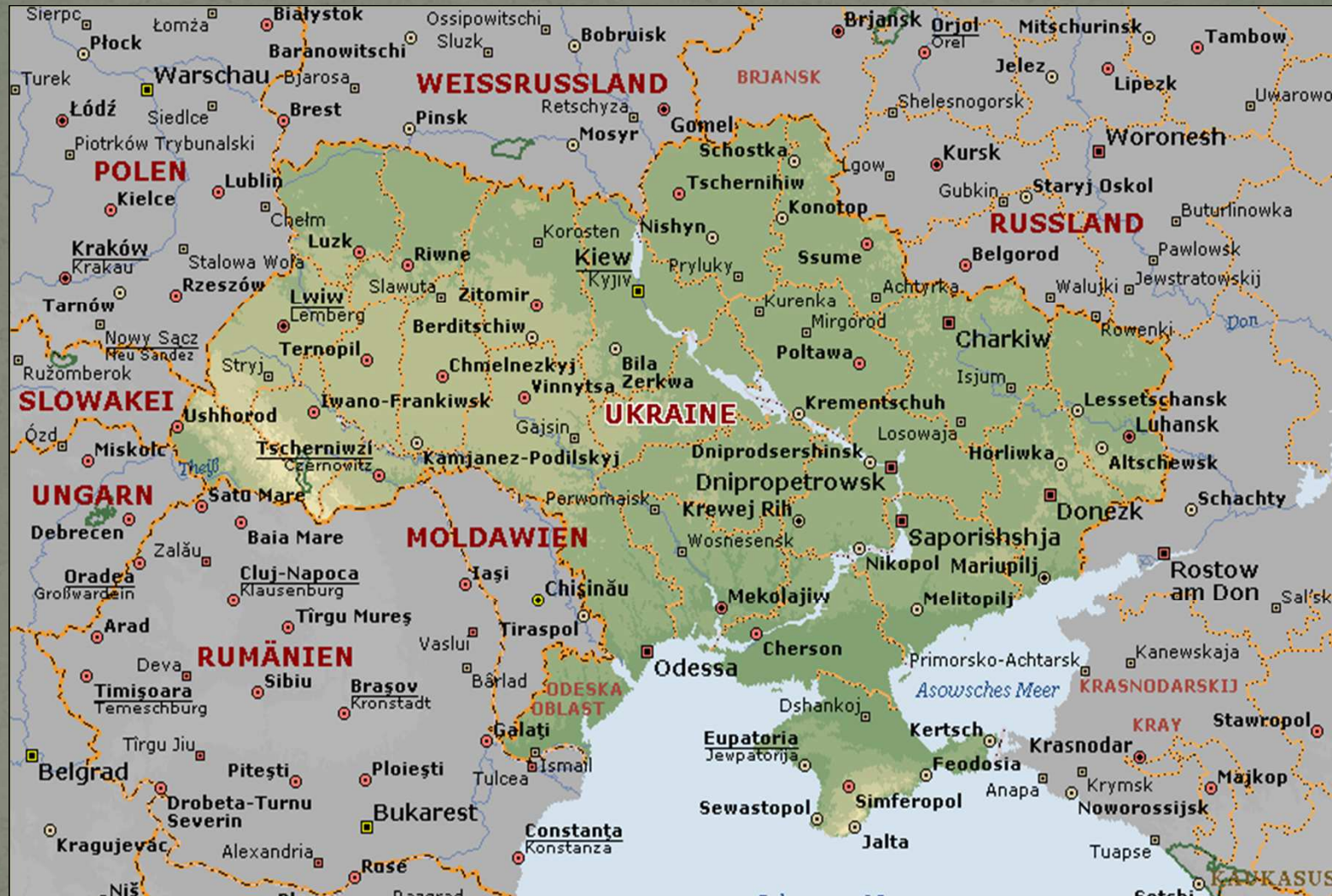


Efficiency, cooperative aspects and prospects for dairy and beef sector in Ukraine

A. Getya
S. Ruban

EAAP, BRATISLAVA 2012

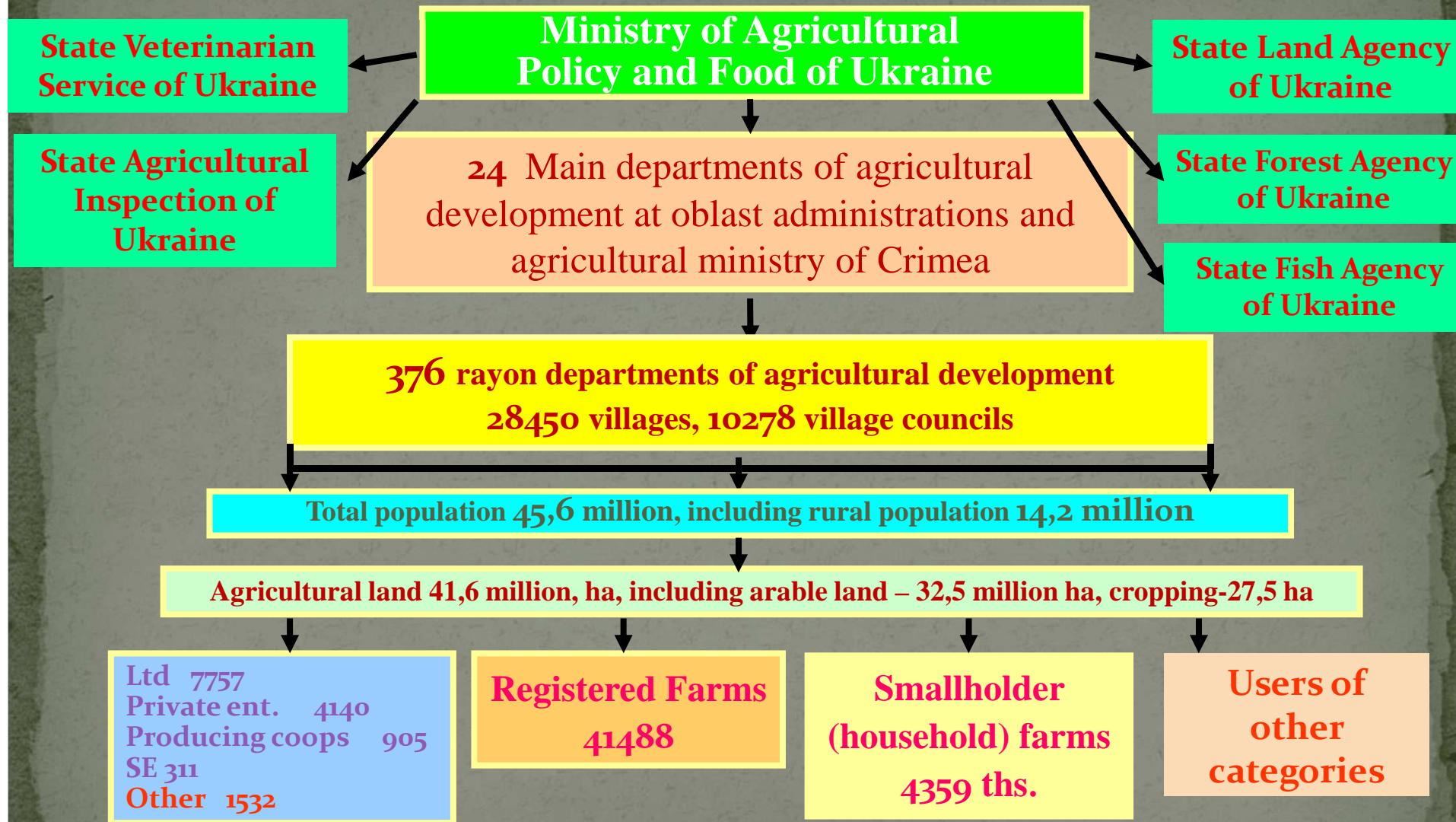
Ukraine



Macroeconomic environment

parameter	2011	2012	Source
POPULATION	45,630 mill	45,566 mill (JUN)	www.ukrstat.gov.ua
GDP	+ 5,2%	+ 2,5% (FY f)	www.ebrd.com
INFLATION	+ 11,3%	+ 5,3% (FY f)	www.me.gov.ua
PER CAPITA INCOME (real)	+ 6,1%	+ 5% (FY f)	www.ukrstat.gov.ua
EXCHANGE RATE UAH/\$	7,97	8,03 (FY f)	www.bank.gov.ua
EXCHANGE RATE UAH/€	11,09	10,47 (FY f)	www.bank.gov.ua
REFINANCING RATE (NBU)	7,75%	7,5% (JUN)	www.bank.gov.ua
REFINANCING RATE (All tools average Rate)	12,0%	8,0% (JUN)	www.bank.gov.ua

