Azerbaijan, almost 89 tons. The rest is bought by Asia and Africa. Europe buys slightly more than 6 tons. Milk and cream, condensed – 57% are sold to the CIS countries (Armenia, Kazakhstan, Turkmenistan, etc.), Asia and Africa – 42.5%, Europe – 0.3%. Yogurt, kefir and other fermented or sour products – nearly 75% are exported to the CIS countries, the indisputable leader is Moldova with more than 917 tons, the rest goes to Georgia and the UAE. Whey – 22% to the CIS, some 10.5% – to Africa and the rest – Asia. Cheese and curds of all types – 82% to the CIS countries, shipments to the EU – more than 4 tons in the first half of the year (0.1%).

4. Export and import of dairy products in January – June 2016*

Name	Export		Import	
	Quantity, kg	Cost, ths. USD	Quantity, kg	Cost, ths. USD
Milk and cream, uncondensed without sugar or other sweetening agents	4546149.5	2387.5	212916.7	360.1
Milk and cream, condensed and with added sugar or other sweetening agents	26122052.3	35533.6	441230.8	855.1
Buttermilk, coagulated milk and cream, yogurt, kefir and other fermented or sour (using bacterial cultures) milk and cream, condensed or uncondensed, with or without added sugar or other sweetening agents, flavored	1525775.8	1366.1	1240376.9	1877.9
Whey, condensed or uncondensed, with or without sugar or other sweetening agents; products consisting of natural milk components, with or without sugar or other sweetening agents	11851420.0	6407.5	326425.8	709.4
Butter and other fats produced from milk; dairy spreads	4012279.6	10924.5	688732.5	2245.9
Cheese of all types and sour milk cheese	3397539.1	9766.0	3241670.8	13158.0

**Source: compiled by the author based on data of the State Statistics Service.*

We buy milk and cream, uncondensed in Turkmenistan – a little more than 52 tons (23%) other – in the EU, nearly 161 tons. Condensed milk and cream are imported from Belarus (near 70%), the share of the rest is divided between the EU and Russia – 15% each. 100% of yogurt, kefir and fermented products are imported from the European Union. The same applies to the whey. Cheese and curds of all types - 90% of imports from the EU, other – Russia, Moldova, Turkmenistan.

Different conclusions can be made. Analyzing the culture of consumption, market saturation, and other factors, we can say that a more precise attention should be paid to the Asia and Africa countries. But this issue needs further study.

In 2015 Ukrainians consumed 209.9 kg of milk and dairy products per capita. In 2013 and 2014 the figure was 222.7 and 222.8 kg respectively. The Ivano-Frankivsk region is the leader in milk consumption. The reduced consumption can be reasoned by many factors. The price index and currency depreciation hardly plays the last role.

Conclusions. Being an important and integral part of the economy of Ukraine the dairy industry fully shares its problems. Today we can speak about many problems in the area, but the main is the decrease of raw materials, as a result of cattle reduction.

The problem of cattle reduction did not come today, and even not in 2014 or 2011. It is almost 25 years, from the very beginning of independence, the number of cattle is constantly decreasing. Due to the average yields increase, we manage to keep the volume of milk received at the same level. But the problem solution cannot wait.

Another problem, constantly faced by the processors is low quality of raw materials. Due to severe economic conditions and fragmentation, the majority of enterprises cannot even perform initial milk processing. Low purchase prices, established by the processor enterprises not only negatively affect the quality of raw materials, but also lead to a reduction in raw materials.

Large processing plants that combine factory capacity and monetary capital have advantages of the milk market that allows them to successfully compete with world leaders. The financial crisis and hryvnia devaluation strengthen their impact and make smaller enterprises to leave the market. Perhaps it is the construction of vertical manufacturing units and large enterprises creating their own raw material bases that will be one of the ways to increase cattle quantity in Ukraine.

Loss of markets in Russia adversely affected the Ukrainian dairy producers, though the use of not economic, but rather political leverage to regulate the market and protect own producers even before the annexation of the Crimea and the attack on Ukraine, called into question the expediency of work in this direction.

At the same time, though they constantly talk on trade agreements with the European Union and importing dairy products from their side, there is a situation when Ukrainian producers cannot freely export their products to the EU countries. This is not only due to the producers' interests protection by Europe, but also to the non-compliance of the Ukrainian products with European standards.

