Compound Feed Industry of Ukraine: Needs and Priorities

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Ukraine: Main trends of livestock farming

- Irregular development of livestock farming (since the first year of Ukrainian independence):
  - shift of main production part to private sector;
  - reduction of cattle population;
  - increase in poultry and pig population;
- Creation and development of vertically-integrated livestock complexes;
- Increasing share of poultry meat and pork production, reduction of beef production;
- Growth in meat exports, reduction of imports.
Ukraine: Livestock and poultry population

- Poultry, Th. heads: Public sector, Private sector, All categories
- Pigs, Th. Heads: Public sector, Private sector, All categories
- Cattle, Th. heads: Public sector, Private sector, All categories

*forecast UkrAgroConsult
Ukraine: Poultry population

- More than 20,000 Th. heads
- From 10,000 to 20,000 Th. heads
- From 5,000 to 10,000 Th. heads
- Less than 5,000 Th. heads

Ukraine: Potential for development of livestock in Ukraine

Production of meat in live weight, KMT

* forecast UkrAgroConsult

+81%

-71%

more than 40%
Ukraine: Pig population and compound feed mills
Ukraine: Poultry population and compound feed mills
Ukraine: Compound feed production

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Ukraine: Compound feed production structure

- Poultry: 64%
- Cattle: 13%
- Pigs: 22%
- Other: 1%

Compound feed production:
- MHP: 32%

Meat production:
- MHP: 30%

Loose compound feed:
- 2008: 95%
- 2014: 80%

Packaged compound feed:
- 2008: 5%
- 2014: 20%
Ukraine: Consumption of cereals for feed production

- Wheat
- Barley
- Corn
- Other grain

### Ukraine: The cost of compound feed

#### Composition of compound feed

<table>
<thead>
<tr>
<th>Component</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>55-75%</td>
</tr>
<tr>
<td>Protein components</td>
<td>15-30%</td>
</tr>
<tr>
<td>Amino acids and vitamins, veterinary and other additives</td>
<td>5-12%</td>
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</tbody>
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#### Deep processing
- 25 - 40%
- 60 - 70%

#### IMPORT
- 25 - 40%

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[Graph showing the average retail prices of poultry meat, pig, cattle in UAH/kg and feed compound in UAH/ton over years 2012 to 2015.]
Ukraine. Main features of compound feed market

- Compound feed production shows an upward trend. However, the production level is much behind the science-based needs;
- the production corresponds with the needs of livestock farming;
- highest production level is observed in regions with largest industrial population of cattle and poultry;
- leading producers of livestock industry have their own feed milling enterprises;
- most of feed milling enterprises of Ukraine work on direct orders of manufacturers of livestock products;
- prospects for further development of feed production directly depend on overall condition of livestock industry in the country and consumer purchasing power;
- the fact that the largest part of livestock population accounts for private sector is the major limitation of active development of production;
- increasing production of packaged compound feed;
- grain consumption will grow.
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