Administration structure of agricultural development in in Ukraine



Foreign trade exchange of agricultural products, billions USD

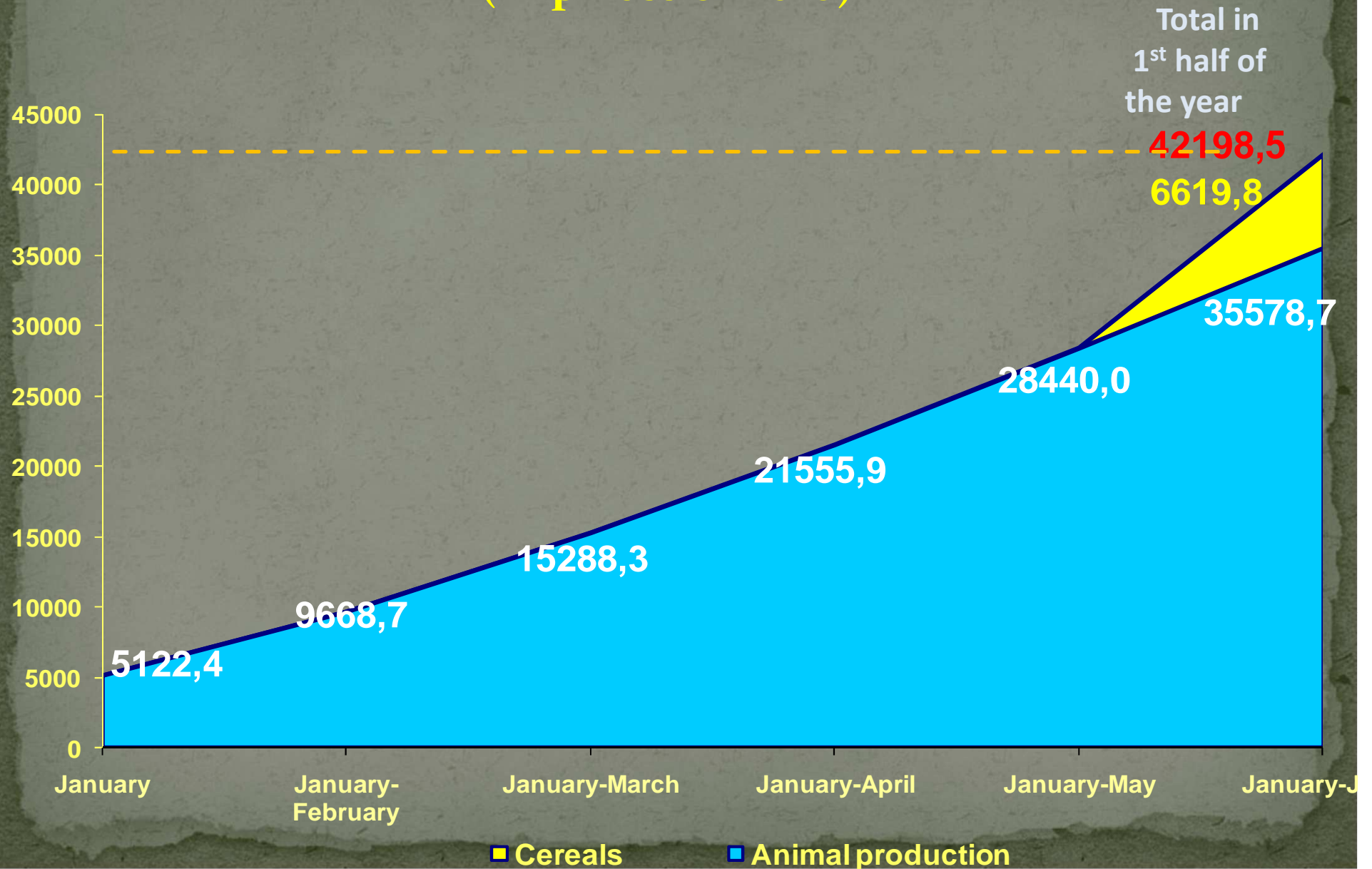


■ Import ■ Export ■ Balance ■ Foreign exchange

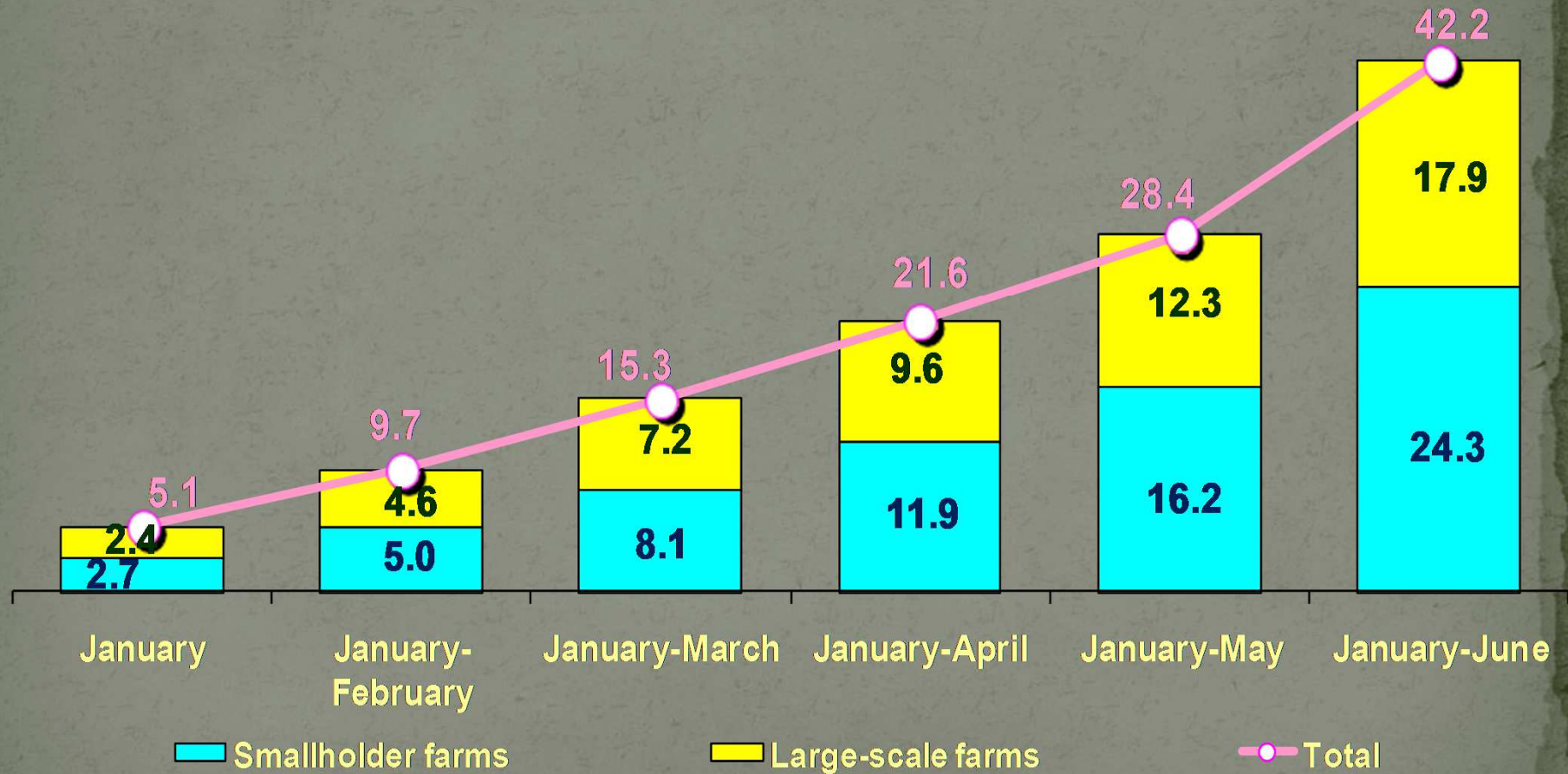
Main development indicators of Ukrainian economy for the first half of 2012

Indicators	January-June 2012 comparing to January-June 2011	<u>For reference:</u> January-June 2011 comparing to January-June 2010
Index of industrial production	100,4	109,3
Index of agricultural production	107,4	103,2
Index of construction industry	98,1	114,7
Index of prices for industrial production	104,5	120,0
Index of consumer prices	98,8	111,9

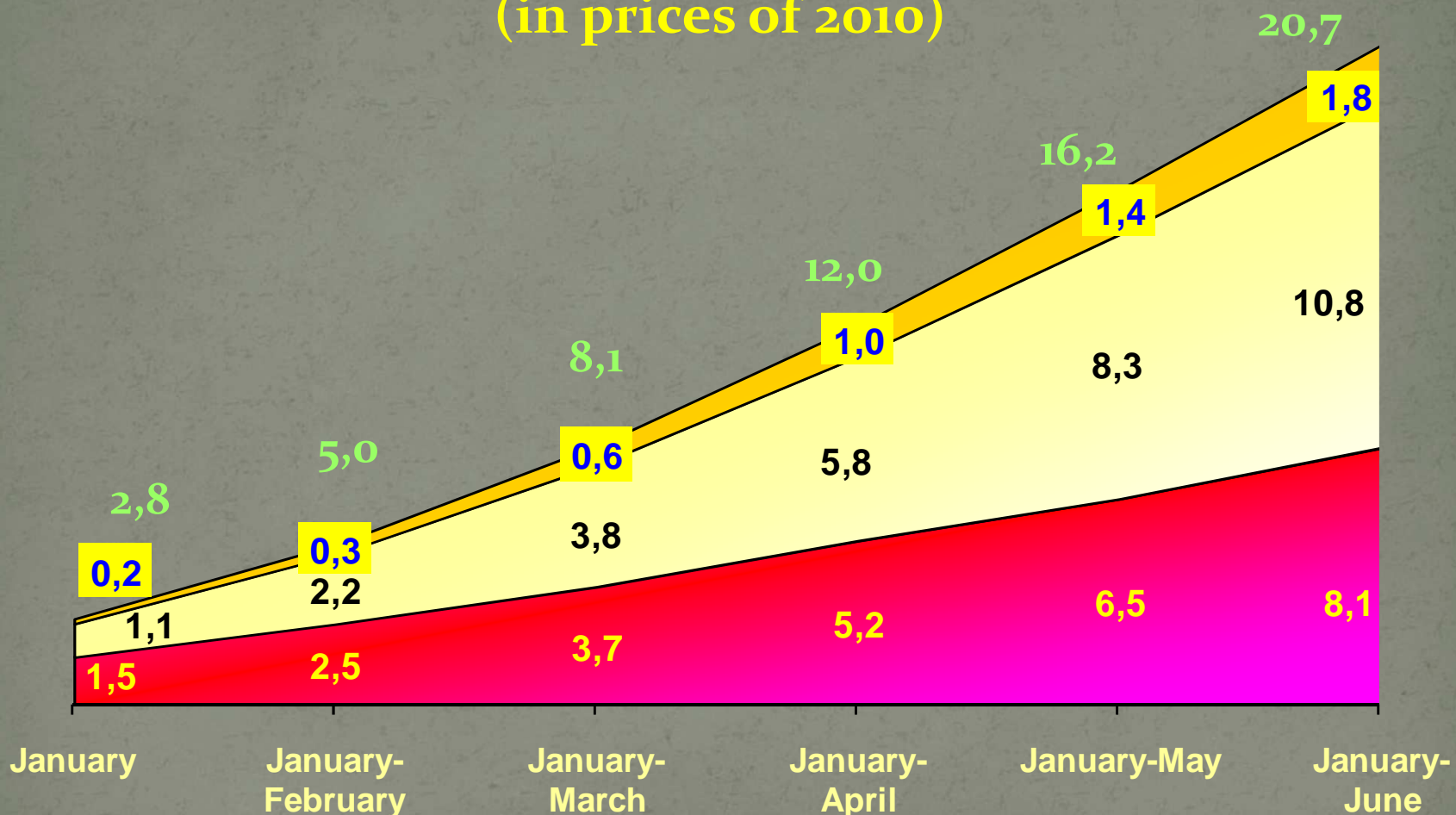
Gross agricultural output in 2012, millions UAH (in prices of 2010)



Gross agricultural output in 2012, broken by farm categories, billions UAH (in prices of 2010)



Gross output of livestock production by smallholder farms in 2012, billions UAH (in prices of 2010)



■ Livestock and poultry production (including other animal products)
 ■ Milk
 ■ Eggs