In such a difficult time for economics the question arises should the Ukrainian producers concentrate on the European market when there are markets of Africa and Asia around. They grow, they develop, the Ukrainian dairy producers are already exporting their goods there. But the question still needs further study, and must be revised in subsequent studies.

By analyzing the market situation it can be said that only working together the participants of all production levels can bring the industry to a new development level. Vertical integration of large companies can be considered as a partial solution to the raw materials issue. But without state support this transition will stretch for years. In addition it should be understood that the support of small and medium-sized enterprises are equally important. Without such a support, and a deliberate policy of rural economy, it is impossible to talk about the small and medium-sized enterprises as active participants of the industry.

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АНАЛІЗ ДІЯЛЬНОСТІ ПІДПРИЄМСТВ МОЛОЧНОГО РИНКУ

А. О. Гречуха

Анотація. *Вирішення проблем та завдань, що стоять перед підприємствами молочної галузі, неможливе без їх глибокого дослідження та розуміння. Оптимізація існуючих ринкових інструментів, пошук нових ринків збуту, оцінка існуючих проблем і тенденцій, – саме комплексне вивчення всіх частин ринкового механізму допомагає зрозуміти ситуацію в цілому.*

Метою дослідження є аналіз діяльності підприємств молочного ринку в сучасних умовах господарювання. Під час наукового дослідження використовувалися останні статистичні дані. Порівняння з минулими роками покликане показати динаміку змін, що відбуваються у галузі. Молокопереробна галузь не може функціонувати без сировинної бази, яка зараз перебуває не в найкращому стані.

Дані експорту та імпорту дають змогу побачити успіхи українських підприємців на міжнародній арені. Зокрема наочно показано, яка частка продукції йде на ринки ЄС. За результатами дослідження висвітлено актуальні проблеми галузі, показано слабкі місця в розподільчих експортних стратегіях. Висвітлено географію імпорту молочної продукції в Україну.

Вирішення розглянутих питань повинно мати системний характер, про що й наголошується в роботі. Більш глибока увага до зазначених проблем знайде своє відображення в подальших дослідженнях.

Ключові слова: молочний ринок, діяльність підприємств, аналіз ринку

АНАЛИЗ ДЕЯТЕЛЬНОСТИ ПРЕДПРИЯТИЙ МОЛОЧНОГО РЫНКА

А. Гречуха

Аннотация. *Решение проблем и задач, стоящих перед предприятиями молочной отрасли, невозможно без их глубокого исследования и понимания. Оптимизация существующих рыночных инструментов, поиск новых рынков сбыта, оценка существующих проблем и тенденций, – именно комплексное изучение всех частей рыночного механизма помогает понять ситуацию в целом.*

Целью исследования является анализ деятельности предприятий молочного рынка в современных условиях хозяйствования. При проведении научного исследования были использованы последние статистические данные. Сравнение с прошлыми годами призвано показать динамику изменений, происходящих в отрасли. Молокоперерабатывающая отрасль не может функционировать без сырьевой базы, которая сейчас находится не в лучшем состоянии.

Данные экспорта и импорта позволяют увидеть успехи украинских предпринимателей на международной арене. В частности, наглядно показано, какая доля продукции идет на рынки ЕС. Результаты исследования отражают актуальные проблемы отрасли, показывают слабые места в распределительных экспортных стратегиях. Освещена география импорта молочной продукции в Украину.

Решение рассматриваемых вопросов должно носить системный характер, о чем и говорится в работе. Более глубокое внимание к указанным проблемам найдет свое отражение в дальнейших исследованиях.

Ключевые слова: молочный рынок, деятельность предприятий, анализ рынка

УДК 338.432 : 633.63 : 631.11

ДО ПИТАННЯ ЕФЕКТИВНОСТІ ВИРОБНИЦТВА ЦУКРОВИХ БУРЯКІВ НА СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВАХ

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Анотація. *Проаналізовано показники ефективності виробничо-господарської діяльності сільськогосподарських підприємств, що займаються виробництвом цукрових буряків у зональному розрізі та в цілому по Україні. За допомогою кореляційно-регресійного аналізу обґрунтовано вплив факторів на прибуток бурякосіючих підприємств.*

Одним із найбільш важливих показників, що відображують рівень економічної безпеки господарюючих суб'єктів є ефективність їх виробничої діяльності. Саме ефективність відображує результати розвитку як окремого підприємства, так і галузі в цілому.

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