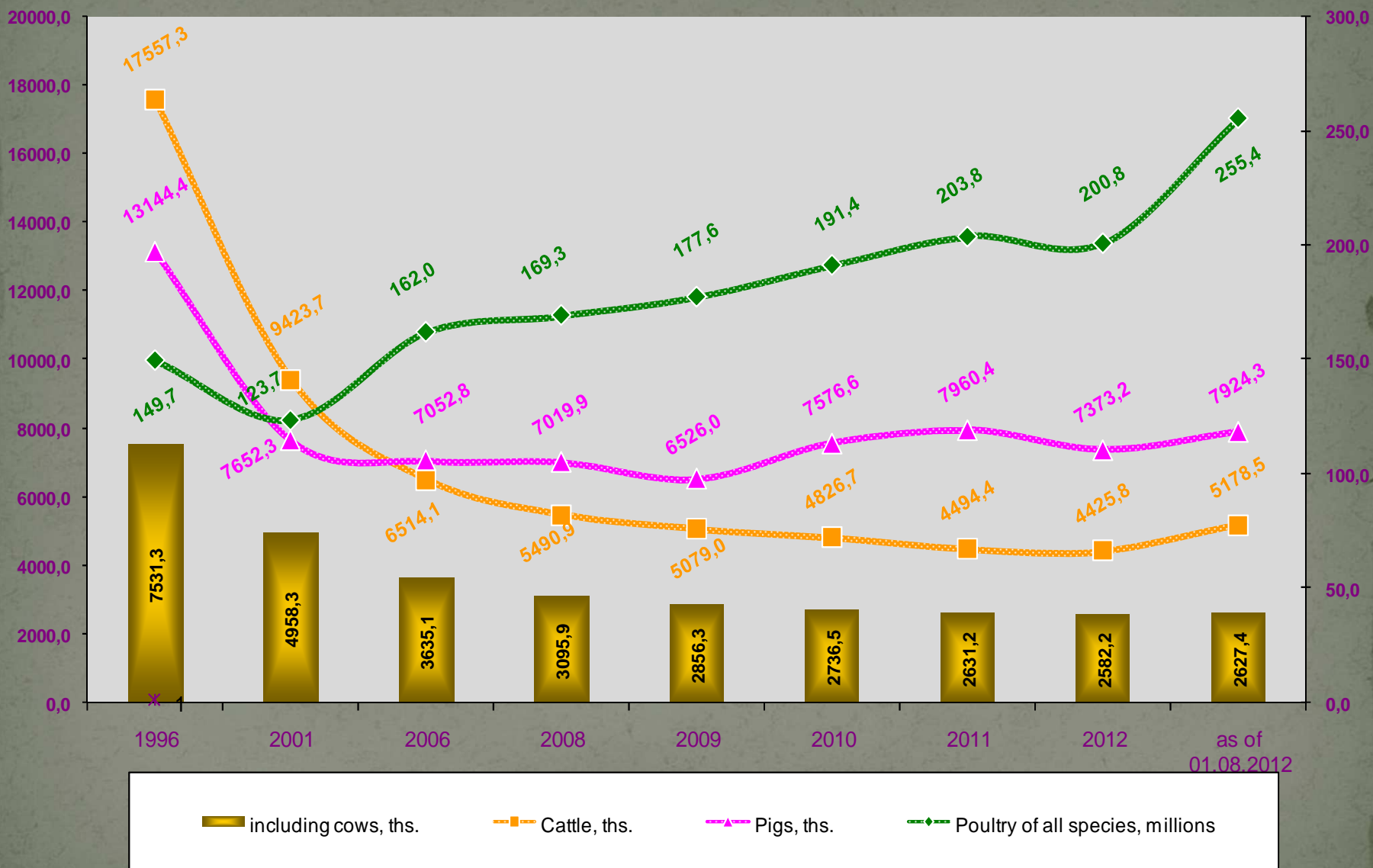
Sales of main types of agricultural products by agricultural enterprises in January-June 2012

Types of the products	Volume of the sold products		Average sale price	
	Ths tons	in % to January-June 2011	UAH per ton (ths items)	in % to January-June 2011
Cereals - total	9456,9	192,4	1481,5	89,5
including:				
wheat	2887,8	140,0	1411,4	90,3
barley	661,3	140,4	1487,2	98,5
corn	5516,1	257,4	1476,2	87,4
sunflower seeds	2518,3	213,6	3460,0	85,1
soybean	741,2	166,2	3142,6	96,7
rape	119,8	905,5	3666,4	103,1
Livestock and poultry (living weight)	811,6	96,6	13595,8	124,4
Milk and dairy products	1170,3	115,8	2714,7	97,2
Eggs, millions	5306,9	100,5	607,8	135,7

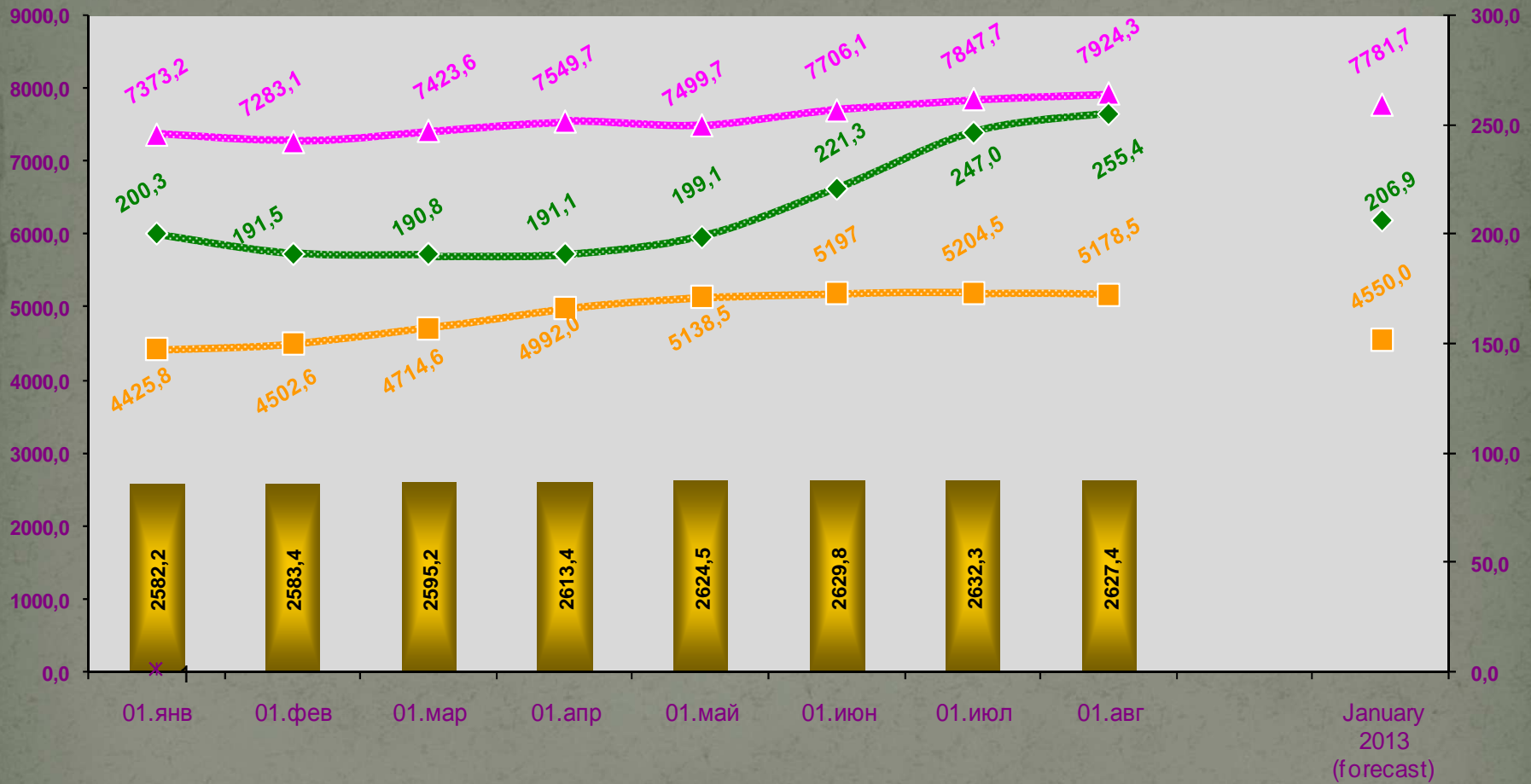
Numbers of active agricultural businesses

	2009		2010		2011	
	units	in % to the total number	units	in % to the total number	units	in % to the total number
Total	57152	100,0	56493	100,0	56133	100,0
Economic associations	7819	13,7	7769	13,8	7757	13,8
Private enterprises	4333	7,6	4243	7,5	4140	7,4
Production cooperatives	1001	1,7	952	1,7	905	1,6
Individual farms	42101	73,7	41726	73,8	41488	73,9
State enterprises	345	0,6	322	0,6	311	0,6
Enterprises of other types	1553	2,7	1481	2,6	1532	2,7

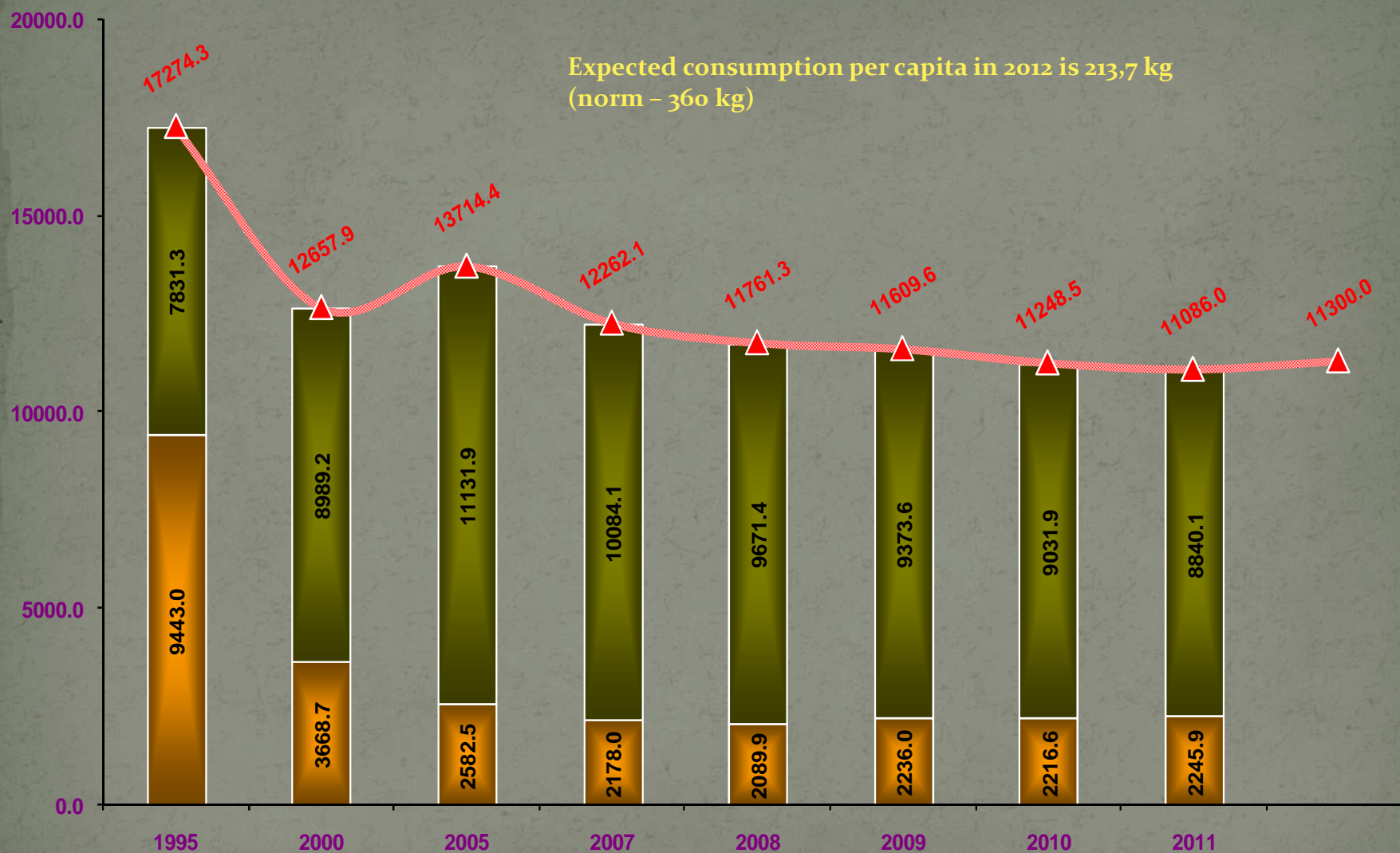
Dynamics of livestock and poultry numbers as of January 01



Dynamics of livestock and poultry numbers in 2012

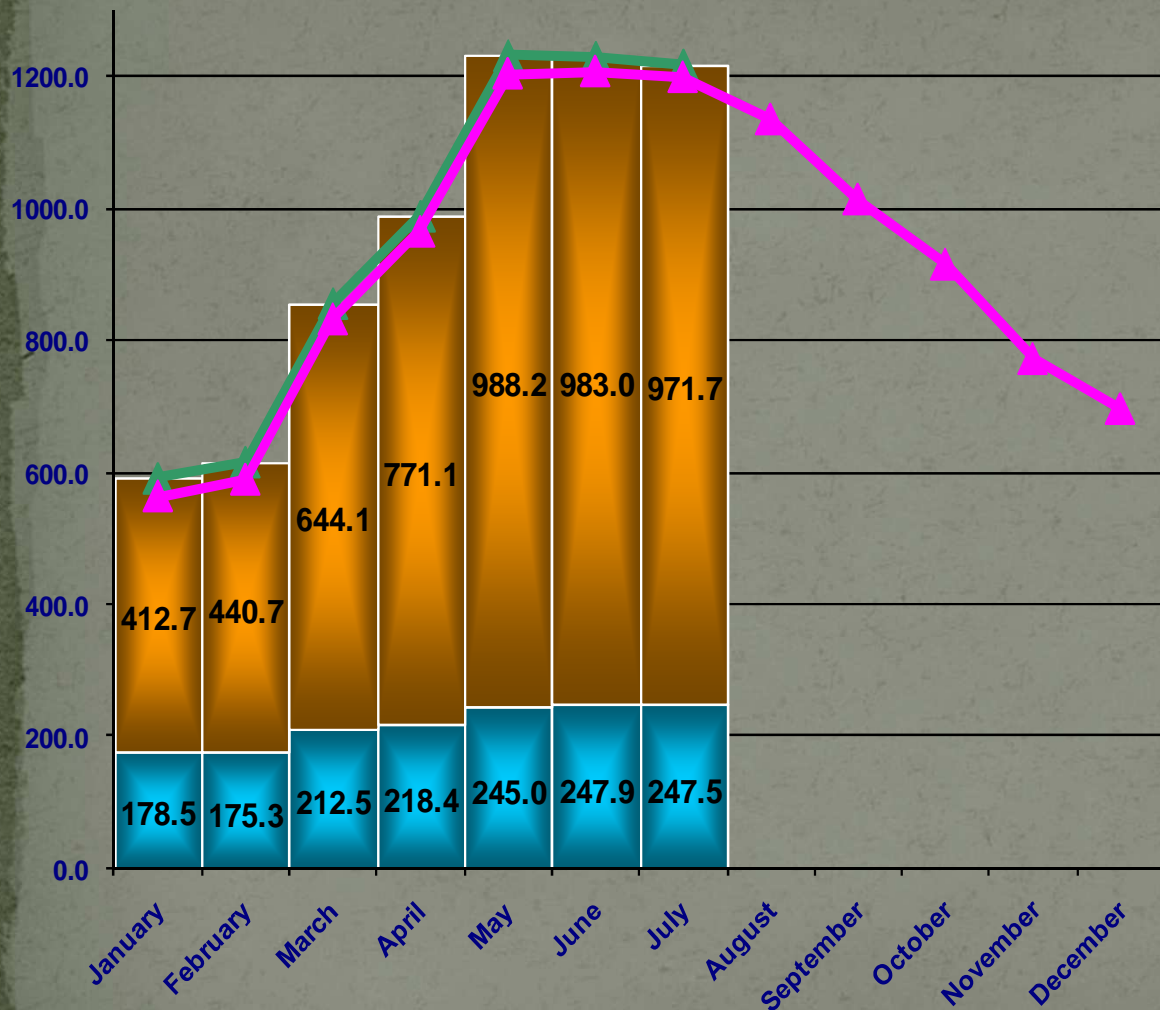


Milk production, ths ton



Large-scale farms
 Smallholder farms
 Farms of all categories

Monthly dynamics of milk production, ths ton



All farm categories

July 2012 compared to June 2012 **-1,0 %** ↓

All farm categories

July 2012 compared to July 2011 **+2,4 %** ↑

All farm categories

01.08.2012 to 01.08.2011 **+2,5 %** ↑

Large-scale farms

July 2012 to July 2011 **+14,4 %** ↑

01.08.2012 to 01.08.2011 **+13,3 %** ↑

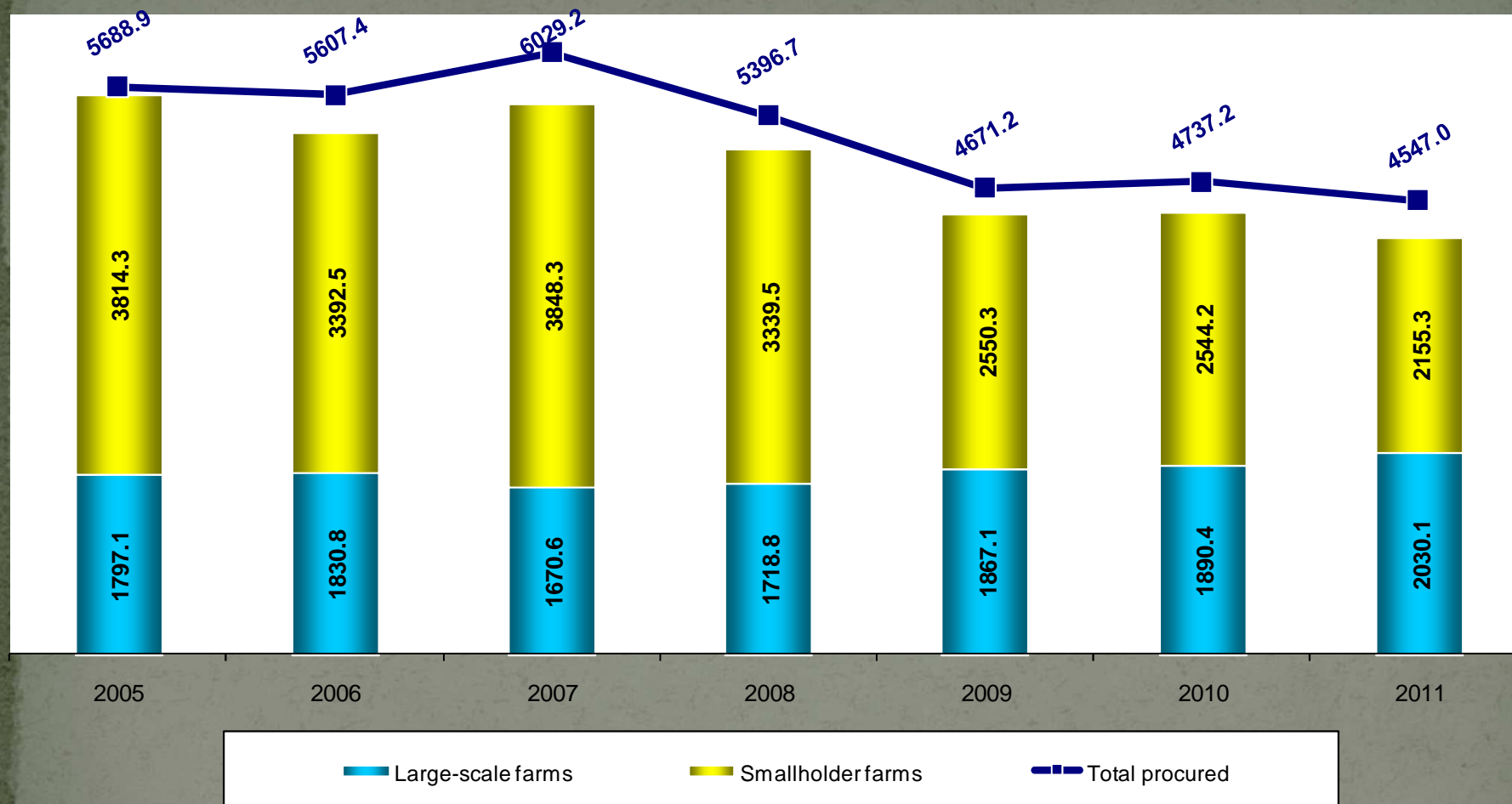
Smallholder farms

July 2012 to July 2011 **-0,3%** ↓

01.08.2012 to 01.08.2011 **-0,3%** ↓

■ Large-scale farms
 ■ Smallholder farms
 ▲ All categories 2012
 ▲ всі категорії 2011

Dynamics of milk inflow to dairy processing plants, ths tons



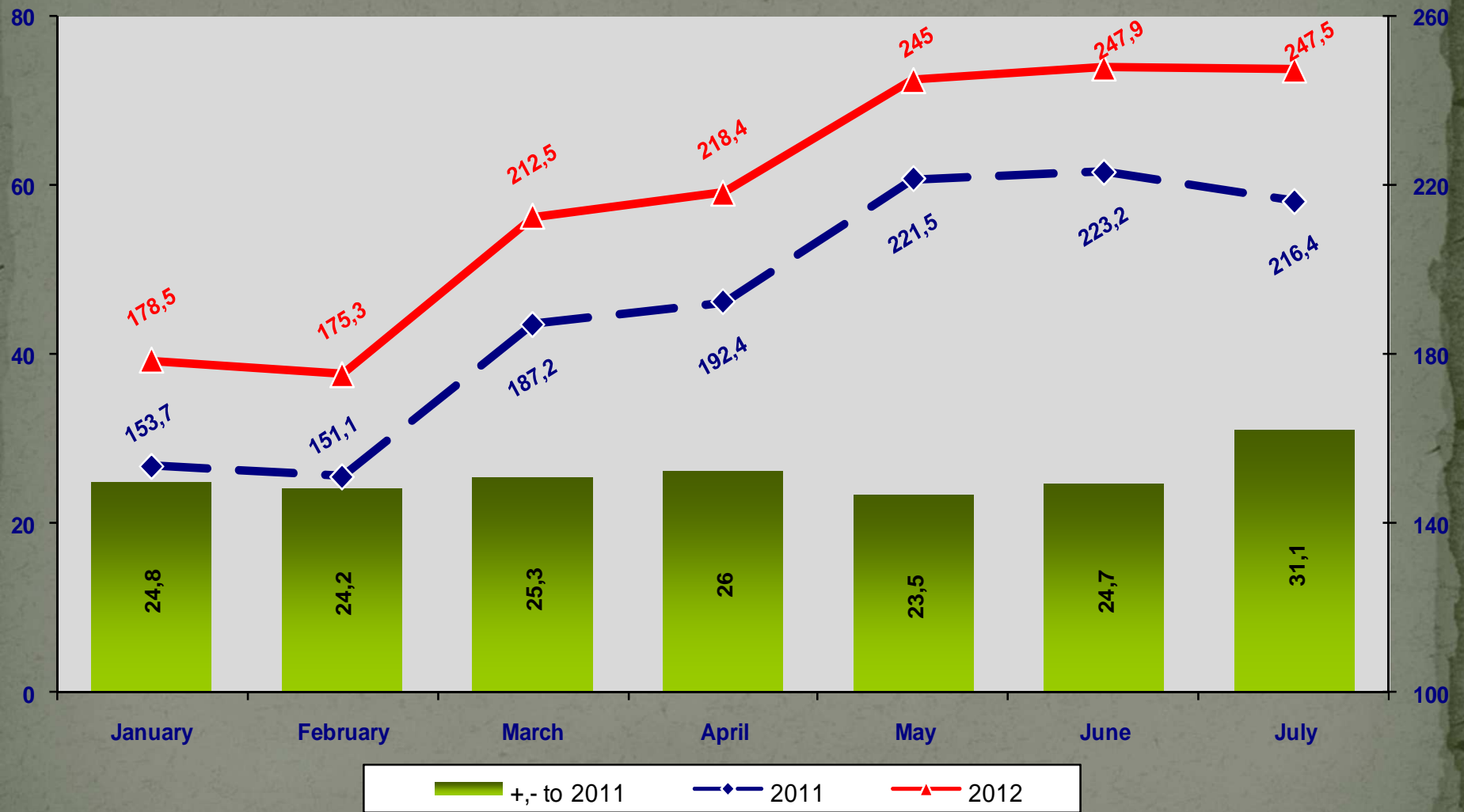
During the 1st half of 2012 dairy processing plants procured 2334,4 ths ton of milk, including from:

- Large-scale farms – 1146,2 ths ton;
- Smallholder farms – 992,0 ths ton.

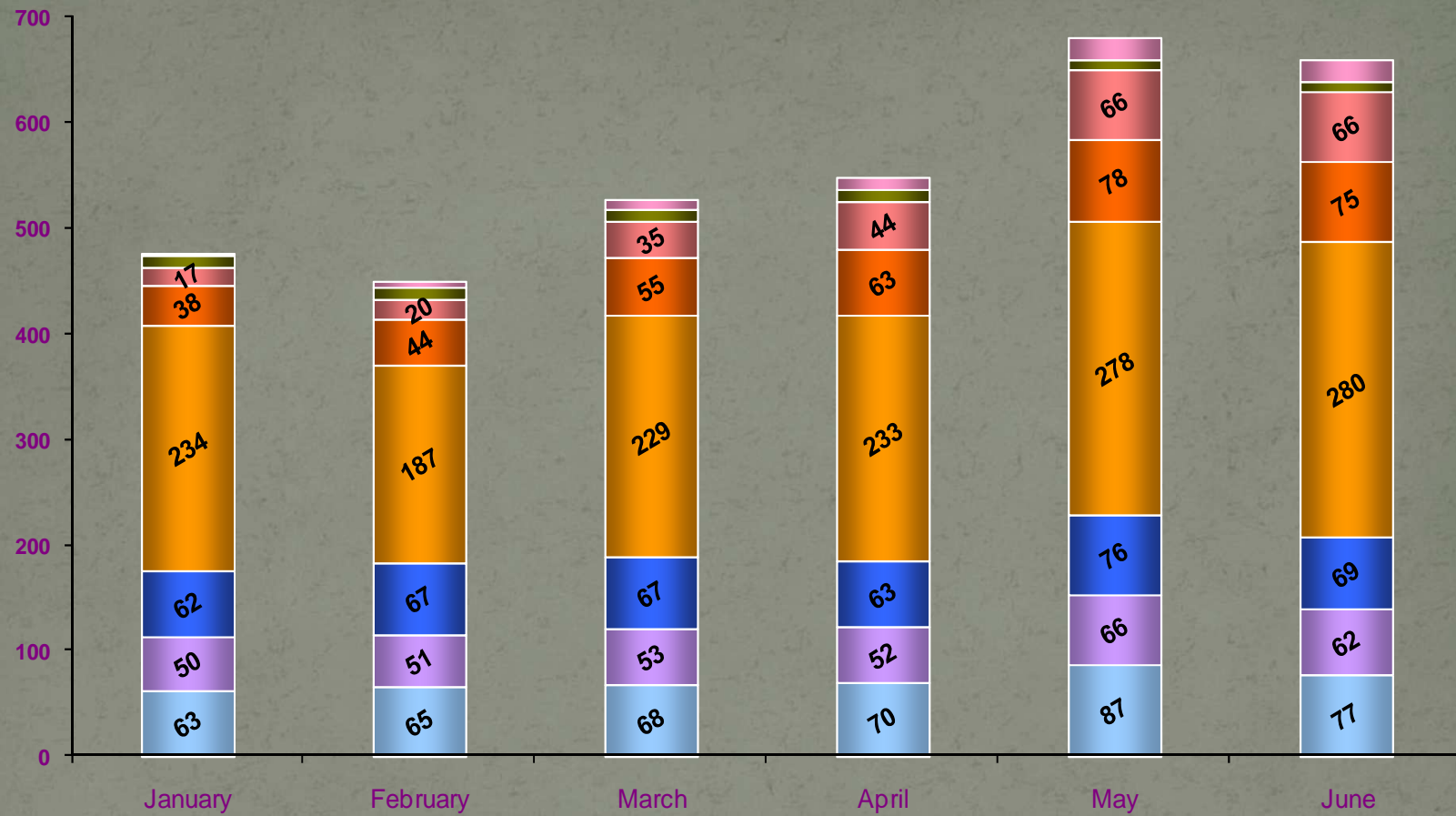
Milk farmgate purchase prices as of 23.08.2012, UAH/ton



Monthly milk production dynamics by large-scale farms, ths ton

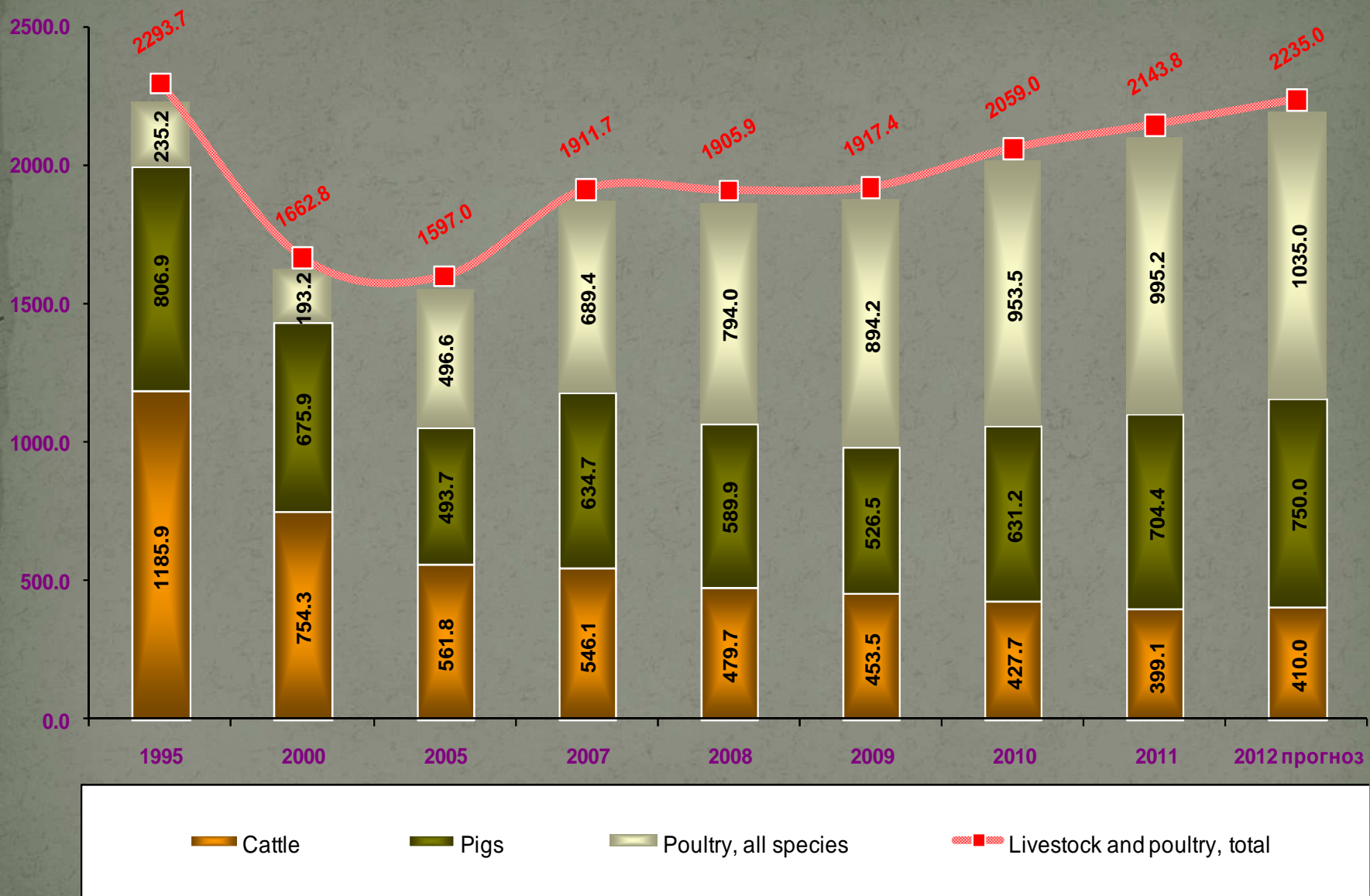


Output of dairy products in 2012, ths, ton

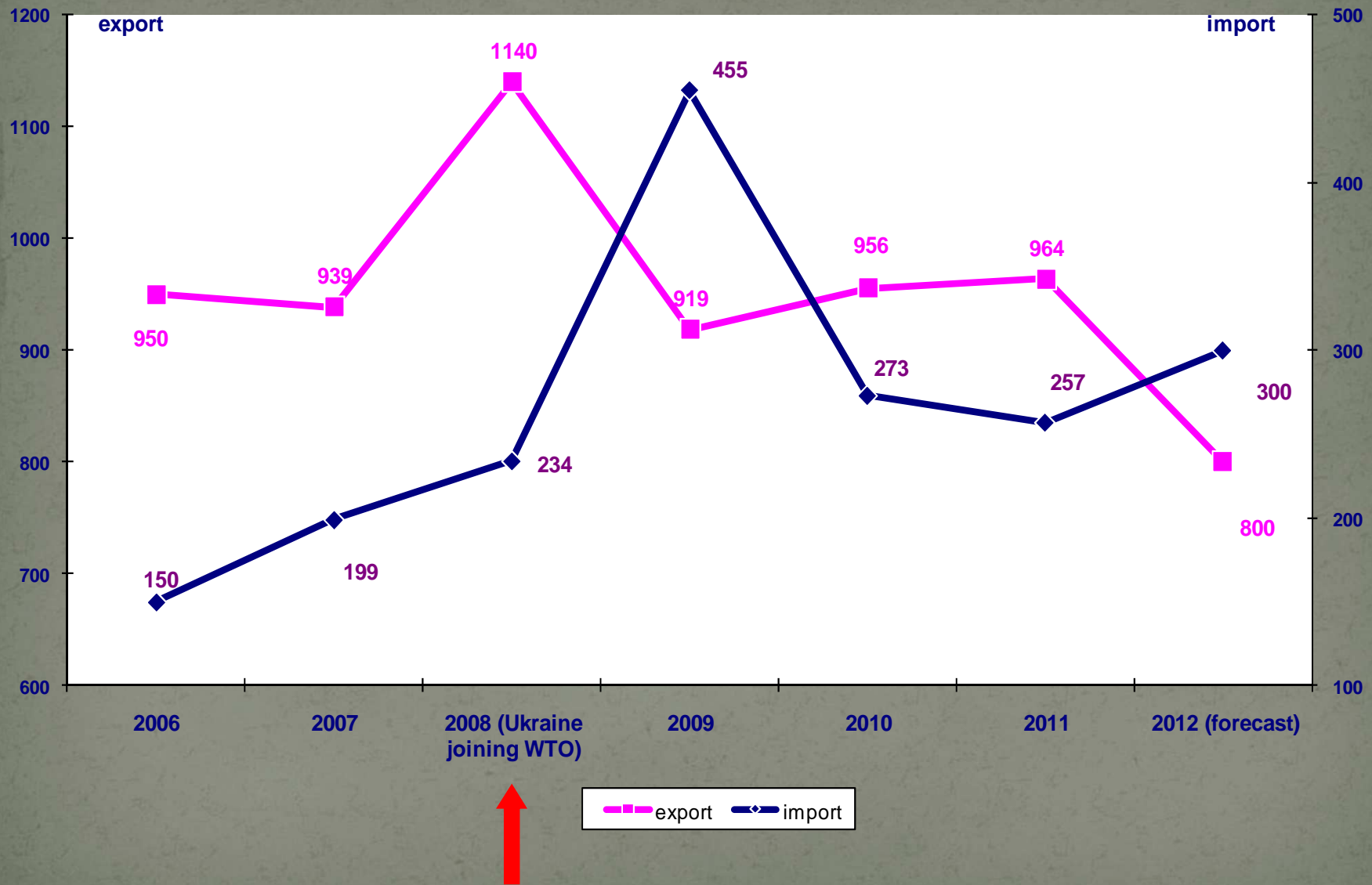


■ Milk
 ■ Condensed milk
 ■ Sour milk products
 ■ Butter
 ■ Milk powder, casein
 ■ Milk preserves
 ■ Ice cream

Meat production by species in slaughter weight, ths, ton

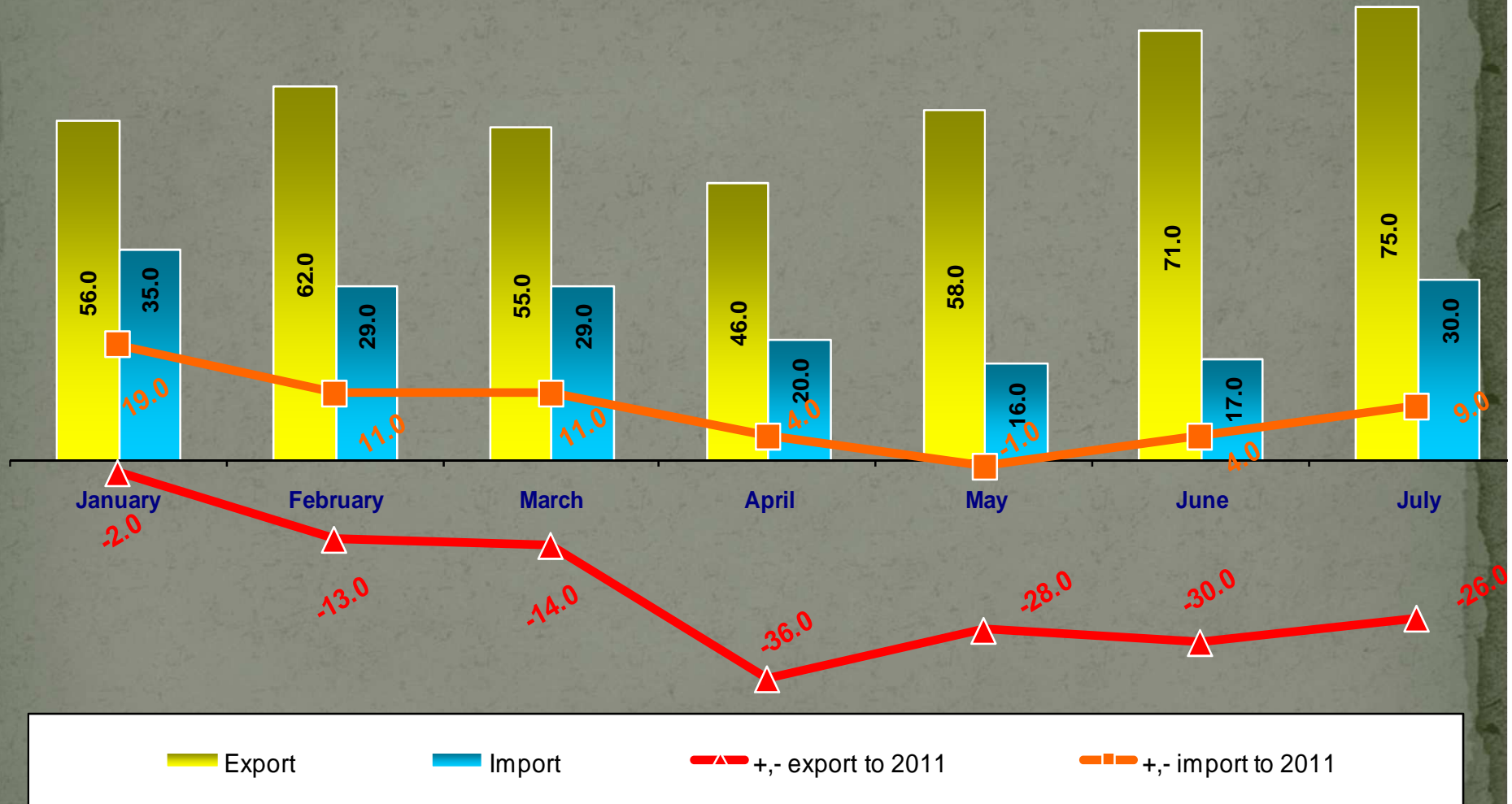


Dynamics of export and import of milk and dairy products, recalculated for milk, ths ton

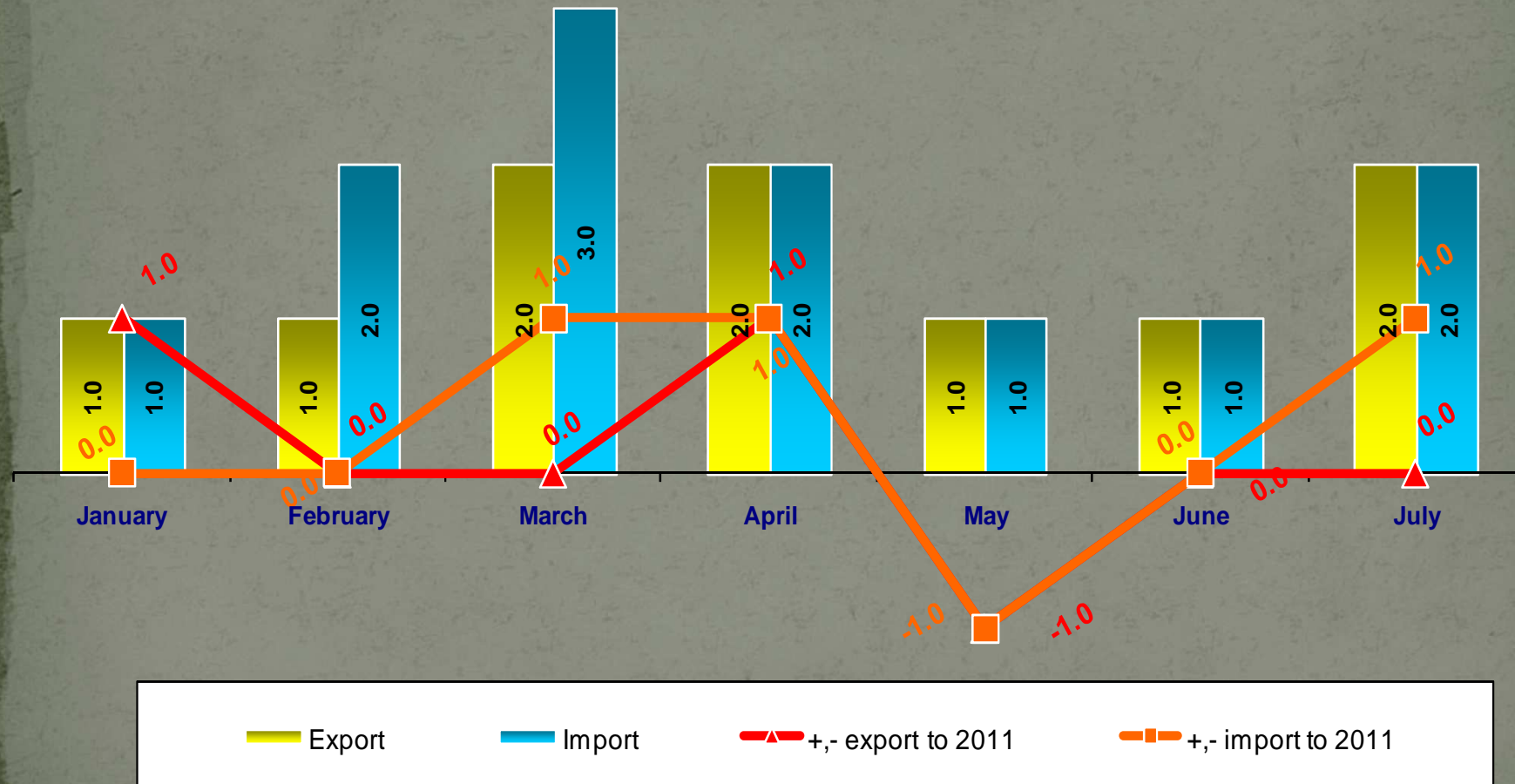


According to data, provided by the State Statistics Committee of Ukraine

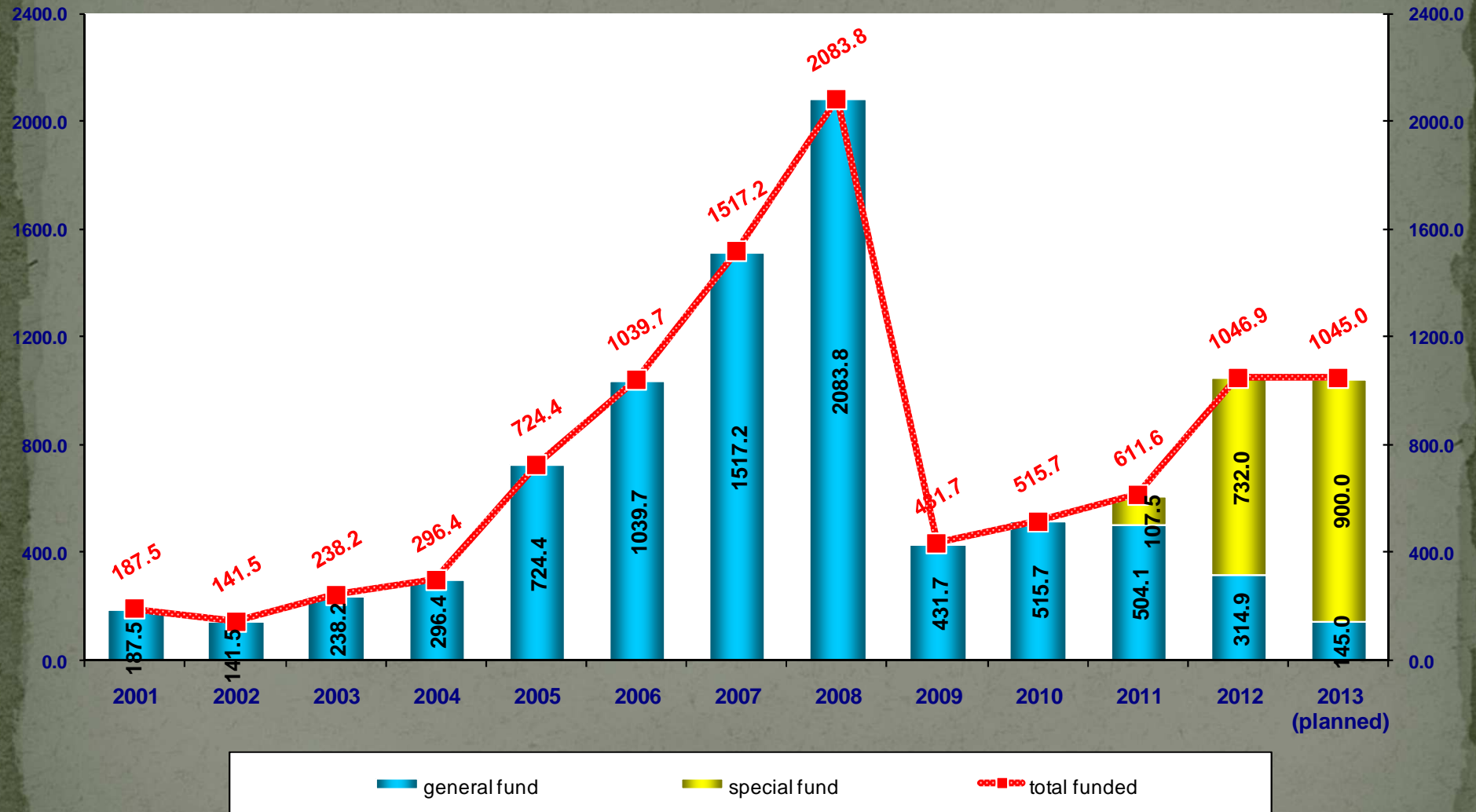
**Monthly dynamics of export and import of milk and dairy products,
recalculated for milk in 2012, ths ton**



Monthly dynamics of import and export of beef, ths. ton



Volumes of state support aimed at development of animal production, millions UAH



NEW UKRAINIAN BREEDS

Dairy cattle breeding

Ukrainian black and white dairy breed



★ Cows, total - 1152,6 ths.
 ▲ At large-scale farms - 278,9 ths..

Ukrainian red and white dairy breed



★ Cows, total - 393,3 ths.
 ▲ At large-scale farms - 124,6 ths..

Ukrainian red dairy breed



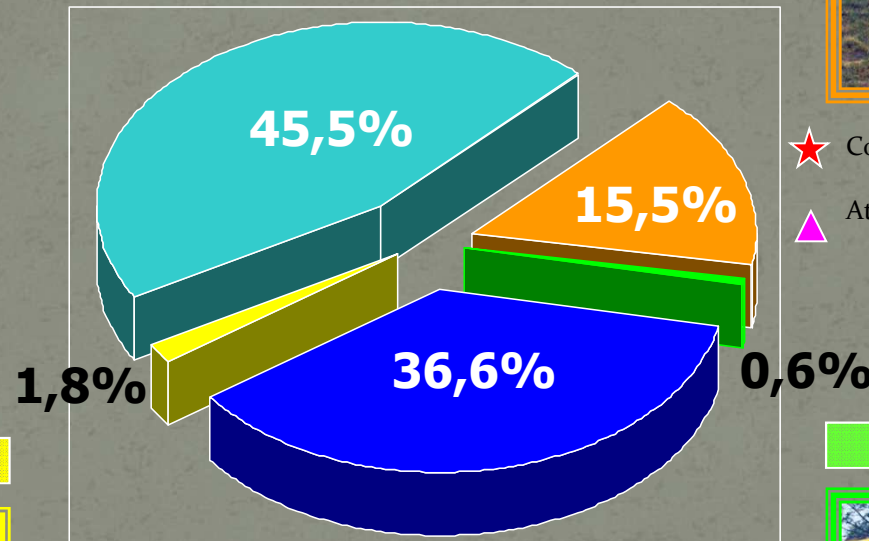
★ Cows, total - 46,0 ths..
 ▲ At large-scale farms - 18,7 ths.

Ukrainian brown dairy breed



★ Cows, total - 13,9 ths..
 ▲ At large-scale farms - 4,5 ths.

★ The total number of cows- 2532,35 ths.
 Including:
 At smallholder farms - 1998,5 ths.
 ▲ At large-scale farms - 583,7 ths.
 including the pedigree animals- 129,2 ths.



■ Domestic and imported breeds

- Red steppe breed - 406,412 (16,1%)
- Simmental - 276,484 (10,9%)
- Holstein breed - 91,933 (3,6%)
- Brown Carpathian- 44,708 (1,8%)
- Lebedyn - 39,178 (1,5%)
- Other breeds - 67,835 (2,7%)

Beef cattle breeding

Ukrainian Beef Breed



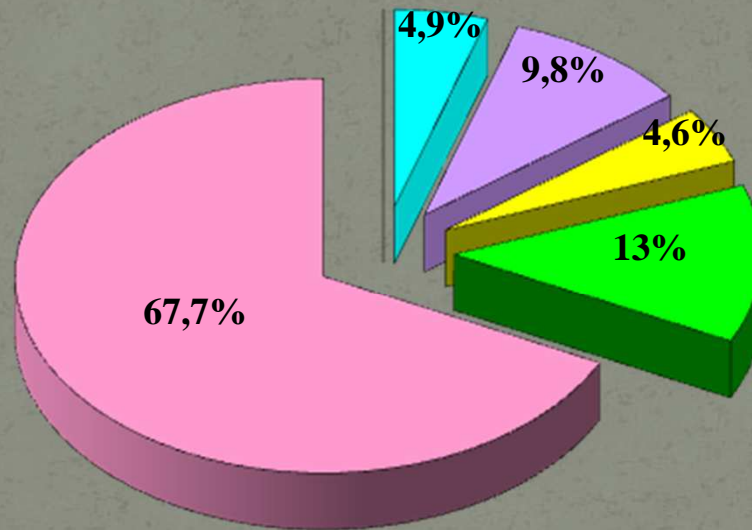
- ★ Cows, total - 3233
- ▲ At large-scale farms - 1882

Southern Beef Breed



- ★ Cows, total - 3046
- ▲ At large-scale farms - 2963

- ★ The total number of cows - 65955
- Including:
 - At smallholder farms - 23109
 - At large-scale farms - 42846
 - including pedigree animals - 19030



Domestic and imported breeds

Aberdeen-Angus	- 20209 (30,6%)
Gray Ukrainian	- 11949 (18,1%)
Simmental Beef breed	- 9107 (13,8%)
Limousine	- 645 (1%)
Charolais	- 619 (0,9%)
Other breeds	- 2177 (3,3%)

Volyn Beef Breed



- ★ Cows, total - 8538
- ▲ At large-scale farms - 8067

Polissya Beef Breed



- ★ Cows, total - 6432
- ▲ At large-scale farms - 5586

Return on investment and costs of dairy projects implementation

Indicators	Loose keeping system		
	in boxes	on unchangeable bedding	in boxes
Cows, heads	1000	1000	400
Milk production, ths ton	8,0	8,0	8,2
Required arable land for feed production, ha	3400	3400	1400
Cost of implementing the project, millions UAH	84,4	66,5	39,1
For each cow, ths UAH	84,4	66,5	97,6
Repayment, years	5,1	3,8	5,6

Fragments of technology with utilization of rarely changeable bedding (straw)



AN EXAMPLE OF A CATALOGUE OF CONCEPTUAL DESIGN PROJECTS IN DAIRY CATTLE FARMING (keeping in boxes)



СТРОИТЕЛЬНЫЙ КАТАЛОГ ПЛАНИРОВКА КОРОВНИКА НА 90 КОРОВ Лист 4

Фасад

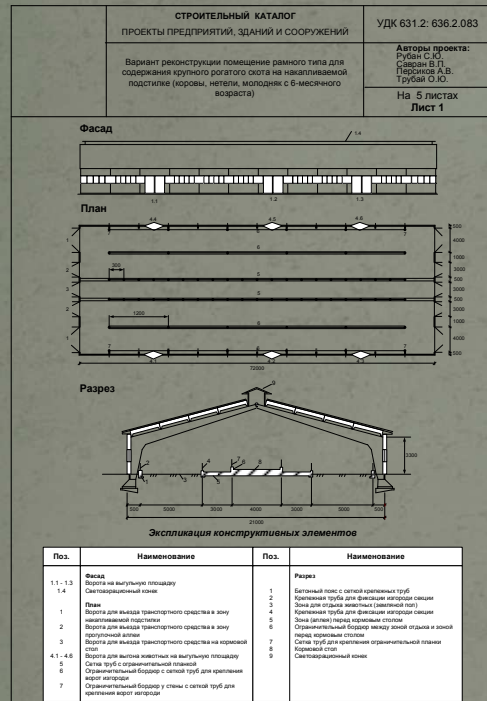
План

Разрез

Экспликация конструктивных элементов

Поз.	Наименование	Поз.	Наименование
Фасад		Разрез	
1	Ворота в коридор и доильно-молочному блоку	1, 5	Технологический разрыв
2	Светозащитный элемент	2	Ряд обычных боссов
План		3	Прогнутое аллеи
1	Ворота на прогнутую аллею	4	Кормовой стол
2	Кормовой стол		
3	Ворота в коридор и доильно-молочному блоку		
4	Коридор и доильно-молочному блоку		
5	Наклонный транспортер		
6	Прямой желоб для навоза		

AN EXAMPLE OF A CATALOGUE OF CONCEPTUAL DESIGN PROJECTS IN DAIRY CATTLE FARMING (keeping on deep, infrequently changeable bedding)

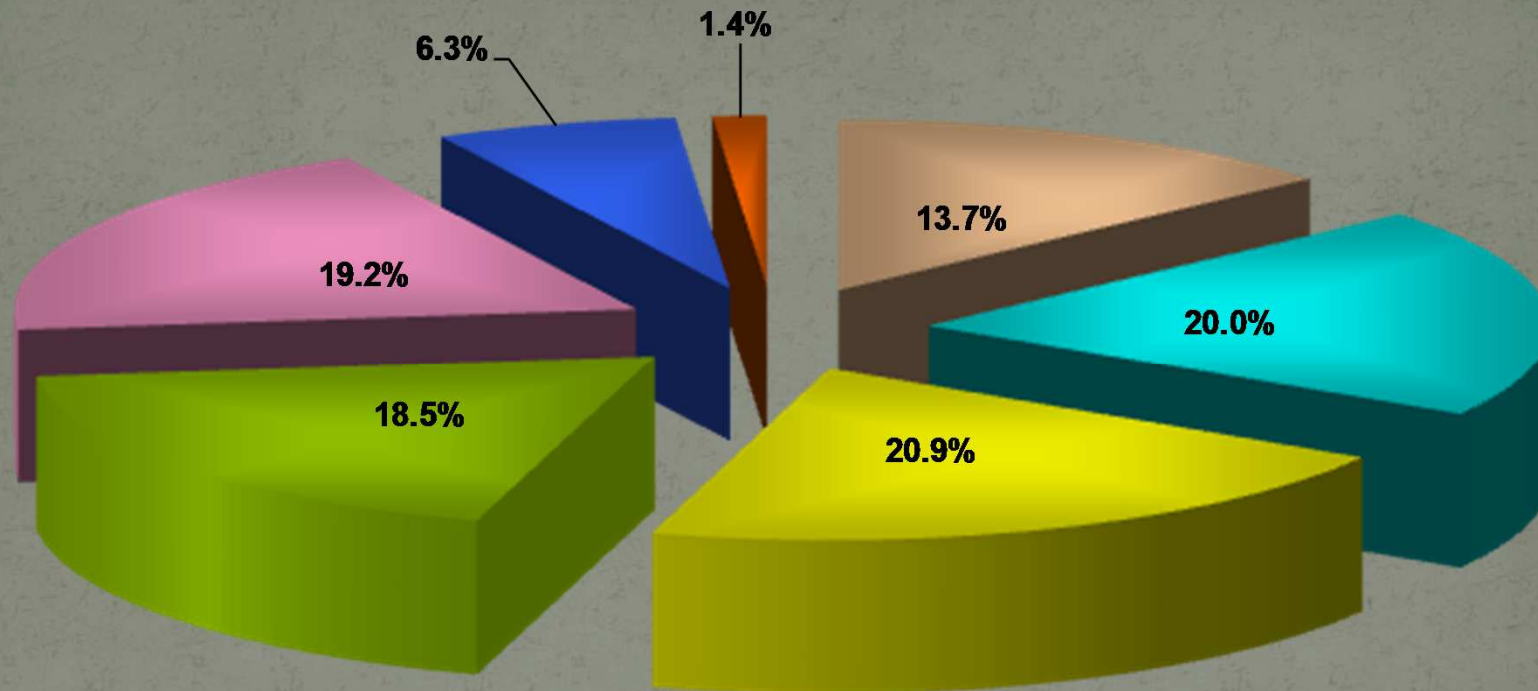


Comprehensive characteristics and main technological and productive indicators of “Rodina”



1.	Number of animals in the herd	1932
	Including cows, heads	850
	- Milking cows, heads:	660
	Including	
	1-st lactation	178
2.	Milk production:	
	- Daily gross milk yield, kg	20,0
	- Top milk yield for 1 st lactation	30,0
	2 nd lactation	32,0
	3 rd lactation	34,0
3.	Milk characteristics:	
	- fat, %	3,7
	- protein, %	3,1
	- somatic cell count, ths/cm	180
	- bacterial contamination, ths/cm	284
	- sale price	4,20
4.	Reproduction:	
	Number of semen doses for 1 successful insemination:	1,6
	Service period, days	140
	Calving interval, days	450
	Number of calves for each 100 of cows, heads	78
5.	Veterinary:	
	- culling of adults, %	25
	- survival of the young during 1 st year, %	92
	- foot diseases, %	0,8
	- mastitis, %	1,5
	- gynecology, %	8,6
6.	Farm workers,	33
	Including veterinarians:	2
	-insemination:	2
	- feeding:	7
	- cleaning of manure:	4
	- machine milking operator:	10
	- young animals worker:	5

Grouping of agricultural enterprises according to the number of cows kept (as of 01.01.2012)



- up to 5 heads
- 30–99 heads
- 200–499 heads
- over 1000 heads
- 6–29 heads
- 100–199 heads
- 500–999 heads

COOPERATIVE TYPES

Cooperative unions

Producing coops

Service coops

Credit coops

Consumer coops

Branch

Territorial

Processing
Processing of agricultural raw materials

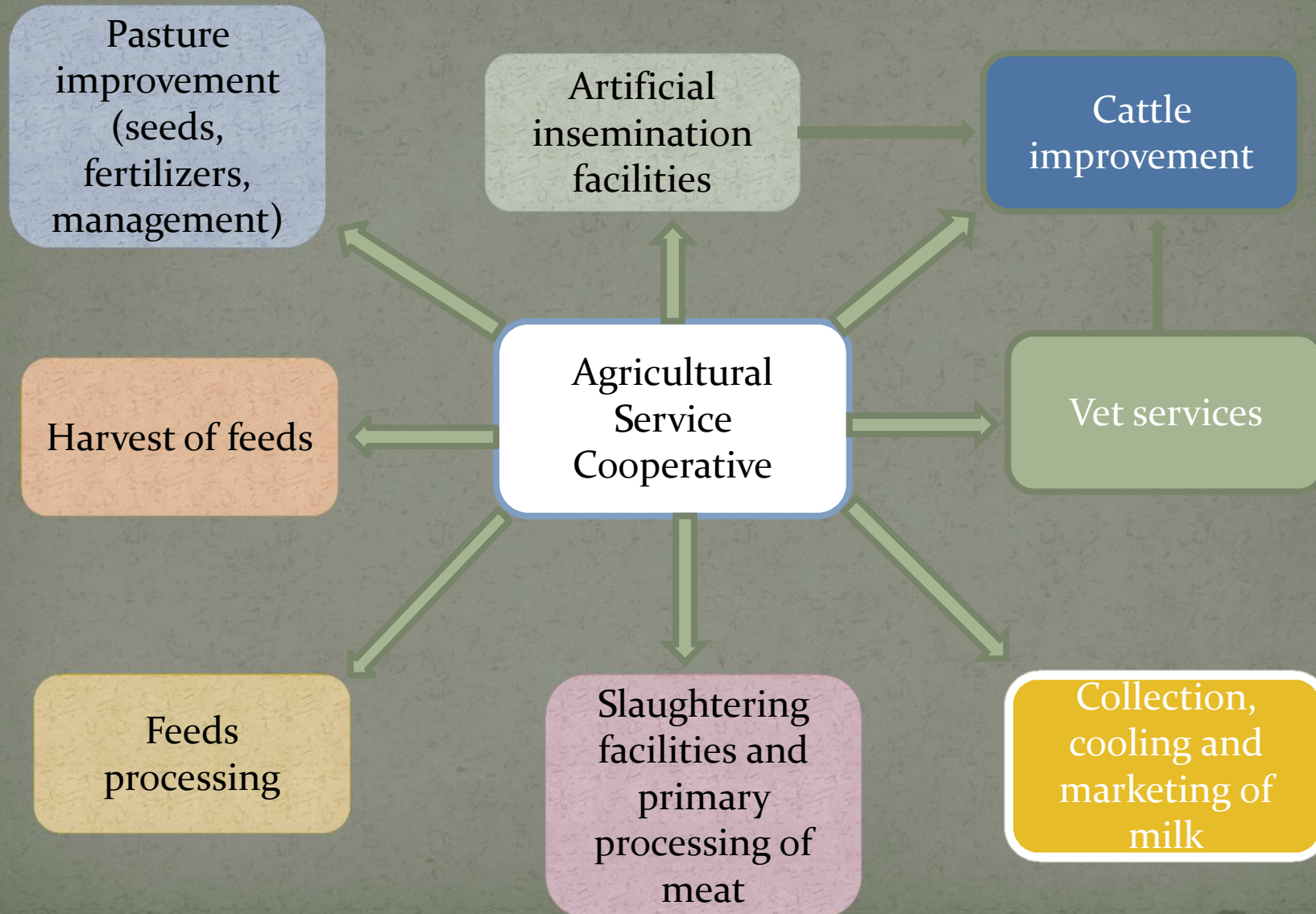
Procuring-wholesaling
Procurement, storage, pre-sale processing and sale of agricultural products, providing marketing services etc.

Supplying
Purchase and delivering of equipment, supplies, production of raw materials and providing them to the coop members

Service
Technological and transport services, construction, environmental restoration, vet service, scientific consulting etc.

Multifunctional
Combination of several types of activities

Operation of Agricultural Service Cooperatives



AGRICULTURAL COOPERATIVES

Total,	2896	
including		
<i>Productive</i>	67,6%	
<i>Service</i>	32,4%	
Credit unions	532	
including:		
<i>oblast –level</i>	38,3%	Including those, which work
<i>rayon-level</i>	61,7%	63%

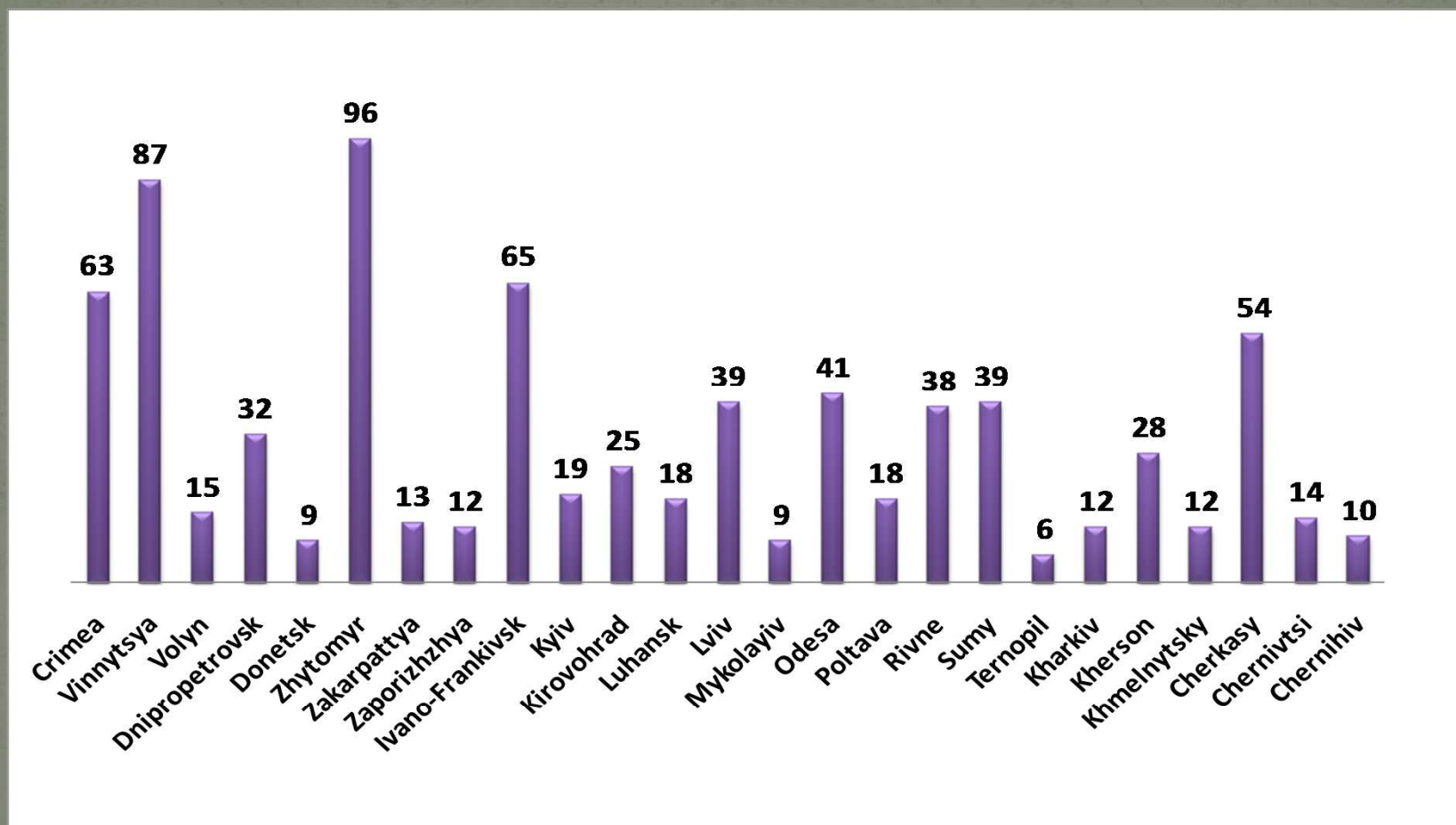
AGRICULTURAL SERVICE COOPERATIVES

Total	936	
including:		
<i>multi-rayon level</i>	0,9%	
<i>rayon level</i>	28,4%	
<i>village level</i>	70,7%	

STRUCTURE OF AGRICULTURE SERVICE COOPERATIVES IN UKRAINE

<i>Processing</i>	6,1%	
<i>Procuring-wholesaling</i>	13,9%	
<i>Supplying</i>	2,7%	
<i>Service</i>	27,6%	
<i>Multifunctional</i>	44,7%	
<i>Other</i>	5,1%	

Number of agricultural service cooperatives in each oblast as of January 2012



Thank you for your attention!